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

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 8291)**

**ANNUAL RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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

## RESULTS

The board of directors (the “Board”) of Wan Cheng Metal Packaging Company Limited (the “Company”) announces the consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2023, together with the comparative figures for the year ended 31 December 2022, as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December	
	Notes	2023 RMB'000	2022 RMB'000
Revenue	5	48,545	37,014
Cost of sales		<u>(47,093)</u>	<u>(32,933)</u>
Gross profit		1,452	4,081
Other income and losses, net	6	(726)	(4,816)
Selling expenses		(1,978)	(1,974)
Administrative and other expenses		(13,909)	(14,849)
Impairment losses on trade and other receivables		(8,805)	(6,681)
Impairment losses on property, plant and equipment and right-of-use assets		–	(75,115)
Finance costs	7	<u>(3,072)</u>	<u>(4,681)</u>
Loss before income tax	9	(27,038)	(104,035)
Income tax	8	<u>–</u>	<u>–</u>
Loss for the year attributable to owners of the Company		(27,038)	(104,035)
Other comprehensive income/(loss) for the year: <i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		<u>1,166</u>	<u>(42)</u>
Total comprehensive loss for the year attributable to owners of the Company		<u>(25,872)</u>	<u>(104,077)</u>
Loss per share (RMB) – Basic and diluted	11	<u>(0.17)</u>	<u>(1.05)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2023	2022
		<i>RMB'000</i>	<i>RMB'000</i>
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment		21,700	23,648
Right-of-use assets		1,128	1,152
		<u>22,828</u>	<u>24,800</u>
<b>Current assets</b>			
Inventories		17,477	16,277
Financial assets at fair value through profit or loss		12,965	10,199
Trade and bills receivables	12	30,590	18,774
Prepayments and other receivables		3,490	9,222
Pledged bank deposits		5,953	5,098
Cash and cash equivalents		20,348	25,815
		<u>90,823</u>	<u>85,385</u>
<b>Current liabilities</b>			
Trade and bills payables	13	51,738	31,862
Accruals and other payables		27,345	24,253
Lease liabilities		–	3,630
Borrowings	14	28,000	28,000
Income tax payable		1,153	1,153
		<u>108,236</u>	<u>88,898</u>
<b>Net current liabilities</b>		<u>(17,413)</u>	<u>(3,513)</u>
<b>Total assets less current liabilities</b>		5,415	21,287
<b>Non-current liability</b>			
Borrowings	14	92,750	82,750
<b>Net liabilities</b>		<u>(87,335)</u>	<u>(61,463)</u>
<b>Capital and reserves</b>			
Share capital	15	27,909	27,909
Reserves		(115,244)	(89,372)
		<u>(87,335)</u>	<u>(61,463)</u>

## NOTES

For the year ended 31 December 2023

### 1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and its principal place of business in Hong Kong is 18/F, V. Heun Building, 138 Queen's Road Central, Central, Hong Kong.

The Company is an investment holding company and the Group is principally engaged in (i) manufacturing and sales of tinplates and tinplate packaging products (the "Tin Operations") in the People's Republic of China (the "PRC"); and (ii) repackaging and sales of cosmetic products in Hong Kong. The Group commenced the business of repackaging and sales of cosmetic products during the year ended 31 December 2023.

The shares of the Company have been listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 18 July 2017.

The functional currency of the Company is Hong Kong dollars ("HK\$") while the functional currency of the subsidiary of the Company established in the PRC is Renminbi ("RMB"). For the purpose of presenting the consolidated financial statements, the Group adopted RMB as its presentation currency as to better reflect the financial results and performance of the main operation of the Group.

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

#### (a) Application of new and amendments to HKFRSs

In the current year, the Group has applied the following new and amendments to HKFRSs, which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

The application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

**(b) Amendments to HKFRSs in issue but not yet effective**

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>2</sup>
Amendments to HKFRS 16	Lease Liability in a Sales and Leaseback <sup>2</sup>
Hong Kong Interpretation 5 (Revised)	Classification by the Borrower of a Term Loan that
Presentation of Financial Statements	Certain a Repayment on Demand Clause <sup>2</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined by the HKICPA.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2025.

The directors of the Company anticipate that the application of all above amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

**3. BASIS OF PREPARATION**

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA and in compliance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance.

**Going concern consideration**

For the year ended 31 December 2023, the Group incurred a net loss of approximately RMB27,038,000 and, as at 31 December 2023, the Group had net current liabilities and net liabilities of approximately RMB17,413,000 and RMB87,335,000 respectively. These events or conditions indicate the existence of a material uncertainty which might cast significant doubt on the Group's ability to continue as a going concern.

Nevertheless, the consolidated financial statements of the Group have been prepared on the going concern basis as the directors of the Company are of the view that the Group will have sufficient working capital to finance its operations and to fulfill its financial obligations as and when they fall due in the coming twelve months from 31 December 2023, after taking into consideration the followings:

- (a) the Group may seek other financing resources (including but not limited to issue of shares or obtain other credit facilities) to meet its liabilities and obligations as and when they fall due; and
- (b) the Group continues to improve the operating efficiency by implementing measures to tighten the cost controls, over various operating expenses in order to enhance its profitability and to improve the cash flows from its operation in the future.

The directors of the Company consider that, after taking into account the aforementioned measures, the Group will have sufficient working capital to satisfy its present requirements for at least the next twelve months from 31 December 2023. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Notwithstanding the above, a material uncertainty exists as to whether the Group is able to achieve its plans and measures as described above, which incorporate assumptions about future events and conditions that are subject to inherent uncertainties. Should the Group be unable to achieve the above plans and measures such that it would not be operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, where applicable. The effect of these adjustments has not been reflected in the consolidated financial statements.

#### 4. SEGMENT INFORMATION

The Group's businesses include (i) the Tin Operations; and (ii) repackaging and sales of cosmetic products which commenced during the year ended 31 December 2023. The Group's chief operating decision makers (the "CODM") have been identified as the executive directors of the Company. The information reported to the CODM, for the purpose of resources allocation and assessment of performance, does not contain discrete operating segment financial information and the CODM reviewed the financial results of the Group as a whole. Accordingly, no segment information is presented.

##### Geographical information

The Group's revenue from external customers by geographical location of customers is detailed below:

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
The PRC, excluding Hong Kong	44,843	37,014
Hong Kong of the PRC	<u>3,702</u>	<u>–</u>
	<u><b>48,545</b></u>	<u>37,014</u>

Over 90% of the Group's non-current assets and revenue are located in the PRC. Accordingly, no geographical information of non-current assets and revenue was disclosed.

##### Information about major customers

Revenue from major customers, each of whom contributing 10% or more of the Group's total revenue is set out below:

	<b>Year ended 31 December</b>	
	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Customer A <sup>1</sup>	16,333	10,188
Customer B <sup>1</sup>	7,768	6,383
Customer C <sup>1</sup>	N/A <sup>2</sup>	5,481
Customer D <sup>1</sup>	<u>N/A<sup>2</sup></u>	<u>5,302</u>

<sup>1</sup> Revenue from sales of tinplate packaging products and tinplates.

<sup>2</sup> The corresponding revenue did not contribute over 10% of the total revenue of the Group for the respective year.

## 5. REVENUE

	Year ended 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue from contracts with customers within the scope of HKFRS 15 and recognised at a point in time:</b>		
Revenue from sales of tinplate packaging products	42,152	33,690
Revenue from sales of tinplates	2,691	3,324
Revenue from repackaging and sales of cosmetic products	3,702	–
	<u>48,545</u>	<u>37,014</u>

## 6. OTHER INCOME AND LOSSES, NET

	Year ended 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income from bank deposits	3	2
Sale of scrap materials	632	3,910
Gains/(losses) on fair value changes of financial assets at fair value through profit or loss, net	414	(5,077)
Others	(1,775)	(3,651)
	<u>(726)</u>	<u>(4,816)</u>

## 7. FINANCE COSTS

	Year ended 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Interest expense on discounted bills receivables	–	150
Interest expense on lease liabilities	1,425	2,549
Interest expense on borrowings	1,647	1,982
	<u>3,072</u>	<u>4,681</u>

## 8. INCOME TAX

	Year ended 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax:		
Hong Kong	–	–
PRC Enterprise Income Tax	–	–
Income tax	<u>–</u>	<u>–</u>

## 9. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	Year ended 31 December	
	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Auditor's remuneration	543	446
Cost of inventories recognised as expenses	40,759	31,055
Depreciation of property, plant and equipment	1,864	8,051
Depreciation of right-of-use assets	24	154
Expenses related to short-term lease	590	–
Staff costs (excluding directors' remuneration):		
– Salaries, allowances and benefits in kind	2,577	3,940
– Share-based payment expenses	–	1,266
– Contributions to defined contribution pension plans	350	539
	<u>2,927</u>	<u>5,745</u>

## 10. DIVIDENDS

The Board does not recommend payment of any dividend for the year ended 31 December 2023 (2022: nil).

## 11. LOSS PER SHARE

The calculation of basic loss per share are based on the Group's loss for the year attributable to owners of the Company of approximately RMB27,038,000 (2022: RMB104,035,000) and the weighted average number of shares of 160,000,000 (2022: 98,770,000) in issue during the year ended 31 December 2023.

The diluted loss per share is the same with the basic loss per share for the years ended 31 December 2023 and 2022 since the exercise of the outstanding share options of the Company was not assumed as its exercise would have decreased in loss per share.

## 12. TRADE AND BILLS RECEIVABLES

	As at 31 December	
	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade receivables arising from contracts with customers	65,064	45,912
Bills receivables	–	300
	<u>65,064</u>	<u>46,212</u>
Less: allowance for expected credit losses ("ECL")	<u>(34,474)</u>	<u>(27,438)</u>
	<u>30,590</u>	<u>18,774</u>



An ageing analysis of the Group's trade and bills receivables, net of allowance for ECL, based on the invoice date is as follows:

	<b>As at 31 December</b>	
	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 1 month	4,021	2,437
More than 1 month but not more than 3 months	7,928	3,096
More than 3 months but not more than 6 months	3,824	1,289
More than 6 months but not more than 1 year	6,552	1,045
More than 1 year	8,265	10,907
	<u>30,590</u>	<u>18,774</u>

### 13. TRADE AND BILLS PAYABLES

	<b>As at 31 December</b>	
	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Trade payables	45,043	19,745
Bills payables	6,695	12,117
	<u>51,738</u>	<u>31,862</u>

An ageing analysis of the Group's trade and bills payables based on invoice date is as follows:

	<b>As at 31 December</b>	
	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 1 month	5,312	8,333
More than 1 month but not more than 3 months	12,552	8,065
More than 3 months but not more than 6 months	2,867	1,510
More than 6 months but not more than 1 year	16,328	4,501
Over 1 year	14,679	9,453
	<u>51,738</u>	<u>31,862</u>

## 14. BORROWINGS

	As at 31 December	
	2023 RMB'000	2022 RMB'000
<b>Current liabilities</b>		
Secured bank borrowings	28,000	28,000
<b>Non-current liabilities</b>		
Unsecured borrowings	92,750	82,750
	<u>120,750</u>	<u>110,750</u>

## 15. SHARE CAPITAL

	Number of ordinary shares of HK\$0.05 each '000	Number of ordinary shares of HK\$0.20 each '000	Amount HK\$'000	Equivalent to RMB'000
<b>Authorised:</b>				
As at 1 January 2022	2,000,000	–	100,000	83,490
Share consolidation	(2,000,000)	500,000	–	–
As at 31 December 2022, 1 January 2023 and 31 December 2023	<u>–</u>	<u>500,000</u>	<u>100,000</u>	<u>83,490</u>
<b>Issued and fully paid:</b>				
As at 1 January 2022	320,000	–	16,000	13,131
Share consolidation	(320,000)	80,000	–	–
Issue of shares under rights issue	–	80,000	16,000	14,778
As at 31 December 2022, 1 January 2023 and 31 December 2023	<u>–</u>	<u>160,000</u>	<u>32,000</u>	<u>27,909</u>

The owners of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meeting of the Company. All ordinary share rank equally with regard to the Company's residual assets.

### Share Consolidation

During the year ended 31 December 2022, the Company carried out the share consolidation pursuant to which every four existing shares will be consolidated into one consolidated share with effective on 20 September 2022.

As a result of the share consolidation, the number of shares in issue has been updated from 320,000,000 shares of HK\$0.05 each to 80,000,000 shares of HK\$0.20 each.

**Rights issue**

On 28 October 2022, the rights issue, on the basis of one right share for every one share of the Company, has been completed with net proceeds of approximately HK\$24,000,000, equivalent to approximately RMB23,095,000.

**16. COMPARATIVE FIGURES**

Certain financial figures in the consolidated financial statements have been reclassified to conform to current year's presentation.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Activities

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

### Business Review and Prospect

During the year ended 31 December 2023, the Group derived the revenue principally from the sale of tinplate packaging products in the PRC. The major products were tin cans and steel pails, which are generally used for storing paint and coatings.

The Group recorded an increase in revenue by approximately RMB11.5 million, or approximately 31.1%, from approximately RMB37.0 million for the year ended 31 December 2022 to approximately RMB48.5 million for the year ended 31 December 2023, which was contributed by the increase in sales order of the Group’s products.

The loss for the year ended 31 December 2023 was approximately RMB27.0 million as compared to loss for the year of approximately RMB104.0 million for the year ended 31 December 2022. Such decrease was mainly due to the impairment loss of approximately RMB75.1 million recognised on property, plant and equipment for the year ended 31 December 2022.

Looking forward, the Group is going to further consolidate its market share in the tinplate packaging business and to continue to expand domestically. As part of its strategy to expand its market share, the Group will attend certain exhibition for coatings and coating related products. The Group also plan to expand the sales channel in order to focus on the soliciting of new customers for its product portfolio. Despite of the uncertainties of China-United States trade war and sluggish China economy, the Group aim to achieve stable growth and reduce the concentration risk in any single customer group by the expansion of the customer base. Besides, in order to improve the Group’s cash flows, the management team aims to adopt cost control strategy which including but not limited to minimise the fixed overhead costs.

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

The unutilised banking facilities in respect of bank acceptance bills as at 31 December 2023 and 31 December 2022 is amounted to approximately RMBNil million and RMBNil million, respectively.

The unutilised banking facilities in respect of bank borrowings as at 31 December 2023 and 31 December 2022 are amounted to approximately RMB52.0 million and RMB32.0 million respectively.

## **Financial Review**

### ***Revenue***

During the year ended 31 December 2023, the Group derived the revenue principally from the sale of tinplate packaging products in the PRC. The Group generally recognises revenue from the sales of tinplate packaging products upon delivery of the products to the customers with their acceptance of the Group's products.

Revenue increased by approximately RMB11.5 million, or approximately 31.1%, from approximately RMB37.0 million for the year ended 31 December 2022 to approximately RMB48.5 million for the year ended 31 December 2023. Such increase was mainly due to the increase in sales order during the year.

### ***Cost of sales***

Cost of sales mainly comprised the cost of tinplate coil, tinplate processing costs, ancillary materials and consumables, staff costs, depreciation, utilities and repair and maintenance costs. The cost of sales increased by approximately RMB14.2 million, or approximately 43.2% from approximately RMB32.9 million for the year ended 31 December 2022 to approximately RMB47.1 million for the year ended 31 December 2023. Such increase was consistent with increase in revenue.

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

Gross profit decreased from approximately RMB4.1 million for the year ended 31 December 2022 to approximately RMB1.5 million for the year ended 31 December 2023.

Gross profit margin decreased from approximately 11.1% for the year ended 31 December 2022 to 3.1% for the year ended 31 December 2023. The decrease was mainly due to the net effect of the decrease in average selling price and the increase in average cost of tinplate coil for the year ended 31 December 2023 comparing with that for the year ended 31 December 2022.

### ***Other income and losses, net***

Other income and losses, net mainly represents sales of scrap materials, interest income from bank deposits and gains/losses on fair value changes of financial assets at fair value through profit or loss ("FVTPL"), net. The Group record a decrease in other income and losses, net by approximately RMB4.1 million, or approximately 85.4% from loss of approximately RMB4.8 million for the year ended 31 December 2022 to loss of approximately RMB0.7 million for the year ended 31 December 2023. The decrease mainly due to the recognition of gains of approximately RMB0.1 million arising from fair value changes of financial assets at FVTPL for the year ended 31 December 2023, while loss of approximately RMB5.1 million has been recognised for the year ended 31 December 2022.

### ***Selling expenses***

The Group's selling expenses mainly included transportation costs for its logistic team, staff costs, advertising expenses, entertainment expenses and consumables and the amount was approximately RMB2.0 million and RMB2.0 million for the years ended 31 December 2022 and 2023 respectively which remain stable.

### ***Administrative and other expenses***

The Group's administrative and other expenses mainly included staff costs, building administrative fees, other tax expenses, depreciation and amortisation, travelling and entertainment, office consumables and supplies, legal and professional fees and other miscellaneous administrative expenses. The Group recorded a decrease in administrative and other expenses by approximately RMB0.9 million, or approximately 6.1%, from approximately RMB14.8 million for the year ended 31 December 2022 to approximately RMB13.9 million for the year ended 31 December 2023. The decrease mainly represent the decrease in depreciation.

### ***Finance costs***

The Group's finance costs mainly comprised of interest expenses on borrowings, lease liabilities and discounted bills receivables. The finance costs decreased by approximately RMB1.6 million, or approximately 34.0%, from approximately RMB4.7 million for the year ended 31 December 2022 to approximately RMB3.1 million for the year ended 31 December 2023. Such decrease was mainly due to the decrease in average interest rate of interest-bearing borrowings and the average balance of the lease liabilities during the year ended 31 December 2023 as compared to the year ended 31 December 2022.

### ***Loss for the year***

As a result of the cumulative factors discussed above, the loss for the year ended 31 December 2023 was approximately RMB27.0 million as compared to loss for the year ended 31 December 2022 of approximately RMB104.0 million. Such decrease was mainly due to the decrease of impairment losses recognised on property, plant and equipment and right-of-use assets for the year ended 31 December 2023.

### ***Dividends***

The Board does not recommend the payment of final dividend for the year ended 31 December 2023.

## **LIQUIDITY AND FINANCIAL RESOURCES**

During the year under review, the Group funded its liquidity primarily through cash inflows from operating activities and debt financing.

As at 31 December 2023, the Group's total cash and cash equivalents were approximately RMB20.3 million (2022: approximately RMB25.8 million). Gearing ratio of the Group increased to 106% as at 31 December 2023 from 101% as at 31 December 2022. Gearing ratio is defined as total borrowings over total assets as at the end of the reporting period. Current ratio of the Group decreased to 0.84 as at 31 December 2023 from 0.96 as at 31 December 2022.

## **TREASURY POLICIES**

The Group adopts a conservative approach towards its treasury policies. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that it can meet the funding requirements.

## **MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES**

The Group did not carry out any material acquisition nor disposal of any subsidiaries for the year ended 31 December 2023.

## **CONTINGENT LIABILITIES**

As at 31 December 2023, there were no significant contingent liabilities for the Group.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2023, the Group employed 92 employees (2022: 130 employees). Staff costs of the Group (including Directors' remuneration, wages, salaries and other benefits and contribution to defined contribution pension plans) amounted to approximately RMB3.4 million for the year ended 31 December 2023 (2022: RMB6.4 million). The Group will endeavor to ensure that the employees' salary levels are in line with industry practice and prevailing market conditions and that employees' overall remuneration is determined based on the Group's and the employees' qualifications and performance.

## SIGNIFICANT INVESTMENTS HELD

As at 31 December 2023, the Group held 16 listed equity securities in Hong Kong with the fair value of RMB13.0 million. In light of the recent volatile financial market in Hong Kong, the Group intends to diversify its investment portfolio in order to reduce the relevant concentration and investment risks and will closely monitor the performance of this business. The Group will keep adopting a prudent investment attitude and develop its investment strategy with the aim to improve the capital usage efficiency and generate additional investment returns on the idle funds of the Group.

Details of the Group's top held-for-trading investments, in terms of fair value as at 31 December 2023, are as follows:

Company Name/Stock Code	% of shareholding as at 31 December 2023	Fair value gain/(loss) for the year ended 31 December 2023 RMB'000	Fair value as at 31 December 2023 RMB'000	% of total assets of the Group as at 31 December 2023
<b>Securities listed in Hong Kong</b>				
Harbour Digital Asset Capital Limited ("HDAC") (913) (Note (a))	3.7%	2,272	7,594	6.7%
Others (Note (b))			5,371	4.7%
			<u>12,965</u>	<u>11.4%</u>

Notes:

- (a) HDAC is principally engaged in the investments in listed and unlisted securities. As disclosed in the interim report of HDAC for the six months ended 30 June 2023, it recorded unaudited net loss attributable to its owners of HK\$33.3 million for the six months ended 30 June 2023.

The Group's investment strategy is to deliver a diversified and flexible achieve high growth, while the traditional business of the Group will continue its stable growth. The Group's total investment in HDAC was approximately HK\$1.4 million. As at 31 December 2023, the Group owned 10,390,000 shares of HDAC, representing 3.7% equity interests in HDAC with a carrying amount of the Group's interest in HDAC of approximately RMB7.6 million, representing approximately 6.7% of the total assets of the Company as at 31 December 2023. Up to 31 December 2023, no dividends was received from HDAC. The fair value of HDAC is based on quoted market prices.

- (b) Save as disclosed above, none of these investments represented more than 5% of the total assets of the Group as at 31 December 2023.



Looking ahead, the Directors believe that the future performance of the above investments held by the Group will be volatile and substantially affected by overall economic environment, equity market conditions, investor sentiment and the business performance and development of the investee companies. Accordingly, the Group will continue to maintain a diversified portfolio of investment of various industries to minimise the possible financial risks. Also, the Directors will cautiously assess the performance progress of the investment portfolio from time to time.

#### **FOREIGN EXCHANGE EXPOSURE**

The Group's main operations are in the PRC with most of its transactions settled in RMB. The Directors are of the opinion that the Group's exposure to foreign exchange risk is insignificant. During the year ended 31 December 2023, the Group did not hedge any exposure to foreign exchange risk.

#### **CAPITAL STRUCTURE**

As at 31 December 2022, the Company's issued share capital was HK\$32,000,000 and the number of its issued ordinary share was 160,000,000 of HK\$0.2 each. Except for the changes mentioned elsewhere in this announcement, there has been no change in the capital structure of the Company since then.

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

Save as disclosed in this announcement, the Group did not have other plans for material investments or capital assets as at 31 December 2023.

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

As at 31 December 2023, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, are as follows:

### **Long position in the shares of the Company**

<b>Name of Director</b>	<b>Capacity/Nature of interest</b>	<b>Number of shares held/ interested in</b>	<b>Approximate percentage of shareholding</b>
Mr. Wang Yun	Beneficial owner, unlisted share options	774,000	0.48%
Mr. Zou Yonggang	Beneficial owner, unlisted share options	774,000	0.48%
Ms. Ha Yee Lan Elaine	Beneficial owner, unlisted share options	516,000	0.32%

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

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

As at 31 December 2023, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to the Directors or chief executive of the Company, there is no person (other than the Directors and chief executive of the Company disclosed above) had, or was deemed or taken to have, an interest or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying voting rights to vote in all circumstances at general meeting of any other member of the Group.

## SHARE OPTION SCHEME

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

Up to 31 December 2023, 12,839,352 share options has been granted by the Company pursuant to such Share Option Scheme. The options are unlisted. Each option gives the holder the right to subscribe for one share of HK\$0.20 each of the Company.

Category of participants	Date of grant	Vesting period	Number of share options				Outstanding as at 31 December 2023	Exercisable period	Exercise price per share (HK\$)	
			Outstanding as at 1 January 2023	Granted during the year ended 31 December 2023	Exercised during the year ended 31 December 2023	Lapsed/ cancelled during the year ended 31 December 2023				Forfeited during the year ended 31 December 2023
<b>Executive director</b>										
Mr. Wang Yun	18 May 2020	No	314,920	–	–	(314,920)	–	–	3 years	0.696
	20 May 2021	No	774,000	–	–	–	–	774,000	3 years	0.508
Mr. Zou Yonggang	18 May 2020	No	314,920	–	–	(314,920)	–	–	3 years	0.696
	20 May 2021	No	774,000	–	–	–	–	774,000	3 years	0.508
<b>Independent non-executive director</b>										
Ms. Ha Yee Lan Elaine	18 May 2020	No	314,920	–	–	(314,920)	–	–	3 years	0.696
	20 May 2021	No	516,000	–	–	–	–	516,000	3 years	0.524
<b>Employees</b>										
	10 April 2019	No	2,204,440	–	–	–	–	2,204,440 (note (i))	10 years	1.981
	18 May 2020	No	2,204,440	–	–	(2,204,440)	–	– (note (i))	3 years	0.696
	6 April 2022	No	8,256,000	–	–	–	–	8,256,000 (note (ii))	3 years	0.400
<b>Consultants</b>										
	10 April 2019	No	314,912	–	–	–	–	314,912 (note (iii))	10 years	1.981
			<u>15,988,552</u>	<u>–</u>	<u>–</u>	<u>(3,149,200)</u>	<u>–</u>	<u>12,839,352</u>		

### Notes:

- (i) The share options have been granted to 7 employees and each of them hold 314,920 share options.
- (ii) The share options have been granted to 10 employees and each of them hold 825,600 share options.
- (iii) The share options have been granted to consultant A.

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

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2023.

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

As at 31 December 2023, the Directors are not aware of any business or interest of the Directors, the controlling shareholders of the Company and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

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

The Directors consider that the Company has applied the principles and complied with all the applicable code provisions set out in Appendix 15 to the GEM Listing Rules.

## **AUDIT COMMITTEE**

The consolidated financial statements of the Group for the year ended 31 December 2023 have been reviewed by the audit committee of the Company. The audit committee is of the opinion that the consolidated financial statements of the Group for the year ended 31 December 2023 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

## **AUDITOR**

Elite Partners CPA Limited resigned as auditor of the Company with effect from 29 January 2024 and Jon Gepsom CPA Limited was appointed as the new auditor to fill the causal vacancy with effective from 29 January 2024.

Jon Gepsom CPA Limited, who will retire, being eligible, offer themselves for reappointment at the forthcoming annual general meeting of the Company. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint Jon Gepsom CPA Limited as auditor of the Company.

## **SCOPE OF WORK OF JON GEPSOM CPA LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Company's auditor, Jon Gepsom CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Jon Gepsom CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Jon Gepsom CPA Limited on the preliminary announcement.

## **EXTRACT FROM INDEPENDENT AUDITOR'S REPORT PREPARED BY THE AUDITOR OF THE COMPANY**

The Company would like to provide an extract from the independent auditor's report prepared by Jon Gepsom CPA Limited on the Group's consolidated financial statements for the year ended 31 December 2023 as set out below:

### **Material Uncertainty Relating to Going Concern**

We draw attention to note 3 to the consolidated financial statements, which indicates that the Group incurred a net loss of approximately RMB27,038,000 for the year ended 31 December 2023 and, as of that date, the Group had net current liabilities and net liabilities of approximately RMB17,413,000 and RMB87,335,000 respectively. As stated in note 3, these events or conditions, along with other matters as set forth in note 3 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

By order of the Board  
**Wan Cheng Metal Packaging Company Limited**  
**Wang Yun**  
*Executive Director*

Hong Kong, 28 March 2024

*As at the date of this announcement, the executive Directors are Mr. Wang Yun and Mr. Zou Yonggang and the independent non-executive Directors are Mr. Wong Sui Chi, Ms. Ha Yee Lan Elaine and Mr. Wu Chi King.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) on the "Latest Listed Company Information" page for at least 7 days from the date of its posting. This announcement will also be published on the Company's website at [www.wanchengholdings.com](http://www.wanchengholdings.com).*