This summary is intended to give you an overview of the information contained in this listing document. Since it is a summary, it does not contain all the information that may be important to you. You should read this listing document in its entirety.

OVERVIEW

We are a leading automotive beauty and maintenance aerosol products manufacturer in the PRC. According to the CIC Report, in 2018, we were ranked first in the manufacturing of aerosol products used in the automotive beauty and maintenance market in the PRC in terms of revenue, with a market share of approximately 13.2%, and the sales volume of aerosol products constituted approximately 20% of the total sales volume of products used in the automotive beauty and maintenance market in the PRC in 2018. In addition to automotive beauty and maintenance products, we also design, develop, manufacture and sell personal care products and other products including household products. Our products are in the form of both aerosol and non-aerosol products.

Our predecessor, China Aluminum Cans which is a company listed on the Main Board of the Stock Exchange (stock code: 6898), is engaged in the manufacturing and sale of monobloc aluminum aerosol cans. The Spin-off will effect the separation of the two groups which have different business focus.

OUR BUSINESS MODEL

Our Products

Our products can be broadly classified into automotive beauty and maintenance products, personal care products and other products. Our automotive beauty and maintenance products include auto cleaning and maintenance products (such as auto interior decoration cleaning products and tyre and wheel cleaning and care products), paint and coating (such as chrome aerosol spray), winter and summer specials (such as refrigerant and cold cranking agent) and air-fresheners. During the Track Record Period, such products were sold on both CMS and OBM basis. Our personal care products include, among others, foaming facial wash, sunscreen, moisturiser, deodoriser and hand wash. During the Track Record Period, all of our personal care products were sold on a CMS basis, and such products were sold to both domestic CMS customers and overseas CMS customers. Other products include household products (such as paint and floor polish), packaging materials (such as dip-tubes, valves and paper-boxes) and car cleaning kits and tools. During the Track Record Period, such products were sold on both CMS and OBM basis.

The following table sets forth our revenue by product categories for each of our OBM and CMS business models during the Track Record Period:

	Year ended 31 December					
	2016		2017		2018	
	HK$'000	*% of revenue*	*HK$'000*	*% of revenue*	*HK$'000*	*% of revenue*
OBM products						
Automotive beauty and maintenance products						
- Aerosol products	250,237	47.5%	252,454	48.7%	262,872	43.0%
- Non-aerosol products	52,023	9.9%	53,527	10.3%	57,019	9.3%
Household products	1,106	0.2%	1,139	0.2%	907	0.2%
Subtotal	303,366	57.6%	307,120	59.2%	320,798	52.5%
CMS products						
Automotive beauty and maintenance products						
- Aerosol products	162,502	30.9%	138,119	26.7%	154,602	25.3%
- Non-aerosol products	11,528	2.2%	5,550	1.1%	5,736	1.0%
Personal care products	44,507	8.4%	59,339	11.4%	125,920	20.6%
Household products	4,717	0.9%	7,937	1.5%	3,691	0.6%
Subtotal	223,254	42.4%	210,945	40.7%	289,949	47.5%
Others *(Note)*	235	0.0%	316	0.1%	117	0.0%
Total	526,855	100%	518,381	100%	610,864	100.0%

Note: "Others" include packaging materials (such as dip-tubes, valves and paper-boxes) and car cleaning kits and tools.

During the Track Record Period, our revenue was primarily attributable to our automotive beauty and maintenance products. For the year ended 31 December 2017, sales of our automotive beauty and maintenance products decreased by approximately 5.6% as compared to the previous year, primarily due to the decrease in sales orders received from a major CMS customer in Japan due to intense competition. The revenue generated from this CMS customer decreased by approximately 57.0% from approximately HK$21.7 million for the year ended 31 December 2016 to approximately HK$9.3 million for the year ended 31 December 2017. For the year ended 31 December 2018, sales of our automotive beauty and maintenance products increased by approximately 6.8% as compared to the previous year, primarily due to (i) the increase in our sales to three export and trading companies in the PRC which assisted us in exporting our products to our CMS customers overseas; (ii) the general increase in the selling prices of a majority of our OBM products since May 2018; and (iii) the depreciation of RMB against USD which stimulated export sales of our CMS products. Fluctuations in sales of our automotive beauty and maintenance products were mainly due to changes in demand for our products, the effect of currency fluctuations, our sales and marketing efforts in promoting our products and changes in the selling prices of certain OBM products.

For the three years ended 31 December 2018, sales of our personal care products contributed approximately 8.4%, 11.4% and 20.6% of our revenue, respectively. The significant growth of the sales of our personal care products for the Track Record Period was primarily due to the increase in demand for our personal care products. For the year ended 31 December 2018, sales of our personal care products increased significantly by approximately 112.2% to approximately HK$125.9 million as compared to the previous year, primarily attributable to (i) the general increase in the number of customers of our personal care products; (ii) the increase in export sales to a major customer in the U.S.; and (iii) our Group's continuous strategy of placing increasing focus on the personal care market given the higher gross profit margin in general and the increasing demand for personal care products in the PRC.

For more details, please refer to the section headed "Financial information — Description and analysis of principal components in the combined statements of profit or loss and other comprehensive income — Revenue" of this listing document.

The following table sets forth our gross profit and gross profit margin by product categories during the Track Record Period:

	Year ended 31 December					
	2016		2017		2018	
	Gross profit *HK$'000*	Gross profit margin *%*	Gross profit *HK$'000*	Gross profit margin *%*	Gross profit *HK$'000*	Gross profit margin *%*
Automotive beauty and maintenance products	169,559	35.6%	130,787	29.1%	120,650	25.1%
Personal care products	8,750	19.7%	14,396	24.3%	36,302	28.8%
Other products *(Note)*	1,332	22.0%	2,294	24.4%	608	12.9%
Total	179,641	34.1%	147,477	28.4%	157,560	25.8%

Note: "Other products" include household products (such as paint and floor polish), packaging materials (such as dip-tubes, valves and paper-boxes) and car cleaning kits and tools.

Our gross profit margin decreased from approximately 34.1% for the year ended 31 December 2016 to approximately 28.4% for the year ended 31 December 2017 and to approximately 25.8% for the year ended 31 December 2018. During the Track Record Period, our gross profit margin was largely affected by our sales performance, our costs of purchase of raw materials (including solvents and packaging materials), product mix and changes in the selling prices of our OBM products.

During the Track Record Period, we benefited from the increase in our PRC sales and sales of our personal care products which entailed relatively high gross profit margins. The decrease in our costs of purchase of solvents (which in turn were caused by the changes in the prices of global crude oil) enhanced our gross profit margin for the year ended 31 December 2016, but the subsequent increase in our costs of purchase of raw materials contributed to the decrease in our gross profit margins for the two years ended 31 December 2018.

For further details, please refer to the sections headed "Financial information — Key factors affecting our results of operations" and "Financial information — Description and analysis of principal components in the combined statements of profit or loss and other comprehensive income — Gross profit and gross profit margin" in this listing document.

Original Brand Manufacturing (OBM) and Contract Manufacturing Service (CMS)

We supply our products on both OBM basis and CMS basis.

Our OBM Products

Our OBM products represent original brand manufacturing products, that is, products which we design, develop, manufacture and sell under our own or licensed brand names, including BOTNY (保賜利), ATM, ETOMAN (已度明), NISSEI, WIN (勝彩), FOX-D (狐狸), PISCIS (百麗時) and PARLUX (派樂士). Our award-winning BOTNY (保賜利) brand is our signature brand. Among other awards, our BOTNY (保賜利) brand was selected as one of the Top 100 Automotive Post-market Brands* (2018 中國汽車後市場百強品牌) by Global Automotive Media Recommendation Center* (全球汽車媒體聯薦中心) and the CIAACE Committee* (CIAACE 中國汽車用品暨改裝汽車展覧會組委員會) in 2018 and the ternary catalytic restoration agent (三元催化修復劑) under our BOTNY (保賜利) brand was awarded 2016 Recommended Product* (2016年推薦大獎) by Auto Magazine* (汽車雜誌). For the three years ended 31 December 2018, we derived approximately 57.6%, 59.2% and 52.5% of our revenue from our supply of OBM products, of which approximately 77.0%, 80.4% and 81.6% were attributable to our BOTNY (保賜利) brand, respectively.

Our OBM customers comprise (i) contractual and non-contractual distributors in the PRC; (ii) customers who purchased our products through our two online retail stores "保賜利旗艦店" at Tmall and "保賜利京東自營旗艦店" at JD.com; (iii) our overseas OBM customers; and (iv) other OBM customers primarily including trading companies, retailers or wholesalers of automotive beauty and maintenance products, paint, chemicals and hardware and individuals which directly purchase OBM products from us. As at 31 December 2018, we had over 190 contractual distributors and over 600 non-contractual distributors. The distributors in turn sell our products to sub-distributors, other outlets (including supermarkets, community stores, convenience stores, authorised car dealers, automotive beauty and maintenance service providers as well as online retailers) and end consumers.

CMS products

Our CMS products represent contract manufacturing service products, that is, products we manufacture which are marketed and sold under our customers' brand names. Our CMS products are manufactured on OEM basis or ODM basis. In the case of OEM, we manufacture our CMS products in accordance with our customers' designs and specifications. In the case of ODM, we design, develop and manufacture our CMS products. For the three years ended 31 December 2018, we derived approximately 42.4%, 40.7% and 47.5% of our revenue from our supply of CMS products.

The following table sets forth our revenue by business model for our CMS products during the Track Record Period:

	Year ended 31 December					
	2016		**2017**		**2018**	
	HK$'000	*% of revenue*	*HK$'000*	*% of revenue*	*HK$'000*	*% of revenue*
OEM basis	52,062	23.3%	65,212	30.9%	127,219	43.9%
ODM basis	171,192	76.7%	145,733	69.1%	162,730	56.1%
Total revenue for CMS products	223,254	100%	210,945	100%	289,949	100%

Our major CMS customers include: (i) overseas brand owners or their outsourcing agent companies; (ii) export and trading companies, which export our CMS products to overseas countries; and (iii) PRC brand owners or their outsourcing agent companies. We have established approximately 3 to 10 years of business relationship with our top five customers during the Track Record Period which were all CMS customers. During the Track Record Period, a majority of our CMS products were ultimately distributed overseas.

Revenue

The following table sets forth the a breakdown of our revenue by business model during the Track Record Period:

	Year ended 31 December					
	2016		2017		2018	
	HK$'000	*% of revenue*	*HK$'000*	*% of revenue*	*HK$'000*	*% of revenue*
OBM						
contractual distributors *(Note 1)*	189,032	35.9%	194,275	37.5%	205,091	33.6%
non-contractual distributors *(Note 2)*	95,038	18.0%	91,311	17.6%	85,706	14.0%
online retail stores *(Note 3)*	1,613	0.3%	1,775	0.3%	8,886	1.4%
overseas OBM customers	6,102	1.2%	8,595	1.7%	8,280	1.4%
other OBM customers *(Note 4)*	11,581	2.2%	11,164	2.1%	12,835	2.1%
Subtotal	303,366	57.6%	307,120	59.2%	320,798	52.5%
CMS						
Overseas	157,954	30.0%	123,912	23.9%	181,624	29.8%
PRC	65,300	12.4%	87,033	16.8%	108,325	17.7%
Subtotal	223,254	42.4%	210,945	40.7%	289,949	47.5%
Others *(Note 5)*	235	—	316	0.1%	117	0.0%
Total	526,855	100.0%	518,381	100.0%	610,864	100.0%

Notes:

1. Our contractual distributors, which entered into distribution agreements with us, sell our OBM products to their sub-distributors, other outlets (including supermarkets, community stores, convenience stores, authorised car dealers, automotive beauty and maintenance service providers as well as online retailers) and end consumers. For details of the terms of distribution agreements, please refer to the section headed "Business — Our customers — Our OBM customers — (1) Distributors — (i) Contractual distributors — Key terms of distribution agreements" in this listing document.
2. Our non-contractual distributors include our OBM customers which did not enter into distribution agreements with us or few of which failed to execute the distribution agreement properly (i.e. execution of distribution agreements without affixing the company chop). Our major non-contractual distributors include trading companies and wholesalers or retailers of automotive beauty and maintenance products, paint and other chemicals, which may also sell our products to their sub-distributors.
3. Online retail stores represent sales from customers who purchased through our two online stores "保賜利旗艦店" at Tmall and "保賜利京東自營旗艦店" at JD.com.
4. Other OBM customers primarily include trading companies, wholesalers or retailers of automotive beauty and maintenance products, paint, chemicals and hardware and individuals which purchased our OBM products directly from us.
5. Others represent the sale of packaging materials (such as dip-tubes, valves and paper-boxes) and car cleaning kits and tools).

Pricing Policy

We adopt a cost-plus pricing policy. The selling prices of our products are generally determined with reference to general economic conditions, raw material costs, production costs, packaging requirements, research and development costs and the amount of individual purchase orders. In the case of OBM products, the unit prices of products are set out in our price list and are therefore predetermined. Our contractual distributors are eligible to participate in our incentive scheme pursuant to which they may purchase products at discounted prices if they can meet our sales targets. For more details of our incentive scheme, please refer to the section headed "Business — Our customers — Our OBM customers — (1) Distributors — (i) Contractual distributors — Management of contractual distributors — Incentive scheme" of this listing document. Other OBM customers are not entitled to participate in our incentive scheme but they may enjoy discounts of our products during our promotional activities. In the case of CMS products, pricing is affected by whether we or our customers are responsible for sourcing of raw materials, and is subject to negotiation with our customers. We generally do not offer any discounts to our CMS customers.

Our Production Facilities

We have two production facilities in the Conghua district of the Guangdong province, the PRC, that is, the North Jufeng Plant and the Tai Yuan Plant which have a total gross floor area of approximately 26,816.95 sq.m. and approximately 13,653.33 sq.m, respectively. During the Track Record Period, we manufactured most of our products at the North Jufeng Plant. As at the Latest Practicable Date, there were 26 production lines in operation, of which 22 production lines were fully automatic production lines. For the three years ended 31 December 2018, the utilisation rates of our production lines for the production of aerosol products were approximately 83%, 83% and 89%, and the utilisation rates of our production lines for the production of non-aerosol products were approximately 57%, 53% and 59%, respectively.

Raw Materials and Suppliers

Our major raw materials include solvents, aerosol cans (including tinplate and aluminum cans) and packaging materials (such as dip-tubes, valves and paper-boxes) which are predominantly sourced from our PRC suppliers. For the three years ended 31 December 2018, our costs for raw materials were approximately HK$304.5 million, HK$324.9 million and HK$395.5 million, representing approximately 87.7%, 87.6% and 87.3% of our total costs of sales, respectively. Our procurement department procures raw materials with reference to our monthly production plans, production orders on hand and inventory level.

We select our suppliers based on the following criteria: (1) a supplier has obtained all requisite production licences; (2) a supplier's ability to supply a stable source of quality raw materials that meet our stringent standards, its quality management system and whether such system is appropriately accredited; and (3) a supplier's ability to supply raw materials at competitive prices. Our Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, we did not experience any shortage or material delay in the supply of raw materials. Our Directors do not anticipate any material difficulties in the procurement of the raw materials in the foreseeable future. For further information, please refer to the sections headed "Business — Raw materials and procurement" and "Business — Our suppliers" in this listing document.

In addition, our production involves the use and storage of propellant gases (such as dimethyl ether and liquefied petroleum gas) which are flammable and/or explosive and to a certain extent, environmentally hazardous. It is always our top priority to comply with the applicable environmental laws and regulations and avoid the occurrence of any environmental contamination event during our production activities. For more details, please refer to the section headed "Business — Environmental matters" of this listing document.

OUR COMPETITIVE STRENGTHS

Please refer to the section headed "Business — Competitive strengths" in this listing document for details of our competitive strengths, some of the major highlights are set out below:

- We are the market leader in the manufacturing of automotive beauty and maintenance aerosol products in the PRC which is well positioned to benefit from the growth in the PRC automotive beauty and maintenance aerosol product market
- We have stringent quality control standards and outstanding product quality
- Our strong research and development ability
- Our diversified product portfolio
- Our well-established business relationship with our OBM customers
- Our experienced management team

OUR BUSINESS STRATEGIES

Please refer to the section headed "Business — Business strategies" in this listing document for details of our business strategies. Some of the major highlights are set out below:

- We plan to further develop our OBM business by (1) broadening the international markets of our OBM products; (2) continuing to implement our e-commerce strategies; (3) launching a new series of automotive beauty and maintenance products, 保寶龍, under our BOTNY (保賜利) brand which, in particular, targets young car owners in the PRC; and (4) further enhancing our brand recognition, particularly among young people in the PRC
- We plan to further expand into the personal care product market in the PRC
- We plan to further enhance our research and development ability

OUR FINANCIAL DATA

Results of Operations

The below summary combined financial information for the three years ended 31 December 2018 should be read together with the combined financial information in the section headed "Appendix I — Accountants' Report" in this listing document, including the accompanying notes and the information set forth in the section headed "Financial information" in this listing document. The combined financial information was prepared in accordance with the IFRSs, which comprise all standards and interpretations approved by the IASB.

	Year ended 31 December		
	2016	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Revenue	526,855	518,381	610,864
Cost of sales	(347,214)	(370,904)	(453,304)
Gross profit	179,641	147,477	157,560
Other income and gains	17,060	7,659	15,603
Selling and distribution expenses	(51,015)	(46,347)	(45,125)
Administrative expenses	(30,574)	(31,857)	(39,047)
Research and development expenses	(18,929)	(18,841)	(22,210)
Other expenses	(1,722)	(7,218)	(3,154)
Finance costs	(1,788)	(497)	(2,035)
Profit before tax	92,673	50,376	61,592
Income tax expense	(22,164)	(9,398)	(14,664)
Profit for the year	70,509	40,978	46,928
Profit attributable to :			
- owners of the parent	69,368	39,210	41,686
- non-controlling interests	1,141	1,768	5,242
	70,509	40,978	46,928

	As at 31 December		
	2016	**2017**	**2018**
	HK$' 000	*HK$' 000*	*HK$' 000*
Current assets	227,464	239,910	253,725
Current liabilities	154,676	130,006	113,233
Net current assets	72,788	109,904	140,492
Total assets	382,519	402,912	420,661
Total liabilities	160,529	131,012	192,225
Total equity	221,990	271,900	228,436

Net Assets

We had net assets of approximately HK$222.0 million, HK$271.9 million and HK$228.4 million as at 31 December 2016, 2017 and 2018, respectively. The fluctuations in balances were primarily the combined effect of our net profits, exchange differences on translation of foreign operations, dividends paid to European Asia Industrial prior to the acquisition of Guangzhou Euro Asia and consideration paid for the acquisition of Guangzhou Euro Asia for the respective years during the Track Record Period. Given the acquisition of Guangzhou Euro Asia was accounted as a business combination under common control and was treated as if it had been completed since the beginning of the Track Record Period under the principles of merger accounting, the cash consideration of HK$90 million paid for such acquisition in March 2018 was recognised as a debit side of the reserves in our combined statements of changes in equity for the year ended 31 December 2018 with a corresponding credit side recorded against our Group's cash and cash equivalents, leading to the decrease in our net assets as at 31 December 2018.

For further details, please refer to the sections headed "Financial information — Description of selected combined statements of financial position line items — Net assets" and "Appendix I— Accountants' Report—Combined statements of changes in equity" in this listing document.

Summary of Key Financial Ratios

The following table sets forth our Group's key financial ratios for the years indicated below:

	As at 31 December		
	2016	**2017**	**2018**
Profitability ratios			
Return on total assets (%)	18.1	9.7	9.9
Return on equity (%)	32.7	14.6	18.9
Liquidity ratios			
Current ratio (times)	1.5	1.8	2.2
Quick ratio (times)	1.2	1.4	1.7
Capital adequacy ratios			
Net debt to equity ratio (%)	Net cash	Net cash	Net cash
Interest coverage (times)	52.8	102.4	31.3
Gearing ratio (%)	10.2	1.3	34.0

Please refer to the section headed "Financial information — Summary of key financial ratios" of this listing document for more details.

DIVIDEND AND BASIS OF PRESENTATION OF OUR FINANCIAL INFORMATION

Before the acquisition of Guangzhou Euro Asia, on 15 December 2017, Guangzhou Euro Asia declared a dividend amounting to HK$9,535,000 to its then 100% shareholder, European Asia Industrial. The dividend was settled with internal resources as at the Latest Practicable Date. As the companies comprising our Group (including Guangzhou Euro Asia) were under the common control of Mr. Lin, one of our Controlling Shareholders, before and after the Reorganisation, the financial information as set out in Appendix I to this listing document has been prepared by applying the principles of merger accounting as if the Reorganisation had been completed at the beginning of the Track Record Period. Accordingly, the acquisition of Guangzhou Euro Asia should be treated as if it had been completed and European Asia Industrial had been a 30% minority shareholder of Guangzhou Euro Asia since the beginning of the Track Record Period. As a consequence, our Company considers the dividends as final dividends paid to the minority shareholder. Save as disclosed above, we did not declare any dividend during the Track Record Period.

We may declare dividends in the future after taking into account our results of operations, earnings, our capital requirements and surplus, our general financial condition, contractual restrictions, and other factors as our Directors may deem relevant at such time. Whether we pay a dividend and the amount of such dividend will depend on our results of operations, cash flows, financial condition, cash dividends we receive from our subsidiaries, future business prospects, statutory and regulatory restrictions and other factors that our Directors deem relevant. As a Cayman Islands company, any dividend recommendation will be at the absolute discretion of our Directors. We currently do not have a fixed dividend payout ratio.

MAJOR RISK FACTORS

There are certain risks involved in our operations and in connection with the Listing. Many of these risks are beyond our Group's control and can be categorised into: (i) risks relating to our business; (ii) risks relating to our industry; (iii) risks relating to the PRC; (iv) risk relating to the International Sanctions; and (v) risks relating to the Spin-off and our Shares. Amongst these risks, we believe the ones that could be comparatively material include the risks set out below:

- We are subject to price fluctuation in raw materials prices and could face shortage in supply of our raw materials
- Our sales could be adversely affected by changes in consumer preferences, perception of the effectiveness of our products, demand for our products, consumer spending and failure to develop, launch and promote new products and enhance our existing products
- Our business relies significantly on the strength of our brands and reputation, as well as the trust and confidence of our consumers

The risks mentioned above are not the only significant risks that may affect our business and results of operations. As different investors may have different interpretations and standards for determining materiality of a risk, you are cautioned that you should carefully read the entire section headed "Risk factors" in this listing document.

BACKGROUND INFORMATION OF OUR GROUP AND THE REMAINING CHINA ALUMINUM CANS GROUP

Our predecessor, China Aluminum Cans, was founded in 2012 in the Cayman Islands, and its shares have been listed on the Main Board of the Stock Exchange since 12 July 2013 (stock code: 6898).

Our Company was incorporated in the Cayman Islands on 4 May 2018 and became the holding company of our Group upon completion of the Reorganisation.

Upon completion of the Spin-off, there will be clear and distinct delineation of business between our Group and the Remaining China Aluminum Cans Group. The Remaining China Aluminum Cans Group is engaged in the manufacturing and sale of monobloc aluminum aerosol cans which are generally used in the packaging of fast-moving personal care products and pharmaceutical products. On the other hand, we are a leading automotive beauty and maintenance aerosol product manufacturer in the PRC which is engaged in the design, development, manufacturing and sale of automotive beauty and maintenance products, personal care products and other products including household products. During the manufacturing process, we mainly focus on the preparation of concentrate, content filling of the cans and fitting of aerosol cans without engaging in any production and sale of monobloc aluminum aerosol cans.

Please refer to the sections headed "History, reorganisation and corporate structure" and "Relationship with our Controlling Shareholders" for more details of the relationship between our Group and the Remaining China Aluminum Cans Group.

REASONS FOR AND BENEFITS OF THE SPIN-OFF

The China Aluminum Cans Board and our Board consider that the Spin-off is in the interests of China Aluminum Cans and our Company and their/our respective shareholders as a whole for the following reasons:

- the operating results and growth potential of our Group are sufficient to warrant a separate listing on the Stock Exchange
- clear delineation between the businesses of the Remaining China Aluminum Cans Group and our Group enables investors to properly appraise and assess the value and performance of our Group independently from the Remaining China Aluminum Cans Group
- the implied value of the business of our Group can be unlocked with a higher valuation multiple than the valuation of the China Aluminum Cans Group as a whole prior to the Spin-off
- the Spin-off will facilitate the further development of our Group and provide separate fundraising platforms for the Remaining China Aluminum Cans Group and our Group with respect to their respective operations, future developments and investment opportunities
- China Aluminum Cans will be able to return value to its shareholders in the form of liquid securities which are expected to be traded at a higher valuation multiple than the valuation of the China Aluminum Cans Group as a whole prior to the Spin-off
- after the Listing, the respective management teams of our Group and the Remaining China Aluminum Cans Group will be appraised independently based on their performance which helps promote better staff motivation
- the Spin-off will allow the management teams of both our Group and the Remaining China Aluminum Cans Group to focus more effectively on their respective core businesses, streamlining their respective decision-making processes and enhancing responsiveness to market changes

Please refer to the section headed "The Distribution and Spin-off" of this listing document for more details.

SHAREHOLDERS' INFORMATION

Immediately upon completion of the Spin-off and the Distribution, our Company will cease to be a direct wholly-owned subsidiary of China Aluminum Cans, whereas Mr. Lin and Wellmass (a BVI company wholly-owned by Mr. Lin) will be our Controlling Shareholders. Immediately following completion of the Spin-off and the Distribution and assuming that Mr. Lin's shareholding in China Aluminum Cans remains unchanged from the Latest Practicable Date to the Distribution Record Date, Mr. Lin will be beneficially interested in approximately 74.52% of our Company of which 45.96% of our Company is legally and beneficially owned by Mr. Lin and 28.56% of our Company is legally and beneficially owned by Wellmass. Accordingly, Mr. Lin and Wellmass will be our Controlling Shareholders. Please refer to the section headed "Relationship with our Controlling Shareholders" for more details.

Our Group has entered into a continuing transaction with a connected person in relation to the purchase of certain monobloc aluminum aerosol cans from the Remaining China Aluminum Cans Group that is expected to continue after the Listing, which will constitute a non-exempt continuing connected transaction of our Company under the Listing Rules upon the Listing. We have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from the strict compliance with the requirements in respect of the relevant non-exempt continuing connected transaction under Chapter 14A of the Listing Rules. The details of such non-exempt continuing connected transaction and waiver granted are set out in the section headed "Continuing connected transactions" in this listing document.

NON-COMPLIANCE

During the Track Record Period, there were some non-compliance incidents which were related to our failure to obtain certain building ownership certificates in the PRC and the number of our labour dispatch workers exceeding the regulatory threshold of 10% of the total number of our respective workers. Please refer to the section headed "Business — Non-compliance" for more details. Save as disclosed, the operation of our Group was in material compliance with the applicable laws and regulations during the Track Record Period and up to the Latest Practicable Date.

BUSINESS ACTIVITIES IN COUNTRIES SUBJECT TO INTERNATIONAL SANCTIONS

During the Track Record Period, we made direct sales of our aerosol and non-aerosol products to certain customers located in Countries subject to International Sanctions, including Afghanistan, Lebanon, Russia, Iran, Iraq, Yemen and Haiti. We also had a transaction with a Sudanese customer in April 2014. Iran is subject to OFAC's comprehensive sanctions program under the Iranian Transactions and Sanctions Regulations. Sudan was also subject to comprehensive sanctions until 12 October 2017. During the Track Record Period, our revenue derived from sales to these customers amounted to approximately HK$5.2 million, HK$4.9 million, and HK$2.1 million, representing approximately 1.0%, 0.9% and 0.3% of our total revenue for the three years ended 31 December 2018, respectively. After consulting with our International Sanctions Legal Advisers, in September 2018, we submitted a VSD to OFAC to address our potential violations, given that the U.S. financial system cannot process Iran and Sudan-related payments denominated in U.S. Dollars without prior authorisation by OFAC. As at the Latest Practicable Date, our Directors confirm that we have not been notified that any International Sanctions penalties will be imposed on us for our sales and/or deliveries to Countries subject to International Sanctions. We shall cease our sales to Countries subject to International Sanctions or with Sanctioned Persons prior to the Listing. We have undertaken not to enter into any future business that would cause us, the Stock Exchange, HKSCC, HKSCC Nominees or our Shareholders and investors to violate or become a target of sanctions laws by the U.S., the European Union, the United Nations or Australia. For further details, please refer to the sections headed "Risk Factors — Risk relating to the international sanctions — We have previously made sales to customers in Countries subject to International Sanctions administered by the U.S., and we could be adversely affected if these sales result in penalties on our Group" and "Business — Business activities in Countries subject to International Sanctions" in this listing document.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED COMBINED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted combined net tangible assets of our Group prepared in accordance with Rule 4.29 of the Hong Kong Listing Rules for the purpose of illustrating the effect of the Listing as if it had taken place on 31 December 2018 and based on the audited combined net tangible assets attributable to equity holders of our Company as at 31 December 2018 as shown in the Accountants' Report, the text of which is set out in Appendix I to this listing document, and adjusted as described below.

The unaudited pro forma adjusted combined net tangible assets of our Group has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not provide a true picture of our financial position of our Group had the Listing been completed as at 31 December 2018 or any future dates.

	Audited combined net tangible assets attributable to equity shareholders of our Company as of 31 December 2018	**Estimated expenses relating to the Listing**	**Unaudited pro forma combined net tangible assets attributable to equity shareholders of our Company**	**Unaudited pro forma adjusted combined net tangible assets per Share**
	HK$'000	*HK$'000*	*HK$'000*	*HK$*
	Note 1	*Note 2*		*Note 3*
Based on 234,544,750 Shares assumed to be in issue immediately prior to the Listing (*Note 3*)	220,803	(8,370)	212,433	0.91

Notes:

1 The combined net tangible assets attributable to equity shareholders of our Group as of 31 December 2018 is arrived at after deducting non-controlling interests of HK$7,633,000 from the audited combined net assets of HK$228,436,000 as of 31 December 2018, as shown in the Accountants' Report, the text of which is set out in Appendix I to this listing document.

2 The amount represents estimated expenses relating to the Listing expected to be incurred by our Group subsequent to 31 December 2018 which mainly include professional fees for the Sole Sponsor, our Company's legal advisers and reporting accountants and other listing related expenses.

3 The unaudited pro forma adjusted combined net tangible assets per Share is arrived at after the adjustments as described in note 2 above and is based on 234,544,750 Shares assumed to be in issue immediately prior to the Listing. No account has been taken of any Shares which may be allotted and issued pursuant to the exercise of any options that have been or may be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme and of any Shares which may be allotted and issued or repurchased by our Company pursuant to the Issue Mandate and the Repurchase Mandate, and of any outstanding options granted pursuant to share option scheme of China Aluminum Cans adopted on 20 June 2013 and convertible rights attached to outstanding convertible bonds of China Aluminum Cans held by certain shareholders.

4 No adjustment has been made to the unaudited pro forma adjusted combined net tangible assets to reflect any trading results or other transactions of our Group entered into subsequent to 31 December 2018.

LISTING EXPENSES

During the Track Record Period, we incurred listing expenses of approximately HK$10.6 million for the Listing. We expect listing expenses to be approximately HK$26.1 million by the completion of the Spin-off and the Listing, of which approximately HK$5.4 million was borne by China Aluminum Cans and approximately HK$10.1 million will be charged to our consolidated statement of comprehensive income for the year ending 31 December 2019.

RECENT DEVELOPMENT SUBSEQUENT TO THE TRACK RECORD PERIOD AND NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period and up to the date of this listing document, except as described below, our Directors confirmed that there were no material changes to our business model, revenue structure and cost structure. Our principal business remained to be design, development, manufacture and sale of a wide range of automotive beauty and maintenance products as well as personal care products and other products including household products.

Our Directors confirm that, although the trade war between the United States and the PRC did not have a material adverse impact on the selling prices of our products for the year ended 31 December 2018, our major customer in the United States (the "**U.S. Customer**"), which primarily purchased our personal care products during the Track Record Period, did not place any sales order with us during the period from January 2019 to March 2019. Our secured orders received from the U.S. Customer, which were or are expected to be recognised as revenue, after March 2019 and up to the Latest Practicable Date amounted to approximately HK$1.0 million, of which approximately HK$0.4 million had been recognised as revenue as at the Latest Practicable Date. For the three years ended 31 December 2018, our revenue generated from the U.S. Customer amounted to approximately HK$26.2 million, HK$20.8 million and HK$59.2 million, accounting for approximately 5.0%, 4.0% and 9.7% of our total revenue, respectively. As at the Latest Practicable Date, it was still uncertain whether the U.S. Customer would continue to place orders with us, and the parties intended to negotiate this further in due course. Since 1 January 2019 and up to the Latest Practicable Date, our secured orders received from our CMS customers, which were or are expected to be recognised as revenue, amounted to approximately HK$118.5 million. For details, please refer to the section headed "Business — Our customers — Our CMS customers" in this listing document.

Prospective investors should note that based on information available as at the Latest Practicable Date, the financial performance of our Group for the year ending 31 December 2019 is expected to be materially and adversely affected by (i) the non-recurring expenses in relation to the Spin-off and the Listing; (ii) the share option expenses arising from the grant of the Pre-IPO Share Options under the Pre-IPO Share Option Scheme; (iii) the possible decrease in the gross profit of our Group primarily resulting from the fluctuation in our costs of purchase of raw materials (including solvents and packaging materials); and (iv) the decrease in sales orders from the U.S. Customer as mentioned above. Prospective investors are specifically warned that given the aforesaid, our Group's financial performance for the year ending 31 December 2019 may not be comparable to those of the previous financial years.

Our Directors confirmed that up to the date of this listing document, save as disclosed above, there has been no material adverse change in our financial or trading position or prospects since 31 December 2018 and there has been no event since 31 December 2018 which would materially affect the information in our combined financial statements included in the Accountants' Report set forth in Appendix I to this listing document, in each case except as otherwise disclosed herein.