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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)**

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

**Financial adviser to the Company**



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



#### **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.

As at the date of this announcement, 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 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, other terms and conditions of the Convertible Note remain unchanged.

## **LISTING RULES IMPLICATION**

As at the date of this announcement, 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.

The Independent Board Committee has been established by the Company to provide recommendation to the Independent Shareholders on the Extension. VBG Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Extension. Mr. Lin and his associates shall abstain from voting in respect of the relevant resolution(s) approving the Extension.

A circular containing, 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; and (iv) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules, which is currently expected to be on or before 22 April 2025.

## **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 independent shareholders of the Company in the annual general meeting held by the Company on 15 May 2020.

As at the date of this announcement, 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 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.

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.

An application will be 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**

<b>Issuer</b>	: The Company
<b>Principal amount</b>	: As at the date of this announcement, the outstanding principal amount of the Convertible Note was HK\$139,825,440.
<b>Interest rate</b>	: The Convertible Note does not carry any interest.
<b>Maturity date</b>	: 20 May 2030
<b>Conversion</b>	: 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.

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 35.80% over the closing price of HK\$0.405 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) 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

(iii) 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.

- 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 date of this announcement 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.
- 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 date of this announcement; 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 date of this announcement and prior to conversion):

Shareholders	As at the date of this announcement		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 date of this announcement and prior to conversion)	
	No. of Shares	Approximate %	No. of Shares	Approximate %
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>	<b><u>956,675,000</u></b>	<b><u>100.00%</u></b>	<b><u>1,210,903,072</u></b>	<b><u>100.00%</u></b>

*Notes:*

- 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.
- 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.

As at the date of this announcement, 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. 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. 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. Since the conversion of the Convertible Note is not within the control of the Company, the Directors (other than the independent non-executive Directors whose views will be formed after having taken into account the advice of the Independent Financial Adviser) 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 gradually sell down his existing 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.

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. As such, the Extension shall have no impact on the earnings and net assets of the Group.

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 of the Convertible Note. 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 date of this announcement.

Based on the above, the Board (excluding members of the Independent Board Committee whose views will be formed after having been advised by the Independent Financial Adviser) 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.

## **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 alternations take effect automatically under the existing terms of such convertible debt securities. An application will be made to the Stock Exchange for approval of the Extension in accordance with Rule 28.05 of the Listing Rules.

As at the date of this announcement, 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**

The Independent Board Committee has been established by the Company to provide recommendation to the Independent Shareholders on the Extension. VBG Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Extension. Mr. Lin and his associates shall abstain from voting in respect of the relevant resolution(s) approving the Extension.

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, to approve the Extension. Mr. Lin and his associates shall abstain from voting in respect of the relevant resolution(s) approving the Extension. Any Shareholder who is interested in the Extension shall abstain from voting on the resolution(s) to approve the Extension at the EGM. To the best of the Director’s knowledge, information and belief after having made all reasonable enquiries, save for Mr. Lin and his associates, no Shareholder is interested in the Extension and will be required to abstain from voting on the resolution(s) to approve the Extension at the EGM.

A circular containing, 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; and (iv) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules, which is currently expected to be on or before 22 April 2025.

## **DEFINITIONS**

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“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 date of this announcement, 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
“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 this announcement
“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 announcement
“Previous Amendments”	the previous amendments to the terms and conditions of the Convertible Note pursuant to a 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
“%”	per cent.

By order of the board of  
**China Aluminum Cans Holdings Limited**  
**Lin Wan Tsang**  
*Chairman and Executive Director*

Hong Kong, 28 March 2025

*As at the date of this announcement, 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.*