

Dated the 8 day of December 2021

**HONG KONG ALUMINUM CANS LIMITED**  
(香港鋁罐有限公司)  
(for itself and on behalf of its subsidiaries and holding companies)

and

**PRECIOUS DRAGON TECHNOLOGY HOLDINGS LIMITED**  
(保寶龍科技控股有限公司)  
(for itself and on behalf of its subsidiaries)

---

**MASTER SUPPLY AGREEMENT**

---

This Agreement is entered into on 8 day of December 2021.

**BETWEEN**

- (1) **HONG KONG ALUMINUM CANS LIMITED** (香港鋁罐有限公司) (for itself and on behalf of its subsidiaries and holding companies), a limited liability company incorporated in Hong Kong with company number 1796585, whose registered office is at Office Unit G, 20/F, Golden Sun Centre, 59/67 Bonham Strand West, Sheung Wan, Hong Kong (“**Party A**”, together with its holding companies and subsidiaries and excluding the Party B Group, the “**Party A Group**”); and
- (2) **PRECIOUS DRAGON TECHNOLOGY HOLDINGS LIMITED** (保寶龍科技控股有限公司) (for itself and on behalf of its subsidiaries), a limited liability company incorporated in the Cayman Islands, having its business office situated at Office Unit G, 20/F, Golden Sun Centre, Nos.59/67, Bonham Strand West, Sheung Wan, Hong Kong (“**Party B**”, together with its subsidiaries, the “**Party B Group**”).

**BACKGROUND:**

- (A) Party A Group is engaged 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.
- (B) Party B Group is principally engaged in the design, development, manufacturing and sale of automotive beauty and maintenance products, and also personal care products and other products including household products.
- (C) Party A (for itself and on behalf of its subsidiaries and holding companies) and Party B (for itself and on behalf of its subsidiaries) agree to enter into this Agreement in relation to the purchase of Party A Group’s monobloc aluminum aerosol cans by Party B Group from time to time. Party A and Party B agree to be bound by the terms and conditions of this Agreement.

**THE PARTIES HEREBY AGREE THAT:**

**1. DEFINITIONS AND INTERPRETATION**

- 1.1 In this Agreement, unless otherwise expressed or required by the context, the following words and expressions shall have the following meanings:-

“Agreement” means this master supply agreement in relation to the sale and purchase of the Products, as amended or varied from time to time;

“Business Day(s)” means a day other than Sunday and statutory holidays as stipulated by the Hong Kong laws;

“China Aluminum Cans”	means China Aluminum Cans Holdings Limited (中國鋁罐控股有限公司), an exempted company incorporated in the Cayman Islands;
“Conditions”	means the conditions stated in Clause 5
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	means Hong Kong Dollars, the lawful currency of Hong Kong;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time;
“Parties”	means the parties to this Agreement and a “Party” means any one of them;
“Products”	means the monobloc aluminum aerosol cans manufactured by Party A Group which Party B Group shall purchase pursuant to the terms and conditions of this Agreement;
“Purchase Order(s)”	means the purchase order(s) to be placed by Party B Group to Party A Group specifying the Products purchased by Party B Group during the Terms;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited; and
“Term(s)”	means the period set out in Clause 3.

- 1.2 The headings to the Clauses of this Agreement are for ease of reference only and shall be ignored in interpreting this Agreement.
- 1.3 Reference to Recitals and Clauses, are references to recitals and clauses of or to this Agreement which shall form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement and any reference to this Agreement shall include the Recitals and Clauses.
- 1.4 In this Agreement, words importing the singular include the plural and vice versa, words importing one gender include every gender and references to a person include any public body and any body of persons, corporate or unincorporated.

## 2. PURCHASE

- 2.1 Subject to the terms and conditions of each Purchase Order, Party A Group hereby agrees to supply to Party B Group and Party B Group hereby agrees to purchase from Party A Group the Products during the Term.
- 2.2 Party A Group and Party B Group shall, for each and every purchase, conclude a Purchase Order confirming 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, and the terms of such Purchase Order shall be consistent with the terms under this Agreement and shall comply with the principles of this Agreement.
- 2.3 Each Party hereby undertakes to the other Party that it shall provide the relevant information or document as requested by the other Party's auditor for the purpose of reporting on the transactions contemplated hereunder.

## 3. TERM

Both Parties agree that this Agreement shall take effect from 1 January 2022 and shall expire on 31 December 2024 (both days inclusive). Upon expiry of this Agreement, Party A and Party B may negotiate for extension of the terms of this Agreement subject to the requirements under Chapter 14A of the Listing Rules. Expiration or termination of this Agreement shall not affect any transaction which has been commenced prior to the date of termination.

## 4. PURCHASE PRICE

- 4.1 The purchase price of each and every purchase (the "**Purchase Prices**") shall be separately determined on order-by-order basis by the Parties according to the following principles:
- (a) the Purchase Prices shall be determined on normal commercial terms which shall be fair and reasonable after arm's length negotiation between the Parties;
  - (b) the Purchase Prices shall be at prevailing market price; and
  - (c) the Purchase Prices shall be the same as the purchase prices offered by Party A Group to its other independent customers and payable by Party B Group to its other independent suppliers.
- 4.2 To ensure the Purchase Prices offered by Party A Group and payable by Party B Group is in accordance with the principles set out in clause 4.1 above:
- (a) Party A Group shall, when determines the Purchase Prices, make reference to (i) the creditability of the Party B Group; (ii) the expected material costs and production costs to be incurred by Party A Group in providing the Products; (iii) the marginal profit to be made by Party A Group, which is

expected to be comparable to the profit that can be realised by sales to its other independent customers; and (iv) any adjustments, which shall be the same as that offered by Party A Group to its independent customers, based on expected quantity, quality, delivery plan, specification and market competition condition of the Products purchased by Party B Group; and

- (b) Party B Group shall obtain at least one other independent supplier's quotation in relation to the same type of the Products provided by Party A Group so as to ascertain the prevailing market price. Where no such quotation is available, Party B Group shall request the Party A Group to provide Party B Group with its quotation provided to its other independent customers in relation to the same type of monobloc aluminum aerosol cans for reference and Party A Group undertakes to provide such quotation without unreasonably delay.

4.3 The total purchases of Party B Group from Party A Group under this Agreement for each of the three financial years ending 31 December 2024 shall not exceed HK\$39 million, HK\$41 million and HK\$43 million, respectively (collectively, the “**Annual Caps**”). Should the total purchases of any of the financial years exceed the respective Annual Cap, Party A and Party B shall enter into a further supplemental agreement and comply with the requirements under the Listing Rules. The Annual Caps were determined by reference to:

- (a) for the three years ended 31 December 2020 and the six months ended 30 June 2021, the Party B Group's purchase of the Products from the Party A Group amounted to approximately HK\$27.2 million, HK\$13.6 million, HK\$36.3 million and HK\$11.4 million, respectively;
- (b) the transaction amount after the outbreak of the COVID-19 pandemic since early 2020 as the epidemic has given rise to growing consumer preference on health and wellness as well as rising awareness about health and hygiene which has increased and is expected to increase the market demand for the Party B Group's personal care products (including sanitizer products) and therefore the Party B Group's demand for the Products; and
- (c) the potential growth in sales of the Party B Group generated from the United States and the Southeast Asia following commencement of the operation of its new production plant in Thailand which is expected to be in the first quarter of 2022, as the new overseas manufacturing plant allows the Group to (a) ease the impact resulting from the Sino-US trade war and other international trade barriers and benefit from the lower cost of raw materials from the surrounding area, enhancing the competitiveness of the Group's products in Asia; and (b) expand the local market in the Southeast Asia. Such growth potential will in turn increase the Party B Group's demand for the Products.

**5. CONDITIONS PRECEDENT**

This Agreement is conditional upon independent shareholders' approval of China Aluminum Cans and Party B having been obtained in accordance with the Listing Rules in respect of this Agreement and the transactions contemplated hereunder (including the Annual Caps).

**6. TERMINATION**

This Agreement may be terminated by any of the following acts or events:

- (a) by either Party, without cause, by giving the other Party 30 days of written notice;
- (b) by either Party, if within 10 days of having given written notice to the other Party of a breach of any specific term or condition of this Agreement, the other Party shall have failed to rectify such breach; and
- (c) at the expiration of the term as provided under Clause 3 of this Agreement, except that any Purchase Order made pursuant to this Agreement which is in effect as of such termination date shall continue to apply to such Purchase Order until the termination thereof.

**7. CONFIDENTIALTY**

Each of Party A and Party B guarantees to the other Party that, it shall not disclose this Agreement or any relevant information or confidential information of the other Party to any third party (except to their professional consultants, auditors or as requested by the law or the Stock Exchange, the Securities and Futures Commission or other regulatory or government bodies, or employees or other relevant personnel who ought to be informed by virtue of their work provided, or otherwise disclosed in the prospectus, notices, listing documents or announcements as required by the Listing Rules or relevant guidance letters).

**8. SEVERABILITY**

If at any time any one or more provisions hereof is or becomes invalid, illegal, unenforceable or incapable of performance in any respect, the validity, legality, enforceability or performance of the remaining provisions hereof shall not thereby in any way be affected or impaired.

**9. ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement and understanding between the Parties in connection with the subject-matter of this Agreement and supersedes all previous proposals, representations, warranties, agreements or undertakings relating thereto whether oral, written or otherwise and (save as expressly provided or reserved herein) neither Party has relied on any such proposals, representations, warranties, agreements or undertakings.

10. **AMENDMENT**

Any amendment to this Agreement shall only be effective if it is in writing and signed by the Parties.

11. **ASSIGNMENT**

This Agreement shall be binding on and shall ensure for the benefit of the successors and assigns of the Parties but shall not be assigned by any Party without the prior written consent of the other Party.

12. **NOTICES AND OTHER COMMUNICATION**

12.1 Any notice or other communication to be given under this Agreement shall be in writing and delivered personally or sent by pre-paid post. Any such notice or communication shall be sent to the Party to whom it is addressed. Any notice or other communication given or made under this Agreement shall be delivered personally or sent by pre-paid post at the address of the relevant Party set out below (or such other address as the addressee has by five (5) Business Days prior written notice specified to the other parties hereto):

**To Party A**      Address: Office Unit G, 20/F, Golden Sun Centre, 59/67  
Bonham Strand West, Sheung Wan, Hong Kong

**To Party B**      Address: Office Unit G, 20/F, Golden Sun Centre, 59/67  
Bonham Strand West, Sheung Wan, Hong Kong

12.2 Any such notice, demand or communication shall be deemed to have been duly served (a) if given or made by letter within Hong Kong, 2 Business Days after posting; and (b) if given or made by letter outside Hong Kong, 7 Business Days after posting.

13. **COSTS AND EXPENSES**

Each of the Parties shall bear its own legal and professional fees, costs and expenses of and incidental to the negotiation, preparation, finalization, execution and completion of this Agreement and the performance hereof.

14. **COUNTERPART**

This Agreement may be executed in one or more counterparts, each of which so executed shall constitute an original and all of which together individually or otherwise executed by all Parties will constitute one and the same document.

15. **GOVERNING LAW & JURISDICTION**

This Agreement, the rights and obligations of the Parties is governed by, shall be construed and interpreted in all respects in accordance with the laws of Hong Kong and the Parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong.

IN WITNESS whereof the parties have signed this Agreement the day and year first above written.

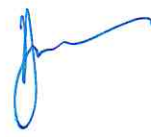
**PARTY A**

SIGNED by **LIN WAN TSANG**  
for and on behalf of  
**HONG KONG ALUMINUM CANS LIMITED**  
(香港鋁罐有限公司)  
in the presence of

)  
)  
)  
)  
)  
)  


**PARTY B**

SIGNED by **KO SAU MEE**  
for and on behalf of  
**PRECIOUS DRAGON TECHNOLOGY**  
**HOLDINGS LIMITED (保寶龍科技控股有限公司)**  
in the presence of

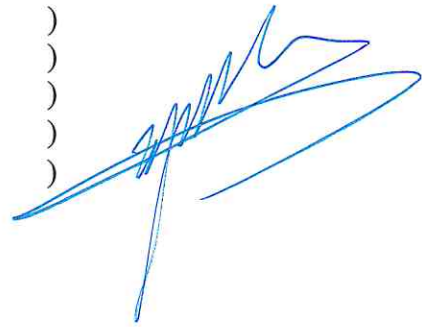
)  
)  
)  
)  
)  
)  




IN WITNESS whereof the parties have signed this Agreement the day and year first above written.

**PARTY A**

SIGNED by **LIN WAN TSANG**  
for and on behalf of  
**HONG KONG ALUMINUM CANS LIMITED**  
(香港鋁罐有限公司)  
in the presence of

)  
)  
)  
)  
)  
)  
)  


**PARTY B**

SIGNED by **KO SAU MEE**  
for and on behalf of  
**PRECIOUS DRAGON TECHNOLOGY**  
**HOLDINGS LIMITED (保寶龍科技控股有限公司)**  
in the presence of

)  
)  
)  
)  
)  
)  
)  
