

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

## **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)**

## **DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITIONS OF ASSETS**

### **THE ACQUISITIONS**

On 30 November 2015, Euro Asia Packaging (the Purchaser), an indirect non-wholly owned subsidiary of the Company, entered into the Asset Acquisition Agreements with Global Can (the Vendor), pursuant to which the Purchaser conditionally agreed to acquire the Production Line, the Equipment and the Raw Material from the Vendor and the Vendor conditionally agreed to sell the Production Line, the Equipment and the Raw Material to the Purchaser at a total cash consideration of approximately US\$7.31 million (equivalent to approximately HK\$56.65 million) payable to the Vendor.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

### **IMPLICATIONS UNDER THE LISTING RULES**

As the vendor in the Asset Acquisition Agreements is the same (namely, Global Can), the Asset Acquisition Agreements are required to be aggregated under Rule 14.22 of the Listing Rules.

Since the relevant percentage ratios in respect of the Acquisitions under the Asset Acquisition Agreements when aggregated exceed 5% but are less than 25%, the Asset Acquisition Agreements and the transactions contemplated thereunder constitute a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## THE ASSET ACQUISITION AGREEMENTS

### Date of the Asset Acquisition Agreements

30 November 2015

### Parties of the Asset Acquisition Agreements

Purchaser : Euro Asia Packaging, an indirect non-wholly owned subsidiary of the Company

Vendor : Global Can

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Asset Acquisition Agreements consist of (i) the Production Line Agreement; (ii) the Equipment Agreement; and (iii) the Raw Material Agreement. The principal terms of each of the Asset Acquisition Agreements are as follows:

#### (i) *Production Line Agreement*

##### *Assets to be acquired*

The Purchaser has agreed to acquire and the Vendor has agreed to sell the Production Line. The Production Line consists of automated machineries, including extrusion machine, trimming machine, washing machine, lacquering machine, printing machine, coating machine and necking machine.

##### *Consideration*

The consideration for the Production Line is US\$6.70 million (equivalent to approximately HK\$51.93 million).

The total consideration was determined after arm's length negotiation between the Vendor and the Purchaser with reference to, among other things, the Valuation Report, which valued the Production Line as at 31 October 2015 at approximately EUR6.16 million (equivalent to approximately US\$6.70 million).

##### *Payment*

The consideration of US\$6.70 million (equivalent to approximately HK\$51.93 million) shall be satisfied in the following manner:

- (i) A deposit or first instalment of US\$2.01 million (equivalent to approximately HK\$15.58 million) shall be paid in cash by the Purchaser to the Vendor within 5 business days following the signing of the agreement and the receipt of a copy of the commercial invoice by the Purchaser.

- (ii) The second instalment of US\$4.02 million (equivalent to approximately HK\$31.16 million) shall be paid in cash by the Purchaser to the Vendor within 7 business days upon the receipt of the bill of lading by the Purchaser.
- (iii) The remaining balance of US\$0.67 million (equivalent to approximately HK\$5.19 million) shall be paid in cash by the Purchaser to the Vendor within 7 business days upon the completion of installation and final quality inspection of the Production Line.

#### *Delivery and Termination*

The Production Line will be shipped by the Vendor within 30 days upon the receipt of the deposit. In the event that the Production Line is not shipped by the Vendor within ten weeks after the expected shipment date, the Purchaser is entitled to unilaterally terminate the Production Line Agreement, whereas the Vendor shall return any deposits paid by the Purchaser and pay the Purchaser an additional amount representing 20% of the consideration for the Production Line as compensation.

#### **(ii) *Equipment Agreement and Raw Material Agreement***

##### *Assets to be acquired*

The Purchaser has agreed to acquire and the Vendor has agreed to sell the Equipment and the Raw Material. The Equipment consists of tools and testing equipment for use on the Production Line and the Raw Material consists of approximately 131,300 kilogram of aluminum slugs.

##### *Consideration*

The aggregate consideration for the Equipment and the Raw Material is US\$0.61 million (equivalent to approximately HK\$4.73 million).

	<b>Consideration</b> US\$
Equipment	300,000
Raw Material	313,344
	<u>613,344</u>

The total consideration was determined after arm's length negotiation between the Vendor and the Purchaser with reference to, among other things, the Valuation Report, which valued the Equipment and the Raw Material as at 31 October 2015 at approximately EUR0.56 million (equivalent to approximately US\$0.61 million).

##### *Payment*

The consideration of US\$0.61 million (equivalent to approximately HK\$4.73 million) shall be paid in cash by the Purchaser to the Vendor before delivery from the Vendor on 1 December 2015.

## **REASON FOR THE ACQUISITIONS**

The Group is principally engaged in (i) the manufacturing of monobloc aluminum aerosol cans, which are generally used in the packaging of fast-moving personal care products such as body deodorant, hair styling products and shaving cream, as well as pharmaceutical products such as pain relieving spray, spray dressing and antiseptic spray; and (ii) the content filling of aerosol cans, and production and sale of aerosol products and non-aerosol products, which are generally used in car care services.

Global Can is principally engaged in the manufacturing of monobloc aluminum aerosol cans and its principal place of business is in Thailand. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the Vendor and its ultimate beneficial owners are independent third parties not connected with the Company or its connected persons.

The Group currently has the capabilities to manufacture aluminum aerosol cans of base diameter ranging from 22 mm to 66 mm and heights ranging from 58 mm to 240 mm of various features and shapes. The Company is currently in negotiation with a potential customer who is considering to place a substantial order on 66 mm aluminum aerosol cans. As the Company's production capacity in producing large sized aluminum aerosol cans of base diameters ranging from 45 mm to 66 mm is near its capacity, the Company decided to purchase the Production Line from Global Can. The reason that the Company chooses not to purchase a brand new production line directly from the manufacturer of such production line is that it will take as long as approximately nine months before the new production line is available for delivery. If the Company purchases a new production line, it will not be able to handle or accept the order from the potential customer. As such, the Board believes that it is in the best interests of the Company to purchase Production Line from Global Can which will only require approximately one month for the Production Line to be delivered to the Group. The acquisition of the Production Line will provide the Group with an additional production line in producing large sized aluminum aerosol cans of base diameter ranging from 45 mm to 66 mm and an increase in production capacity of approximately 36 million cans annually. In addition, the acquisition of the Production Line will improve the Group's competitiveness in the aluminum can and packaging by taking advantage of economies of scale in production.

Equipment includes tools and testing equipment for use on the Production Line which are necessary in order to allow the Company to fully utilize the Production Line after installation. The Raw Material consists of aluminum slugs for the production of aluminum aerosol cans. The base diameter of the aluminum slugs ranges from 45 mm to 66 mm and is suitable for use on the Production Line. The consideration for both the Equipment and Raw Material is valued at its fair value.

The aggregate consideration of approximately US\$7.31 million (equivalent to approximately HK\$56.65 million) from the Acquisitions will be financed by (i) proceeds from the Company's public offer and placing of shares on 12 July 2013; and (ii) the Company's internal resources, namely the proceeds from the placing of existing shares and subscription of new shares under general mandate which was completed on 16 June 2015. For details of the above fundings, please refer to the Company's prospectus dated 28 June 2013 and announcements dated 8 June 2015 and 16 June 2015.

The Board (including all the independent non-executive Directors) considers that the terms of the Asset Acquisition Agreements are fair, reasonable and on normal commercial terms, and in the interests of the Company and its Shareholders as a whole.

#### Implications under the Listing Rules

As the vendor in the Asset Acquisition Agreements is the same (namely, Global Can), the Asset Acquisition Agreements are required to be aggregated under Rule 14.22 of the Listing Rules.

Since the relevant percentage ratios in respect of the Acquisitions under the Asset Acquisition Agreements when aggregated exceed 5% but are less than 25%, the Asset Acquisition Agreements and the transactions contemplated thereunder constitute a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

#### DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Acquisitions”	the acquisitions of the Production Line, the Equipment and the Raw Material pursuant to the Asset Acquisition Agreements
“Asset Acquisition Agreements”	the Production Line Agreement, the Equipment Agreement and the Raw Material Agreement
“Board”	the board of 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)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equipment”	pre-owned tools and testing equipment for use on the Production Line owned by Global Can and to be sold to the Purchaser under the Equipment Agreement
“Equipment Agreement”	the equipment agreement dated 30 November 2015 entered into between the Purchaser and the Vendor in connection with the acquisition of the Equipment

“EUR”	the Euro, being the lawful currency of the Eurozone
“Euro Asia Packaging” or “Purchaser”	Euro Asia Packaging (Guang Dong) Co., Limited (廣東歐亞包裝有限公司), a company established under the laws of the PRC with limited liability and a 98.623% indirectly owned subsidiary of the Company
“Global Can” or “Vendor”	Global Can Co., Limited, a company incorporated under the laws of Thailand
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People Republic of China
“Production Line”	the pre-owned automated production line for the production of aluminum aerosol cans owned by Global Can and to be sold to the Purchaser under the Production Line Agreement
“Production Line Agreement”	the production line agreement dated 30 November 2015 entered into between the Purchaser and the Vendor in connection with the acquisition of the Production Line
“Raw Material”	the aluminum slugs for use on the Production Line owned by Global Can and to be sold to the Purchaser under the Raw Material Agreement
“Raw Material Agreement”	the raw material agreement dated 30 November 2015 entered into between the Purchaser and the Vendor in connection with the acquisition of the Raw Material
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	the United States dollars, being the lawful currency of the United States

“Valuation Report”

the valuation report on the Production Line, Equipment and Raw Material dated 6 November 2015 prepared by an independent professional valuer

“%”

per cent

*For the purpose of illustration only and unless otherwise stated, in this announcement, the conversion of US\$ into HK\$ is based on the exchange rate of US\$1.00 to HK\$7.75; and conversion of US\$ into EUR is based on the exchange rate of US\$1.00 into EUR0.92. Such conversions should not be construed as a representation that any amount has been, could have been, or may be, exchanged at such or any other rate.*

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

Hong Kong, 30 November 2015

*As at the date of this announcement, the executive directors of the Company are Mr. Lin Wan Tsang, Ms. Ko Sau Mee and Mr. Chamlong Wachakorn; and the non-executive director is Mr. Kwok Tak Wang; and the independent non-executive directors are Mr. Chung Yi To, Ms. Guo Yang, Mr. Leung Man Fai and Dr. Lin Tat Pang.*