

**CHINA ALUMINUM CANS HOLDINGS LTD:
THIS IS A SOUND COMPANY, HAVING
A FIRM FOOTING ON THE AEROSOL CAN INDUSTRY OF THE PRC**

There is very little that is exceptional or outstanding about China Aluminum Cans Holdings Ltd () (Code: 6898, Main Board, The Stock Exchange of Hongkong Ltd), one of the latest companies in a batch to seek a listing on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

Except, perhaps, that the ethnic Chinese Founder of this Company might, without his ever having known it, contain some Scottish blood in him since he has, throughout the 36-month, track-record period, ended December 31, 2012, been taking only a pittance in salaries, allowances and benefits in kind while his other two Executive Directors were happy to be paid, exactly, zilch.

China Aluminum Cans pitched its story, which is contained in the Placing and Public Offer Prospectus, dated June 28, 2013.

The Company was Offering 100 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from \$HK1.00 to \$HK1.20.

Yesterday, Management announced that the Offer Price had been struck at \$HK1.00 per share.

Of the total number of shares on Offer, 10 million Shares had been reserved for Hongkong Investors and 90 million Shares had been designated as Placing Shares, presumably Offered to well-heeled, Institutional Investors.

Management presumed, at Page 226 of the Placing and Public Offer Prospectus, that it would net about \$HK90 million on the basis of the Offer Price, being struck at the midpoint of the Indicative Offer Price Per Share: \$HK1.10.

At the Offer Price Per Share, having been determined at \$HK1.00, Management re-estimated that the net proceeds would be reduced to \$HK80 million

The net proceeds of this **Initial Public Offering (IPO)** will be used for the following purposes, one is told:

- About 60 percent, that is \$HK48 million, to fund, partially, an expansion of the Company's production capacity;
- About 15 percent, that is \$HK12.00 million, to establish a new Research and Development laboratory;
- About 20 percent, that is \$HK16 million, to repay some bank loans; and,
- About five percent, that is \$HK4.00 million, to be used as General Working Capital.

The History and Business

China Aluminum Cans started its corporate life on July 23, 1999, with the incorporation in the HKSAR of European Asia Industrial Ltd ().

This company was wholly owned by Mr Lin Wan Tsang () and his wife, whose maiden name was Ms Ko Sau Mee ().

On June 27, 2002, Mr and Mrs Lin Wan Tsang incorporated Euro Asia Packaging (Guang Dong) Ltd (), formerly known as Euro Asia Packaging (Zhongshan) Company Ltd ([]), in the PRC, proper, being separate and distinct from the HKSAR.

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