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 2014

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 2014, together with the comparative figures for the year ended 31 December 2013.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
REVENUE	3	**239,384**	260,311
Cost of sales		**(158,113)**	(163,543)
Gross profit		**81,271**	96,768
Other income and gains	4	**6,831**	11,699
Selling and distribution expenses		**(9,946)**	(9,456)
Administrative expenses		**(39,184)**	(42,746)
Other expenses		**(2,050)**	(1,693)
Finance costs	5	**(2,897)**	(5,936)
PROFIT BEFORE TAX	6	**34,025**	48,636
Income tax expense	7	**(5,369)**	(10,581)
PROFIT FOR THE YEAR		**28,656**	38,055
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(1,341)**	5,729
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**(1,341)**	5,729
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**27,315**	43,784
Profit attributable to:			
Owners of the parent		**28,086**	37,343
Non-controlling interests		**570**	712
		28,656	38,055
Total comprehensive income attributable to:			
Owners of the parent		**26,727**	42,922
Non-controlling interests		**588**	862
		27,315	43,784

	Notes	**2014**	2013
		HK$'000	*HK$'000*
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic		**HK7.0 cents**	HK10.8 cents
Diluted		**HK6.9 cents**	HK10.7 cents
Final dividends	*8*	**8,900**	12,000

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	**210,585**	222,923
Prepaid land lease payments		**16,409**	16,969
Non-current deposits		**3,525**	–
Deferred tax assets		**670**	564
Total non-current assets		**231,189**	240,456
CURRENT ASSETS			
Inventories	10	**27,263**	27,276
Trade and bills receivables	11	**57,674**	53,888
Derivative financial instruments	12	**–**	231
Prepayments, deposits and other receivables		**9,355**	15,943
Prepayment for acquisition		**20,000**	–
Pledged deposits		**1,580**	2,871
Cash and cash equivalents		**93,611**	107,372
Total current assets		**209,483**	207,581
CURRENT LIABILITIES			
Trade payables	13	**10,417**	7,505
Derivative financial instruments	12	**744**	–
Other payables and accruals		**20,871**	18,681
Interest-bearing bank and other borrowings	15	**53,317**	64,899
Tax payable		**4,743**	6,634
Deferred income		**323**	273
Total current liabilities		**90,415**	97,992
NET CURRENT ASSETS		**119,068**	109,589
TOTAL ASSETS LESS CURRENT LIABILITIES		**350,257**	350,045

	Notes	**2014** **HK$'000**	2013 HK$'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	*15*	**20,784**	42,384
Deferred income		**3,398**	3,483
Deferred tax liabilities		**890**	1,235
Total non-current liabilities		**25,072**	47,102
Net assets		**325,185**	302,943
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**4,049**	4,000
Reserves		**308,210**	283,315
Proposed final dividend		**8,900**	12,000
		321,159	299,315
Non-controlling interests		**4,026**	3,628
Total equity		**325,185**	302,943

NOTES:

1. GENERAL INFORMATION, BASIS OF PRESENTATION AND ACCOUNTING POLICIES

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 revised standards and new interpretation for the first time for the current year's financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 27 (2011)	*Investment Entities*
Amendments to IAS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to IAS 36	*Recoverable Amount Disclosures for Non-Financial Assets*
Amendments to IAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
IFRIC-Int 21	*Levies*
Amendment to IFRS 2 included in *Annual Improvements 2010–2012 Cycle*	*Definition of Vesting Condition*[1]
Amendment to IFRS 3 included in *Annual Improvements 2010–2012 Cycle*	*Accounting for Contingent Consideration in a Business Combination*[1]
Amendment to IFRS 13 included in *Annual Improvements 2010–2012 Cycle*	*Short-term Receivables and Payables*
Amendment to IFRS 1 included in *Annual Improvements 2011–2013 Cycle*	*Meaning of Effective IFRSs*

[1] Effective from 1 July 2014

The adoption of the above revised standards and interpretation 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.

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

	2014	2013
	HK$'000	*HK$'000*
Mainland China	**132,223**	147,622
United Arab Emirates	**44,101**	51,036
Nigeria	**24,713**	31,600
Other overseas countries	**38,347**	30,053
	239,384	260,311

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

(b) Non-current assets

	2014	2013
	HK$'000	*HK$'000*
Mainland China	**229,518**	238,671
Hong Kong	**1,001**	1,221
	230,519	239,892

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 HK$24,115,000 (2013: HK$40,246,000) 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:

	Group	
	2014	2013
	HK$'000	*HK$'000*
Revenue		
Sale of goods	**239,384**	260,311
Other income and gains		
Sale of scrap materials	**4,126**	5,331
Bank interest income	**864**	51
Government grants:		
— Related to assets*	**276**	269
— Related to income**	**576**	2,086
Fair value gains, net:		
Derivative instruments — transactions not qualifying as hedges	**–**	227
Exchange gains	**724**	2,689
Others	**265**	1,046
	6,831	11,699

* 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 statement of financial position. There are no unfulfilled conditions or contingencies relating to these grants.

** Various government grants represents cash payments and subsidies by the local government authorities to the Group as an encouragement to its technological innovation and overseas sales. There are no unfulfilled conditions or contingencies relating to these grants.

5. FINANCE COSTS

	Group	
	2014	2013
	HK$'000	*HK$'000*
Interest on bank loans wholly repayable within five years	**2,922**	6,690
Interest on finance lease	**32**	19
Less: Interest capitalised	**(57)**	(773)
	2,897	5,936

6. PROFIT BEFORE TAX

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

	Notes	**2014** *HK$'000*	2013 *HK$'000*
Cost of inventories sold		**158,113**	163,543
Depreciation	*14*	**18,621**	17,447
Amortisation of prepaid land lease payments		**501**	497
Auditors' remuneration		**1,707**	1,478
Research and development costs		**12,390**	10,385
Minimum lease payments under operating leases		**306**	332
Employee benefit expense (including directors' and chief executive's remuneration):			
Wages and salaries		**31,374**	24,487
Pension scheme contributions		**2,732**	2,483
Equity-settled share-option expenses		**3,712**	2,811
		37,818	29,781
Donation*		**–**	1,000
Fair value loss/(gain), net:			
Derivative instruments — transactions not qualifying as hedges**	*4*	**975**	(227)
Exchange loss/(gain), net**	*4*	**186**	(2,689)
Gain on disposal of items of property, plant and equipment***		**(231)**	(778)

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

** Included in "Other income and gains" in the consolidated statement of profit or losses and other comprehensive income in 2013 and included in "other expenses" in the consolidated statement of profit or losses and other comprehensive income in 2014.

*** Included in "Other income and gains" in the consolidated statement of profit or losses and other 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 operate.

During the year, 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 was entitled to a preferential tax rate of 15% for the year (2013: 15%).

	2014	2013
	HK$'000	*HK$'000*
Group:		
Current — Mainland China	**5,779**	9,307
Deferred	**(410)**	1,274
Total tax charge for the year	**5,369**	10,581

A reconciliation of the income tax expense applicable to profit before tax using the statutory rate for the jurisdictions 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:

Group	**2014**		2013	
	HK$'000	*%*	*HK$'000*	*%*
Profit before tax	**34,025**		48,636	
Tax at the statutory tax rate	**8,506**	**25**	12,159	25
Entities subject to lower statutory income tax rates	**(3,890)**	**(11)**	(5,010)	(10)
Effect of withholding tax on distributable profits of the PRC subsidiary	**(310)**	**(1)**	1,200	3
Expenses not deductible for tax	**2,359**	**7**	1,671	3
Adjustment in respect of current tax of previous periods	**(2,600)**	**(8)**	–	–
Tax losses not recognised	**1,304**	**4**	561	1
Tax charge at the Group's effective tax rate	**5,369**	**16**	10,581	22

8. DIVIDEND

	2014	2013
	HK$'000	*HK$'000*
Proposed final — HK2.2 cents per ordinary share (2013: HK3 cents per ordinary share)	**8,900**	12,000

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 the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 400,856,904 (2013: 347,123,288) in issue during the year, as adjusted to reflect the shares issue during the year.

The calculation of the diluted earnings per share amount 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.

	2014	2013
	HK$'000	*HK$'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	**28,086**	37,343

	Number of shares	
Shares		
Weighted average number of ordinary shares in issue used in the basic earnings per share calculation	**400,856,904**	347,123,288
Effect of dilution — weighted average number of ordinary shares: Share options	**8,109,755**	2,788,816
Adjusted weighted average number of ordinary shares in issue used in the diluted earnings per share calculation	**408,966,659**	349,912,104

10. INVENTORIES

	Group	
	2014	2013
	HK$'000	*HK$'000*
Raw materials	**15,055**	14,922
Finished goods	**12,208**	12,354
	27,263	27,276

11. TRADE AND BILLS RECEIVABLE

	Group	
	2014	2013
	HK$'000	*HK$'000*
Trade receivables	**41,279**	33,590
Bills receivables	**16,395**	20,298
	57,674	53,888

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:

	Group	
	2014	2013
	HK$'000	*HK$'000*
Within 30 days	**17,478**	17,223
31 to 60 days	**14,803**	10,135
61 to 90 days	**2,922**	2,020
Over 90 days	**6,076**	4,212
	41,279	33,590

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:

Group	Total	Neither past due nor impaired	Past due but not impaired < 60 days	Past due but not impaired Over 60 days
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
31 December 2014	41,279	32,281	2,922	6,076
31 December 2013	33,590	27,358	2,020	4,212

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.

Included in the trade receivables were amounts of HK$1,056,000 and HK$2,616,000 as at 31 December 2013 and 2014 due from related parties, which are controlled by the Company's ultimate controlling shareholder, have credit term of 60 days.

12. DERIVATIVE FINANCIAL INSTRUMENTS

	Group 2014 Assets	**Group 2014 Liabilities**	Group 2013 Assets	Group 2013 Liabilities
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Forward currency contracts	**–**	**744**	231	–

The Group has entered into various contracts to manage its exchange rate exposure which did not meet the criteria for hedge accounting. Fair value losses of HK$975,000 (2013: Fair value gain of HK$231,000) were recognised in the consolidated statement of profit or loss and other 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:

	Group 2014	Group 2013
	HK$'000	*HK$'000*
Within 30 days	**7,160**	6,303
31 to 60 days	**2,318**	45
61 to 90 days	**777**	1,027
Over 90 days	**162**	130
	10,417	7,505

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

Group	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 2014						
At 1 January 2014:						
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**
At 1 January 2014, net of accumulated depreciation	**36,769**	**165,349**	**1,814**	**2,851**	**16,140**	**222,923**
Additions	**38**	**871**	**527**	**2,024**	**4,271**	**7,731**
Disposals	**–**	**(491)**	**(135)**	**(124)**	**–**	**(750)**
Depreciation provided during the year *(note 6)*	**(2,327)**	**(15,349)**	**(405)**	**(540)**	**–**	**(18,621)**
Transfers	**–**	**15,785**	**–**	**–**	**(15,785)**	**–**
Exchange realignment	**(123)**	**(242)**	**(169)**	**(109)**	**(55)**	**(698)**
At 31 December 2014, net of accumulated depreciation	**34,357**	**165,923**	**1,632**	**4,102**	**4,571**	**210,585**
At 31 December 2014:						
Cost	**52,206**	**236,430**	**4,407**	**8,130**	**4,571**	**305,744**
Accumulated depreciation	**(17,849)**	**(70,507)**	**(2,775)**	**(4,028)**	**–**	**(95,159)**
Net carrying amount	**34,357**	**165,923**	**1,632**	**4,102**	**4,571**	**210,585**

Group	Buildings	Plant and machinery	Office and other equipment	Motor vehicles	Construction in progress	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'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

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 2014 (2013: HK$1,196,000).

Certain of the Group's interest-bearing bank borrowings were secured by the Group's buildings with a carrying value of HK$25,352,000 as at 31 December 2014 (2013: HK$27,140,000) (note 15).

Certain of the Group's interest-bearing bank borrowings were secured by the Group's plant and machinery with a carrying value of HK$99,407,000 as at 31 December 2014 (2013: HK$108,413,000) (note 15).

15. INTEREST-BEARING BANK AND OTHER BORROWINGS

Group	2014			2013		
	Contractual interest rate (%)	**Maturity**	***HK$'000***	Contractual interest rate (%)	Maturity	*HK$'000*
Current						
Finance lease payables	**4.11%**	**2015**	**234**	4.11%	2014	226
Interest-bearing bank loans — secured	**LIBOR**	**2015**	**31,026**	SIBOR	2014	31,018
Interest-bearing bank loans — secured	**2.00%**	**2015**	**19,004**	–	–	–
Current portion of long term bank loans — secured	**LIBOR**	**2015**	**3,053**	SIBOR+2.5%/ PBOC base rate/ PBOC base rate*1.05/ PBOC base rate*1.1	2014	33,655
			53,317			64,899
Non-current						
Finance lease payables	**4.11%**	**2016–2018**	**618**	4.11%	2015–2018	852
Long term interest-bearing bank loans — secured	**PBOC base rate*1.05**	**2016**	**17,113**	PBOC base rate	2015–2016	20,812
Long term interest-bearing bank loans — secured	**LIBOR**	**2016**	**3,053**	SIBOR+2.5%	2015–2016	6,207
Long term interest-bearing bank loans — secured	**–**	**–**	**–**	PBOC base rate*1.1	2015–2016	862
Long term interest-bearing bank loans — secured	**–**	**–**	**–**	PBOC base rate*1.05	2015	4,006
Long term interest-bearing bank loans — secured	**–**	**–**	**–**	PBOC base rate	2015–2017	9,645
			20,784			42,384
			74,101			107,283

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.

"LIBOR" stands for London Interbank Offered Rate.

	Group 2014 HK$'000	2013 HK$'000
Repayable:		
Within one year or on demand	**53,317**	64,899
In the second year	**20,407**	22,039
In the third to fifth years, inclusive	**377**	20,345
	74,101	107,283

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

	Notes	Group 2014 HK$'000	2013 HK$'000
Property, plant and equipment	*14*	**124,759**	135,553
Prepaid land lease payments		**16,912**	17,474
Pledged deposits		**1,580**	2,871
		143,251	155,898

The Group's banking loans amounting to nil as at 31 December 2014 (2013: HK$87,126,000) were guaranteed by Mr. Lin Wan Tsang, the ultimate controlling shareholder of the Group.

	Group 2014 HK$'000	2013 HK$'000
Interest-bearing bank and other borrowings denominated in		
— RMB	**17,113**	63,163
— US$	**56,136**	43,042
— HK$	**852**	1,078
	74,101	107,283

The Group has the following undrawn banking facilities:

	Group 2014 HK$'000	2013 HK$'000
Floating rate		
— expiring within one year	**23,999**	39,938
— expiring over one year	**13,287**	43,735
	37,286	83,673

The Group's banking facilities amounting to nil as at 31 December 2014 (2013: HK$136,484,000) 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 2014 (the "Reporting Period"), our Group continued to engage principally in the manufacturing of monobloc aluminum aerosol cans, which were generally used in the packaging of fast-moving personal care products, including: body deodorant, hair styling products, shaving cream, and pharmaceutical products, including: pain relieving spray, spray dressing and antiseptic spray. Our products are mainly sold in the PRC and the overseas market, such as Africa and Middle East. For the Reporting Period, the revenue of the Group generated from the PRC, Africa and the Middle East amounted to approximately HK$132.2 million, HK$33.1 million and HK$48.9 million, representing approximately 55.2%, 13.8% and 20.4% of the total revenue of the Group respectively.

The Group's total revenue had decreased moderately by 8.0% during the Reporting Period as compared to that of the prior year, which was caused by the severe competition from smaller-sized overseas aerosol cans manufacturers and the soft landing of the PRC economy and the slowdown of growth in the domestic consumption on high-end personal care and cosmetic products.

We will continue to strengthen our production capacity and tighten the cost control in the raw materials and final products in order to enhance our market leading position, capture more market shares and improve the profitability as well. Currently, the Group has a wide range of extrusion dies available to produce more than 50 models of aluminum aerosol cans of base diameters from 22 mm to 66 mm and heights from 58 mm to 240 mm with various features and shapes which can be fit for different customers' requirements.

In view of the recent uncertain global economy, the Group has adopted a vertical integration strategy by an acquisition which aims to capture downstream profit margins by gaining access to the downstream distribution channels and plans to maximize future revenue contribution to the Group. Details of the acquisition are disclosed in the paragraph headed "Very Substantial Acquisition and Connected Transaction" below.

FINANCIAL REVIEW

Revenue

For the Reporting Period, the total revenue of the Group was approximately HK$239.4 million (2013: HK$260.3 million), representing a decrease of approximately 8.0% as compared to the corresponding period of 2013. During the Reporting Period, the Group sold 82.0 million cans (2013: 96.1 million cans) to PRC customers with revenue of HK$132.2 million (2013: HK$147.6 million). Whereas, the revenue of the Group from overseas markets was HK$107.2 million (2013: HK$112.7 million) for the sale of 83.0 million cans (2013: 84.5 million cans). The decrease in total revenue was primarily due to the the severe competition from smaller-sized overseas aerosol cans manufacturers and the soft landing of the PRC economy and the slowdown of growth in the domestic consumption on high-end personal care and cosmetic products.

Cost of Sales

Cost of sales of the Group for the Reporting Period was approximately HK$158.1 million (2013: HK$163.5 million), representing a decrease of approximately 3.3% as compared to the corresponding period of 2013. Such change was mainly due to the decrease in sales volume for reasons mentioned above. Furthermore, the average purchase price of aluminum ingots had decreased by approximately 7.4% from 2013 to 2014.

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 Reporting Period, selling and distribution expenses was approximately HK$9.9 million (2013: HK$9.5 million), representing an increase of approximately 4.2% as compared to the corresponding period of 2013. The increase was primarily due to the increase in transportation expenses resulted from the rising cost of labor in the PRC.

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 Reporting Period, administrative expenses was approximately HK$39.2 million (2013: HK$32.0 million, excluding the listing expenses), representing an increase of approximately 22.5% as compared to the corresponding period of 2013. The increase in administrative expenses was due to (i) increase in staff cost of approximately HK$2.5 million; (ii) increase in professional and consulting fee of approximately HK$3.0 million, mostly in relation to the acquisition as detailed in the paragraph headed "Very Substantial Acquisition and Connected Transaction" below; and (iii) increase in research and development expenses of approximately HK$2.0 million.

LIQUIDITY AND CAPITAL RESOURCES

Net Current Assets

As at 31 December 2014, the Group had net current assets of approximately HK$119.1 million (2013: HK$109.6 million). The Group's cash and cash equivalents amounted to HK$93.6 million as at 31 December 2014 (2013: HK$107.4 million). The current ratio of the Group was approximately 2.3 as at 31 December 2014 (2013: 2.1).

Borrowing and the Pledge of Assets

The total 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$74.1 million (denominated in RMB, US$ and HK$) as at 31 December 2014 (2013: HK$107.3 million) with maturity dates from 2015 to 2018.

Gearing Ratio

As a result of the decrease in total borrowing of the Group, the gearing ratio, which is calculated by dividing total borrowings by total equity, decreased to approximately 22.8% as at 31 December 2014 (2013: 35.4%). Further details of the Group's bank borrowings are set out in note 15 of the notes to this announcement.

Contingent Liabilities

As at 31 December 2014, the Group had no significant contingent liabilities.

Contractual Obligations

As at 31 December 2014, the Group's operating lease and capital commitment amounted to HK$0.4 million (2013: HK$0.5 million) and HK$889.0 million (2013: HK$4,000), respectively. Capital commitment of HK$880.0 million is in relation to the acquisition as disclosed under the paragraph headed "Very Substantial Acquisition and Connected Transaction" below.

Foreign Exchange Exposure and Exchange Rate Risk

Approximately 44.8% of the Group's revenue for the Reporting Period were denominated in US$. However, over 90% of the production costs were settled in RMB. Therefore there is a currency mismatch between US$ 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 HK$0.7 million of realised gains on the forward contracts for the Reporting Period.

As at 31 December 2014, we had outstanding foreign currency forward contracts with notional amounts of US$8.0 million. A fair value loss on the outstanding foreign currency forward contracts of approximately HK$1.0 million had been recognized for the year ended 31 December 2014.

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 2014, we had no outstanding forward purchases of aluminum ingots.

VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION

On 3 October 2014, 13 March 2015 and 16 March 2015, Euro Asia Investments Global Limited, a wholly-owned subsidiary of the Company, entered into the acquisition agreement, the first supplemental agreement and the second supplemental agreement (collectively, the "Acquisition Agreements") with Mr. Lin Wan Tsang ("Mr. Lin"), the Chairman and controlling shareholder of the Company, to acquire the entire issued share capital of Topspan Holdings Limited (the "Target Company") at an aggregate consideration of HK$900 million, of which HK$120 million would be paid by cash and HK$780 million would be paid by the issuance of convertible note to Mr. Lin on the completion (the "Acquisition"). The Target Company and its subsidiaries, collectively known as the Target Group, are principally engaged in the content filling of aerosol cans and production and sale of aerosol and non-aerosol products. One of the primary focuses of the Target Group is to develop high-end car care service products. The Acquisition had been approved by the independent shareholders of the Company on 16 December 2014. The completion of the Acquisition would be subject to the satisfaction of certain conditions precedent set out in the Acquisition Agreements.

With the Acquisition, our Group would be able to supply aluminum aerosol cans directly for the packaging of such high-end car care service products and the products of the Group would be able to enter into the consumer markets under the Group's brand name. Profitability of the aerosol cans of the Group would be guaranteed and further enhance the profitability of the Group with the sound track record of the Target Group. The Directors are of the view that the Acquisition would maximize the future revenue contribution to the Group by vertically integrating with the Target Group.

The Acquisition constituted a very substantial acquisition and a connected transaction pursuant to Rule 14.06(5) and Rule 14A.25 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rule") respectively. Details of the Acquisition, the terms of the Acquisition Agreements and the approval of the independent shareholders on the Acquisition were disclosed in the Company's announcements dated 6 October 2014, 28 November 2014, 16 December 2014, 13 March 2015 and 16 March 2015 and the Company's circular dated 28 November 2014 respectively.

CAPITAL

During the year ended 31 December 2014, the authorized capital of the Company has been increased from HK$7,800,000 to HK$15,000,000 by increasing 720,000,000 shares of HK$0.01 each.

As at 31 December 2014, the total number of issued shares of the Company was 404,865,000 shares (2013: 400,000,000 shares).

EMPLOYEES AND EMOLUMENTS POLICY

As at 31 December 2014, the Group had employed a total of 427 employees (2013: 416 employees). The staff costs, including directors' emoluments but excluding any contributions to pension scheme, were approximately HK$31.4 million for the Reporting Period (2013: HK$24.5 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, contribution 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 2014, the Group did not have any significant investments.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

On 3 October 2014, the Company's wholly-owned subsidiary has executed the Acquisition Agreements with Mr. Lin to acquire a group of companies at an aggregate consideration of HK$900 million, of which HK$120 million would be paid by cash (among which, HK$20 million was paid in October 2014 and the balance of HK$100 million shall be paid by way of cash proceed from a share placement) and HK$780 million would be paid by the issuance of convertible note on the completion. The Acquisition had been approved by the independent shareholders of the Company on 16 December 2014 and subject to the satisfaction of certain conditions precedent, the Company shall pay the aforesaid balance of HK$100 million after the completion of the share placement and on or before the completion of the Acquisition. Details of the Acquisition were disclosed under the paragraph headed "Very Substantial Acquisition and Connected Transaction" of this announcement and were also disclosed in the Company's announcements dated 6 October 2014, 28 November 2014, 16 December 2014, 13 March 2015 and 16 March 2015 and the Company's circular dated 28 November 2014 respectively.

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

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the year ended 31 December 2014, the Group had a very substantial acquisition and a connected transaction. Details of which were disclosed under the paragraph headed "Very Substantial Acquisition and Connected Transaction" above. Save for the above disclosed, the Company did not have any material acquisitions and disposals of subsidiaries and associated companies.

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 year ended 31 December 2014, 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 2014	Balance as at 31 December 2014
	HK$ million	*HK$ million*	*HK$ million*
Partially fund the expansion of our production capacity, including the upgrade of our existing production lines and the acquisition of a brand new production line for aluminum aerosol cans	48.0	21.4	26.6
Establish a new research and development laboratory	12.0	–	12.0
Partially repay US$ denominated bank loan	16.0	16.0	–
General working capital purposes	4.0	4.0	–
	80.0	41.4	38.6

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

CORPORATE GOVERNANCE

The Company has adopted and complied with the code provisions set out in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules during the year ended 31 December 2014 except CG Code provision A.2.1.

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

AUDIT COMMITTEE

The Audit Committee was established on 20 June 2013 with terms of reference in compliance with the CG Code for the purpose of making recommendations to the Board on the 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 2014.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 20 June 2013, with specific written terms of reference for 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 specific duties set out in CG Code provision B.1.29(a) to (h). The Remuneration Committee comprises a total of six members, being one executive Director, namely, Mr. Lin, one non-executive Director, namely, Mr. Kwok Tak Wang, and four independent non-executive Directors, namely, Mr. Leung Man Fai (Chairman), Dr. Lin Tat Pang, Mr. Chung Yi To and Ms. Guo Yang. Accordingly, a majority of the members are independent non-executive Directors.

NOMINATION COMMITTEE

The Nomination Committee was established on 20 June 2013, with specific written terms of reference in compliance with the CG Code for reviewing the Board composition, developing the relevant procedures for nomination and appointment of Directors and assessing the independence of the independent non-executive Directors to ensure that the Board has a balance of expertise, skills and experience and formulating succession plans for executive directors and senior executives. The Nomination Committee comprises a total of six members, being one executive Director, namely, Mr. Lin, one non-executive Director, namely, Mr. Kwok Tak Wang, and four independent non-executive Directors, namely, Dr. Lin Tat Pang (Chairman), Mr. Chung Yi To, Mr. Leung Man Fai and Ms. Guo Yang. Accordingly, a majority of the members are independent non-executive Directors.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee was established on 24 June 2013, with specific written terms of reference for reviewing and approving the hedging policies as formulated by the hedging team of the Company ("Hedging Team") and report to the Board as to whether the hedging policies have been duly following by the Hedging Team. The Risk Management Committee is authorized to separate and independent direct access to and complete and open communication with the Group's management to allow them to fulfill their duties. The Risk Management Committee comprises a total of four members, being one non-executive Director, namely, Mr. Kwok Tak Wang, and three independent non-executive Directors, namely, Mr. Chung Yi To (Chairman), Mr. Leung Man Fai and Dr. Lin Tat Pang. Accordingly, a majority of the members are independent non-executive Directors.

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 2014 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 for the year ended 31 December 2014.

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 for the year ended 31 December 2014.

FINAL DIVIDEND

The Board of Directors recommends the payment of a final dividend of HK2.2 cents per share for the year ended 31 December 2014 to be payable to the shareholders of the Company whose names appear on the register of members of the Company as at 19 May 2015, subject to the approval of the Company's shareholders at the forthcoming annual general meeting of the Company to be held on 11 May 2015 (the "AGM"). The final dividend will be payable on or around 19 June 2015.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 6 May 2015 to 11 May 2015, 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 5 May 2015.

The register of members of the Company will be closed from 20 May 2015 to 22 May 2015, 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 19 May 2015.

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 2014 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, 26 March 2015

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.