

---

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

---

**If you are in any doubt** as to any aspect about this circular or as to what action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Precious Dragon Technology Holdings Limited, you should at once hand this circular accompanying with the form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---

## PRECIOUS DRAGON TECHNOLOGY HOLDINGS LIMITED

### 保寶龍科技控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 1861)

**(1) CONTINUING CONNECTED TRANSACTIONS  
— 2025 MASTER SUPPLY AGREEMENT;  
AND  
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Financial Adviser**

**RAINBOW.**

RAINBOW CAPITAL (HK) LIMITED  
滋博資本有限公司

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



**Alliance Capital Partners Limited**  
同人融資有限公司

---

Capitalised terms used in this cover page shall have the same meaning as those defined in this circular.

A letter from the Board is set out on pages 4 to 11 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders 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 22 of this circular.

A notice convening the EGM to be held at Room Gold, Level 22, Nexxus Building, 41 Connaught Road Central, Hong Kong on Thursday, 27 February 2025 at 2:30 p.m. 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 and vote in person at the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not later 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) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

27 January 2025

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	4
<b>Letter from the Independent Board Committee</b> .....	12
<b>Letter from the Independent Financial Adviser</b> .....	13
<b>Appendix — General Information</b> .....	I-1
<b>Notice of the EGM</b> .....	EGM-1

---

## DEFINITIONS

---

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

“2021 Master Supply Agreement”	the master supply agreement dated 8 December 2021 entered into between Hong Kong Aluminum Cans and the Company in relation to the sale and purchase of the Products
“2025 Master Supply Agreement”	the master supply agreement dated 6 January 2025 entered into between China Aluminum Cans and the Company in relation to the sale and purchase of the Products
“Annual Caps”	the proposed annual maximum aggregate value for the sale of the Products by the China Aluminum Cans Group to the Group under the 2025 Master Supply Agreement
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“China Aluminum Cans”	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)
“China Aluminum Cans Board”	the board of directors of China Aluminum Cans
“China Aluminum Cans Group”	China Aluminum Cans and its subsidiaries
“Company” or “Precious Dragon”	Precious Dragon Technology Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability on 4 May 2018, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1861)
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, approve the 2025 Master Supply Agreement and the transaction contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

---

## DEFINITIONS

---

“Hong Kong Aluminum Cans”	Hong Kong Aluminum Cans Limited (香港鋁罐有限公司), a company incorporated in Hong Kong with limited liability on 6 September 2012 and a wholly-owned subsidiary of China Aluminum Cans
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	an independent board committee, comprising the three independent non-executive Directors, namely Mr. Lee Yiu Pui, Mr. Poon Tak Ching and Mr. Pang Cheung Wai Thomas, formed for the purpose of advising and giving recommendation to the Independent Shareholders in respect of the 2025 Master Supply Agreement and the transaction contemplated thereunder
“Independent Financial Adviser” or “Alliance Capital”	Alliance Capital Partners Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the 2025 Master Supply Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders, other than Mr. Lin and his associates, who are entitled to vote at the EGM in respect of the 2025 Master Supply Agreement and the transactions contemplated thereunder
“Latest Practicable Date”	22 January 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lin”	Mr. Lin Wan Tsang, the controlling Shareholder of the Company and China Aluminum Cans
“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
“Products”	certain monobloc aluminum aerosol cans
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

---

## DEFINITIONS

---

“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

---

LETTER FROM THE BOARD

---

**PRECIOUS DRAGON TECHNOLOGY HOLDINGS LIMITED**

**保寶龍科技控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1861)**

*Executive Directors:*

Ms. Ko Sau Mee (*Chairlady*)

Ms. Lin Hing Lei

Mr. Lin Hing Lung

Mr. Yang Xiaoye

*Independent Non-executive Directors:*

Mr. Lee Yiu Pui

Mr. Poon Tak Ching

Mr. Pang Cheung Wai Thomas

*Registered office:*

Windward 3

Regatta Office Park

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

27 January 2025

*To the Shareholders,*

Dear Sir or Madam,

**(1) CONTINUING CONNECTED TRANSACTIONS  
— 2025 MASTER SUPPLY AGREEMENT;  
AND  
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 6 January 2025 in relation to the 2025 Master Supply Agreement and the transactions contemplated thereunder.

The purpose of this circular is to provide you with further information in relation to, among other things, (i) details of the 2025 Master Supply Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) a notice convening the EGM; and (v) other information as required under the Listing Rules.

---

## LETTER FROM THE BOARD

---

### BACKGROUND

On 8 December 2021 (after trading hours), Hong Kong Aluminum Cans (for itself and on behalf of its subsidiaries and holding companies) and the Company (for itself and on behalf of its subsidiaries) entered into the 2021 Master Supply Agreement in relation to the purchase of the Products by the Group from the China Aluminum Cans Group.

The 2021 Master Supply Agreement had expired on 31 December 2024. As the China Aluminum Cans Group will continue to sell, and the Group will continue to purchase, the Products after 31 December 2024 during their respective ordinary and usual course of business, on 6 January 2025, China Aluminum Cans (for itself and on behalf of its subsidiaries) and the Company (for itself and on behalf of its subsidiaries) entered into the 2025 Master Supply Agreement in relation to the sale of the Products by the China Aluminum Cans Group to the Group for a term of three years from 1 January 2025 to 31 December 2027 (both days inclusive).

### 2025 Master Supply Agreement

#### 1. Principal terms

The principal terms of the 2025 Master Supply Agreement are as follows:

- Date:** 6 January 2025 (after trading hours)
- Parties:** China Aluminum Cans (for itself and on behalf of its subsidiaries); and  
The Company (for itself and on behalf of its subsidiaries)
- Term:** From the 1 January 2025 to 31 December 2027 (both days inclusive)

Pursuant to the terms of the 2025 Master Supply Agreement and subject to the terms and conditions of each relevant purchase order, the China Aluminum Cans Group agreed to sell the Products to the Group, and the Group agreed to purchase the Products from the China Aluminum Cans Group during the term of the 2025 Master Supply Agreement.

#### 2. Pricing basis and payment term

Pursuant to the 2025 Master Supply Agreement, the China Aluminum Cans Group and the Group agreed to enter into separate purchase orders in respect of each purchase of the Products to specify the details of each purchase including but not limited to the types and/or specifications of the Products, quantity, purchase prices, payment terms, date and mode of delivery and other relevant terms in relation to that purchase. The terms of such purchase orders shall be consistent with the terms under the 2025 Master Supply Agreement and shall comply with the principles of the 2025 Master Supply Agreement. Generally, the Group shall make payment to the China Aluminum Cans Group for the Products on a 30-day monthly basis in arrears. As the payment term is generally in line with the payment term granted by other independent suppliers to the Group, the Directors consider that the payment terms are fair and reasonable.

---

## LETTER FROM THE BOARD

---

The purchase and selling price of each and every sale shall be separately determined on order-by-order basis by the parties to the 2025 Master Supply Agreement according to the following principles: (i) the purchase and selling price shall be determined on normal commercial terms which shall be fair and reasonable after arm's length negotiation between the parties to the 2025 Master Supply Agreement; (ii) the purchase and selling price shall be at prevailing market price; and (iii) the purchase and selling price shall be the same as the prices offered by the China Aluminum Cans Group to its other independent customers or payable by the Group to its other independent suppliers.

To ensure the Group's future purchase prices are fair and reasonable and in accordance with the principles set out above, the Group will solicit at least two other independent suppliers' quotation in relation to its purchase of the same type of the Products provided by the China Aluminum Cans Group so as to know the prevailing market price. Where no such quotation is available, the Group will request the China Aluminum Cans Group to provide the quotations it provided to its other independent customers in relation to the same type of the Products and the China Aluminum Cans Group undertakes to provide such information without unreasonably delay. The Board shall review the pricing policy and the reasonableness and fairness of the Group's purchase prices on regular basis.

### **3. Condition precedent**

The 2025 Master Supply Agreement is conditional upon the independent shareholders of each of China Aluminum Cans and the Company having approved the 2025 Master Supply Agreement and the transactions contemplated thereunder (including the Annual Caps) in accordance with the Listing Rules.

### **4. Renewal**

Subject to the compliance with the requirements of the Listing Rules, the parties to the 2025 Master Supply Agreement may negotiate for extension of the term of the 2025 Master Supply Agreement upon expiry.

### **5. Termination**

Unless otherwise specified in the 2025 Master Supply Agreement, either party to the 2025 Master Supply Agreement has a right to terminate the 2025 Master Supply Agreement by giving the other party a 30-day prior written notice.

### **6. Historical transaction amounts**

For the years ended 31 December 2022, 2023 and 2024, the amount of the sale of the Products by the China Aluminum Cans Group and the purchase of the Products by the Group amounted to approximately HK\$23.6 million, HK\$22.0 million and HK\$13.8 million, representing utilisation rate of approximately 60.4%, 53.8% and 32.1%, respectively. The relatively low transaction amount for the year ended 31 December 2024 was primarily due to the decrease in domestic consumption of personal care products in 2024. Nevertheless, considering the gradual recovery in the PRC economy, it is expected that the demand for personal care products will recover in the coming years.



---

## LETTER FROM THE BOARD

---

### 7. Annual Caps

The 2025 Master Supply Agreement shall be subject to the following Annual Caps:

	<b>Annual Caps</b> <i>(HK\$'000)</i>
For the year ending 31 December 2025	28,000
For the year ending 31 December 2026	29,000
For the year ending 31 December 2027	31,000

The Annual Caps are determined by the China Aluminum Cans Board and the Board after taking into account the following factors:

- (i) the average of the historical transaction amounts for the years ended 31 December 2022 and 2023 and the annualised transaction amount for the ten months ended 31 October 2024 under the 2021 Master Supply Agreement of approximately HK\$20.1 million;
- (ii) the expected increase in demand by the Precious Dragon Group of HK\$5.0 million as the factory of the Group in Thailand is expected to commence full operation in the first quarter of 2025 after its upgrade in production line in 2024;
- (iii) the expected growth in the personal care market as driven by the growing awareness of health and wellness. According to Technavio, being one of the leading market research companies with over 500 analysts around the world, the personal care market size is forecast to increase by USD167.2 billion at a compound annual growth rate (CAGR) of 6.03% between 2023 and 2028. As such, an annual growth rate of approximately 5% has been applied on the annual caps for the three years ending 31 December 2027; and
- (iv) a buffer of 10% to cater for unforeseeable circumstances, such as unexpected increase in demand for the Products, fluctuation in the price of aluminum and the growth in car detailing market.

### 8. Periodic review and internal control

Periodic review on the purchase and selling prices and payment terms will be made. The Board believes that the periodic review and internal control procedures in place will help ensure the relevant continuing connected transactions to be conducted on normal commercial terms and not prejudicial to the interest of the Company and the Shareholders as a whole.

---

## LETTER FROM THE BOARD

---

The Group has adopted a series of internal control measures to supervise the transactions contemplated under the 2025 Master Supply Agreement. Specifically:

- (i) the purchasing department will (1) solicit at least two quotations from the Group's independent suppliers in relation to its purchase of the same type of the Products provided by the China Aluminum Cans Group, and (2) request the China Aluminum Cans Group to provide at least two quotations to its independent customers in relation to the same type of the Products procured by the Group;
- (ii) the finance department of the Group will prepare a monthly report containing the transaction details, including but not limited to the types and specifications of the products, quantity, purchase price of connected transactions entered into during the month (the "**Monthly CT report**") for the purpose of monitoring whether (1) the transactions with the China Aluminum Cans Group is in line with the pricing policy stated in the 2025 Master Supply Agreement; (2) the major terms of the transactions have any changes; and (3) the actual amount of the connected transaction has exceeded the amount of the proposed Annual Cap. If the actual transaction amount reaches approximately 90% of the proposed Annual Caps or the major terms of the transactions have any changes at any time during the year, the finance department will report to the connected transaction officer of the Company, who will seek advice from the audit committee of the Company, and the Board will consider taking appropriate measures, including but not limited to revisiting and determining if the changes on the major terms are on normal commercial terms, further revisiting the Annual Caps amounts and complying with the relevant announcement and shareholders' approval requirements in accordance with the Listing Rules;
- (iii) the independent non-executive Directors will review the continuing connected transactions contemplated under the 2025 Master Supply Agreement to ensure that such agreement is entered into on normal commercial terms, is fair and reasonable, and are carried out pursuant to the terms of such agreement on an annual basis; and
- (iv) the auditor of the Company will conduct an annual review on the transactions contemplated under such agreement to ensure that they have been carried out in accordance with the pricing policies of such agreement and have not exceeded the Annual Caps.

By implementing the above procedures, the Directors consider that the Company has established appropriate internal control measures to ensure that the transactions contemplated under the 2025 Master Supply Agreement will be on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

### **REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE 2025 MASTER SUPPLY AGREEMENT**

The Group is principally engaged in the design, development, manufacture and sale of a wide range of automotive beauty and maintenance products, and also personal care products and other products including household products.

---

## LETTER FROM THE BOARD

---

The China Aluminum Cans Group is principally engaged in the manufacture and sale of monobloc aluminum aerosol cans, which are generally used in the packaging of fast-moving personal care products such as sanitizer products, body deodorant, hair styling products and shaving cream, as well as pharmaceutical products such as pain-relieving spray, spray dressing and antiseptic spray.

The Group has established a relatively long business relationship with the China Aluminum Cans Group. The Group has been sourcing and purchasing the Products from the China Aluminum Cans Group, and the China Aluminum Cans Group has been selling the Products to the Group, in the previous years during their respective ordinary and usual course of business. The Group is expected to continue to purchase the Products for manufacturing of its products.

The Group would benefit from the 2025 Master Supply Agreement in different ways, including (i) the Group could secure a stable supply of the Products and better cope with the fluctuation of aluminum price as the China Aluminum Cans Group is one of the largest manufacturers of aluminum aerosol cans in the PRC, which is important to the development and growth of the Group's business; and (ii) the Group could continue to maintain a business relationship with the China Aluminum Cans Group.

The Directors (including the independent non-executive Directors) are of the view that the 2025 Master Supply Agreement and the transactions contemplated thereunder (including Annual Caps) are conducted in the ordinary and usual course of business of the Group, on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Mr. Lin, the controlling shareholder of the Company and was beneficially interested in 175,288,500 Shares, representing approximately 74.94% of the issued share capital of the Company, and was therefore a connected person of the Company. On the other hand, Mr. Lin was beneficially interested in 660,546,000 China Aluminum Cans Shares, representing approximately 69.05% of the issued share capital of China Aluminum Cans as at the Latest Practicable Date. As China Aluminum Cans is an associate of Mr. Lin, it is therefore a connected person of the Company. The Company is also an associate of Mr. Lin and therefore a connected person of China Aluminum Cans. Accordingly, the entering into of the 2025 Master Supply Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (other than the profits ratio) as defined under the Listing Rules for the Annual Caps exceeds 5%, the 2025 Master Supply Agreement and the transactions contemplated thereunder (including the Annual Caps) are subject to the reporting, announcement, annual review, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Save as Ms. Ko Sau Mee, Ms. Lin Hing Lei and Mr. Lin Hing Lung who are the spouse, daughter and son of Mr. Lin, respectively, no other Director is required to abstain from voting on the Board resolution in relation to the approval of the 2025 Master Supply Agreement and the transactions contemplated thereunder (including the Annual Caps).

---

## LETTER FROM THE BOARD

---

With reference to the actual transaction amounts under the 2021 Master Supply Agreement, the transactions amount were generally relatively lower during January and February due to the Chinese New Year. Taking also into account of the transaction amount for the period from 1 January 2025 and up to the Latest Practicable Date as well as the applicable percentage ratios calculated thereof under the Listing Rules, the Directors expect that the aggregate transaction amount under the 2025 Master Supply Agreement will not exceed the de minimis threshold under Chapter 14A of the Listing Rules before the EGM. The Company will strictly monitor to ensure such de minimis threshold would not be exceeded before the EGM.

### GENERAL

As at the Latest Practicable Date, Mr. Lin, the controlling shareholder of the Company and was beneficially interested in 175,288,500 Shares, representing approximately 74.94% of the issued share capital of the Company. As Mr. Lin has a material interest in the 2025 Master Supply Agreement and the transactions contemplated thereunder, Mr. Lin and his associates are required under the Listing Rules to abstain from voting on the relevant resolution at the EGM in respect of the 2025 Master Supply Agreement and the transactions contemplated thereunder (including the Annual Caps).

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Lee Yiu Pui, Mr. Poon Tak Ching and Mr. Pang Cheung Wai Thomas, has been established by the Company to advise the Independent Shareholders on the terms of the 2025 Master Supply Agreement and the transactions contemplated thereunder (including the Annual Caps). Alliance Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

### EGM

The EGM will be held at Room Gold, Level 22, Nexxus Building, 41 Connaught Road Central, Hong Kong on Thursday, 27 February 2025 at 2:30 p.m. to consider and, if thought fit, approve the 2025 Master Supply Agreement and the transactions contemplated thereunder.

A notice convening the EGM is set out on pages EGM-1 to EGM-2 of this circular. A proxy form for use at the EGM is enclosed with this circular. Whether or not you intend to attend the EGM or any adjournment thereof, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

### RECOMMENDATION

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 2025 Master Supply Agreement and the transactions contemplated thereunder (including the Annual Caps).

---

## LETTER FROM THE BOARD

---

Your attention is also drawn to the letter from the Independent Financial Adviser set out on pages 13 to 22 of this circular which contains its recommendations to the Independent Board Committee and the Independent Shareholders in relation to the 2025 Master Supply Agreement and the transactions contemplated thereunder (including the Annual Caps) and the principal factors and reasons taken into account in arriving at its recommendation.

The Directors (including the independent non-executive Directors who have taken into account the advice of the Independent Financial Adviser) consider that the transactions contemplated under the 2025 Master Supply Agreement (including the Annual Caps) are conducted in the ordinary and usual course of business of the Group and the terms are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the ordinary resolution as set out in the notice of the EGM to approve the 2025 Master Supply Agreement and the transactions contemplated thereunder (including the Annual Caps).

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

By order of the board of  
**Precious Dragon Technology Holdings Limited**  
**Ko Sau Mee**  
*Chairlady and Executive Director*

---

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

---

*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 2025 Master Supply Agreement and the transactions contemplated thereunder (including the Annual Caps):*

**PRECIOUS DRAGON TECHNOLOGY HOLDINGS LIMITED**  
**保寶龍科技控股有限公司**  
(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 1861)

27 January 2025

*To the Independent Shareholders*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS**  
**— 2025 MASTER SUPPLY AGREEMENT**

We refer to the circular of the Company to the Shareholders dated 27 January 2025 (the “**Circular**”), of which this letter forms part. Capitalised terms used herein will have the same meanings as defined in the Circular, unless the context requires otherwise.

We have been appointed by the Board as members of the Independent Board Committee to advise you on the terms of the 2025 Master Supply Agreement and the transactions contemplated thereunder (including the Annual Caps). Alliance Capital 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 22 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 appendix thereto.

Having considered the terms of the 2025 Master Supply 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 2025 Master Supply Agreement and the transactions contemplated thereunder (including the Annual Caps) are on normal commercial terms and in the ordinary and usual course of business of the Company, and are fair and reasonable so far as the Independent Shareholders are concerned and the entering into of the 2025 Master Supply 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 2025 Master Supply Agreement and the transactions contemplated thereunder (including the Annual Caps).

Yours faithfully,  
the Independent Board Committee

**Mr. Lee Yiu Pui**

**Mr. Poon Tak Ching**

**Mr. Pang Cheung Wai Thomas**

*Independent non-executive Directors*

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

*The following is the full text of the letter of advice from Independent Financial Adviser to the Independent Board Committee and Independent Shareholders in connection with the proposed continuing connected transactions under the 2025 Master Supply Agreement for the purpose of inclusion in the Circular:*



**Alliance Capital Partners Limited**  
同人融資有限公司

Room 03,  
7/F Worldwide House,  
Des Voeux Road Central,  
Hong Kong

27 January 2025

*To: The Independent Board Committee and the Independent Shareholders*

Dear Sir or Madam,

### **CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE 2025 MASTER SUPPLY AGREEMENT**

#### **A. INTRODUCTION**

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders of the Company on whether the terms of the continuing connected transactions contemplated under the 2025 Master Supply Agreement and the relevant Annual Caps are fair and reasonable, and on a normal commercial terms and in the interests of the Company and its shareholders as a whole. Details of which are set out in the section headed “Letter from the Board” contained in the Circular, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On 6 January 2025, the Company announced that the Company and China Aluminum Cans entered into the 2025 Master Supply Agreement in relation to the purchase of the Products by the Group from the China Aluminum Cans Group for a term of three years from 1 January 2025 to 31 December 2027 (both days inclusive).

As at the Latest Practicable Date, Mr. Lin, the controlling Shareholder of Precious Dragon, was beneficially interested in 175,288,500 Shares of the Company, representing approximately 74.94% of the issued share capital of the Company, and was therefore a connected person of the Company. On the other hand, Mr. Lin was beneficially interested in 660,546,000 shares of China Aluminum Cans, representing approximately 69.05% of the issued share capital of China Aluminum Cans as at the date of this announcement. As China Aluminum Cans is an associate of Mr. Lin, it is therefore a connected

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

person of Precious Dragon. Precious Dragon is also an associate of Mr. Lin and therefore a connected person of China Aluminum Cans. Accordingly, the entering into of the 2025 Master Supply Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Save as Ms. Ko Sau Mee, Ms. Lin Hing Lei and Mr. Lin Hing Lung who are the spouse, daughter and son of Mr. Lin, respectively, no Director is required to abstain from voting on the board resolution in relation to the approval of the 2025 Master Supply Agreement and the transactions contemplated thereunder, including the Annual Caps.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Lee Yiu Pui, Mr. Poon Tak Ching and Mr. Pang Cheung Wai, Thomas, has been established by the Company to advise and make recommendations to the Independent Shareholders in respect of the transactions contemplated under the 2025 Master Supply Agreement and the relevant Annual Caps.

During the past two years immediately preceding and up to the date of our appointment as the Independent Financial Adviser, we are independent from, and not associated with the Company or any other party to the 2025 Master Supply Agreement, or their respective substantial shareholder(s) or other connected person(s), as defined under the Listing Rules and accordingly, are considered eligible to give independent advice on the terms of the 2025 Master Supply Agreement and the relevant Annual Caps. There was no engagement between the Company and Alliance Capital in the past two years. Apart from this normal professional fee for our services to the Company in connection with the engagement as the Independent Financial Adviser, no other arrangements exist whereby we will receive any fees and/or benefits from the Company or any other party to the 2025 Master Supply Agreement or their respective substantial shareholder(s) or connected person(s), as defined under the Listing Rules.

### **B. BASIS OF OUR OPINION**

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have reviewed, amongst other things:

- (i) the annual reports of the Company for the five years ended 31 December 2023;
- (ii) the annual report of the China Aluminum Cans for the year ended 31 December 2023;
- (iii) the interim report of the Company for the six months ended 30 June 2024;
- (iv) the interim report of the China Aluminum Cans for the six months ended 30 June 2024;
- (v) the circular dated 7 January 2021 issued by the Company;
- (vi) the 2025 Master Supply Agreement; and
- (vii) other information as set out in the Circular.



---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

We have relied on (i) the statements, information and opinions contained or referred to in the Circular and/or the information and representations as provided to us by the Directors and the management of the Company (the “**Management**”); (ii) the information and facts supplied by the Company and its advisers; and (iii) our review of the relevant public information. We have assumed that all information and representations that have been provided by the Management, for which they are solely and wholly responsible, are true, complete, and accurate in all material respects at the time when they were made and continue to be so as at the date of the dispatch of the Circular. We have also assumed that all statements of belief, opinion, expectation, and intention made by the Management in the Circular are reasonably made after due enquiries and careful considerations.

The Directors have jointly and severally accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquires, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading. We have no reasons to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or Directors, which have been provided to us.

We consider that we have reviewed sufficient information to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation in compliance with Rule 13.80 of the Listing Rules. We have not, however, carried out any independent verification of the information, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company or its respective subsidiaries or associates.

### **C. PRINCIPAL FACTORS AND REASONS CONSIDERED**

In formulating our opinion regarding the continuing connected transactions under the 2025 Master Supply Agreement, we have considered the following principal factors and reasons:

#### **1. Background information of the Group and the China Aluminum Cans Group**

##### ***1.1 Information of the Group***

The Group is principally engaged in the design, development, manufacturing and sale of a wide range of automotive beauty and maintenance products, personal care products and other products including household products.

##### ***1.2 Information of the China Aluminum Cans Group***

China Aluminum Cans Group is principally engaged in the manufacturing and sale of monobloc aluminum aerosol cans, which are generally used in the packaging of fast-moving personal care products, as well as pharmaceutical products.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

As per our discussion with the Company, the monobloc aluminum aerosol cans are the major raw materials for its manufacturing business, while China Aluminum Cans Group is principally engaged in the manufacturing and sale of monobloc aluminum aerosol cans. Therefore, we are of the view that the Company entering into the 2025 Master Supply Agreement in relation to the purchase of the Products is in its ordinary course of business.

### **2. Reasons for and benefits of the continuing connected transactions**

As mentioned in the Letter from the Board, the Management is of the view that the Group would benefit from the 2025 Master Supply Agreement as they can secure a stable supply of the Products and better cope with the fluctuation of aluminum price.

As discussed with the Management, we noted that the Group has maintained a long-established and harmonious business relationship with China Aluminum Cans Group for over 15 years, during which they have consistently met and never failed to meet the Group's order demands. Additionally, data from the National Bureau of Statistics of China indicates that the average monthly aluminum price has been quite volatile over the past year, ranging from RMB18,316 to RMB20,699 per tonne from January 2023 to November 2024. The average price increased from RMB18,703 per tonne in 2023 to RMB19,887 per tonne for the eleven months ended 30 November, 2024, reflecting an increase of approximately 6.3%. This price fluctuation is primarily driven by a supply-demand imbalance caused by various global issues, for instance, the geopolitical tensions from the Russia-Ukraine war and the Sino-U.S. trade war, as well as PRC's rapidly advancing decarbonisation efforts, which are slowing down local aluminum supply. To mitigate the risks associated with these fluctuations and ensure a stable supply, the Management believes it is crucial to collaborate with a reliable supplier. Thus, the Company has decided to enter into the 2025 Master Supply Agreement with China Aluminum Cans.

In light of the above, the Directors are of the view and we concur that it is beneficial to continue its long-term relationship with China Aluminum Cans Group with an aim to secure a stable supply of Products and entering into the 2025 Master Supply Agreement is in the interests of the Company and its Shareholders as a whole.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### 3. Principal terms of the 2025 Master Supply Agreement

Details of the terms of the 2025 Master Supply Agreement are set out in the section headed “2025 Master Supply Agreement” in the “Letter from the Board” in the Circular.

#### (a) Annual Caps

Set out below are the existing annual caps and respective utilisation amounts under the 2021 Master Supply Agreement:

	For the year ended 31 December		
	2022	2023	2024
	HK\$' 000	HK\$' 000	HK\$' 000
<b>Existing annual caps</b>	39,000	41,000	43,000
<b>Utilisation amounts</b>	23,556	22,047	13,796
<b>Utilisation ratio of annual caps</b>	60.4%	53.8%	32.1%

Set out below are the Annual Caps under the 2025 Master Supply Agreement:

	Annual Caps (HK\$'000)
For the year ending 31 December 2025	28,000
For the year ending 31 December 2026	29,000
For the year ending 31 December 2027	31,000

The Management is of the view that the proposed Annual Caps should be determined at HK\$28.0 million, for the year ending 31 December 2025, and further increase to HK\$29.0 million and HK\$31.0 million for the two years ending 31 December 2027, respectively. Despite the proposed Annual Caps are greater than the historical purchase amounts of the Products from the China Aluminum Cans Group during each of the three years ended 31 December 2024, the Management is of the view that it is important to maintain higher annual caps in order to have more flexibility to capture different business opportunities which may arise in the future. This consideration takes into account several factors, mainly including (i) the rising market demand for the Group's personal care and automotive products, and (ii) the expected recovery in sales demand from a previous customer in the United States followed by the full operation of the production plant in Thailand in the first quarter of 2025.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

We have discussed with the Management and obtained the quantitative analysis of the Annual Caps as below:

<b>Basis and formula</b>	<b>For the year ending 31 December</b>		
	<b>2025</b>	<b>2026</b>	<b>2027</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Projection based on the historical purchase amount from China Aluminium Cans Group and market demand for the Group's personal care products (“ <b>Projection</b> ”) (A)	21,075 <i>(Note 1)</i>	22,128 <i>(Note 2)</i>	23,234 <i>(Note 2)</i>
Additional demand arising from the fully operational production plant in Thailand (“ <b>Additional Demand</b> ”) (B) <i>(Note 3)</i>	5,000	5,000	5,000
Buffer (“ <b>Buffer</b> ”) (C) <i>(Note 4)</i>	10%	10%	10%
Estimated transaction amount (A + B) x (1 + C)	28,683	29,841	31,057
<b>The Annual Caps</b>	<b>28,000</b>	<b>29,000</b>	<b>31,000</b>

*Notes:*

- (1) The amount is calculated by taking the average of (i) the actual purchase amount for the year ended 31 December 2022 of approximately HK\$23.6 million, (ii) the actual purchase amount for the year ended 31 December 2023 of approximately HK\$22.0 million, and (iii) the annualised purchase amount for the year ending 31 December 2024 of approximately HK\$14.6 million, based on the actual purchase amount for the ten months ended 31 October 2024 of approximately HK\$12.2 million, and then multiplied by one plus the Management's expected growth in personal care products market of 5%. (i.e. (HK\$23.6 million + HK\$22.0 million + HK\$14.6 million) /3 x (1 + 5%)).
- (2) The amount represents the Management's expected growth in personal care products market of 5% as compared to the prior year.
- (3) This amount primarily reflects the Management's expectations regarding the growth of the Group's purchase of Products in satisfying the growth in recovery of sales demand from a previous customer in the United States followed by the full operation of the production plant in Thailand in the first quarter of 2025.
- (4) A buffer of 10% takes into account of (i) the flexibility in conducting and expanding its business if the Annual Caps are tailored to future business growth; (ii) the fluctuation of aluminum price; and (iii) rising demand in automotive beauty and maintenance industry.

In order to assess whether the basis of determining the proposed Annual Caps are fair and reasonable, we have reviewed the historical usage of the annual caps under the 2021 Master Supply Agreement that were approximately 60.4%, 53.8% and 32.1% during each of the three years ended 31 December 2024, respectively. As the usage of the annual caps under the 2021 Master Supply Agreement is in a decreasing trend, while the proposed Annual Caps are greater than the historical purchase amounts of the Products from the China Aluminum Cans Group, we discussed with the Management for the rationale behind as illustrated below.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

With regard to the Projection, we have (i) reviewed the historical purchase amount from China Aluminum Cans Group for the year ended 31 December 2022, the year ended 31 December 2023 and ten months ended 31 October 2024; (ii) discussed with the Management that the basis for using average purchase amount would cater for the surging market demand; (iii) reviewed a market research report in relation to the personal care industry issued by Technavio, being one of the leading market research companies with over 500 specialised analysts and has a library consists of more than 17,000 reports worldwide. From which, we are given to understand that with the improvement in people's living standard, the personal care market size is forecast to increase by USD167.2 billion at a compound annual growth rate (“CAGR”) of 6.03% between 2023 to 2028; and (iv) reviewed an industry report issued by China Insights Consultancy (“CIC”), being an independent market research and consulting company based in the PRC. According to the website of CIC (<https://www.cninsights.com/>), it covers 200 sub-sectors and has provided comprehensive business research for over 100 companies across various industries. In particular, CIC was the industry expert for JD Logistics, Inc. and Baidu, Inc. during their listings in Hong Kong. The report stated that as consumers have become more beauty and hygiene conscious, and digital-savvy with the prevalence of e-commerce strategies involving collaborations with influential figures, especially after the COVID-19 pandemic, contributing to strong sales performance and a deeper penetration of beauty and personal care products in the market. The market size of PRC's beauty and personal care community-based social e-commerce industry is expected to surge from RMB255.9 billion in 2021 to RMB410.4 billion in 2026, representing a CAGR of 9.9%. This is especially relevant when determining the proposed Annual Caps, given the significant growth in online market sales that the Company experienced during FY2023 and 6M2024. In this connection, the Management is of the view and we concur that the basis and assumption for the Projection are fair and reasonable.

With regard to the Additional Demand, we noted that the tension between China and the United States has been ongoing as the United States began setting tariffs and other trade barriers on China since 2018, and this is likely to escalate with the anticipated additional tariffs imposed on Chinese imported goods in the near future. Coupled with the devastating global economic disruption caused by the COVID-19 in 2020, the Company's annual reports indicated that sales from the United States dropped sharply from HK\$58.3 million for the year ended 31 December 2018 to HK\$43.6 million for the year ended 31 December 2020, and further decreased drastically to HK\$7.7 million for FY2023. Given the Company's production plant in Thailand is expected to be fully operational in the first quarter of 2025, the Company believes it will be able to gradually regain sales from customers in the United States in the coming years after relocating the Company's manufacturing to Thailand. In assessing the reasonableness of the Additional Demand, we have discussed with the Company and obtained the historical data on the Company's purchase of Products for the sales to one of the its previous customers in the United States (“**Previous Customer**”). The Previous Customer gradually reduced its purchase of personal care products with aluminum packaging from the Company since 2020 and ceased purchase in 2022 due to the cost burden imposed by the trade tariffs on Chinese imported goods. We noted that the average historical purchase of Products for the sales to the Previous Customer from 2020 to 2022 amounted to approximately HK\$5.0 million. With the shift of manufacturing process to Thailand in the first quarter of 2025, the Previous Customer has recently indicated that they may re-purchase products with aluminum packaging from the Group going forward. In view of the above, the Management expects that the Additional Demand — reflecting the anticipated growth of the Group's purchase of Products to meet the recovering sales demand

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

from the Previous Customer will be at HK\$5.0 million for each year during 31 December 2025, 2026 and 2027, respectively. Therefore, the Management is of the view and we concur that the basis and assumption for the Additional Demand are fair and reasonable.

With regard to the Buffer, the Management is of the view and we concur that the Group would have the flexibility to adapt to various conditions, including but not limited to the unexpected business growth, fluctuations in aluminum prices, and rising demand from the automotive aftermarket industry. In particular, (i) aluminum, being one of the major production components for the Group's production, its prices were volatile over the years, increased from RMB18,703 per tonne for the year 2023 to RMB19,887 per tonne for the eleven months ended 30 November 2024, representing an increment of approximately 6.3%, as discussed in section 2 of this letter. These prices are expected to continue fluctuating due to rising geopolitical issues worldwide, for instance, the Russia-Ukraine war and the Sino-U.S. trade war, which may incur additional production costs and lead to an increase in transaction amounts, (ii) the rising demand from the automotive aftermarket industry. With reference to a market research report in relation to the automotive aftermarket industry issued by CIC, we noted that with the positive outlook on Chinese economy and increasing car parc of passenger vehicles, PRC's automotive aftermarket industry is expected to surge from approximately RMB5.2 trillion in 2023 to RMB9.1 trillion in 2028, representing a CAGR of 11.8%. It is worth mentioning that, out of which, the auto repair and maintenance segment is expected to grow steadily from approximately RMB0.9 trillion in 2023 to RMB1.4 trillion in 2028, representing a CAGR of 9.0%; and (iii) other potential business opportunities may arise in the future. In this connection, the Management is of the view and we concur that the basis and assumption for the Buffer are fair and reasonable.

Having considered that it will be burdensome to revise the annual caps subsequently, and in light of the above, we concur with the view of the Management that the proposed Annual Caps have taken into account, among other things, (i) both the historical sales amount and the additional demand arising from the expected growth in personal care and automotive aftermarket industries in PRC for the next three years, (ii) the recovery of sales demand from the Previous Customer in the United States followed by the full operation of the production plant in Thailand in the first quarter of 2025, and (iii) for the sake of flexibility to adapt to various conditions and capture the aforementioned business opportunities are fair and reasonable, and in the interest of the Company and its Shareholders as a whole.

**(b) Pricing policy**

In assessing the fairness and reasonableness of the pricing policy under the 2025 Master Supply Agreement, we have reviewed (i) the latest full transaction list with China Aluminum Cans Group (the "**Full List**") and (ii) reviewed 11 selected samples, each representing the largest order of the month for period from January 2024 to November 2024, entered into between the Group and China Aluminum Cans Group. This includes purchase orders of the products made by the Group to China Aluminum Cans Group, and their corresponding comparable quotations (the "**Selected Samples**").

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Per review of the Full List and Selected Samples, we noted that the Group has implemented the pricing policy and the transactions between the China Aluminum Cans Group and the Group are in line with prevailing market price as we noted that each of the Selected Samples is supported by corresponding comparable quotations (i) solicited from two of the Group's independent suppliers, and (ii) provided by China Aluminum Cans Group to two of its independent customers. We concluded that the prices offered by China Aluminum Cans Group to the Group were (1) in line with those offered by the Group's independent suppliers, and (2) no less favourable than those offered to other independent customers of China Aluminum Cans Group. Therefore, we concur with the Management's view that the pricing policy of the 2025 Master Supply Agreement was fair and reasonable.

*(c) Periodic review and internal control*

To ensure the Group's conformity with the above pricing policy in relation to the transactions contemplated under the 2025 Master Supply Agreement and the proposed Annual Caps will not be exceeded, we have reviewed the internal control policies of the Group in relation to connected transaction and note the following:

- (i) the purchasing department will (1) solicit at least two quotations from the Group's independent suppliers in relation to its purchase of the same type of the Products provided by the China Aluminum Cans Group, and (2) request the China Aluminum Cans Group to provide at least two quotations to its independent customers in relation to the same type of the Products procured by the Group;
- (ii) the finance department of the Group will prepare a monthly report containing the transaction details, including but not limited to the types and specifications of the products, quantity, purchase price of connected transactions entered into during the month (the "**Monthly CT report**") for the purpose of monitoring whether (1) the transactions with the China Aluminum Cans Group is in line with the pricing policy stated in the 2025 Master Supply Agreement; (2) the major terms of the transactions have any changes; and (3) the actual amount of the connected transaction has exceeded the amount of the proposed Annual Cap. If the actual transaction amount reaches approximately 90% of the proposed Annual Caps or the major terms of the transactions have any changes at any time during the year, the finance department will report to the connected transaction officer of the Company, who will seek advice from the audit committee of the Company, and the Board will consider taking appropriate measures, including but not limited to revisiting and determining if the changes on the major terms are on normal commercial terms, further revisiting the Annual Caps amounts and complying with the relevant announcement and shareholders' approval requirements in accordance with the Listing Rules;
- (iii) the independent non-executive Directors will review the continuing connected transactions contemplated under the 2025 Master Supply Agreement to ensure that such agreement is entered into on normal commercial terms, is fair and reasonable, and are carried out pursuant to the terms of such agreement on an annual basis; and

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

- (iv) the auditor of the Company will conduct an annual review on the transactions contemplated under such agreement to ensure that they have been carried out in accordance with the pricing policies of such agreement and have not exceeded the Annual Caps.

By implementing the above procedures, the Directors consider that, and we concur that the Company has established appropriate internal control measures to ensure that the transactions contemplated under the 2025 Master Supply Agreement will be on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

In addition, we have selected (i) four Monthly CT reports for the connected transactions during January 2024 to October 2024, and (ii) the meeting minutes of the independent non-executive Directors dated 18 March 2024 for the connected transactions with the China Aluminum Cans Group during the year ended 31 December 2023 of which the independent non-executive Directors were of the opinion that the continuing connected transactions are (1) in the ordinary and usual course of business of the Company; (2) on normal commercial terms or better; and (3) in accordance to the agreement governing them, on fair and reasonable terms and in the interests of the shareholders of the Company, which are in line with the protocol stated in the compliance manual and the pricing policy stated in the 2021 Master Supply Agreement, which is the same as the 2025 Master Supply Agreement. Therefore, we are of the view that the Company has sufficient and effective internal control policy to ensure the proposed Annual Caps will not be exceeded and the price of the Product are on normal commercial terms, fair and reasonable, and in the interest of the Company and its Shareholders as a whole.

### D. RECOMMENDATION

In conclusion, we are of the view that the entering into the 2025 Master Supply Agreement is in ordinary course of business, on normal commercial terms, which are fair and reasonable so far as the Company's Independent Shareholders are concerned and in the interests of the Company and its shareholders as a whole. Accordingly, we recommend the Company's Independent Board Committee to advise the Company's Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the relevant continuing connected transactions and the Annual Caps under the 2025 Master Supply Agreement.

Yours faithfully,  
For and on behalf of  
**Alliance Capital Partners Limited**  
**Ray Chan**  
*Executive Director*

*Mr. Ray Chan is a licensed Type 1 & 6 person registered with the Securities and Futures Commission and as a responsible officer of Alliance Capital Partners Limited to carry out type 6 (advising on corporate finance) regulated activities under the SFO and has over 10 years of experience in corporate finance industry, including initial public offerings and transactions involving companies listed in Hong Kong and the provision of independent financial advisory services.*



## 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 Company. 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 aspects and not misleading or deceptive, and there is no other matter the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors and chief executive

Save as disclosed below, as at the Latest Practicable Date, no Directors and the chief executive of the Company had or was deemed to have interests and short positions in Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) 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 they were taken or deemed to have under such provision of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies set out in Appendix C3 to the Listing Rules to be notified to the Company and the Stock Exchange.

Save as disclosed below, as at the Latest Practicable Date, none of the Directors of the Company is a director or employee of a company which has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

### Long positions in the Shares and underlying Shares of the shares options granted under the Pre-IPO Share Option Scheme of the Company

Names of Directors	Number of Shares			Interests in underlying Shares	Total	Approximate percentage of the issued Shares
	Beneficial owner	Interest of family	Interests in a controlled corporation	Share options (Note 1)		
Ms. Ko Sau Mee ("Mrs. Lin")	—	107,788,500 (Note 3)	67,000,000 (Note 4)	500,000	175,288,500	74.94%
Ms. Lin Hing Lei	200,500	—	—	277,500	478,000	0.20%
Mr. Lin Hing Lung	—	—	—	500,000	500,000	0.21%
Mr. Yang Xiaoye	—	—	—	300,000	300,000	0.13%
Mr. Poon Tak Ching	368,000	—	—	—	368,000	0.16%

*Notes:*

- (1) These share options represent the awarded underlying Shares granted to the Directors under a pre-IPO share option scheme of the Company (the “Pre-IPO Share Option Scheme”) which was adopted on 12 April 2019.
- (2) These percentages have been compiled based on the total number of issued Shares as at the Latest Practicable Date (i.e. 233,917,250 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.

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 the issued Shares (Note 1)
Mr. Lin	Beneficial Owner	107,788,500	46.08%
	Interest of spouse	500,000 (Note 2)	0.21%
	Interests in a controlled corporation	67,000,000 (Note 3)	28.64%
Wellmass	Beneficial owner	67,000,000 (Note 3)	28.64%

*Notes:*

- (1) These percentages have been compiled based on the total number of issued Shares as at the Latest Practicable Date (i.e. 233,917,250 Shares).
- (2) These underlying Shares are held by Mrs. Lin, as Mr. Lin is the spouse of Mrs. Lin, Mr. Lin is deemed to be interested in all the Shares held by Mrs. Lin by virtue of the SFO.
- (3) These Shares are held by Wellmass, a company incorporated in the British Virgin Islands, and is solely and beneficially owned by Mr. Lin.

Save as disclosed above, as at the Latest Practicable Date, no person, other than the Directors or chief executive of the Company, had registered an interest or short position in the Shares or underlying Shares that was required to be recorded 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 INTERESTS**

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 2023, 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 2023, 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. CONSENT AND QUALIFICATION OF THE EXPERT

The following are the qualification of the expert who has been named in this circular or has given opinion or advice which is contained in this circular:

<b>Name</b>	<b>Qualification</b>
Alliance Capital	A corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Alliance Capital had (i) 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 2023 (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.

Alliance Capital 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

- (i) The registered office of the Company is located at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands.
- (ii) The head office and principal place of business in Hong Kong of the Company is located at Unit G, 20/F., Golden Sun Centre, Nos. 59/67 Bonham Strand West, Sheung Wan, Hong Kong.
- (iii) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited.
- (iv) The principal share registrar and transfer office of the Company is Ocorian Trust (Cayman) Limited.
- (v) The company secretary of the Company is Mr. Lee Kam Fai.
- (vi) The English text of this circular shall prevail over their respective Chinese text for the purpose of interpretation.

**9. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.botny.com/>) for a period of 14 days from the date of this circular:

- (a) the 2025 Master Supply Agreement;
- (b) the letter of recommendation from the Independent Board Committee in relation to the 2025 Master Supply Agreement and the transactions contemplated thereunder (including the Annual Caps), the text of which is set out on page 12 of this circular;
- (c) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the 2025 Master Supply Agreement and the transactions contemplated thereunder (including the Annual Caps), the text of which is set out on pages 13 to 22 of this circular;
- (d) written consent of Alliance Capital as mentioned in the paragraph 7 in this Appendix; and
- (e) this circular.

---

## NOTICE OF THE EGM

---

# PRECIOUS DRAGON TECHNOLOGY HOLDINGS LIMITED 保寶龍科技控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1861)**

### NOTICE OF THE EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting (the “**EGM**”) of Precious Dragon Technology Holdings Limited (the “**Company**”) will be held at Room Gold, Level 22, Nexus Building, 41 Connaught Road Central, Hong Kong on Thursday, 27 February 2025 at 2:30 p.m. 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 2025 Master Supply Agreement (as defined and described in the circular to the shareholders of the Company dated 27 January 2025 (the “**Circular**”), a copy of which has been produced to the meeting marked “A” and signed by the Chairman of the meeting for the purpose of identification) and the execution thereof and implementation of all transactions thereunder be and are hereby approved, ratified and confirmed;
- (b) the annual caps of the transactions contemplated under the 2025 Master Supply Agreement as described in the Circular be and are hereby approved, ratified and confirmed; and
- (c) the directors of the Company or any other person authorized by the directors of the Company be and are hereby authorized to sign, execute, perfect and deliver all such documents and do all such deeds, acts, matters and things as they may in their absolute discretion consider necessary or desirable for the purpose of or in connection with the implementation of the 2025 Master Supply Agreement and all transactions and other matters contemplated thereunder or ancillary thereto, to waive compliance from and/or agree to any amendment or supplement to any of the provisions of the 2025 Master Supply Agreement which in their opinion is not of a material nature and to effect or implement any other matters referred to in this resolution.”

By order of the board of  
**Precious Dragon Technology Holdings Limited**  
**Ko Sau Mee**  
*Chairlady and executive Director*

Hong Kong, 27 January 2025

---

## NOTICE OF THE EGM

---

*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 17/F, Far East Finance Centre, 16 Harcourt Road, 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 Monday, 24 February 2025 to Thursday, 27 February 2025, 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 Thursday, 27 February 2025 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than Friday, 21 February 2025.

*As at the date of this notice, the executive Directors are Ms. Ko Sau Mee, Ms. Lin Hing Lei, Mr. Lin Hing Lung and Mr. Yang Xiaoye; and the independent non-executive Directors are Mr. Lee Yiu Pui, Mr. Poon Tak Ching and Mr. Pang Cheung Wai Thomas.*