THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in China Aluminum Cans Holding Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockerbroker, or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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)

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF 70% EQUITY INTEREST IN GUANGZHOU EURO ASIA AEROSOL & HOUSEHOLD PRODUCTS MANUFACTURE CO., LIMITED*

Financial adviser to the Company

中國泛海企業融資
OCEANWIDE CAPITAL

Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders

ZHAOBANGJI
INTERNATIONAL

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular unless otherwise stated.

A letter from the Board is set out on pages 4 to 11 of this circular. A letter from the Independent Board Committee is set out on page 12 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 13 to 27 of this circular.

A notice convening the EGM to be held at 3:00 p.m. on Wednesday, 10 January 2018 at Suites 903-905, 9th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed with this circular.

Whether or not you intend to attend the EGM, you are advised to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit it with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) if you so wish.

15 December 2017

CONTENT

In this circular, unless the context requires otherwise, the following expressions shall have the following meanings:

"Acquisition"	the proposed acquisition of 70% of the issued share capital of the Target Company by the Purchaser from the Vendor pursuant to the terms and conditions of the Sale and Purchase Agreement
"associates"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Company"	China Aluminum Cans Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 6898)
"Completion"	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
"Completion Date"	the date of Completion
"connected person"	has the meaning ascribed to it under the Listing Rules
"Consideration"	the consideration of HK$90,000,000 for the Acquisition
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened and held at 3:00 p.m. on Wednesday, 10 January 2018 at Suites 903-905, 9th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong for the Independent Shareholders to consider and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	a committee of the Board comprising the four independent non-executive Directors, namely Dr. Lin Tat Pang, Ms. Guo Yang, Mr. Chung Yi To and Mr. Yip Wai Man Raymond formed for the purpose of advising and giving recommendation to the Independent Shareholders regarding the Acquisition

"Independent Financial Adviser"	Zhaobangji International Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition
"Independent Shareholders"	Shareholders, other than Mr. Lin and his associates, who are entitled to vote in the EGM in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder pursuant to the Listing Rules and all applicable laws
"Latest Practicable Date"	12 December 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	31 January 2018 or such other date as the Vendor and the Purchaser may agree
"Mr. Lin"	Mr. Lin Wan Tsang, an executive Director, the chairman of the Board and controlling Shareholder
"PRC"	the People's Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this circular
"Purchaser"	China Medical Beauty Bio-Technology Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
"Sale and Purchase Agreement"	the conditional sale and purchase agreement dated 30 November 2017 entered into between the Purchaser and the Vendor in relation to the Acquisition
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.01 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Target Company"	廣州歐亞氣霧劑與日化用品製造有限公司 (Guangzhou Euro Asia Aerosol & Household Products Manufacture Co., Limited*), a company incorporated in the PRC with limited liability and wholly-owned by the Vendor as at the Latest Practicable Date
"Vendor"	European Asia Industrial Limited, a company incorporated in Hong Kong with limited liability and wholly-owned by Mr. Lin as at the Latest Practicable Date
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"%"	per cent.

* *For identification purpose only*

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)

Executive Directors:
Mr. Lin Wan Tsang *(Chairman)*
Mr. Dong Jiangxiong
Ms. Ko Sau Mee
Mr. Lin Hing Lung

Non-executive Director:
Mr. Kwok Tak Wang

Independent non-executive Directors:
Dr. Lin Tat Pang
Ms. Guo Yang
Mr. Chung Yi To
Mr. Yip Wai Man Raymond

Registered office:
Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

Head office and principal place of business in Hong Kong
Unit G, 20/F., Golden Sun Centre
Nos. 59/67 Bonham Strand West
Sheung Wan
Hong Kong

15 December 2017

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF 70% EQUITY INTEREST IN GUANGZHOU EURO ASIA AEROSOL & HOUSEHOLD PRODUCTS MANUFACTURE CO., LIMITED*

INTRODUCTION

Reference is made to the announcement of the Company dated 30 November 2017 in relation to the Acquisition.

After trading hours of the Stock Exchange on 30 November 2017, the Purchaser, a wholly-owned subsidiary of the Company and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, 70% of the issued share capital of the Target Company, at the Consideration of HK$90,000,000 in cash. The Target Company is principally engaged in content filling of aerosol cans for cosmetic products.

The purpose of this circular is to provide you with, among other things, (i) details of the Acquisition; (ii) the letter from the Independent Board Committee to the Independent Shareholders in relation to the Acquisition; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition; and (iv) the notice of the EGM.

SALE AND PURCHASE AGREEMENT

Date

30 November 2017

Parties

Vendor:	European Asia Industrial Limited, a company wholly-owned by Mr. Lin; and
Purchaser:	China Medical Beauty Bio-Technology Company Limited, a wholly-owned subsidiary of the Company

The Vendor is an investment holding and trading company and is wholly-owned by Mr. Lin, an executive Director, the chairman of the Board and controlling Shareholder. As a result, the Vendor is a connected person of the Company under Chapter 14A of the Listing Rules. The Purchaser is an investment holding and a wholly-owned subsidiary of the Company.

Target to be acquired

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, 70% of the issued share capital of the Target Company, free from all encumbrances and other third-party rights and with all rights and interests attaching thereto (including all dividends declared or paid after Completion, whether arising from profits before or after Completion). Details of the Target Company are set out in the section headed "Information on the Target Company" below.

Consideration

The Consideration is HK$90,000,000, which shall be satisfied by cash on the Completion Date. The Company intends to fund the Consideration by the Group's banking facilities.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to, among other things, (i) the reasons for and benefits of the Acquisition, including the business prospect of the Target Company, as set out in the section headed "Reasons for and benefits of the Acquisition" below; (ii) the financial performance of the Target Company for the two years ended 31 December 2016 and the nine months ended 30 September 2017 as set out in the section headed "Information on the Target Company" below; and (iii) a discount of approximately 23.9% to the valuation (the "**Valuation**") of 70% equity interest in the Target Company of HK$118,300,000 as at 30 September 2017, as appraised by Roma Appraisals Limited (the "**Valuer**"), an independent valuer.

With reference to the valuation of the Land and the Target Company, the Valuation represents 70% of the aggregate of (i) the market value of the business of the Target Company (the "**Business Valuation**") of approximately HK$123,000,000; (ii) the market value of the land (the "**Land**") owned by the Target Company (the "**Land Valuation**") of approximately HK$46,000,000, as at 30 September 2017, as appraised by the Valuer using the market approach and the depreciated replacement cost approach, respectively. For details of the Land, please refer to the section headed "Information on the Target Company" below.

In arriving at the Business Valuation, the Valuer has considered comparable transactions involving sale and purchase of target companies principally engaged in manufacturing of cosmetic products in the PRC which were completed in the last five years. Based on the aforesaid criteria, six comparable transactions (the "**Comparable Transactions**") were identified. The average and median of the implied price-to-earnings ("**P/E(s)**") multiples of the Comparable Transactions were approximately 25.42 times and 15.03 times, respectively. Based on (i) the Consideration; (ii) the market value of the Land as at 30 September 2017; and (iii) profit of the Target Company for the twelve months ended 30 September 2017, the implied P/E for the acquisition of the business of the Target Company is approximately 10.14 times (as set out below), which is lower than the median of the implied P/Es of the Comparable Transactions of approximately 15.03 times.

		HK$
Consideration		
– on a 70% basis	A	90,000,000
– on a 100% basis	B = A / 0.70	128,571,429
Less:		
– Market value of the Land as appraised by the Valuer	C	46,000,000
Consideration for 100% equity interest in the business of the Target Company	D = B – C	82,571,429
Profit of the Target Company for the twelve months ended 30 September 2017 *(Note 1)*	E	8,142,568
Implied P/E for the acquisition of the business of the Target Company	D / E	10.14 times

Notes:

1. Based on the unaudited management accounts of the Target Company.

2. The exchange rate adopted in the above computation was approximately RMB1: HK$1.1751 as extracted from the Bloomberg as at 30 September 2017.

Taking into account that (i) there are no target companies or comparable companies which are exactly the same as the Target Company in terms of scale of operation, geographical segment and product mix; and (ii) the target companies that were involved in the Comparable Transactions are broadly comparable to the Target Company as they are exposed to the same market (i.e. the cosmetic industry) and are engaged in the manufacturing business, the Directors concur with the Valuer that the Comparable Transactions identified are fair and representative for comparison.

As regards the Land Valuation, given that there are no readily identifiable market comparables due to the specific purpose for the Land, the Valuer has adopted the depreciated replacement cost approach which is based on an estimate of the market value for the existing use of the Land, plus the current cost of replacement of the existing structures less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.

In the light of the above factors, the Directors consider that the Consideration is fair and reasonable.

Conditions precedent

Completion of the Acquisition is conditional upon, among other things, the fulfilment of the following conditions:

(i) the passing by the Independent Shareholders in accordance with the Listing Rules and all applicable laws at the EGM of the resolution approving the Sale and Purchase Agreement and the transactions contemplated thereunder;

(ii) the completion of a due diligence exercise to be carried out by the Purchaser in respect of the financial position, books and records and business of the Target Company, and the relevant results being satisfactory to the Purchaser in its absolute discretion and written notice to that effect having been given to the Vendor;

(iii) the obtaining by the Company and the Purchaser of all necessary consents, approvals and permissions from relevant organisations, institutions, government and regulatory authorities (including the Stock Exchange) in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder (if applicable); and

(iv) all the representations, warranties and undertakings of the Vendor remaining true and accurate as at Completion, for which the Vendor shall have performed or complied with at or before Completion (as the case may be).

None of the above conditions can be waived. As at the Latest Practicable Date, none of the above conditions had been fulfilled.

If the above conditions have not been fulfilled by the Purchaser on or before the Long Stop Date, the Sale and Purchase Agreement shall, subject to certain provisions of the Sale and Purchase Agreement and the liability of any party to the other in respect of any antecedent breaches of the terms of the Sale and Purchase Agreement, cease to have effect.

Completion

Completion shall take place on the Completion Date when all conditions set out in the Sale and Purchase Agreement are fulfilled.

Upon Completion, the Target Company will become a subsidiary of the Company and the financial results of the Target Company will be consolidated into the financial statements of the Group after Completion.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated on 17 April 2006 in the PRC with limited liability and is principally engaged in content filling of aerosol cans for cosmetic products (the "**Operation**"). The Target Company sells its products in the PRC and overseas markets, including the United States and Japan.

Currently, the Target Company conducts the Operation in the factory (the "**Factory**") located at No.388 North Jufeng Road, Aotou Town, Conghua City, Guangdong Province, the PRC (廣州從化鰲頭鎮聚豐北路388號) with a gross floor area of 1,500 square metres which is leased from the Group. The Target Company owns a piece of bare land (i.e. the Land) near the Factory with a gross floor area of 63,623 square metres (or approximately 684,837.97 square feet). The Group intends to build a production complex on the Land, which consists of warehouses, factory block(s) for production of containers for its cosmetic products or other products of the Group and other facilities.

Set out below is the financial information of the Target Company, as extracted from the PRC audit report for the year ended 31 December 2016 and the unaudited management accounts for the nine months ended 30 September 2017, which were prepared in accordance with the PRC Generally Accepted Accounting Principles:

	For the year ended 31 December		**For the nine months ended 30 September**
	2015	**2016**	**2017**
	RMB	*RMB*	*RMB*
	(audited)	*(audited)*	*(unaudited)*
Revenue	20,166,318	41,967,600	44,527,447
Profit/(loss) before taxation	(2,802,689)	5,392,548	7,203,537
Profit/(loss) after taxation	(2,802,689)	4,743,672	5,402,653

The unaudited net asset value of the Target Company as at 30 September 2017 was approximately RMB38.0 million. The carrying value of the Land was approximately RMB8.2 million as at 30 September 2017.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in (i) the manufacturing and sale 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; and (ii) the content filing of aerosol cans and the production and sale of aerosol products and non-aerosol products which focuses on, among other things, the development of high-end car care service products. On the other hand, the Target Company is principally engaged in content filling of aerosol cans for cosmetic products.

The Group has continued to review its existing businesses from time to time and has striven to improve the business operation, financial performance and position of the Group. In view of the competition in the aluminum aerosol cans markets and the car care products sector and the uncertainty as to the PRC economy as disclosed in the interim report of the Company for the six months ended 30 June 2017, the Directors consider that it is beneficial for the Group to seek suitable opportunities from time to time to diversify its existing business portfolio into businesses with growth potential. With the Acquisition, the Group will be able to broaden its source of income by diversifying its product range.

For the nine months ended 30 September 2017, the Target Company generated a majority of its revenue from the PRC market. The cosmetic market in the PRC has been growing at a fast pace in tandem with the rapid development of the PRC economy in recent years. According to the National Bureau of Statistics of China, retail sales of cosmetic products by wholesale and retail enterprises above designated size increased from approximately RMB110.3 billion in 2011 to approximately RMB222.2 billion in 2016, representing a compound annual growth rate of approximately 15.0%. Coupled with the rapid growth of revenue of the Target Company in the past years as set out in the section headed "Information on the Target Company" above, the Directors believe that there is considerable growth potential in the cosmetic market in the PRC.

The Directors consider that the Acquisition represents an attractive opportunity for the Group to diversify its product range and tap into the cosmetic market with growth potential, and that the terms of the Sale and Purchase Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the Vendor is wholly-owned by Mr. Lin, an executive Director, the chairman of the Board and controlling Shareholder, the Vendor is regarded as a connected person of the Company. As such, the Acquisition also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. The Sale and Purchase Agreement and the transactions contemplated thereunder are therefore subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. Lin has a material interest in the Acquisition, he and his associates shall abstain from voting at the EGM. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, apart from Mr. Lin and his associates, which are interested in approximately 74.0% of the issued share capital of the Company, no other Shareholder has a material interest in the Acquisition which is different from the other Shareholders, and is required to abstain from voting in respect of the Acquisition at the EGM under the Listing Rules.

GENERAL

An Independent Board Committee comprising all the independent non-executive Directors, namely Dr. Lin Tat Pang, Ms. Guo Yang, Mr. Chung Yi To and Mr. Yip Wai Man Raymond, has been established by the Company to provide a recommendation to the Independent Shareholders in respect of the Acquisition. Zhaobangji International Capital Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

The EGM will be convened at which an ordinary resolution will be proposed for the Independent Shareholders to consider, and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder. A notice convening the EGM to be held at 3:00 p.m. on Wednesday, 10 January 2018 at Suites 903-905, 9th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed under this circular.

Whether or not you intend to attend the EGM , you are advised to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) if you so wish.

RECOMMENDATIONS

Your attention is drawn to the letter from the Independent Board Committee set out on page 12 of this circular which contains its recommendation to the Independent Shareholders in relation to the terms of the Sale and Purchase Agreement.

Your attention is also drawn to the letter from the Independent Financial Adviser set out on pages 13 to 27 of this circular which contains its recommendations to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Sale and Purchase Agreement and the principal factors and reasons taken into account in arriving at its recommendation.

The Directors consider that the terms of the Sale and Purchase Agreement are determined after arm's length negotiations between the parties and on normal commercial terms. The Directors also consider that the terms of the Sale and Purchase Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular and the notice of the EGM.

By order of the Board
China Aluminum Cans Holdings Limited
Lin Wan Tsang
Chairman and executive Director

* *For identification purpose only*

The following is the text of a letter of advice from the Independent Board Committee, prepared for the purpose of inclusion in this circular, setting out its recommendation to the Independent Shareholders in relation to the Sale and Purchase Agreement and the transations contemplated thereunder:

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)

15 December 2017

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF 70% EQUITY INTEREST IN GUANGZHOU EURO ASIA AEROSOL & HOUSEHOLD PRODUCTS MANUFACTURE CO., LIMITED*

We refer to the circular of the Company dated 15 December 2017 (the "**Circular**"), of which this letter forms part. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board as members of the Independent Board Committee to advise you on the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder. Zhaobangji International Capital Limited has been appointed as the Independent Financial Adviser to advise you and us in this regard. Details of their advice, together with the principal factors and reasons they have taken into consideration in giving such advice, are set out on pages 13 to 27 of this circular. Your attention is also drawn to the "Letter from the Board" in this circular and the additional information set out in the appendices thereto.

Having considered the terms of the Sale and Purchase Agreement and taking into account the advice of the Independent Financial Adviser, in particular the principal factors, reasons and recommendations as set out in their letter, we consider that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and the entering into of the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

Yours faithfully,
the Independent Board Committee

Dr. Lin Tat Pang **Ms. Guo Yang** **Mr. Chung Yi To** **Mr. Yip Wai Man Raymond**
Independent Non-executive Directors

The following is the text of the letter of advice thom Zhaobangji to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.

ZHAOBANGJI
INTERNATIONAL

Zhaobangji International Capital Limited
Unit 1 & 17, 19/F, China Merchants Tower, Shun Tak Centre,
168-200 Connaught Road Central, Hong Kong

15 December 2017

To: the Independent Board Committee and the Independent Shareholders

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF 70% EQUITY INTEREST IN GUANGZHOU EURO ASIA AEROSOL & HOUSEHOLD PRODUCTS MANUFACTURE CO., LIMITED

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in connection with the Company's proposed acquisition of the 70.0% equity interest in the Target Company from the Vendor pursuant to the Sale and Purchase Agreement. Details of the Acquisition are contained in the circular to the Shareholders dated 15 December 2017 (the "**Circular**"), of which this letter forms part. Unless otherwise defined, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

As at the Latest Practicable Date, the Vendor, an investment holding and trading company, was wholly-owned by Mr. Lin, who is, an executive Director, the chairman of the Board and a controlling Shareholder. The Vendor is therefore a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction of the Company and is subject to approval by Independent Shareholders by way of poll at the EGM under the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors, namely Dr. Lin Tat Pang, Ms. Guo Yang, Mr. Chung Yi To and Mr. Yip Wai Man Raymond, has been formed to advise the Independent Shareholders in respect of the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder. We, Zhaobangji International Capital Limited ("**Zhaobangji**"), have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

During the past two years, we have not acted as an independent financial adviser to the independent board committee and independent shareholders of the Company. As at the Latest Practicable Date, there were no relationships or interests between (a) Zhaobangji and (b) the Group, the Vendor and the Target Company and their respective subsidiaries and associates that could reasonably be regarded as a hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition as detailed in the Circular.

In formulating our opinion and recommendation, we have visited the Target Company's production facilities and the Land in Aotou Town, Conghua City, Guangdong Province, the PRC. We have also reviewed, among other things, (i) the Sale and Purchase Agreement; (ii) the interim report of the Company for the six months ended 30 June 2017 (the "**2017 Interim Report**"); (iii) the annual report of the Company for the financial year ended 31 December 2016 (the "**2016 Annual Report**"); (iv) the interim report of the Company for the six months ended 30 June 2016 (the "**2016 Interim Report**"); (v) the annual report of the Company for the financial year ended 31 December 2015 (the "**2015 Annual Report**"); and (vi) the information contained in the Circular.

In formulating our advice and recommendation, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and the management of the Group and have assumed that they are true, accurate and complete as at the date of the Circular and will remain so up to the time of the EGM. We have also sought and received confirmation from the Directors that all material relevant information has been supplied to us and that no material facts has been omitted from the information supplied and opinions expressed to us. We have no reason to doubt the truth or accuracy of the information provided to us, or to believe that any material information has been omitted or withheld. We have relied on such information and consider that the information we have received is sufficient for us to reach our advice and recommendation as set out in this letter and to justify our reliance on such information. However, we have not conducted any independent investigation into the business and affairs of any of the Group, the Vendor and the Target Company and their respective subsidiaries and associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering whether the terms of the Sales and Purchase Agreement are fair and reasonable in so far as the Independent Shareholders are concerned, we have taken into account the principal factors and reasons set out below:

1. Background to, reasons for and benefits of the Acquisition

(i) Background of the Group

Listed on the Stock Exchange in 2013, the Group was then principally engaged 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 and shaving cream and pharmaceutical products such as pain relieving spray, spray dressing and antiseptic spray. In May 2015, with the view of pursuing a vertical integration strategy which allows the Group to gain access to the downstream distribution channels and to capture downstream profit margin, the Group broadened its business scope by acquiring a company engaging in the content filling of aerosol cans and the production and sale of aerosol products and non-aerosol products which focuses on, among other things, the development of high-end car care service products. As disclosed in the 2016 Annual Report, the manufacturing and sales of aluminum aerosol cans and the content filling of aerosol cans, and production and sales of aerosol and non-aerosol products remained the two principal business segments of the Group.

Set out below are certain key consolidated financial information of the Group, as extracted from the 2015 Annual Report, 2016 Annual Report, 2016 Interim Report and the 2017 Interim Report:

	For the six months ended 30 June		**For the year ended 31 December**		
	2017	**2016**	**2016**	**2015**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	*(Unaudited)*	*(Audited)*	*(Audited)*	*(Audited)*
Revenue	343,004	348,739	696,344	693,677	752,685
— Aluminum Aerosol Cans	131,284	120,823	217,896	212,252	235,723
— Aerosol and non-aerosol products	211,720	227,916	478,448	481,425	516,962
Profit for the year/period	38,171	56,406	95,285	79,295	81,700

Source: the 2015 Annual Report, 2016 Annual Report 2016 Interim Report and the 2017 Interim Report

For the year ended 31 December 2016

The revenue slightly increased by approximately 0.4% from approximately HK$693.7 million in 2015 to approximately HK$696.3 million in 2016, where there was a decrease of approximately 13.5% in sales in 2016 from the overseas customers which is primarily due to the fact that the Group strategically reduced a portion of export sales order which has low profit margins. By segment, the aluminum aerosol cans segment recorded an increase in revenue of approximately 2.6% from approximately HK$212.3 million in 2015 to approximately HK$217.9 million in 2016, whereas the aerosol and non-aerosol products segment recorded a decrease in revenue of approximately 0.6% from approximately HK$481.4 million in 2015 to approximately HK$478.4 million in 2016.

Associating with the rise in revenue, the net profit increased by approximately 20.2% from approximately HK$79.3 million in 2015 to HK$95.3 million in 2016. The significant increase in net profit in 2016 was primarily due to (i) the change in sales mix; (ii) improving procurement process leading to a reduction in production cost; and (iii) productivity enhancement driven by the acquisition of an automated production line in November 2015.

For the year ended 31 December 2015

The revenue dropped by approximately 7.8% from approximately HK$752.7 million in 2014 to approximately HK$693.7 million in 2015. By segment, the aluminum aerosol cans segment recorded a decrease in revenue of approximately 9.9% from approximately HK$235.7 million in 2014 to approximately HK$212.3 million in 2015, and the aerosol and non-aerosol products segment also recorded a decrease in revenue of approximately 6.9% from approximately HK$517.0 million in 2014 to approximately HK$481.4 million 2015. In line with the decrease in revenue, the net profit slightly reduced by approximately 2.9% from approximately HK$81.7 million in 2014 to approximately HK$79.3 million in 2015. The reduction in revenue and profit was primarily due to the increase in global competitions.

For the six months ended 30 June 2016 and 2017

For the six months ended 30 June 2016 ("**6M2016**") and 2017 ("**6M2017**"), the revenue dropped by approximately 1.6% from approximately HK$348.7 million to approximately HK$343.0 million, and the corresponding decrease in net profit was approximately 32.3% from approximately HK$56.4 million to approximately HK$38.2 million. The Group's aluminum aerosol cans segment recorded a revenue of approximately HK$120.8 million in 6M2016 and HK$131.3 million in 6M2017, representing an increase of approximately 8.7%. The aerosol and non-aerosol products segment generated revenue amounting to approximately HK$227.9 million in 6M2016 and HK$211.7 million in 6M2017, representing a decrease of approximately 7.1%.

The reduction in the revenue and profit mainly due to the fact that the Group was facing severe world-wide competition in the aluminum aerosol cans market and car care products market, and the increasing global aluminum price and international crude oil price which led to an increase of production cost and a lower net profit margin which fell from approximately 16.2% in 6M2016 to approximately 11.1% in 6M2017.

As shown from the above, despite of the fluctuations in revenue and profit in recent years, it is noted that the business growth was progressively slowing down.

(ii) Background to the Acquisition

The uncertainty of the PRC economy posed an increasing difficulty in maintaining the business growth of the Group. According to the report "Metal Packaging - Global Strategic Business Report" by Global Industry Analysts Inc., an independent leading publisher of off-the-shelf market research, the metal packaging marketplace is highly fragmented and intensely competitive. According to the 2017 Interim Report, the Group has been facing severe world-wide intensive competition in the aluminum aerosol cans market and the car care products sector resulting from the increasing competition from small-sized overseas aerosol can manufacturers and vigorous competition of car care products sector.

On the other hand, the cosmetics industry has been growing fast in the PRC in recent years. According to the National Bureau of Statistics of China, retail sales of cosmetic products by wholesale and retail enterprises above designated size increased from approximately RMB110.3 billion in 2011 to approximately RMB222.2 billion in 2016, representing a compound annual growth rate of approximately 15.0%.

Based on our independent research, women in the PRC have gradually formed the habit of putting on make-up and demonstrated an increasing demand in cosmetic products. The men's cosmetics sector also exhibits strong growth, in particular skincare products for men. The male skincare products market expanded by 5% year-on-year in 2016 as more and more male consumers are receptive to men's skincare and make-up products.

With a view that the Acquisition will complement the Group's further development in the cosmetics industry in the PRC, on 30 November 2017, the Purchaser entered into the Sale and Purchase Agreement with the Vendor.

(iii) Reasons for and benefits of the Acquisition

As stated in the 2017 Interim Report, in order to cope with the recent development trend in the market and to alleviate the decreasing revenue and profit, the Group has been proactively seeking new business and acquisition opportunities with growth potential to further enhance its business portfolio to broaden its source of income by diversifying its product range. Taking into account of the rapid economic growth in the PRC and the support from the Chinese government on beauty and cosmetics industry, we consider that the outlook of the industry in which the Target Company currently operates remains optimistic.

As set out in the Letter from the Board of the Circular, the Directors consider the Acquisition represents an attractive opportunity for the Group to diversify its product range and tap into the cosmetic market with growth potential.

The Target Company owns a piece of bare land near the Factory with a gross floor area of approximately 63,623 square metres (or approximately 684,837.97 square feet). The Directors intend to build a production complex on the Land, which consists of warehouses, factory block(s) for production of containers for its cosmetic products or other products of the Group and other facilities.

In terms of future prospect, the Directors consider that the Target Company is a company with growth potential, given the rapid growth of revenue of the Target Company and the increasing demand of the cosmetics in the PRC. Following completion of the Acquisition, the Group's revenue and profitability is expected to enhance. Taking the above into consideration, we concur with the Directors' view that the Acquisition is in line with the Group's strategy.

2. Principal terms of the Agreement

(i) Subject matters

Pursuant to the Sale and Purchase Agreement, the Purchaser (an investment holding and a wholly-owned subsidiary of the Company) has conditionally agreed to purchase 70% of the issued share capital of the Target Company from the Vendor. Upon Completion, the Target Company will become a subsidiary of the Company.

(ii) Consideration

Pursuant to the Sale and Purchase Agreement, the Consideration is HK$90.0 million, which shall be satisfied by cash on the Completion Date. The Company intends to fund the Consideration by the Group's banking facilities.

The Consideration was principally agreed based on arm's length negotiations between the Purchaser and the Vendor, after taking into account, among others, (i) the reasons for and benefits of the Acquisition as set out in the above sub-section headed "1. (iii) Reasons for and benefits of the Acquisition"; (ii) the financial performance of Target Company for the two years ended 31 December 2016 and the nine months ended 30 September 2017 as set out in the below section headed "3. Information about the Target Company"; and (iii) a discount of approximately 23.9% to the valuation of the 70.0% equity interest in the Target Company of HK$118.3 million as at 30 September 2017. Such Valuation has taken into account, (i) the market value of the business of the Target Company of approximately HK$123.0 million; and (ii) the market value of the land owned by the Target Company of approximately HK$46.0 million, as at 30 September 2017, which were appraised by the Valuer using the market approach and the depreciated replacement cost approach, respectively.

(iii) Conditions precedent

Completion of the Acquisition is conditional upon, among others:

(a) the passing by the Independent Shareholders in accordance with the Listing Rules and all applicable laws at the EGM of the resolution approving the Sale and Purchase Agreement and the transactions contemplated thereunder;

(b) the completion of a due diligence exercise to be carried out by the Purchaser in respect of the financial position, books and records and business of the Target Company, and the relevant results being satisfactory to the Purchaser in its absolute discretion and written notice to that effect having been given to the Vendor;

(c) the obtaining by the Company and the Purchaser of all necessary consents, approvals and permissions from relevant organisations, institutions, government and regulatory authorities (including the Stock Exchange) in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder (if applicable); and

(d) all the representations, warranties and undertakings of the Vendor remaining true and accurate as at Completion, for which the Vendor shall have performed or complied with at or before Completion (as the case may be).

None of the above conditions can be waived. As at the Latest Practicable Date, none of the conditions had been fulfilled.

If the above conditions have not been fulfilled by the Purchaser on or before the Long Stop Date, the Sale and Purchase Agreement shall, subject to certain provisions of the Sale and Purchase Agreement and the liability of any party to the other in respect of any antecedent breaches of the terms of the Sale and Purchase Agreement, cease to have effect.

Completion shall take place on the Completion Date when all conditions set out in the Sale and Purchase Agreement are fulfilled.

3. Information on the Target Company

(i) Background and business of the Target Company

The Target Company is incorporated in the PRC since 2006 and currently a wholly-owned subsidiary of the Vendor. It commenced its business operation in September 2010 and is principally engaged in content filing of aerosol cans for cosmetic products which are sold in the PRC, the United States, and Japan. It has a fully paid-up capital of US$3.0 million as at the Latest Practicable Date.

The Target Company owns a piece of bare land near the factory with a gross floor area of 63,623 square metres (or approximately 684,837.97 square feet). The Group intends to build a production complex on the Land, which consists of warehouses, factory block(s) for production of containers for its cosmetic products or other products of the Group and other facilities.

(ii) Financial information on the Target Company

Based on Target Company's audited financial statements for the two financial years ended 31 December 2016 and unaudited management accounts for the nine months ended 30 September 2017 and 2016, respectively, prepared in accordance with the generally accepted accounting principles in the PRC, the financial results and financial position of the Target Company are as follows:

(a) Financial results

	For the nine months ended 30 September		**Financial year ended 31 December**	
	2017	**2016**	**2016**	**2015**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
	(unaudited)	*(unaudited)*	*(audited)*	*(audited)*
Revenue	44,527	27,880	41,968	20,166
Cost of sales	(33,811)	(22,579)	(33,189)	(20,438)
	10,716	5,301	8,779	(272)
Gross profit %	***24.1%***	***19.0%***	***20.9%***	***-1.3%***
Other income and gains	306	491	992	84
Selling and distribution expenses	(880)	(590)	(1,506)	(710)
Administrative expenses	(2,164)	(1,882)	(3,148)	(2,210)
Finance cost	(248)	98	359	452
Other expenses	(527)	(61)	(83)	(147)
Net profit/(loss) before taxation	7,203	3,357	5,393	(2,803)
Taxation	(1,801)	(140)	(649)	—
Net profit/(loss) after taxation	5,402	3,217	4,744	(2,803)

For the financial year ended December 2016

The Target Company recorded an increase of approximately 108.1% in revenue from approximately RMB20.2 million in 2015 to approximately RMB42.0 million in 2016. As advised by the management of the Group, the increase in revenue was mainly due to (i) the increase in customer orders and number of customers, especially in the PRC; and (ii) the appreciation of US dollars. In 2016, the Target Company turned around from a gross loss of approximately RMB0.3 million to gross profit of approximately RMB8.8 million and gross profit margin improved from approximately -1.3% in 2015 to approximately 20.9% in 2016. Such improvement was primarily attributable to (i) the fall in the average price of raw materials and (ii) the variable and fixed production costs being able to leverage down as the sales volume increased by 125.9%. Furthermore, the Target Company turned into a net profit of approximately RMB4.7 million in 2016 compared to a net loss of approximately RMB2.8 million in the previous year was primarily due to (i) a substantial increase in revenue as mentioned above and (ii) a substantial increase in other income and gains which mainly comprised of approximately RMB0.9 million one-off government grant.

For the nine months ended 30 September 2017

The Target Company recorded an increase of approximately 59.7% in revenue to approximately RMB44.5 million for the nine months ended 30 September 2017 as compared to approximately RMB27.9 million for the corresponding period in 2016. We are advised by the management of the Group that such increase was driven by the increase in customer orders in the PRC. Gross profit margin improved to approximately 24.1% for the nine months ended 30 September 2017 as compared to approximately 19.0% for the same period in 2016, primarily due to (i) the variable and fixed production costs being able to leverage down as the sales volume increased by 61.1%; and (ii) improving procurement process leading to a reduction in production cost. As shown in the financial results above, the net profit increased by approximately 67.9% to approximately RMB5.4 million for the nine months ended 30 September 2017 which was in line with the increase in revenue.

(b) Financial position

	As at 30 September 2017 *RMB'000* *(unaudited)*	As at 31 December 2016 *RMB'000* *(audited)*	2015 *RMB'000* *(audited)*
Property, plant and equipment	3,550	3,982	4,477
Construction in process	3,387	3,047	1,026
Prepaid land lease payment	8,155	8,293	8,477
Total non-current assets	15,092	15,322	13,980
Inventories	7,328	4,415	3,239
Trade receivables	9,262	11,907	8,788
Prepayments, deposits and other receivables	45,176	42,628	35,492
Cash and cash equivalents	10,806	3,428	1,903
Total current assets	72,572	62,378	49,422
Total assets	87,664	77,700	63,402
Accounts payables	(13,145)	(7,445)	(3,585)
Other payables, accruals and deposits received	(33,220)	(33,922)	(32,143)
Interest-bearing bank borrowings	(3,000)	(3,000)	—
Tax payable	(308)	(745)	17
Total current liabilities	(49,673)	(45,112)	(35,711)
Net assets	37,991	32,588	27,691

As at 30 September 2017, non-current assets of approximately RMB15.1 million mainly comprised of (i) the carrying value of the Land of approximately RMB8.2 million, and (ii) the carrying value of property, plant and equipment of approximately RMB3.6 million.

As at 30 September 2017, current assets of approximately RMB72.6 million mainly comprised of (i) prepayment, deposits and other receivables of approximately RMB45.2 million which principally represented other receivables of approximately RMB45.0 million; and (ii) cash and cash equivalents of approximately RMB10.8 million.

As at 30 September 2017, current liabilities of RMB49.7 million represented (i) accounts payable of approximately RMB13.1 million; (ii) other payables, accruals and deposits received of approximately RMB33.2 million which represented other payables of RMB31.7 million, deposits received from customer of approximately RMB1.1 million and salary payables of approximately RMB0.4 million; and (iii) secured interest-bearing borrowings of approximately RMB3.0 million which is repayable within one year, and is expected to remain in the Target Company after Completion.

4. Independent valuations and evaluation of the consideration

(i) Valuation of the Target Company as at 30 September 2017

An independent valuer, Roma Appraisals Limited, has performed valuation of the Target Company and come to a conclusion that the market value of a 70.0% equity interests of the Target Company as at 30 September 2017 was HK$118.3 million (the "**Target Company Valuation**"). The Target Company Valuation represents 70.0% of the aggregate of (i) the market value of the business of the Target Company of approximately HK$123.0 million and (ii) the market value of the Land of approximately HK$46.0 million.

In the process of assessing the Target Company Valuation, we are advised by the Valuer that they have considered three generally accepted valuation approaches, namely the market approach, the income approach and the asset based approach. In determining the Target Company Valuation, the Valuer considered that the market approach is the most appropriate one. In particular, the asset based approach was not adopted since the Valuer is of the view that the future earning potentials of the Target Company will not be captured in such a valuation. The income approach is also not considered appropriate, given this method requires significant level of judgements to be made to arrive at, amongst others, detailed cash flow projection.

As a result, the market approach, which relates to the valuation of the Target Company by making reference with (i) comparable transactions involving the sale and purchase of aerosol products manufacturing industry and cosmetic production industry in the PRC and (ii) publicly traded comparable companies engaging in the similar industry of the Target Company, are used to arrive at the market value of the Target Company. The Valuer has determined the price-to-earnings ratio (the "**P/E ratio**") to be most appropriate in determining the value of the Target Company. Given that (i) the usage of the P/E ratio is a widely used ratio under the market approach; (ii) the relevance of using the P/E ratio given the Target Company has been profitable in the latest financial year and for the nine months ended 30 September 2017 and (iii) following discussions with the Valuer as to the rationale for using the P/E ratio, we concur with the Valuer that the usage of P/E ratio is a reasonable approach.

For the purpose of searching comparable transactions as well as comparable companies, we have discussed with the Valuer their search criteria in this regard, and understood that the Valuer has considered comparable transactions involving sale and purchase of target companies principally engaged in manufacturing of cosmetic products in the PRC which were completed in the last five years. The Valuer considered the Comparable Transactions are broadly comparable to the Target Company, in terms of (i) the geographical segments in which the Comparable Transactions are exposed and (ii) the Comparable Transactions also involved cosmetic related manufacturing businesses, which is similar to the Target Company. On the basis of (i) the content filling of aerosol cans is for the use of cosmetic products and (ii) the Comparable Transactions involved cosmetic industry (same market in which the Target Company is exposed), we consider the Valuer's selection criteria represent an appropriate approach to identify the comparable transactions which are engaged in business that is similar to the Target Company.

(ii) The Land, including its buildings and structures (the "Properties")

The valuation of the Properties as at 30 September 2017 has also been separately assessed by the Valuer at RMB39.4 million (i.e. HK$46.0 million) (the "**Property Valuation**"). The text of such independent valuation report is set out in Appendix I to the Circular.

In valuing the Properties, the Valuer has adopted the depreciated replacement cost approach instead of the market approach, due to the lack of market information on the Properties. Under the depreciated replacement cost approach, the Valuer considers the replacement costs of the subject assets with allowances of accrued depreciation based on their expected useful life and maintenance condition. In particular, in valuing the land parcels of the Land, the Valuer has made reference to comparable sales transaction of other lands located near to the subject land, with adjustments made in respect of the remaining terms of land use rights.

Based on our discussion with the Valuer, we have not identified any major factors which cause us to doubt the fairness and reasonableness of the principal bases and assumptions used in arriving at the Target Company Valuation and the Property Valuation. The Valuer has carried out inspections, made relevant enquiries and searches for the purpose of the Target Company Valuation and the Property Valuation. We have reviewed and discussed with the Valuer the bases and assumptions adopted for the Target Company Valuation and the Property Valuation. We consider that the assumptions adopted by the Valuer are fair and reasonable and the bases used are normal ones for valuing the Target Company and the Properties. We have also performed work as required under note (1)(d) to Rule 13.80 of the Listing Rules in relation to the Valuer and its work as regards the Target Company Valuation and the Property Valuation.

(iii) Evaluation of the consideration

The consideration of HK$90.0 million under the Sale and Purchase Agreement was determined after arm's length negotiations between the Vendor and the Purchaser, after taking into account, amongst other things, (i) the business prospect and financial performance of the Target Company, including the (a) rapid growth of revenue of the Target Company from approximately RMB20.2 million in 2015 to approximately RMB42.0 million in 2016, which represented a year-on-year growth of 108.1%; (b) the net profit of the Target Company of approximately RMB4.7 million in 2016 compared to its net loss of approximately RMB2.8 million in 2015 and (c) the unaudited net profit of the Target Company for the nine months ended 30 September 2017 of approximately RMB5.4 million and (ii) a discount to the Target Company Valuation of 70.0% equity interest as at 30 September 2017.

(a) Peer comparison

As set out in the above sub-section headed "4. (i) Valuation of the Target Company as at 30 September 2017", we consider the most appropriate method of the Target Company Valuation is by reference to the P/E ratio for the industry in which the Target Company operates. As set out in the Letter from the Board in the Circular, the consideration under the Acquisition implies a P/E ratio of approximately 10.2 times, calculated with reference to the profit of the Target Company for the twelve months ended 30 September 2017, as follows:

	Approximately HK$' million
Consideration	
— on a 70.0% basis	90.0
— on a 100.0% basis	128.6
Less:	
The Property Valuation	46.0
Consideration for the business of 100.0% equity interest of the Target Company	82.6
Profit of the Target Company for the twelve months ended 30 September 2017	8.1
Implied P/E for the acquisition of the business of the Target Company	10.2 times

As set out in the Letter from the Board in the Circular, the average and median of the implied P/E multiples of the Comparable Transactions were approximately 25.4 times and 15.0 times, respectively. As such, the implied P/E for the Acquisition of approximately 10.2 times falls below the average and median of the implied P/E multiples of the Comparable Transactions.

In identifying peers, we have carried out our search on Bloomberg to a global basis of listed companies specialised in the manufacture of aerosol products. In this regard, we have identified two listed aerosol product manufacturers, namely China Ludao Technology Company Limited ("**China Ludao**") listed in Hong Kong and Swallowfield PLC ("**Swallowfield**") listed in London, which, in our view, are comprehensive and represent fair and exhaustive samples of global listed aerosol product manufacturers for our comparison purpose.

Based on the closing prices of China Ludao on the Stock Exchange and Swallowfield on the stock exchange in London on 30 November 2017, being the last trading day prior to the announcement and signing of the Sale and Purchase Agreement, the P/E ratios of China Luo and Swallowfield are approximately 27.2 times and 22.9 times. On the basis that the P/E ratios implied by the Consideration of 10.2 times is below the P/E ratios of China Ludao and Swallowfield, the Consideration is considered fair and reasonable.

(b) Discount to the Target Company Valuation

In evaluating the consideration, we have also compared the Consideration to the Target Company Valuation as at 30 September 2017, as follows:

	Approximately HK$' million
Target Company Valuation as at 30 September 2017	118.3
Consideration	90.0
Discount of consideration to the Acquisition	23.9%

As shown above, the Consideration of approximately HK$90.0 million represents a discount of approximately HK$28.3 million (or approximately 23.9%) to the Target Company Valuation.

(c) Conclusion

In view of (i) the benefits of the Acquisition including the expansion of the Group's product portfolio and the potential growth in the cosmetic market in the PRC as discussed in the above sub-section headed "1. (iii) Reasons for and benefits of the Acquisition"; (ii) the Target Company has been profit making in the recent financial year with year-on-year growth of 108.1% in revenue and the Acquisition has the potential to contribute positively to the Group's future results; (iii) the P/E ratios of the Target Company as implied under the Acquisition is below both the P/E ratios of China Ludao and Swallowfield which are also aerosol product manufacturers; (iv) the P/E ratios of the Target Company as implied under the Acquisition falls below the average and median of the implied P/E multiples of the Comparable Transactions and (v) the Consideration represents a discount of approximately 23.9% to the Target Company Valuation, we consider the Consideration to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

5. Financial effects on the Group

(i) Earnings and net asset value

Following the Acquisition, the Target Company will become a subsidiary of the Group, and the financial results and financial position of the Target Company would be consolidated into the financial statements of the Group. Given the Target Company has started to record a profit in 2016, future performance of the Target Company is expected to contribute positively to the consolidated turnover and profit of the Group.

As the difference between the net asset value of the Target Company and the Consideration will be recognised as a debit side of equity, the Group's net asset value is expected to decrease upon Completion.

(ii) Gearing and working capital

As disclosed in the 2017 Interim Report, the Group had net cash (defined as cash and cash equivalents and pledged deposits net of total interest-bearing bank borrowings) of approximately HK$117.4 million as at 30 June 2017. Since the Group currently intends to finance the Acquisition by bank borrowings, the Group's net cash is expected to decrease following the Completion.

As at 30 June 2017, the capital commitments of the Group, which mainly comprised of capital commitments on plant and machinery, amounted to approximately HK$2.3 million.

Taking into account the Group's cash and bank balances, the Group's borrowings and capital commitments of the Group as at 30 June 2017, the payment of the Consideration amounting to approximately HK$90.0 million is not expected to have a significant adverse effect on the Group's financial position or working capital.

OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the Acquisition is on normal commercial terms and is fair and reasonable and are in the interests of the Company and the Shareholders as a whole so far as the Independent Shareholders are concerned. We consider the entering into of the Sale and Purchase Agreement is not in the ordinary and usual course of business of the Company and in the interests of the Company and its shareholders as a whole. We therefore advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders, to vote in favour of the resolution to be proposed at the EGM to approve the Acquisition.

Yours faithfully,
for and on behalf of
ZHAOBANGJI INTERNATIONAL CAPITAL LIMITED

Fabian Shin	**Danny Leung**
Chief Executive Officer	*Director*

Mr. Fabian Shin is a licensed person registered with the Securities and Futures Commission and as a responsible officer of Zhaobangji to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and has over twenty years of experience in corporate finance industry.

Mr. Danny Leung is a licensed person registered with the Securities and Futures Commission to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and has over seven years of experience in corporate finance industry.

The following is the text of a letter with the summary of value received from Roma Appraisals Limited, prepared for the purpose of incorporation in the circular, in connection with their valuation as of 30 September 2017 of a property of the Target Group.

15 December 2017

China Aluminum Cans Holdings Limited
Unit G, 20/F., Golden Sun Centre,
Nos. 59-67 Bonham Strand West, Sheung Wan, Hong Kong

Dear Sir/Madam,

Re: Property Valuation of a Parcel of Industrial Land situated at No.388 North Jufeng Road, Aotou Town, Conghua City, Guangdong Province, The People's Republic of China

In accordance with your instructions for us to value the property held by Guangzhou Euro Asia Aerosol & Household Products Manufacture Co., Limited (the "Target Company"), a wholly owned subsidiary of European Asia Industrial Limited (the "Vender"), to be acquired by China Medical Beauty Bio-Technology Company Limited (the "Purchaser"), (together with the Target Company referred to as the "Target Group") a wholly owned subsidiary of China Aluminum Cans Holdings Limited (the "Company") (together with the Purchaser referred to as the "Group"), in the People's Republic of China (the "PRC"), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property as at 30 September 2017 (the "Date of Valuation") for the purpose of incorporation in the circular of the Company dated 15 December 2017.

1. BASIS OF VALUATION

Our valuation of the property are our opinion of the market value of the concerned property which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

2. VALUATION METHODOLOGY

Due to the specific purpose for the buildings and structures of the property, there are no readily identifiable market comparables. Thus the buildings and structures have been valued on the basis of their depreciated replacement costs instead of direct comparison method. The depreciated replacement cost approach ("DRC") is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement of the existing structures less deductions for physical deterioration and all relevant forms of obsolescence and optimization. In practice, DRC approach may be used as a substitute for the market value of specialized property, due to the lack of market comparables available. Our valuation does not necessarily represent the amount that might be realized from the disposition of the property and the DRC is subject to adequate profitability of the concerned business.

3. TITLE INVESTIGATION

For the property in the PRC, copies of extracts of various title documents have been shown to us and we have been advised by the Target Company that no further relevant documents have been produced. Furthermore, due to the nature of the land registration system in the PRC, we have not been able to examine the original documents to verify ownership or to ascertain the existence of any amendment documents, which may not appear on the copies handed to us. Therefore, in the course of our valuation, we have relied on the advice and information given by the Target Company and its PRC legal advisor — China Commercial Law Firm, regarding the titles of the property in the PRC. All documents have been used for reference only.

We have also relied on the advice given by the Target Company that the Target Company has valid and enforceable titles to the property which are freely transferable, and have free and uninterrupted right to use the same, for the whole of the unexpired term granted subject to the payment of annual government rent / land use fees and all requisite land premium / purchase consideration payable have been fully settled.

4. VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the property in the market in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the value of the property. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property and no allowance has been made for the property to be sold in one lot or to a single purchaser.

5. SOURCE OF INFORMATION

In the course of our valuation, we have relied to a very considerable extent on the information provided by the Target Company and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of property, particulars of occupation, site / floor areas, ages of buildings and all other relevant matters which can affect the value of the property. All documents have been used for reference only.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

6. VALUATION CONSIDERATION

We have inspected the exterior and, where possible, the interior of the property. No structural survey has been made in respect of the property. However, in the course of our inspections, we did not note any serious defects. We are not, however, able to report that the property are free from rot, infestation or any other structural defects. No tests were carried out on any of the building services.

We have not carried out on-site measurement to verify the site / floor areas of the property under consideration but we have assumed that the site / floor areas shown on the documents handed to us are correct. Except as otherwise stated, all dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us by the Target Company and are therefore approximations.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property are free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

Our valuation is prepared in compliance with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and in accordance with the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

7. REMARKS

In accordance with our standard practice, we must state that this report is for the use only of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents and neither the whole, nor any part of this report may be included in any published documents or statement nor published in any way without our prior written approval of the form and context in which it may appear.

Unless otherwise stated, all monetary amounts stated in our valuation are in Renminbi (RMB).

Our Valuation Certificate is attached.

Yours faithfully,
For and on behalf of
Roma Appraisals Limited
Nancy Chan
BSc (Hons)
MHKIS MRICS RPS(GP)
Director

Note: Ms. Nancy Chan is a Registered Professional Surveyor (General Practice), a member of Hong Kong Institute of Surveyors and a member of the Royal Institution of Chartered Surveyors. She has over 7 years' experience in real estate industry and property and asset valuation in Hong Kong, Macau, the PRC, Singapore, Taiwan, United Kingdom, Australia, Japan and other overseas countries.

VALUATION CERTIFICATE

Property interests held by the Target Company for development in the PRC

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 30 September 2017
A parcel of industrial land situated at No.388 North Jufeng Road, Aotou Town, Conghua City, Guangdong Province, The PRC	The property comprises a parcel of land with a site area of 63,623.00 sq.m. (or about 684,837.97 sq.ft.). As advised by the Target Company, four industrial structures/buildings with total gross floor area of approximately 15,525.54 sq.m. (or about 167,116.91 sq.ft.) are proposed to be developed and expected to complete after about two years of the construction commenced. The land use rights of the property have been granted for a term expiring on 14 April 2060 for industrial use pursuant to the State-owned Land Use Certificate issued on 31 May 2010.	The property is vacant as at the Date of Valuation.	RMB39,400,000 (70% interests attributable to the Target Company: RMB27,580,000)

Notes:

1. Pursuant to a State-owned Land Use Certificate, Cong Guo Yong (2010) No.00098 (從國用(2010)第 00098 號) dated 31 May 2010 issued by People's Government of Conghua City (從化市人民政府), the land use right of the property with a site area of 63,623.00 sq.m. has been granted to Guangzhou Euro Asia Aerosol & Household Products Manufacture Co., Limited (廣州歐亞氣霧劑與日化用品製造有限公司) for a term expiring on 14 April 2060 for industrial use.

2. Pursuant to a Construction Works Planning Permit, Jian Zi Di Sui Guo Tu Gui Hua Jian Zheng (2016) No.390 (建字第穗國土規劃建證(2016)390號) issued by Guangzhou City Land Resources And Planning Committee (廣州市國土資源和規劃委員會) dated 11 October 2016, the planning permit with a total gross floor area of approximately 15,525.54 sq.m. for four industrial structures/buildings has been granted to Guangzhou Euro Asia Aerosol & Household Products Manufacture Co., Limited (廣州歐亞氣霧劑與日化用品製造有限公司).

3. Pursuant to a Real Estate Registration Certificate, Yue (2017) Guangzhou City Real Estate Certificate No.09204944 （粵(2017)廣州市不動產證明第09204944號） dated 8 June 2017, the property is subject to a registered mortgage for a guarantee amount of RMB43,263,600 in favor of Industrial and Commercial Bank of China Limited, Branch of Conghua, Guangzhou.

4. As advised by the Target Company, the incurred cost related to preliminary construction works of the property as at the Date of Valuation is about RMB3,370,000, while the estimated construction cost for the proposed development is about RMB45,000,000.

5. Our inspection was performed by Mr. Alex Ma in November 2017.

6. The status of the relevant title and grant of major approvals and licenses in accordance with the information provided to us are as follows:

Stated-owned Land Use Rights Certificate	Yes
Construction Works Planning Permit	Yes

7. We have been provided with a legal opinion on the title to the property issued by the Target Company's legal adviser, which contains, inter alia, the following information:

   The relevant land purchase consideration of the property has been fully settled. Except the existing encumbrance (the registered mortgage in favor of Industrial and Commercial Bank of China Limited, Branch of Conghua, Guangzhou), the property is not subject to any other encumbrances such as pledge, mortgage or seizure.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular 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 circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors and chief executive

As at the Latest Practicable Date, the interests or short positions in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) held by the Directors and chief executive of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were deemed or taken to have under provisions of the SFO), or have been entered in the register maintained by the Company pursuant to Section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies adopted by the Company (the "**Model Code**") were as follows:

(i) Long positions in the Shares and underlying Shares of the shares options granted under the pre-IPO share option scheme of the Company

	Number of Shares			Interests in underlying Shares		
Names of Directors	**Beneficial owner**	**Interest of family**	**Interests in a controlled corporation**	**Share options** *(Note 1)*	**Total**	**Approximate percentage of the issued Shares** *(Note 2)*
Mr. Lin	324,854,000	—	268,000,000 *(Note 4)*	—	592,854,000	74.05%
Ms. Ko Sau Mee ("Mrs. Lin")	—	324,854,000 *(Note 3)*	268,000,000 *(Note 4)*	—	592,854,000	74.05%
Mr. Kwok Tak Wang	1,200,000	—	—	800,000	2,000,000	0.25%

Notes:

(1) These represents the awarded underlying Shares granted to the Directors under a pre-IPO share option scheme of the Company which was adopted on 20 June 2013.

(2) These percentages had been compiled based on the total number of issued Shares as at the Latest Practicable Date (i.e. 800,647,000 Shares).

(3) These Shares are held by Mr. Lin. As Mrs. Lin is the spouse of Mr. Lin, Mrs. Lin is deemed to be interested in all the Shares held by Mr. Lin by virtue of the SFO.

(4) These Shares are held by Wellmass International Limited ("**Wellmass**"), which is wholly and beneficially owned by Mr. Lin. As Mrs. Lin is the spouse of Mr. Lin, Mrs. Lin is deemed to be interested in all the Shares held by Mr. Lin (through Wellmass) by virtue of the SFO.

(ii) Long positions in the underlying Shares of the convertible notes of the Company:

Name of the holder of the convertible notes	Principal amount of the convertible notes	Number of the total underlying Shares	Approximate percentage of the issued Shares *(Note 1)*
Mr. Lin *(Note 2)*	420,360,000	389,222,222	48.61%

Notes:

1. These percentages had been compiled based on the total number of issued Shares as at the Latest Practicable Date (i.e. 800,647,000 Shares).

2. These convertible notes were issued by the Company on 8 July 2015 as part of the consideration to the acquisition of Topspan Holdings Limited and its subsidiaries on 20 May 2015. They are unlisted, interest-free and convertible into the Shares at the conversion price of HK$1.08 per Share. The interest is held by Mr. Lin. As Mrs. Lin is the spouse of Mr. Lin, Mrs. Lin is deemed to be interested in all the Shares held by Mr. Lin by virtue of the SFO.

Save as disclosed above, none of the Directors or chief executive of the Company and/or any of their respective close associates had registered any interests or short positions in any Shares, underlying Shares in, and debentures of, the Company or any associated corporations as at the Latest Practicable Date, as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

(b) Substantial Shareholder

As at the Latest Practicable Date, the following person (not being a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in the Shares

Name of shareholder	Capacity/ Nature of interests	Number of Shares held	Approximate percentage of issued Shares *(Note 1)*
Wellmass *(Note 2)*	Beneficial owner	268,000,000	33.47%

Notes:

(1) These percentages had been compiled based on the total number of issued Shares as at the Latest Practicable Date (i.e. 800,647,000 Shares).

(2) Wellmass is a company incorporated in the British Virgin Islands, and is solely and beneficially owned by Mr. Lin. Mrs. Lin is the spouse of Mr. Lin and is therefore deemed to be interested in all the Shares held by Mr. Lin (through Wellmass) by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, no person, other than the Directors or chief executive of the Company had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable within one year without payment of compensation, other than statutory compensation).

4. COMPETING INTEREST OF DIRECTORS

As at the Latest Practicable Date, none of the Directors or their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2016, being the date to which the latest published audited accounts of the Company were made up.

6. MATERIAL INTERESTS

As at the Latest Practicable Date, none of the Directors (i) had any direct or indirect interest in any assets which had been, since 31 December 2016, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group; and (ii) was materially interested in any contract or arrangement entered into by any member of the Group subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

7. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have been named in this circular or have given opinion or advice which is contained in this circular:

Name	Qualification
Zhaobangji International Capital Limited	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Roma Appraisals Limited	Business and property valuer

As at the Latest Practicable Date, each of the experts named above (i) had no shareholding in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and (ii) had no direct or indirect interest in any assets which had been, since 31 December 2016 (the date to which the latest published audited accounts of the Company were made up), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group.

Each of the experts named above has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or report and the reference to its name included herein in the form and context in which it appears.

8. GENERAL

(a) The registered office of the Company is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.

(b) The head office and principal place of business of the Company in Hong Kong is Unit G, 20/F., Golden Sun Centre, Nos. 59/67 Bonham Strand West, Sheung Wan, Hong Kong.

(c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited.

(d) The principal share registrar and transfer office of the Company is Estera Trust (Cayman) Limited.

(e) The company secretary of the Company is Ms. Ho Wing Yan.

(f) The English text of this circular shall prevail over their respective Chinese text for the purpose of interpretation.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's principal place of business in Hong Kong at Unit G, 20/F., Golden Sun Centre, Nos. 59/67 Bonham Strand West, Sheung Wan, Hong Kong during 9:00 a.m. to 5:30 p.m. on any business day in Hong Kong, from the date of this circular for a period of 14 days:

(a) the Sale and Purchase Agreement; and

(b) this circular.

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)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of China Aluminum Cans Holdings Limited (the "**Company**") will be held at 3:00 p.m. on Wednesday, 10 January 2018 at Suites 903-905, 9th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT**:

(a) the sale and purchase agreement dated 30 November 2017 (the "**Sale and Purchase Agreement**") entered into between European Asia Industrial Limited as vendor and China Medical Beauty Bio-Technology Company Limited as purchaser in relation to the acquisition of 70% of the issued share capital of 廣州歐亞氣霧劑與日化用品製造有限公司 (Guangzhou Euro Asia Aerosol & Household Products Manufacture Co., Limited*) at a consideration of HK$90,000,000, details of the Sale and Purchase Agreement are set out in the circular of the Company dated 15 December 2017 (the "**Circular** ") (copies of the Sale and Purchase Agreement and the Circular having been produced and marked "A" and "B" respectively and initialed by the chairman of the EGM for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

(b) the Directors be and are hereby authorised to execute all such documents and do all such acts and things as they consider desirable, necessary or expedient in connection with and to give effect to the Sale and Purchase Agreement and the transactions contemplated thereunder."

By order of the Board
China Aluminum Cans Holdings Limited
Lin Wan Tsang
Chairman and executive Director

Hong Kong, 15 December 2017

* *For identification purpose only*

Notes:

1. A member of the Company entitled to attend and vote at the EGM is entitled to appoint another person at his/ her/its proxy to attend and vote in his/her/its stead in accordance with the bye-laws of the Company. A proxy needs not be a member of the Company.

2. Whether or not you intend to attend the EGM in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the EGM or any adjournment thereof, should he so wish.

3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.

4. In the case of joint holders of shares, any one of such holders may vote at the EGM, either personally or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the EGM personally or by proxy, that one of the said persons so present whose name stands first in the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.

5. The register of members of the Company will be closed from Thursday, 4 January 2018 to Wednesday, 10 January 2018, both days inclusive, during which period no transfers of shares shall be registered. The holder of shares whose name appears on the register of members of the Company on 10 January 2018 will be entitled to attend and vote at the EGM. In order to qualify for attending and voting at the forthcoming EGM, all transfers of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, 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 Wednesday, 3 January 2018.

As at the date of this notice, the executive directors are Mr. Lin Wan Tsang, Mr. Dong Jiangxiong, Ms. Ko Sau Mee and Mr. Lin Hing Lung; the non-executive director is Mr. Kwok Tak Wang; and the independent non-executive directors are Dr. Lin Tat Pang, Ms. Guo Yang, Mr. Chung Yi To and Mr. Yip Wai Man Raymond.