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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)

Placing Agent



軟庫中華金融服務有限公司
SBI China Capital Financial Services Limited

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

Reference is made to the Circulars in relation to, inter alia, the Acquisition and the placing of new Shares of the Company under the Specific Mandate.

The Board is pleased to announce that that on 28 April 2015 (before trading hours), the Company entered into the Placing Agreement with the Placing Agent whereby the Company conditionally agreed to place through the Placing Agent, on a best effort basis, up to 49,800,000 Placing Shares to not less than 6 independent Placees at a price of HK\$2.41 per Placing Share. The Placing Shares will be allotted and issued pursuant to the Specific Mandate obtained at the April 2015 EGM.

Assuming the maximum number of 49,800,000 Placing Shares are successfully placed, the Placing Shares represent (i) approximately 12.3% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 10.9% of the issued share capital of the Company as enlarged by the issue of the Placing Shares (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Placing save for the issue of such Placing Shares).

Completion of the Placing is subject to and conditional upon the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Placing Shares.

If the above condition is not fulfilled by the Company on 11 May 2015 (or such other date as the Company and the Placing Agent may agree in writing), the obligation and liabilities of the Company and the Placing Agent shall cease and determine and neither of the parties shall have any claim against the other in respect of the Placing (without prejudice to the rights of any such parties in respect of antecedent breaches).

Shareholders and potential investors should note that completion of the Placing is subject to the fulfillment of the condition precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

28 April 2015 (before trading hours)

Parties

Issuer: The Company

The Placing Agent: SBI China Capital Financial Services Limited

The Placing

Pursuant to the Placing Agreement, the Placing Agent has conditionally agreed to act as the sole placing agent of the Company during the Placing Period to procure, on a best effort basis, not less than 6 Placees to subscribe for up to 49,800,000 Placing Shares at the Placing Price of HK\$2.41 per Placing Share.

The Placing Shares will be allotted and issued pursuant to the Specific Mandate obtained at the April 2015 EGM.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees

The Placing Shares will be placed to not less than 6 Placees which shall be individual, institutional or other professional investors, who and (where a corporation) whose ultimate beneficial owner(s) are Independent Third Parties.

It is expected that none of the Placees will become substantial Shareholder (as defined in the Listing Rules) immediately after the Placing.

Number of the Placing Shares

A maximum of 49,800,000 Placing Shares, which represent (i) approximately 12.3% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 10.9% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Placing save for the issue of such Placing Shares).

The aggregate nominal value of the Placing Shares (with a par value of HK\$0.01 each) under the Placing will be HK\$498,000.

Ranking of the Placing Shares

The Placing Shares, upon issue, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of completion of the Placing.

Placing Price

Pursuant to the First Supplemental Agreement, the Placing Price shall not be less than the higher of (a) HK\$1.08; and (b) the average market price of the Shares as quoted on the Stock Exchange for the last ten consecutive trading days immediately before the signing of the Placing Agreement. The average market price of the Shares as quoted on the Stock Exchange for the last ten consecutive trading days immediately before the signing of the Placing Agreement is HK\$2.41. The Placing Price is agreed at HK\$2.41 per Placing Share, which represents:

- (i) a discount of approximately 5.5% to the closing price of HK\$2.55 per Share as quoted on the Stock Exchange on 27 April 2015 (being the last trading date before this announcement); and
- (ii) a discount of approximately 3.9% to the average closing price of approximately HK\$2.508 per Share as quoted on the Stock Exchange for the last five trading days prior to the date of this announcement.

The Placing Price of HK\$2.41 per Placing Share was determined on arm's length basis between the Company and the Placing Agent based on current market conditions and the prevailing market price of the Shares. The Directors (including the independent non-executive Directors) consider that the Placing Price of the Placing Shares is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Conditions of the Placing

Completion of the Placing is subject to and conditional upon the Listing Committee agreeing to grant the approval for the listing of, and permission to deal in, the Placing Shares.

The above condition must be fulfilled by the Company on 11 May 2015 (or such other date as agreed in writing by the Company and the Placing Agent), failing which the Placing Agreement shall terminate and all rights, obligations and liabilities of the Company and the Placing Agent shall cease and determine and neither of the parties shall have any claim against the other in respect of the Placing (without prejudice to the rights of any such parties in respect of antecedent breaches).

Specific Mandate

The Company shall use the Specific Mandate sought from the Shareholders at the April 2015 EGM in relation to the allotment and issue of the Placing Shares.

Completion of the Placing

Completion of the Placing shall take place on the third Business Day after the fulfillment of the above condition (or such later date as may be agreed in writing between the Company and the Placing Agent).

Placing commission

The Placing Agent will receive a placing commission of 6% of the amount equal to the Placing Price multiplied by the total number of the Placing Shares actually subscribed.

The placing commission was determined after arm's length negotiation between the Company and the Placing Agent on normal commercial terms with reference to the market rate and after taking into account the size of the Placing and the time allowed for the Placing Agent to procure the prospective Placees.

Application for listing

An application will be made by the Company to the Listing Committee for the grant of the listing of, and permission to deal in, the Placing Shares.

Termination

The Placing Agreement may be terminated by the Placing Agent if at any time prior to 4:00 p.m. on the completion date of the Placing, if:

- (i) in the reasonable opinion of the Placing Agent there have been certain events that would be likely to prejudice materially the consummation of the Placing;
- (ii) there is any material breach of any of the representations and warranties of the Company as set out in the Placing Agreement, which in the reasonable opinion of the Placing Agent, is material in the context of the Placing; or
- (iii) there is any adverse change in the financial position, condition, business and prospect of the Company which in the reasonable opinion of the Placing Agent, is material in the context of the Placing.

Reasons for the placing and the use of the proceeds

The Group is principally engaged in 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.

The Vendor and the Purchaser entered into the Acquisition Agreement (which was supplemented by the First Supplemental Agreement and the Second Supplemental Agreement), pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire the entire issued share capital of Topspan Holdings Limited at the consideration of HK\$900 million, of which HK\$120 million shall be satisfied by cash and HK\$780 million shall be satisfied by the issuance of a convertible note on the completion date of the Acquisition.

It is one of the conditions precedent that the Company will raise not less than HK\$120 million through the placing of new Shares to be issued under the specific mandate at the price per placing share not less than the higher of (a) HK\$1.08; and (b) the average market price of the Shares as quoted on the Stock Exchange for the last ten consecutive trading days immediately before the signing of the Placing Agreement and the fund raised shall be paid in and towards the satisfaction of the Purchaser's payment obligation under the Acquisition Agreement. This condition precedent can be waived by agreement by the parties in writing.

The Company has obtained the approval from the Shareholders (other than Mr. Lin and his associates) at the April 2015 EGM in respect of the Specific Mandate which will be valid for a period of 3 months after the April 2015 EGM.

On the assumption that the maximum of 49,800,000 Placing Shares are successfully placed, the gross proceeds of the Placing will be approximately HK\$120,018,000 and the net proceeds of the Placing (after deduction of relevant expenses in the estimate amount of approximately HK\$7,400,000) will amount to approximately HK\$112,618,000, which shall be used by the Group to paid in and towards the satisfaction of the Purchaser's payment obligations under the Acquisition Agreement. On such basis, the net issue price will be approximately HK\$2.26 per Placing Share.

The Directors consider that the terms of the Placing (including the Placing Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activities in the past 12 months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that there will be no change in the shareholding structure of the Company immediately before completion of the Placing, the shareholding structure of the Company (i) as at the date of this announcement, and (ii) immediately after completion of the Placing, on the assumption that (a) a maximum number of 49,800,000 Placing Shares will be subscribed for under the Placing; (b) there will be no other changes to the issued share capital of the Company between the date of this announcement and the completion of the Placing; and (c) the Placees do not and will not hold any Shares (other than the Placing Shares), is as follows:

Name of Shareholder	As at the date of this announcement		Immediately after completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Mr. Lin	300,000,000	74.1%	300,000,000	66.0%
Independent Shareholders:				
— Existing independent shareholders	104,865,000	25.9%	104,865,000	23.1%
— Placees	<u>—</u>	<u>—</u>	<u>49,800,000</u>	<u>10.9%</u>
Subtotal Independent Shareholders	<u>104,865,000</u>	<u>25.9%</u>	<u>154,665,000</u>	<u>34.0%</u>
Total	<u>404,865,000</u>	<u>100.0%</u>	<u>454,665,000</u>	<u>100.0%</u>

Shareholders and potential investors should note that completion of the Placing is subject to the fulfillment of the conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“Acquisition”	the acquisition of the entire issued share capital of Topspan Holdings Limited by the Purchaser pursuant to the Acquisition Agreement (as amended or supplemented by the Supplemental Agreements)
“Acquisition Agreement”	the agreement (as amended or supplemented by the First Supplemental Agreement and the Second Supplemental Agreement) entered into between the Purchaser and the Vendor on 3 October 2014 in relation to the Acquisition (including the documents signed by the relevant party pursuant or incidental to the Acquisition Agreement)
“April 2015 EGM”	the extraordinary general meeting of the Company held on 22 April 2015 whereby the Shareholders (other than Mr. Lin and his associates) approved the Acquisition Agreement and the Specific Mandate
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday or a day on which typhoon signal 8 or above or black rainstorm is hoisted in Hong Kong at 9:00 a.m.) on which banks are generally open for business in Hong Kong
“Circulars”	the Company’s circulars dated 29 November 2014 and 31 March 2015 respectively
“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 same meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“First Supplemental Agreement”	the first supplemental agreement to the Acquisition Agreement entered into between the Purchaser and the Vendor on 13 March 2015 in relation to the Acquisition
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	third party(ies) independent from and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Listing Committee”	the listing sub-committee of the board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individual, institutional or other professional investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of up to 49,800,000 new Shares by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement
“Placing Agent”	SBI China Capital Financial Services Limited, a corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities within the meaning of the SFO
“Placing Agreement”	a letter of placing dated 28 April 2015 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Period”	the period commencing from 28 April 2015 and terminating at 5:00 p.m. on 11 May 2015 or such other date as the Placing Agent and the Company may agree in writing
“Placing Price”	HK\$2.41 per Placing Share
“Placing Share(s)”	up to 49,800,000 new Share(s) to be placed, allotted and issued under the Specific Mandate
“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
“Purchaser”	Euro Asia Investments Global Limited, a company incorporated under the laws of the BVI with limited liability and a wholly owned subsidiary of the Company
“Second Supplemental Agreement”	the second supplemental agreement to the Acquisition Agreement entered into between the Purchaser and the Vendor on 16 March 2015 in relation to the Acquisition
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Specific Mandate”	the specific mandate obtained at the April 2015 EGM to allot and issue the Placing Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Mr. Lin Wan Tsang, an executive Director, the chairman and a controlling shareholder of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
China Aluminum Cans Holdings Limited
Chamlong Wachakorn
Executive Director

Hong Kong, 28 April 2015

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