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## THIS CIRCULAR IS IMPORTANT AND REQUESTS YOUR IMMEDIATE ATTENTION

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**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 China Aluminum Cans Holding 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).

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# CHINA ALUMINUM CANS HOLDINGS LIMITED

## 中國鋁罐控股有限公司

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

**(Stock Code: 6898)**

### (1) CONNECTED TRANSACTION PROPOSED EXTENSION OF MATURITY DATE OF CONVERTIBLE NOTE; AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

**Financial adviser to the Company**

**RAINBOW.**

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

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



建泉融資有限公司  
VBG Capital Limited

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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 13 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 14 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 15 to 24 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 16 May 2025 at 2:00 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.

24 April 2025

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## DEFINITIONS

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

“2020 Deed of Amendment”	the deed of amendment dated 24 March 2020 executed by the Company and Mr. Lin in relation to the Previous Amendments
“Acquisition”	the acquisition of the entire issued share capital of Topspan and its subsidiaries by Euro Asia Investment Global Limited, a wholly-owned subsidiary of the Company, in May 2015
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of the Directors
“Company”	China Aluminum Cans Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 6898)
“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
“Convertible Note”	the convertible note issued by the Company to Mr. Lin to satisfy part of the consideration for the acquisition. At the Latest Practicable Date, the outstanding principal amount of the Convertible Note was HK\$139,825,440, and the outstanding Convertible Note was convertible into 254,228,072 Conversion Shares which the Directors are authorised to allot and issue
“Conversion Price”	HK\$0.55 per Conversion Share, subject to adjustments as set out and in accordance with the terms and conditions of the Convertible Note
“Conversion Share(s)”	the new Share(s) to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Note
“Deed of Amendment”	the deed of amendment dated 28 March 2025 executed by the Company and Mr. Lin in relation to the Extension
“Director(s)”	the director(s) of the Company
“Extension”	the proposed extension of the maturity date of the Convertible Note from 20 May 2025 to 20 May 2030 pursuant to the Deed of Amendment

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## DEFINITIONS

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“EGM”	the extraordinary general meeting of the Company to be convened to consider and approve the Extension
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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 Dr. Lin Tat Pang, Ms. Luo Mei Kai and Mr. Yip Wai Man Raymond, formed for the purpose of advising and giving recommendation to the Independent Shareholders in respect of the Extension
“Independent Financial Adviser” or “VBG Capital”	VBG Capital 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 Extension
“Independent Shareholders”	the Shareholders other than Mr. Lin and his associates
“Last Trading Day”	28 March 2025, being the last full trading day on which the Shares were traded on the Stock Exchange prior to the publication of the announcement in relation to the Extension
“Latest Practicable Date”	22 April 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, an executive Director, the chairman of the Board and the controlling shareholder of the Company
“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

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## DEFINITIONS

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“Previous Amendments”	the previous amendments to the terms and conditions of the Convertible Note pursuant to the 2020 Deed of Amendment, which comprise (i) the extension of the maturity date of the Convertible Note by five years from 20 May 2020 to 20 May 2025; and (ii) the upward conversion of the conversion price of the Convertible Note from HK\$0.46 per Conversion Share to HK\$0.55 per Conversion Share
“Previous Deed of Amendment”	the deed of amendment dated 21 February 2025 executed by the Company and Mr. Lin, which was terminated on 27 February 2025
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s) from time to time
“Topspan”	Topspan Holdings Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a wholly-owned subsidiary of Precious Dragon Technology Holdings Limited
“%”	per cent.

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LETTER FROM THE BOARD

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**CHINA ALUMINUM CANS HOLDINGS LIMITED**

**中國鋁罐控股有限公司**

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

**(Stock Code: 6898)**

*Executive Directors:*

Mr. Lin Wan Tsang (*Chairman*)

Mr. Dong Jiangxiong

*Independent Non-executive Directors:*

Dr. Lin Tat Pang

Ms. Luo Mei Kai

Mr. Yip Wai Man Raymond

*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

24 April 2025

*To the Shareholders,*

Dear Sir or Madam,

**(1) CONNECTED TRANSACTION  
PROPOSED EXTENSION OF MATURITY DATE OF  
CONVERTIBLE NOTE;  
AND  
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 28 March 2025 in relation to, among others, the Deed of Amendment and the transactions contemplated thereunder.

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

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## LETTER FROM THE BOARD

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### BACKGROUND

References are made to the announcements of the Company dated 20 February 2020, 21 February 2020, 24 March 2020 and 15 May 2020 and the circular of the Company dated 9 April 2020 in relation to the Previous Amendments to the terms and conditions of the Convertible Note.

### The Previous Amendments

On 24 March 2020 (after trading hours), after further negotiation, the Company and Mr. Lin, the holder of the Convertible Note, entered into a deed of amendment to (i) extend the maturity date of the Convertible Note by five years from 20 May 2020 to 20 May 2025; and (ii) revise upwards the conversion price of the Convertible Note from HK\$0.46 per Conversion Share to HK\$0.55 per Conversion Share. The Previous Amendments were approved by the then independent shareholders of the Company in the annual general meeting held by the Company on 15 May 2020.

As at the Latest Practicable Date, the outstanding principal amount of the Convertible Note was HK\$139,825,440, and the outstanding Convertible Note was convertible into 254,228,072 Conversion Shares which the Directors are authorised to allot and issue based on the Conversion Price of HK\$0.55 per Conversion Share pursuant to a specific mandate approved by the then independent shareholders of the Company on 15 May 2020. The Convertible Note shall mature on 20 May 2025.

### DEED OF AMENDMENT

References are made to the announcements of the Company dated 21 February 2025 and 27 February 2025 in relation to the entering and the termination of the Previous Deed of Amendment. After further negotiation between the Company and Mr. Lin, the Board is pleased to announce that on 28 March 2025 (after trading hours), the Company and Mr. Lin, the holder of the Convertible Note, entered into the Deed of Amendment, pursuant to which the Company and Mr. Lin conditionally agreed to extend the maturity date of the Convertible Note by five years from 20 May 2025 to 20 May 2030.

Save for the Extension as mentioned above, other terms and conditions of the Convertible Note remain unchanged.

The Extension are conditional upon:

- (i) the approval by the Independent Shareholders of the Deed of Amendment and the transactions contemplated thereunder at the EGM in accordance with the Listing Rules having been obtained;
- (ii) the Stock Exchange having granted its approval to the Company for the Extension as contemplated by the Deed of Amendment in accordance with Rule 28.05 of the Listing Rules; and
- (iii) all other necessary consents and approvals required to be obtained in respect of the Deed of Amendment and the transactions contemplated thereunder having been obtained.

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## LETTER FROM THE BOARD

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If the conditions precedent set out in the Deed of Amendment are not fulfilled on or before 31 July 2025 or such later date as may be determined by the Company, the Deed of Amendment will terminate and cease to have any effect. The Company will determine to extend the long stop date if the Company cannot obtain clearance from the Stock Exchange in time and convene the EGM to consider and approve the Extension before 31 July 2025. In view of the reasons for and benefits of the Extension as discussed in the section headed “REASONS FOR AND BENEFITS OF THE EXTENSION” below, the Directors consider that the flexibility to extend the long stop date is fair and reasonable and in the interests of the Company and its shareholders as a whole.

An application has been made to the Stock Exchange for approval of the Extension in accordance with Rule 28.05 of the Listing Rules.

### **Principal terms of the Convertible Note immediately after the Extension**

- Issuer** : The Company
- Principal amount** : As at the Latest Practicable Date, the outstanding principal amount of the Convertible Note was HK\$139,825,440.
- Interest rate** : The Convertible Note does not carry any interest.
- Maturity date** : 20 May 2030
- Conversion** : The noteholder may at any time during the conversion period convert the whole or part (in multiples of HK\$1,000,000) of the principal amount of the Convertible Note into new Conversion Shares at the conversion price.

Subject to the conditions provided in the instrument constituting the Convertible Note, the Company may at any time during the conversion period by at least 7 days’ prior notice in writing request the noteholder to convert certain amount of the Convertible Note as specified therein and the noteholder shall convert such amount of the Convertible Note registered in its names into Conversion Shares as so requested by the Company.

No fraction of a Conversion Share shall be issued on conversion.

Under the terms of the Convertible Note, the noteholder cannot convert the Convertible Note or part thereof if upon the exercise of the conversion rights under the Convertible Note,

- (i) the noteholder and parties acting in concert with it are under an obligation to make a mandatory offer under the Takeovers Code; or
- (ii) less than 25% or the minimum prescribed percentage as set out in the Listing Rules of the Company’s issued shares would be held by the public.

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## LETTER FROM THE BOARD

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In the event that the conversion of the Convertible Note on the maturity date will trigger the scenarios (i) and/or (ii) above, the noteholder shall be allotted and issued such number of Conversion Shares to the extent allowable under the said restrictions and as to the outstanding principal amount of the Convertible Note not being converted, the conversion rights attached thereto shall cease and the noteholder shall not be entitled to claim any cash or alternative form of settlement in respect thereof.

**Conversion Price** : HK\$0.55 per Conversion Share, subject to adjustments as set out and in accordance with the terms and conditions of the Convertible Note.

The Conversion Price of HK\$0.55 represents:

- (i) a premium of approximately 5.77% over the closing price of HK\$0.52 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 35.80% over the closing price of HK\$0.405 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 33.17% over the average closing price of HK\$0.413 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (iv) a premium of approximately 23.60% over the average closing price of HK\$0.445 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day.

The Conversion Price was initially determined with reference to the then performance of the Shares, the Group's financial position and market conditions when the Acquisition took place, and adjusted as a result of the spin-off and separate listing of Precious Dragon Technology Holdings Limited, and further upward adjusted pursuant to the 2020 Deed of Amendment with an aim to motivate Mr. Lin's continuing commitment and contribution towards development of the Group.

Having considered the Conversion Price represent premiums to the recent closing price of the Shares, the Directors consider that the Conversion Price could incentivise Mr. Lin to improve the financial performance and the price of the Shares, and no adjustment has been made to the Conversion Price.

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## LETTER FROM THE BOARD

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- Conversion Shares** : Assuming that the Convertible Note is fully converted into Conversion Shares at the Conversion Price of HK\$0.55, a total of 254,228,072 Conversion Shares will be issued which represent approximately 26.57% of the issued share capital of the Company as at the Latest Practicable Date and approximately 20.99% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares.
- Conversion period** : The period commencing from the date of issue of the Convertible Note and ending on the maturity date.
- Redemption** : The Company cannot redeem the Convertible Note or part thereof at any time on or before the maturity date. In other words, the Company is not required to redeem the Convertible Note upon maturity.
- Ranking** : The Conversion Shares, when allotted and issued, will rank pari passu in all respects with all existing Shares in issue on the date of allotment and issue of such Conversion Shares.
- Voting rights** : The Convertible Note does not confer any voting rights at any meetings of the Company.
- Transferability** : The Convertible Note may be transferred to any person with the Company's consent provided that such transfer shall comply with the Listing Rules and relevant laws and regulations.

### Shareholding structure of the Company

The following table sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the allotment and issue of the Conversion Shares upon full conversion of the Convertible Note at the Conversion Price (assuming that there are no other changes to the issued share capital of the Company from the Latest Practicable Date and prior to conversion):

<b>Shareholders</b>	<b>As at the Latest Practicable Date</b>		<b>Immediately after the allotment and issue of the Conversion Shares upon full conversion of the Convertible Note at the Conversion Price (assuming that there are no other changes to the issued share capital of the Company from the Latest Practicable Date and prior to conversion)</b>	
	<i>No. of Shares</i>	<i>Approximate</i>	<i>No. of Shares</i>	<i>Approximate</i>
Mr. Lin ( <i>Note 1</i> )	660,546,000	69.05%	914,774,072	75.54%
Other Shareholders	<u>296,129,000</u>	<u>30.95%</u>	<u>296,129,000</u>	<u>24.46%</u>
<b>Total</b>	<u><u>956,675,000</u></u>	<u><u>100.00%</u></u>	<u><u>1,210,903,072</u></u>	<u><u>100.00%</u></u>

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## LETTER FROM THE BOARD

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*Notes:*

1. 392,546,000 Shares are directly held by Mr. Lin and 268,000,000 Shares are directly held by Wellmass International Limited which is wholly and beneficially owned by Mr. Lin.
2. Pursuant to the terms of the Convertible Note, no conversion of the Convertible Note shall take place if and to the extent that, immediately following the conversion, the Company will be unable to meet the public float requirement under the Listing Rules in that the Shares in the hands of the public would fall below 25% or such other minimum percentage of the total issued share capital of a listed company as prescribed under the Listing Rules that must remain in public hands.

### REASONS FOR AND BENEFITS OF THE EXTENSION

The 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.

Immediately after the Previous Amendments, the outstanding principal amount of the Convertible Note was HK\$271,825,440, which was convertible into 494,228,072 Conversion Shares. After the Previous Amendments, Mr. Lin had sold Convertible Note in the aggregate principal amount of HK\$132.0 million to independent third parties and the outstanding principal amount of the Convertible Note decreased to HK\$139,825,440 as at the Latest Practicable Date, which was convertible into 254,228,072 Conversion Shares. Set out below are the details of the disposal of the Convertible Note by Mr. Lin:

<b>Date</b>	<b>Historical Share closing price as at the relevant date</b>	<b>Principal amount of the Convertible Note disposed</b>	<b>Corresponding number of Conversion Shares</b>	<b>Note</b>
		<i>HK\$</i>		
20 June 2023	0.465	13,750,000	25,000,000	Mr. Lin transferred such principal amount of the Convertible Note to independent third parties and were subsequently converted into Conversion Shares.
20 June 2023	0.465	13,750,000	25,000,000	
13 July 2023	0.59	11,000,000	20,000,000	
13 July 2023	0.59	16,500,000	30,000,000	
9 January 2024	0.57	22,000,000	40,000,000	
6 June 2024	0.62	27,500,000	50,000,000	
6 June 2024	0.62	15,400,000	28,000,000	
17 July 2024	0.64	12,100,000	22,000,000	
<b>Total</b>		<b><u>132,000,000</u></b>	<b><u>240,000,000</u></b>	

As at the Latest Practicable Date, Mr. Lin, the holder of the Convertible Note, is beneficially interested in 660,546,000 Shares, representing approximately 69.05% of the issued share capital of the Company. Assuming full conversion of the Convertible Note into 254,228,072 Conversion Shares, Mr.

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## LETTER FROM THE BOARD

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Lin would be beneficially interested in 914,774,072 Shares, representing approximately 75.54% of the enlarged issued share capital of the Company. Pursuant to the terms and conditions of the Convertible Note, (i) the noteholder cannot convert the Convertible Note or part thereof if upon the exercise of the conversion rights under the Convertible Note, less than 25% of the Company's issued shares would be held by the public; and (ii) the conversion rights attached to any outstanding principal amount of the Convertible Note not being converted on the maturity date shall cease and the noteholder shall not be entitled to claim any cash or alternative form of settlement in respect thereof. In the event that the maturity of the Convertible Note is not extended, Mr. Lin may sell down part of his Shares or the Company may issue new Shares before the Convertible Note is fully converted in order to comply with the public float requirement, given that limited amount of time is available to identify any potential buyer(s) for the transfer of the Convertible Note before the maturity of the Convertible Note. Otherwise, the conversion rights under the Convertible Note shall be forfeited and Mr. Lin shall not be entitled to claim any cash or alternative form of settlement upon maturity. To avoid this, there is a possibility of immediate selling down of Shares by Mr. Lin. Although the Share has been traded below the Conversion Price recently, taking into account that (i) the Convertible Note is not redeemable at any time; (ii) the Convertible Notes shall only be convertible into Conversion Shares during the period up to its maturity date and if there is outstanding principal amount of the Convertible Note as at the maturity date, the number of Conversion Shares to be allotted and issued will be subject to the scenarios of (a) Mr. Lin and parties acting in concert with him will under an obligation to make a mandatory offer under the Takeovers Code; or (b) less than 25% or the minimum prescribed percentage as set out in the Listing Rules of the Company's issued shares would be held by the public, not having been triggered. For those outstanding principal amount of the Convertible Note not being converted, the conversion rights attached thereto shall cease and Mr. Lin shall not be entitled to claim any cash or alternative form of settlement in respect thereof; (iii) the remaining outstanding principal amount of the Convertible Note will become worthless if it expires without the Extension; (iv) regardless of the actual trading price of the Shares, there is no cash outflow for Mr. Lin to convert the Convertible Note; and (v) as shown in the table above, the Convertible Note with the principal amount of HK\$27,500,000 was sold on 20 June 2023 when the then Share price (i.e. HK\$0.465 per Share) was below the Conversion Price (i.e. HK\$0.55 per Conversion Price), the Board is of the view that the possibility of selling down of the Shares by Mr. Lin is relatively high if the Extension is not granted. The Company has also confirmed with Mr. Lin that if the resolution approving the Extension is not passed by the Shareholders, he will sell down his Shares or the Convertible Note so as to retain any residual value that the Convertible Note has prior to the maturity date of the Convertible Note.

As mentioned above, Mr. Lin would be interested in 914,774,072 Shares assuming full conversion of the Convertible Note. In order to comply with the 25% public float requirement, Mr. Lin may sell approximately 6.6 million Shares in a short period of time, which may exert downward pressure on the price of the Shares. Although the Company may not be adversely impacted by the sell down directly, the potential drops in the price of the Shares may be detrimental to the Shareholders if they intend to realise their Shares during the period, and abrupt drop in the price of the Shares may also negatively impact the image and reputation of the Company. Since the conversion of the Convertible Note is not within the control of the Company, the Directors (including the independent non-executive Directors) consider that the Extension would be in the interest of the Company and the Shareholders as a whole by reducing the immediate risk of such event taking place and allowing additional time for Mr. Lin to consider other alternatives such as (i) gradually sell down his existing

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## LETTER FROM THE BOARD

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Shares over a longer period of time without substantially affecting the Share price before the Convertible Note is converted provided that the public float requirement is complied with; or (ii) transfer the Convertible Note to independent third parties given that more time is available for identifying potential buyer(s).

In addition, as the Convertible Note is not redeemable and carries no interests, it is classified as equity in the consolidated financial statements of the Company. Given the challenging and uncertain economic condition, the Directors are of the view it is in the interests of the Company to not to amend the non-redeemable clause of the Convertible Note, such that the Company will not have the obligation to redeem the Convertible Note in cash and could reserve its cash resources for its business operation. As such, the Extension shall have no impact on the earnings and net assets of the Group. Having considered the potential negative impact on the price of the Shares and the reputation of the Company, the Directors consider that the benefits brought by the Extension shall outweigh the possible consequence if the Convertible Note is not extended.

Furthermore, since the listing of the Company in July 2013, Mr. Lin has led the Group as the founder of the Group and an executive Director. The Company considers that the Extension makes the Convertible Note more appealing to the noteholder and serves to incentivise Mr. Lin's continual support to the Group and effort in promoting the Group's long-term growth and development with an aim to boost the Share price to a level above the Conversion Price. Save for the service agreement entered into between the Company and Mr. Lin, there was no other agreement between the Company and Mr. Lin regarding his future assistance and contribution to the Company as at the Latest Practicable Date.

Taking into account that (i) the Convertible Note carries no interest and there is no alternation to other terms of the Convertible Note; (ii) the Conversion Price represent premiums to the recent closing price of the Shares and Mr. Lin may require additional time to sell down the Convertible Note; and (iii) the longer extension time allows Mr. Lin to gradually convert or sell down the Convertible Note in smaller sum, which in turns reduce the potential impact on the price of the Shares, the Board considers that it is in the interest of the Company to extend the maturity of the Convertible Note for a longer period (i.e. additional five years) so to give Mr. Lin the flexibility to gradually sell down his existing Shares or more time to identify potential buyers. As at the Latest Practicable Date, the Board does not intend that the maturity of the Convertible Note will be further extended after the Extension.

Taking into account that (i) without the Extension, the remaining outstanding principal amount of the Convertible Note will become worthless upon expiry so that it is highly likely for Mr. Lin to sell down his existing Shares which may exert downward pressure on the price of the Shares; (ii) the Extension shall have no impact on the earnings and net assets of the Group; and (iii) the Extension makes the Convertible Note more appealing and serves to incentivise Mr. Lin's continual support to the Group and effort in promoting the Group's long-term growth and development with an aim to boost the Share price to a level above the Conversion Price, the Board (including the independent non-executive Directors) considers that the terms and conditions of the Extension are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### LISTING RULES IMPLICATIONS

Pursuant to Rule 28.05 of the Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. An application has been made to the Stock Exchange for approval of the Extension in accordance with Rule 28.05 of the Listing Rules.

As at the Latest Practicable Date, Mr. Lin, the holder of the Convertible Note, is beneficially interested in 660,546,000 Shares, representing approximately 69.05% of the issued share capital of the Company, and is therefore a connected person of the Company under the Listing Rules. Accordingly, the Extension constitutes a connected transaction of the Company under the Listing Rules and are subject to reporting, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. Lin has a material interest in the Deed of Amendment and the transactions contemplated thereunder, Mr. Lin has abstained from voting on the relevant Board resolution.

### GENERAL

As at the Latest Practicable Date, Mr. Lin was beneficially interested in 660,546,000 Shares, representing approximately 69.05% of the issued share capital of the Company. As Mr. Lin has a material interest in the Deed of Amendment and the transactions contemplated thereunder, Mr. Lin is required under the Listing Rules to abstain from voting on the relevant resolution at the EGM in respect of the Extension.

The Independent Board Committee comprising all the independent non-executive Directors, namely Dr. Lin Tat Pang, Ms. Luo Mei Kai and Mr. Yip Wai Man Raymond, has been established by the Company to advise the Independent Shareholders on the terms of Extension. VBG 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 2:00 p.m. on 16 May 2025 at Room Gold, Level 22, Nexus Building, 41 Connaught Road Central, Hong Kong to consider and, if thought fit, approve the Extension.

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.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 14 and 15 of this circular which contains its recommendation to the Independent Shareholders in relation to the Extension.

Your attention is also drawn to the letter from the Independent Financial Adviser set out on pages 14 to 15 of this circular which contains its recommendations to the Independent Board Committee and the Independent Shareholders in relation to the Extension and the principal factors and reasons taken into account in arriving at its recommendation.

The Directors (including the independent non-executive Directors) consider that although the Extension is not conducted in the ordinary and usual course of business of the Group, the terms of the Extension 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 Extension.

### ADDITIONAL INFORMATION

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

By order of the board of  
**China Aluminum Cans Holdings Limited**  
中國鋁罐控股有限公司  
**Lin Wan Tsang**  
*Chairman and Executive Director*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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*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 Extension:*

### CHINA ALUMINUM CANS HOLDINGS LIMITED

中國鋁罐控股有限公司

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

**(Stock Code: 6898)**

24 April 2025

*To the Independent Shareholders*

Dear Sir or Madam,

#### CONNECTED TRANSACTION PROPOSED EXTENSION OF MATURITY DATE OF CONVERTIBLE NOTE

We refer to the circular of the Company to the Shareholders dated 24 April 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 Extension. VBG 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 15 to 24 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 Extension 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 although the Extension is not conducted in the ordinary and usual course of business of the Group, the terms of the Extension are fair and reasonable, on normal commercial terms and 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 Extension.

Yours faithfully,  
the Independent Board Committee

**Dr. Lin Tat Pang**

**Ms. Luo Mei Kai**

**Mr. Yip Wai Man Raymond**

*Independent non-executive Directors*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*Set out below is the text of a letter received from VBG Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Deed of Amendment for the purpose of inclusion in this circular.*



21/F., Low Block  
Grand Millennium Plaza  
181 Queen's Road Central  
Hong Kong

24 April 2025

*To: The independent board committee and the independent shareholders  
of China Aluminum Cans Holdings Limited*

Dear Sirs,

### CONNECTED TRANSACTION PROPOSED EXTENSION OF MATURITY DATE OF CONVERTIBLE NOTE

#### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Deed of Amendment, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 24 April 2025 issued by the Company to the Shareholders (the “**Circular**”), of which this letter of advice forms part. Capitalised terms used in this letter of advice shall have the same meanings as ascribed to them under the section headed “Definitions” in the Circular unless the context requires otherwise.

References are made to the announcements of the Company dated 20 February 2020, 21 February 2020, 24 March 2020 and 15 May 2020 and the circular of the Company dated 9 April 2020 in relation to the Previous Amendments. The Previous Amendments were approved by the then independent shareholders of the Company in the annual general meeting of the Company held on 15 May 2020. As at the Latest Practicable Date, the outstanding principal amount of the Convertible Note was HK\$139,825,440, and the outstanding Convertible Note was convertible into 254,228,072 Conversion Shares at the Conversion Price of HK\$0.55 per Conversion Share. The Convertible Note is interest-free and shall mature on 20 May 2025.

References are also made to the announcements of the Company dated 21 February 2025 and 27 February 2025 in relation to the entering into and the termination of the Previous Deed of Amendment. After further negotiation between the Company and Mr. Lin, the two parties entered into the Deed of Amendment on 28 March 2025, pursuant to which the Company and Mr. Lin conditionally agreed to extend the maturity date of the Convertible Note by five years from 20 May 2025 to 20 May 2030. Save for this Extension, other terms and conditions of the Convertible Note remain unchanged.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Pursuant to Rule 28.05 of the Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. An application has been made to the Stock Exchange for approval of the Extension in accordance with Rule 28.05 of the Listing Rules.

In addition, according to the Letter from the Board, the Extension constitutes a connected transaction for the Company under the Listing Rules and is subject to the reporting, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Dr. Lin Tat Pang, Ms. Luo Mei Kai and Mr. Yip Wai Man Raymond (all being the independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Deed of Amendment are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Extension is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Deed of Amendment and the transactions contemplated thereunder at the EGM. We, VBG Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

### OUR INDEPENDENCE

As at the Latest Practicable Date, apart from (i) having acted as the independent financial adviser to the Company in respect of a continuing connected transaction for the Company of which a circular was issued on 27 January 2025 (the "**Previous IFA Engagement**"); and (ii) the existing engagement in relation to the Deed of Amendment, we did not have any business relationship with the Company within the past two years. The Previous IFA Engagement was completed on 27 January 2025 (i.e. before the existing engagement) and throughout the term of the Previous IFA Engagement, we had acted independently to the Company in compliance with Rule 13.84 of the Listing Rules. Save for the normal fees payable to us in connection with this appointment, no arrangement exists whereby we shall receive any fees or benefits from the Company and its subsidiaries or the Directors, chief executive or substantial shareholders (as defined in the Listing Rules) of the Company or any of their associates. We consider ourselves independent to form our opinion in respect of the Deed of Amendment in compliance with Rule 13.84 of the Listing Rules.

### BASIS OF OUR OPINION

In formulating our opinion with regard to the Deed of Amendment, we have relied on the information and facts supplied, opinions expressed and representations made to us by the management of the Company. We have assumed that the information and facts supplied, opinions expressed and representations made to us by the management of the Company were true, accurate and complete at the time they were made and continue to be true, accurate and complete in all material aspects until the date of the Circular. We have also assumed that all statements of belief, opinions, expectation and intention made by the management of the Company in the Circular were reasonably made after due

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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enquiry and careful consideration. We have no reason to suspect that any 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 management and/or advisers, which have been provided to us.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business and affairs or future prospects of the Group, Mr. Lin or their respective shareholders, subsidiaries or associates (as applicable), nor have we considered the taxation implication on the Group or the Shareholders as a result of the Deed of Amendment. Our opinion is necessarily based on the market, financial, economic and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. Nothing contained in this letter of advice should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Where information in this letter of advice has been extracted from published or otherwise publicly available sources, we have ensured that such information has been correctly and fairly extracted, reproduced or presented from the relevant sources but we did not conduct any independent investigation into the accuracy and completeness of such information.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion in respect of the Deed of Amendment, we have taken into consideration the following principal factors and reasons:

#### **1. Background of and reasons for the Deed of Amendment**

##### **Business and financial overview of the Group**

The 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.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Set out below is a summary of the key audited consolidated financial information of the Group for the two years ended 31 December 2024 as extracted from the Company's annual report for the year ended 31 December 2024 (the "2024 Annual Report"):

	<b>For the year ended 31 December 2024</b>	<b>For the year ended 31 December 2023</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	227,796	235,507
Profit for the year	18,717	21,890

As depicted by the table above, the Group's revenue for the year ended 31 December 2024 was approximately HK\$227.8 million, decreasing slightly as compared to the prior year. During the same year under review, the Group's net profit also decreased from approximately HK\$21.9 million in 2023 to approximately HK\$18.7 million. As referred to in the 2024 Annual Report, the decrease in revenue was primarily due to the change in the domestic market condition in the PRC, the conservative consumption behaviour arising from the downturn in consumer confidence, and the overall market activity further dampened by the weakness in domestic demand, which ultimately led to the decrease in revenue of the Group. At the same time, the decrease in net profit was mainly due to the net effect of (i) the decrease in revenue as aforesaid; (ii) the decrease in gross profit margin due to the increase in the cost of aluminum ingots; and (iii) the implementation of strict cost control measures to reduce the general overhead.

As regards the Group's liquidity and debt position, it is noted from the 2024 Annual Report that the Group had interest bearing bank and other borrowings totaling HK\$53,000 as at 31 December 2024 (31 December 2023: HK\$126,000). All borrowings are charged with reference to the Loan Prime Rate of the People's Bank of China. As at the same said date, the Group's total cash on hand reduced from approximately HK\$39.5 million as at 31 December 2023 to approximately HK\$30.6 million. The gearing ratio, which is calculated by dividing net debt by total equity, was approximately -9% as at 31 December 2024 (31 December 2023: -11%). As represented by the Directors, it is the current strategy of the Company to keep the Group's gearing level at a low level (if possible) amidst the existing challenging and uncertain economic environment.

### **Reasons for and possible benefits of the Extension**

As at the Latest Practicable Date, Mr. Lin, holder of the Convertible Note, was beneficially interested in 660,546,000 Shares, representing approximately 69.05% of the issued share capital of the Company. Assuming full conversion of the Convertible Note into 254,228,072 Conversion Shares at the Conversion Price of HK\$0.55 per Conversion Share, Mr. Lin would be beneficially interested in 914,774,072 Shares, representing approximately 75.54% of the enlarged issued share capital of the Company.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Pursuant to the terms and conditions of the Convertible Note, (i) the noteholder cannot convert the Convertible Note or part thereof if, amongst others, upon exercise of the conversion rights under the Convertible Note, less than 25% of the Company's issued shares would be held by the public (the "**25% Public Float Requirement**"); and (ii) the Convertible Note is not redeemable at any time and the conversion rights attached to any outstanding principal amount of the Convertible Note not being converted on the maturity date shall cease and the noteholder shall not be entitled to claim any cash or alternative form of settlement in respect thereof. As advised by the Directors, after communication with Mr. Lin, they understand that given the limited time available to identify potential buyer(s) for transfer of the Convertible Note before its maturity date, Mr. Lin will immediately sell down his existing holding of the Shares to retain any residual value that the Convertible Note has and avoid forfeiture of the conversion rights under the Convertible Note, in which case Mr. Lin shall not be entitled to claim any cash or alternative form of settlement upon maturity. Although the Shares have been trading below the Conversion Price recently, taking into account that (i) as aforesaid, the Convertible Note is not redeemable at any time and the conversion rights attached to any outstanding principal amount of the Convertible Note not being converted on the maturity date shall cease and the noteholder shall not be entitled to claim any cash or alternative form of settlement in respect thereof, that is to say, the remaining outstanding principal amount of the Convertible Note will become worthless if it expires without the Extension; (ii) regardless of the actual trading price of the Shares, there is no cash outflow for Mr. Lin to convert the Convertible Note; (iii) as shown in the table under the section headed "Reasons for and benefits of the Extension" in the Letter from the Board, the Convertible Note with the principal amount of HK\$27,500,000 was sold on 20 June 2023 when the then market Share price (i.e. HK\$0.465 per Share) was below the Conversion Price (i.e. HK\$0.55 per Conversion Share); and (iv) Mr. Lin has indicated to the Company about his intention of the sell down of Shares if the Extension is not granted, we concur with the Directors that the possibility of selling down of the Shares by Mr. Lin is high if the Extension is not granted.

As mentioned in the foregoing, Mr. Lin would be interested in 914,774,072 Shares assuming full conversion of the Convertible Note. In order to comply with the 25% Public Float Requirement, Mr. Lin may sell approximately 6.6 million Shares in a short period of time (the "**Possible Sell Down**"), which may exert downward pressure on the market price of the Shares. Although the Company may not be adversely impacted by the Possible Sell Down directly, the potential fall in the price of the Shares may be detrimental to the Shareholders if they would like to realize their Shares during the period, and any abrupt fall in the price of the Shares may also create negative impact on the image and reputation of the Company. Since the conversion of the Convertible Note is not within the control of the Company, the Directors consider that the Extension would reduce the immediate risk of such event taking place and allow additional time for Mr. Lin to consider other alternatives such as (i) gradually selling down his existing holding of the Shares over a longer period of time without substantially affecting the market Share price before converting the Convertible Note into new Conversion Shares provided that the 25% Public Float Requirement is complied with or (ii) transferring the Convertible Note to independent third parties as more time is available for identifying potential buyer(s).

In relation to the above, based on our study of the trading performance of the Shares from 1 March 2024 up to the Last Trading Day (being an approximate one-year period before signing of the Deed of Amendment) (the "**Review Period**"), the number of Shares traded was below 100,000 Shares for a majority of 226 trading days out of the total 264 trading days (i.e. over 85%) during the Review Period. Moreover, there were more 50% of the total trading days during the Review Period that the

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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number of Shares traded was zero. We therefore concur with the Directors that in the event of the Possible Sell Down, it would highly likely to exert downward pressure on the market price of the Shares, which would be detrimental to the interest of the Shareholders if they would like to realize their Shares during the period. We also concur with the Directors that any abrupt fall in the price of the Shares may create negative impact on the image and reputation of the Company.

Taking into account that the Possible Sell Down would highly likely to exert downward pressure on the market price of the Shares, which would (i) be detrimental to the interest of the Shareholders if they would like to realize their Shares during the period and (ii) create negative impact on the image and reputation of the Company, while the Company is reluctant to prevent such Possible Sell Down, we concur with the Directors that the Extension is in the interests of the Company and the Shareholders as a whole although it is not conducted in the ordinary and usual course of business of the Group.

### 2. Principal terms of the Deed of Amendment

On 28 March 2025, the Company and Mr. Lin entered into the Deed of Amendment, pursuant to which the Company and Mr. Lin conditionally agreed to extend the maturity date of the Convertible Note by five years from 20 May 2025 to 20 May 2030.

Save for the Extension as mentioned above, other terms and conditions of the Convertible Note remain unchanged.

### Comparable transactions analysis

To perform the comparable transactions analysis, we have searched on an exhaustive basis and identified, to the best of our knowledge and as far as we are aware of, 15 transactions which involved the allotment and issue of convertible bonds/notes to independent third parties or connected persons by listed companies in Hong Kong (the “Comparables”) from 1 January 2025 up to the Last Trading Day (being the approximate 3-month period prior to and including the Last Trading Day). Our research covers announced issues of convertible bonds/notes to both independent third parties and connected parties by listed companies in Hong Kong such that our comparable analysis would be more comprehensive and could better represent the overall prevailing market sentiment. Besides, we chose the said 3-month research period due to its recency before signing of the Deed of Amendment to ensure that the conversion price and interest rate of the Comparables were determined under similar market condition as those under the Convertible Note. We consider the Comparables to be fair and representative. The table below summarizes our relevant findings:

Announcement date	Stock code	Company name	Term	Annual interest rate	Premium/ (Discount) of the conversion price over/to closing price per share on the last trading day prior to/on the date of the relevant announcement/ agreement	Redeemable? (Yes/No)
27 March 2025	8370	Zhi Sheng Group Holdings Limited	Up to 29 August 2025	0%	0%	Yes

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Announcement date	Stock code	Company name	Term	Annual interest rate	Premium/ (Discount) of the conversion price over/to closing price per share on the last trading day prior to/on the date of the relevant announcement/ agreement	Redeemable? (Yes/No)
20 March 2025	2500	Venus Medtech (Hangzhou) Inc.	Up to 15 March 2026	10%	35.54%	Yes
18 March 2025	1378	China Hongqiao Group Limited	Up to 26 March 2030	1.5%	38.3%	Yes
13 March 2025	8613	Oriental Payment Group Holdings Limited	1 year	7%	(13.53)%	Yes
10 March 2025	9955	ClouDr Group Limited	2 years	10%	48.12%	Yes
6 March 2025	276	Mongolia Energy Corporation Limited	3 years	3%	25.0%	Yes
26 February 2025	1867	Standard Development Group Limited	2 years	4.5%	61.29%	Yes
18 February 2025	3738	Vobile Group Limited	3 years	0%	0%	Yes
14 February 2025	8223	Ziyuanyuan Holdings Group Limited	18 months	6%	3.4%	Yes
13 February 2025	1115	Tibet Water Resources Ltd.	Up to 1 December 2025	8%	1.47%	Yes
10 February 2025	1368	Xtep International Holdings Limited	Up to 18 February 2026	1.5%	4.2%	Yes
28 January 2025	1636	China Metal Resources Utilization Limited	6 months	9%	(90.58)%	Yes
28 January 2025	1726	HKE Holdings Limited	2 years	0%	162.3%	Yes
15 January 2025	659	CTF Services Limited	Up to 22 July 2025	4%	5.00%	Yes
13 January 2025	1220	Zhidao International (Holdings) Limited	Up to 18 February 2026	0%	22.2%	Yes
			<b>Maximum</b>	<b>10%</b>	<b>162.3%</b>	
			<b>Minimum</b>	<b>0%</b>	<b>(90.58)%</b>	
			<b>Average</b>	<b>4.3%</b>	<b>20.18%</b>	
		<b>The Convertible Note</b>	<b>Up to 20 May 2030</b>	<b>0%</b>	<b>35.8%</b>	<b>No</b>

*Note:* Except for Mongolia Energy Corporation Limited of which the convertible notes were issued to both independent third parties and connected persons, the Comparables involved issue of convertible bonds/notes to independent third parties.

*Source:* the Stock Exchange website ([www.hkex.com.hk](http://www.hkex.com.hk))

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We noted from the above table that the conversion price of the Comparables ranged from a discount of approximately 90.58% to a premium of approximately 162.3% to/over the respective closing price of their shares on the last trading day prior to/on the date of the relevant announcement/agreement, with an average of 20.18% premium. As such, the Conversion Price, which represents a premium of approximately 35.8% over the closing price of the Shares on the Last Trading Day, is within the said market range and is above the market average. For instance, the Conversion Price had been persistently above the closing price of the Shares from 20 January 2025 up to the Last Trading Day.

On the other hand, given that the Convertible Note is interest-free, it is more favourable to the Company as compared to most of the Comparables which carried an average interest rate of 4.3% per annum.

Besides, unlike the Comparables which were all redeemable by either the issuer or the bondholder/noteholder, the Convertible Note is not redeemable. We have enquired into the Directors in relation to such fairly abnormal clause. As advised by the Directors, given the existing challenging and uncertain economic environment, they are of the opinion that it is in the interest of the Company not to amend the non-redeemable clause of the Convertible Note, such that the Company will not have the obligation to redeem the Convertible Note in cash and could reserve its cash resources for its business operations. Based on our study of the current cash position of the Group (31 December 2024: approximately HK\$30.6 million), the Company's internal resources are far from sufficient for redemption of the Convertible Note. As represented by the Directors, it is the current strategy of the Company to keep the Group's gearing level at a low level (if possible) amidst the existing challenging and uncertain economic environment. In addition, additional bank borrowings would incur interest costs which would be less favourable to the Group as compared to the interest-free Convertible Note. As for equity financing, we concur with the Directors that it would be rather impractical for the Company to raise for sizeable amount of proceeds from equity financing activities judging from the historical low trading liquidity of the Shares. Under the circumstances that both debt and equity financing would not be feasible, the Convertible Note being non-redeemable would allow the Group to avoid substantial cash outflow, thereby retaining more cash resources for its business operations.

As regards the 5-year Extension term, we noted that except for China Hongqiao Group Limited, the term of the Comparables were of three years at maximum. Nonetheless, we are of the opinion that the maturity of convertible bonds/notes hinges more on the specific situation of the issuer instead of the general market condition. Unlike the Comparables, the Convertible Note is not redeemable and carries no interests. It is therefore classified as equity in the consolidated financial statements of the Company. As also being detailed under the following section of this letter of advice, it is expected that the Convertible Note would neither affect the operations nor the financial position of the Group. In other words, while allowing additional time for Mr. Lin to consider other alternatives such as (i) gradually selling down his existing holding of the Shares in smaller sum over a longer period of time without substantially affecting the market Share price before converting the Convertible Note into new Conversion Shares or (ii) transferring the Convertible Note to independent third parties as more time is available for identifying potential buyer(s), the 5-year Extension would not have material detrimental impact on the Company. On the contrary, the Company considers the Extension makes the

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Convertible Note more appealing and serves to incentivize Mr. Lin's continual support to the Group and effort in promoting the Group's long-term growth and development with an aim to boost the Share price to a level above the Conversion Price. Balancing the above, we are of the view that the 5-year Extension term is acceptable.

In view of the above, we consider the terms of the Deed of Amendment to be on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned notwithstanding that the Convertible Note is not redeemable.

### **3. Effect of the Extension on the Group**

#### **No material change on operations of the Group**

Under the terms and conditions of the Convertible Note, the noteholder cannot convert the Convertible Note or part thereof if upon exercise of the conversion rights under the Convertible Note, (i) the noteholder and parties acting in concert with it are under an obligation to make a mandatory offer under the Takeovers Code; or (ii) the 25% Public Float Requirement is not complied with (collectively the "**Conversion Restrictions**").

As at the Latest Practicable Date, Mr. Lin was the controlling shareholder of the Company, beneficially interested in 660,546,000 Shares, representing approximately 69.05% of the issued share capital of the Company. Upon possible conversion of the Convertible Note at the Conversion Price by Mr. Lin to the extent that the Conversion Restrictions are met and assuming that there is no other change in the issued share capital of the Company as well as the existing shareholdings of Mr. Lin in the Company, Mr. Lin would remain as the controlling shareholder of the Company holding 75% of the total issued share capital of the Company at maximum. Hence, the Directors are of the view that the Extension would not affect the daily business operations of the Group.

As a matter of fact, since the listing of the Company in July 2013, Mr. Lin has led the Group as the founder of the Group and an executive Director. As said, the Company considers that the Extension makes the Convertible Note more appealing to Mr. Lin and serves to incentivize Mr. Lin's continual support to the Group and effort in promoting the Group's long-term growth and development to boost the Share price to a higher level.

#### **Possible financial effects of the Extension**

As confirmed by the Directors, since the Convertible Note is not redeemable and carries no interests, it is classified as equity in the consolidated financial statements of the Company. As such, the Extension shall have no impact on the earnings and net assets of the Group.

It should be noted that the aforementioned analyses are for illustrative purpose only and do not purport to represent how the financial position of the Group will be after the Extension taking effect.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Deed of Amendment are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned notwithstanding that the Convertible Note is not redeemable; and (ii) the Extension is in the interests of the Company and the Shareholders as a whole although it is not conducted in the ordinary and usual course of business of the Group. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Deed of Amendment and the transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

**Yours faithfully,**  
**For and on behalf of**  
**VBG Capital Limited**  
**Doris Sing**  
*Managing Director*

*Ms. Doris Sing is a licensed person and responsible officer of VBG Capital Limited registered with the Securities and Futures Commission to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and has over 20 years of experience in corporate finance.*

## 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 (the “**Model Code**”) 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

Names of Directors	Number of Shares			Total	Approximate percentage of the issued Shares (Note 1)
	Beneficial owner	Interest of family	Interests in a controlled corporation		
Mr. Lin Wan Tsang (“ <b>Mr. Lin</b> ”)	392,546,000	—	268,000,000 (Note 3)	660,546,000	69.05%
Ms. Ko Sau Mee (“ <b>Mrs. Lin</b> ”)	—	392,546,000 (Note 2)	268,000,000 (Note 3)	660,546,000	69.05%

Notes:

- (1) These percentages had been compiled based on the total number of issued Shares as at the Latest Practicable Date (i.e. 956,675,000 Shares).
- (2) 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.

- (3) 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.

**Long positions in the underlying Shares of the convertible notes of the Company:**

Name of the holder of the convertible notes	Principal amount of the convertible notes	Number of the total underlying Shares	Approximate percentage of the issued Shares (Note 1)
Mr. Lin (Note 2)	HK\$139,825,440	254,228,072	26.57%

*Notes:*

- (1) These percentages had been compiled based on the total number of issued Shares as at the Latest Practicable Date (i.e. 956,675,000 Shares).
- (2) These convertible notes were issued by the Company on 8 July 2015 as part of the consideration to the acquisition of Topspan Holdings Limited and its subsidiaries on 20 May 2015. They are unlisted, interest-free and convertible into the Shares at the conversion price of HK\$0.55 per Share. The interest is held by Mr. Lin. As Mrs. Lin is the spouse of Mr. Lin, Mrs. Lin is deemed to be interested in all the Shares held by Mr. Lin by virtue of the SFO.

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

**(b) Substantial Shareholder**

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

*Long positions in the Shares*

Name of shareholder	Capacity/Nature of interests	Number of shares held	Approximate percentage of the issued Shares (Note 1)
Wellmass (Note 2)	Beneficial owner	268,000,000	28.01%

*Notes:*

- (1) These percentages had been compiled based on the total number of issued Shares as at the Latest Practicable Date (i.e. 956,675,000 Shares).
- (2) Wellmass is a company incorporated in the British Virgin Islands, and is solely and beneficially owned by Mr. Lin. Mrs. Lin is the spouse of Mr. Lin and is therefore deemed to be interested in all the Shares held by Mr. Lin (through Wellmass) by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, no person, other than the Directors or chief executive of the Company, had 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 confirmed that there had not been any material adverse change in the financial or trading position of the Group since 31 December 2024, 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 2024, 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>
VBG 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, VBG 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 2024 (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.

VBG 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 Ms. Ho Wing Yan.
- (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 (<https://www.euroasia-p.com/>) for a period of 14 days from the date of this circular:

- (a) the Deed of Amendment;
- (b) the letter of recommendation from the Independent Board Committee in relation to the Extension, the text of which is set out on page 14 of this circular;
- (c) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Extension, the text of which is set out on pages 15 to 24 of this circular;
- (d) written consent of VBG Capital as mentioned in the paragraph 7 in this Appendix; and
- (e) this circular.

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## NOTICE OF THE EGM

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# CHINA ALUMINUM CANS HOLDINGS LIMITED

## 中國鋁罐控股有限公司

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

**(Stock Code: 6898)**

### NOTICE OF THE EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting (the “EGM”) of China Aluminum Cans Holdings Limited (the “Company”) will be held at Room Gold, Level 22, Nexxus Building, 41 Connaught Road Central, Hong Kong on Friday, 16 May 2025 at 2:00 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 deed of amendment (the “**Deed of Amendment**”, 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) dated 28 March 2025 entered into between the Company and Mr. Lin Wan Tsang in relation to the extension of maturity date of the outstanding convertible note in the principal amount of HK\$139,825,440 (the “**Convertible Note**”) by five years from 20 May 2025 to 20 May 2030 (the “**Extension**”) be and is hereby approved, confirmed and ratified;
- (b) subject to The Stock Exchange of Hong Kong Limited approving the Extension, the board of directors of the Company be and is hereby granted a specific mandate to allot and issue new shares of HK\$0.01 each in the share capital of the Company upon exercise of the conversion rights attaching to the Convertible Note in accordance with the terms and conditions of the Convertible Note (as revised by the Extension); and
- (c) any director of the Company (the “**Director**”), or if affixation of the common seal is necessary, any two Directors or any one Director and the secretary of the Company, be and is/are hereby authorised for and on behalf of the Company to execute all such documents and agreements and do all such acts and things, including but without limitation to the execution of all such documents under common seal where applicable, as he/she may in his/her discretion consider necessary, expedient or desirable for the purpose of or in connection with the implementation of or giving effect to the Extension or the Deed of Amendment and all matters incidental thereto or in connection therewith.”

By order of the Board of  
**China Aluminum Cans Holdings Limited**  
**Lin Wan Tsang**

*Chairman and executive director*

Hong Kong, 24 April 2025

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## NOTICE OF THE EGM

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*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 articles 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 Tuesday, 13 May 2025 to Friday, 16 May 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 Friday, 16 May 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 4:30 p.m. on Monday, 12 May 2025.

*As at the date of this notice, the executive directors are Mr. Lin Wan Tsang and Mr. Dong Jiangxiong; and the independent non-executive directors are Dr. Lin Tat Pang, Ms. Luo Mei Kai and Mr. Yip Wai Man Raymond.*