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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)**

### **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025**

#### **INTERIM RESULTS**

The board (the “Board”) of directors (the “Directors”) of China Aluminum Cans Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2025, together with the comparative figures for the six months ended 30 June 2024. These results have been reviewed by Ernst & Young, the external auditor of the Group, and the audit committee of the Company (the “Audit Committee”).

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
REVENUE	3	117,617	119,659
Cost of sales		(87,488)	(84,228)
Gross profit		30,129	35,431
Other income and gains		5,249	4,525
Selling and distribution expenses		(1,664)	(2,069)
Administrative expenses		(9,770)	(11,439)
Research and development expenses		(4,594)	(4,803)
(Impairment losses)/reversal of impairment losses on financial assets, net		(237)	489
Other expenses		(415)	(870)
Finance costs		(6)	(9)
PROFIT BEFORE TAX	4	18,692	21,255
Income tax expense	5	(4,483)	(4,782)
PROFIT FOR THE PERIOD		14,209	16,473
OTHER COMPREHENSIVE INCOME			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		4,034	(3,623)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:			
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax		(726)	(186)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		17,517	12,664

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Profit attributable to:			
Owners of the parent		13,956	16,189
Non-controlling interests		253	284
		<u>14,209</u>	<u>16,473</u>
Total comprehensive income attributable to:			
Owners of the parent		17,219	12,448
Non-controlling interests		298	216
		<u>17,517</u>	<u>12,664</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	7		
Basic			
– For profit for the period		<u>HK1.5 cents</u>	<u>HK1.7 cents</u>
Diluted			
– For profit for the period		<u>HK1.2 cents</u>	<u>HK1.3 cents</u>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	154,244	160,222
Right-of-use assets		10,233	10,287
Deferred tax assets		3,154	3,071
Total non-current assets		167,631	173,580
<b>CURRENT ASSETS</b>			
Inventories		27,883	30,186
Trade and bills receivables	9	43,532	27,260
Prepayments, other receivables and other assets		1,125	3,063
Financial assets at fair value through profit or loss		—	6,479
Short-term treasury investments		—	11,832
Cash and cash equivalents		61,208	30,621
Total current assets		133,748	109,441
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	10	8,738	5,913
Other payables and accruals		14,025	13,235
Interest-bearing bank and other borrowings		18	53
Lease liabilities		150	171
Tax payable		2,024	733
Deferred income		247	243
Total current liabilities		25,202	20,348
NET CURRENT ASSETS		108,546	89,093
TOTAL ASSETS LESS CURRENT LIABILITIES		276,177	262,673

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings		27	—
Deferred tax liabilities		1,263	1,916
Deferred income		3,740	3,805
		<hr/>	<hr/>
Total non-current liabilities		5,030	5,721
		<hr/>	<hr/>
Net assets		271,147	256,952
		<hr/>	<hr/>
<b>EQUITY</b>			
Equity attributable to owners of the parent			
Share capital	13	9,567	9,567
Equity component of convertible notes	14	139,826	139,826
Reserves		118,339	103,798
		<hr/>	<hr/>
		267,732	253,191
Non-controlling interests		3,415	3,761
		<hr/>	<hr/>
Total equity		271,147	256,952
		<hr/>	<hr/>

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

## 1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

## 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IAS 21

Lack of Exchangeability

The nature and impact of the amended IFRS Accounting Standards are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

### 3. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<i>Revenue from contracts with customers</i>		
Sale of goods	<u>117,617</u>	<u>119,659</u>

#### Disaggregated revenue information for revenue from contracts with customers

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Type of goods</b>		
Sale of industrial products	<u>117,617</u>	<u>119,659</u>
<b>Geographical markets</b>		
Chinese Mainland	105,629	105,258
Africa	1,281	845
America	5,933	8,201
Asia	<u>4,774</u>	<u>5,355</u>
Total	<u>117,617</u>	<u>119,659</u>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	<u>117,617</u>	<u>119,659</u>

#### 4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Cost of inventories sold	<b>87,488</b>	84,228
(Reversal) /provision of write-down of inventories to net realisable value	<b>848</b>	(155)
Impairment losses/(reversal of impairment losses) of financial assets, net	<b>237</b>	(489)
Depreciation of items of property, plant and equipment	<b>8,107</b>	8,418
Depreciation of right-of-use assets	<b>333</b>	330
Research and development costs	<b>4,594</b>	4,803
Exchange differences, net	<b>45</b>	574
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	<b>15,613</b>	15,603
Pension scheme contributions	<b>1,389</b>	1,190

#### 5. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Current –Chinese Mainland	<b>5,171</b>	5,482
Deferred	<b>(688)</b>	(700)
Total	<b>4,483</b>	4,782



## 6. DIVIDENDS

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Proposed interim – HK 0.15 cent (2024: HK0.28 cent) per ordinary share	<u>1,435</u>	<u>2,679</u>

## 7. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share for the period is based on the consolidated profit for the period attributable to ordinary equity holders of the parent, and on the weighted average number of ordinary shares in issue during the period.

The calculation of the diluted earnings per share amounts is based on the consolidated profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the weighted average number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	<u>13,956</u>	<u>16,189</u>

	Number of shares	
<b>Shares</b>		
Weighted average number of ordinary shares in issue used in the basic earnings per share calculation	955,388,227	931,425,192
Effect of dilution – weighted average number of ordinary shares: Convertible Notes	<u>254,228,072</u>	<u>276,228,072</u>
Adjusted weighted average number of ordinary shares in issue used in the diluted earnings per share calculation	<u>1,209,616,299</u>	<u>1,207,653,264</u>

## 8. TRADE AND BILLS RECEIVABLES

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	<b>31 December 2024 HK\$'000 (Audited)</b>
Trade receivables	<b>43,404</b>	26,439
Impairment	<b>(354)</b>	(113)
Net carrying amount	<b>43,050</b>	26,326
	<hr/>	<hr/>
Bills receivables	<b>482</b>	934
	<hr/>	<hr/>
Total	<b>43,532</b>	27,260
	<hr/>	<hr/>

An ageing analysis of the trade receivables as at the end of the reporting periods, based on the invoice date and net of loss allowance, is as follows:

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	<b>31 December 2024 HK\$'000 (Audited)</b>
Within 30 days	<b>13,366</b>	9,657
31 to 60 days	<b>9,413</b>	6,768
61 to 90 days	<b>7,128</b>	7,483
Over 90 days*	<b>13,143</b>	2,418
	<hr/>	<hr/>
Total	<b>43,050</b>	26,326
	<hr/>	<hr/>

- \* The outstanding balance of trade and bills receivables due from its related companies controlled by the ultimate shareholder of the Company is HK\$1,582,000 (31 December 2024: HK\$3,121,000) as at the end of the reporting period.

## 9. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as the end of the reporting period, based on the invoice date, is as follows:

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	<b>31 December 2024 HK\$'000 (Audited)</b>
Within 30 days	<b>6,221</b>	4,716
31 to 60 days	<b>2,478</b>	912
61 to 90 days	—	—
Over 90 days	<b>39</b>	285
	<hr/>	<hr/>
Total	<b>8,738</b>	5,913
	<hr/> <hr/>	<hr/> <hr/>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

China Aluminum Cans Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) are 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. The Group has a wide range of extrusion dies available to produce more than 50 models of aluminum aerosol cans of base diameters from 22 mm to 66 mm and heights from 58 mm to 247 mm with various features and shapes for our customers’ selection.

Our revenue is primarily derived from the sale of aluminum aerosol cans. For the six months ended 30 June 2025, revenue derived from the sale of aluminum aerosol cans was approximately HK\$117.6 million (six months ended 30 June 2024: approximately HK\$119.7 million). The Group’s revenue for the six months ended 30 June 2025 recorded a decrease of approximately 1.7% as compared to the corresponding period. The decrease in revenue was primarily due to the intensifying market competition caused by the overcapacity in the domestic industry, the continued tariff war between China and the United States, and the continued decline in revenue from overseas sales, which ultimately led to the slight decrease in revenue of the Group during the Reporting Period.

## OPERATING ENVIRONMENT AND PROSPECTS

In 2025, the global economy showed signs of moderate recovery amid multiple challenges, but the complexity and uncertainty of the external environment persisted. Internationally, geopolitical risks had not been fundamentally resolved, commodity prices continued to fluctuate, inflationary pressures in certain developed economies eased but remained above historical levels, and adjustments to global supply chain had a long-term impact on the competitive landscape of the manufacturing sector. Domestically, as the “steady growth” policy gradually takes effect, consumption and investment showed a marginal improvement trend in the first half of the year, with pressure from domestic demand contraction easing compared to last year. Through deepening cooperation with customers and optimising production capacity, the Group’s sales revenue in the first half of the year still slightly declined compared to the same period last year. Currently, structural challenges persist, consumer confidence is recovering slowly, and overcapacity in certain industries is intensifying market competition. In addition, industrial policy adjustments (such as low-carbon transformation and technical standard upgrades) are bringing new adaptation costs. The Group will enhance operational resilience and drive innovation-driven transformation to steadily maintain its core business while seizing opportunities in green transition and high-end manufacturing, laying the foundation for high-quality development in the medium to long term. The Group will continue to face the following challenges: (i) intense price competition resulting from overcapacity in the global aluminum can industry; (ii) the risk of structural downgrading in demand amid uneven consumption recovery; and (iii) rising domestic environmental compliance costs and uncertainties related to changes in international trade policies.

In the face of complex domestic and international situation, the Group will continue to advance the following strategies: (i) while maintaining product diversity, strengthening research and development system construction, actively cultivating and attracting high-end research and development talent to comprehensively enhance innovation and research and development capabilities, and solidify the core competitiveness for the Group’s long-term development; (ii) adhering to the development model of “working closely with core customers” to deepen customer service, consolidate core partnership, and enhance customer loyalty; simultaneously optimizing the production layout network and expanding new customer development channels; (iii) accelerating capacity upgrades, reducing production costs through process innovation and lean management, improving production efficiency, and dynamically adjusting the capacity structure; and (iv) practicing the concept of “patent-based technology, patent standardisation and standardisation industrialization”, and actively leading or participating in the formulation and revision of various national, industry, group, and international standards to expand the Group’s industry influence.

## **FINANCIAL REVIEW**

### **Turnover**

For the six months ended 30 June 2025, the Group's aluminum aerosol cans segment recorded a turnover of approximately HK\$117.6 million (six months ended 30 June 2024: approximately HK\$119.7 million), representing a decrease of approximately 1.7% as compared to the corresponding period of 2024. The number of aluminum aerosol cans sold by the Group for the six months ended 30 June 2025 was approximately 61.8 million (six months ended 30 June 2024: approximately 68.6 million). The decrease in revenue was primarily due to the intensifying market competition caused by the overcapacity in the domestic industry, the continued tariff war between China and the United States, and the continued decline in revenue from overseas sales, which ultimately led to the slight decrease in revenue of the Group during the Reporting Period.

### ***PRC and overseas customers***

The Group focused on PRC market, which the revenue from the PRC market amounted to approximately 90% for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately 88%). For the six months ended 30 June 2025, the PRC customers and overseas customers contributed approximately HK\$105.6 million (six months ended 30 June 2024: approximately HK\$105.3 million) and HK\$12.0 million (six months ended 30 June 2024: approximately HK\$14.4 million) to the total revenue of the Group. There was a decrease of approximately 16.8% in sales from overseas customers which was mainly due to the continued tariff war between China and the United States, and the continued decline in revenue from overseas sales.

### **Cost of Sales**

For the six months ended 30 June 2025, cost of sales of the Group amounted to approximately HK\$87.5 million (six months ended 30 June 2024: approximately HK\$84.2 million), which represented approximately 74.4% (six months ended 30 June 2024: approximately 70.4%) of the turnover during the period. There was an increase of approximately 3.9% in cost of sales which was mainly attributable to the intensifying market competition caused by the overcapacity in the domestic industry and the decrease in selling price of the products.

## **Gross Profit and Gross Profit Margin**

The Group recorded a gross profit amounted to approximately HK\$30.1 million for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately HK\$35.4 million), representing a decrease of approximately 15% as compared to the corresponding period. The decrease in gross profit was mainly driven by the reduction of selling price of the products in response to intensifying market competition. As a result, the gross profit margin decreased from approximately 30.0% for the six months ended 30 June 2024 to approximately 25.6% for the six months ended 30 June 2025.

## **Other Income and Gains**

Other income and gains mainly comprise sale of scrap materials, investment gains, government grants and bank interest income. For the six months ended 30 June 2025, other income and gains of the Group was approximately HK\$5.2 million (six months ended 30 June 2024: approximately HK\$4.5 million), representing an increase of approximately 16% which was due to the net effects of the increase in investment gains.

## **Selling and Distribution Expenses**

Selling and distribution expenses mainly consist of declaration charges for delivery of products to customers, salaries, performance bonuses and employee benefits expenses for the sales and marketing staff, business travel and entertainment expenses, and advertisement and promotion costs. For the six months ended 30 June 2025, selling and distribution expenses were approximately HK\$1.7 million (six months ended 30 June 2024: approximately HK\$2.1 million), representing a decrease of approximately 19.6% as compared to the corresponding period. The decrease was primarily due to the net effects of the decrease in business entertainment expenses.

## **Administrative Expenses**

Administrative expenses mainly represent the salaries and benefits of the administrative and management staff, business travel and entertainment expenses, professional consulting fees, depreciation and other miscellaneous administrative expenses. For the six months ended 30 June 2025, administrative expenses were approximately HK\$9.8 million (six months ended 30 June 2024: approximately HK\$11.4 million), representing a decrease of approximately 14.6% as compared to the corresponding period. The decreased administrative expenses was primarily due to the decrease in repair and maintenance expenses.

## **Finance Costs**

For the six months ended 30 June 2025, the finance costs of the Group were approximately HK\$6,000 (six months ended 30 June 2024: approximately HK\$9,000), representing a decrease of approximately 33.3% as compared to the corresponding period.

## **Net Profit**

The Group's net profit amounted to approximately HK\$14.2 million for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately HK\$16.5 million), representing a decrease of approximately 13.7% as compared to the corresponding period. Net profit margin for the six months ended 30 June 2025 was approximately 12.1% (six months ended 30 June 2024: approximately 13.8%).

The decrease in net profit was mainly due to the net effects of (i) the intensifying industry competition in the domestic market and the decrease in selling price of the products; and (ii) the implementation of the strict cost control measures to reduce the general overhead.

## **TREASURY POLICY**

The Group adopts treasury policy that aims to better control its treasury operations and lower borrowing cost. As such, the Group endeavours to maintain an adequate level of cash and cash equivalents to address short term funding needs. The Board would also consider various funding sources depending on the Group's funding needs to ensure that the financial resources have been used in the most cost-effective and efficient way to meet the Group's financial obligations. The Board reviews and evaluates the Group's treasury policy from time to time to ensure its adequacy and effectiveness.

## **LIQUIDITY AND CAPITAL RESOURCES**

### **Net Current Assets**

As at 30 June 2025, the Group had net current assets of approximately HK\$133.7 million (31 December 2024: approximately HK\$109.4 million). The Group's cash and cash equivalents amounted to HK\$61.2 million as at 30 June 2025 (31 December 2024: approximately HK\$30.6 million) which are mainly denominated in Renminbi, United States dollars and Hong Kong dollars. The current ratio of the Group was approximately 5.3 as at 30 June 2025 (31 December 2024: approximately 5.4).



## **Borrowings and the Pledge of Assets**

As at 30 June 2025, the bank borrowings of the Group amounted to approximately HK\$0.05 million (31 December 2024: approximately HK\$0.05 million), which were secured by our property, plant and equipment and land use rights. All borrowings are charged with reference to the Loan Prime Rate of the People's Bank of China. All borrowings are denominated in Renminbi.

As at 30 June 2025, we had available unutilized banking facilities of approximately HK\$138.3 million (31 December 2024: approximately HK\$125.6 million).

## **Gearing Ratio**

As a result of the increase in cash and cash equivalents of the Group, the gearing ratio which is calculated by dividing net debt by total equity, amounted to approximately -21% as at 30 June 2025 (31 December 2024: approximately -9%).

## **CAPITAL STRUCTURE**

As at 30 June 2025, the total number of issued shares of the Company (the “Shares”) was 956,675,000 (31 December 2024: 956,675,000).

## **FOREIGN EXCHANGE EXPOSURE AND EXCHANGE RATE RISK**

Approximately 10% of the Group’s revenue for the six months ended 30 June 2025 was denominated in United States dollars (“US\$”). However, over 95% of the production costs were settled in RMB. Therefore, there is a currency mismatch between US\$ revenue and RMB production costs, which gives rise to exposure to foreign exchange risk. Furthermore, there is a time lag between invoicing and final settlement from customers of export sales. The Group is exposed to foreign exchange risks if the foreign exchange rate at which the US\$ sales proceeds received from export sales is different from the rate at which the Group used to book the US\$ sales transactions at the time of sales.

During the six months ended 30 June 2025, we did not enter into any foreign currency forward contracts nor have any outstanding foreign currency forward contracts.

## **FORWARD PURCHASE OF ALUMINUM INGOTS**

The major raw materials for the manufacture of aluminum aerosol cans are aluminum slugs which are processed from aluminum ingots. Aluminum ingots are widely used metal commodities, as such the price of aluminum ingots fluctuates depending on the market supply and demand conditions.

In order to avoid our business from being negatively impacted by substantial increases in the cost of aluminum ingots, it has been our practice to hedge part of our monthly estimated requirement of aluminum ingots through forward purchases and cover the remainder through purchases in the spot market. This practice enables us to average down our actual cost of aluminum ingots for production in the event of a significant increase in the spot price of aluminum ingots after our forward purchases. Due to the intensifying market price fluctuations for bulk commodity aluminum ingots in the past 6 months, we had not conducted forward purchase of aluminum ingots.

During the period ended 30 June 2025, we had not conducted any forward purchase of aluminum ingots and had no outstanding forward purchases of aluminum ingots.

## **EMPLOYEES AND EMOLUMENTS POLICY**

As at 30 June 2025, the Group had a workforce of 277 employees (31 December 2024: 269 employees). The staff costs, including directors' emoluments but excluding any contributions to the pension scheme, were approximately HK\$15.6 million for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately HK\$15.6 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of an individual employee. In addition to a basic salary, year-end bonuses are offered to those staff with outstanding performance to retain eligible employees of the Group. Share options would be granted to respective employees with outstanding performance and contributions to the Group. The emoluments of the directors of the Company (the "Directors") have been determined with reference to the skills, knowledge, and contribution in the Company's affairs and the performance of each Director, and to the profitability of the Company and prevailing market conditions during the six months ended 30 June 2025.

## **SIGNIFICANT INVESTMENTS**

As at 30 June 2025, the Group did not have any significant investments (31 December 2024: nil).

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the six months ended 30 June 2025, the Group had no material acquisitions or disposals of subsidiaries, associates or joint ventures.

## USE OF PROCEEDS

Our business objectives and planned use of proceeds as stated in the prospectus dated 28 June 2013 (the “Prospectus”) were based on the best estimation of future market conditions made by the Group at the time of preparing the Prospectus. The actual use of proceeds was based on the actual market development. The net proceeds from the public offer and placing of the Shares (the “Share Offer”) were approximately HK\$80 million. During the six months ended 30 June 2025, the net proceeds from the Share Offer had been applied as follows:

Business objectives as stated in the Prospectus	Actual net proceeds (HK\$ million)	Actual amount utilized up to 31 December 2024 (HK\$ million)	Actual amount utilized subsequent to 31 December 2024 and up to 30 June 2025 (HK\$ million)	Remaining unutilized balance as at 30 June 2025 (HK\$ million)	Expected timeline for unutilised net proceeds
Partially fund the expansion of our production capacity, including the upgrade of our existing production lines and the acquisition of a brand new production line for aluminum aerosol cans	—	—	—	—	
Establish a new research and development laboratory	8.7	—	—	8.7	by 31 December 2026
Partially repay US\$ denominated bank loan	—	—	—	—	
General working capital purposes	—	—	—	—	
	<u>8.7</u>	<u>—</u>	<u>—</u>	<u>8.7</u>	

The Board will further extend the expected timeline for the use of unutilized proceeds to 31 December 2026. As the aluminium cans industry has accelerated its transformation into a low-carbon and light-weight industry in recent years, our product lines have been tilting from the original pharmaceutical industry to the cosmetic industry. The original laboratory design plan was required to incorporate the research and development needs of new materials, and the technical verification and plan adjustment took more time than expected.

The unused net proceeds have been placed as interest-bearing deposits with licensed banks in Hong Kong and the PRC in accordance with the intention of the Board as disclosed in the Prospectus.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Apart from strengthening the Group's current business, the Group will explore new business opportunities as and when appropriate, in order to enhance shareholder's value.

## **CAPITAL COMMITMENTS**

As at 30 June 2025, the Group's capital commitments of plant and machinery amounted to approximately HK\$0.3 million (31 December 2024: HK\$0.55 million).

## **CONTINGENT LIABILITIES**

As at 30 June 2025, the Group had no significant contingent liabilities (31 December 2024: nil).

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company for the Reporting Period.

## EVENTS AFTER REPORTING PERIOD

In July 2025, 37,628,000 shares were repurchased. The details of the shares repurchased by the Company on The Stock Exchange were as follows:

<b>Month/year</b>	<b>Number of shares repurchased</b>	<b>Highest price paid per share <i>HK\$</i></b>	<b>Lowest price paid per share <i>HK\$</i></b>	<b>Aggregate price paid <i>HK\$</i></b>
July 2025	37,628,000	0.87	0.72	29,897,460

The Board considers that the current trading price of the Shares does not adequately reflect the Company's intrinsic value and the actual business prospects of the Group. The Board is confident in the long-term strategy and growth of the Company, and the share repurchase would benefit the Company and create value to its shareholders of the Company as a whole.

Save as disclosed herein, there were no significant events after 30 June 2025 and up to the date of this announcement.

## ISSUE OF THE CONVERTIBLE NOTES

On 20 May 2015, the Group acquired 100% interest in the Topspan Holdings Limited and its subsidiaries from Mr. Lin Wan Tsang. The acquisition was made as part of the Group's strategy to allow the Group to capture downstream profit margins by gaining access to the downstream distribution channels. The purchase consideration aggregated to HK\$900,000,000, of which HK\$780,000,000 were settled by the issue of convertible notes by the Company. On 8 July 2015, the Company issued the HK\$780,000,000 convertible notes (the "Convertible Notes").

As a result of the spin-off and separate listing of the shares of Precious Dragon Technology Holdings Limited ("Precious Dragon") on the Main Board of the Stock Exchange by way of introduction implemented by means of a distribution in specie (the "Distribution") of the entire issued share capital of Precious Dragon owned by the Company to the shareholders of the Company, the conversion price of the Convertible Notes was adjusted from HK\$1.08 per share to HK\$0.46 per share, with effect from 15 June 2019, the day following the record date for the Distribution.

On 24 March 2020, the Company and Mr. Lin Wan Tsang, the holder of the Convertible Notes, entered into the deed of amendment (the “Deed of Amendment”) to (i) extend the maturity date of the Convertible Notes by five years from 20 May 2020 to 20 May 2025; and (ii) revise upwards the conversion price of the Convertible Notes from HK\$0.46 per share to HK\$0.55 per share (collectively, the “Amendments to the terms and conditions of the Convertible Notes”).

Mr. Lin Wan Tsang is an executive Director, the chairman of the Board and the controlling shareholder of the Company, hence, is a connected person of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”). Accordingly, the Amendments to the terms and conditions of the Convertible Notes effected by the Deed of Amendment had constituted a connected transaction for the Company under the Listing Rules.

The Deed of Amendment was approved by the shareholders of the Company other than Mr. Lin Wan Tsang and his associates at the annual general meeting of the Company held on 15 May 2020 and the Amendments to the terms and conditions of the Convertible Notes was approved by the Stock Exchange subsequently.

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, other terms and conditions of the Convertible Note remain unchanged.

Assuming that there is no change in share capital of the Company since 30 June 2025 and the conversion rights attached to the Convertible Notes are exercised in full, the number of issued shares of the Company will be increased by 254,228,072 (the “Conversion Shares”), representing approximately 26.57% of the issued shares of the Company as at 30 June 2025 (i.e. 956,675,000 Shares) and approximately 20.99% of the issued shares of the Company as enlarged by the allotment and issue of the Conversion Shares (i.e. 1,210,903,072 Shares).

## Dilution effect of the conversion of Convertible Notes

Set out below is the dilution effect on equity interest of the substantial shareholders of the Company upon the fully conversion of the outstanding Convertible Notes by Mr. Lin Wan Tsang, the chairman of the Board and the controlling shareholder of the Company.

Substantial Shareholders	As at 30 June 2025		Upon full conversion of Convertible Notes as at 30 June 2025	
	Number of Shares	Approximately % of issued Shares	Number of Shares	Approximately % of issued Shares
Mr. Lin Wan Tsang	392,546,000	41.03%	646,774,072	53.41%
Wellmass International Limited	<u>268,000,000</u>	<u>28.01%</u>	<u>268,000,000</u>	<u>22.13%</u>

The outstanding Convertible Notes would not be converted fully as it would result in the number of Shares which are in the hands of the public falling below 25% of the Company's issued share capital.

## Dilution impact on earnings per share

As calculated based on profit attributable to owners of the Company of approximately HK\$14.0 million for the six months ended 30 June 2025, basic and diluted earnings per share of the Company amounted to HK1.5 cents and HK1.2 cent, respectively.

The Company cannot redeem the Convertible Notes or part thereof at any time on or before the maturity date.

Based on the implied internal rate of returns of the Convertible Notes, the Company's share prices at the future dates at which it would be equally financially advantageous for the securities holders to convert were as follows:

Date	31 December 2025 (HK\$ per share)	31 December 2026 (HK\$ per share)
Share prices	<u>0.55</u>	<u>0.55</u>

## **AUDIT COMMITTEE**

The audit committee of the Company (the “Audit Committee”) was established on 20 June 2013 with terms of reference (amended on 31 December 2015) in compliance with the Corporate Governance Code as set out in Appendix C1 (the “CG Code”) to the Listing Rules for the purpose of making recommendations to the Board on the appointment and removal of the external auditor, reviewing the financial statements and related materials, providing advice in respect of the financial reporting process and overseeing the risk management and internal control systems of the Group. The Audit Committee now comprises three members, all being independent non-executive Directors, namely, Mr. Yip Wai Man Raymond (Chairman), Dr. Lin Tat Pang and Ms. Luo Mei Kai. The Group’s accounting principles and practices, financial statements and related materials for the period had been reviewed by the Audit Committee.

The Audit Committee has reviewed, with the management, the accounting principles and policies adopted by the Group, and discussed the unaudited condensed consolidated financial statements matters of the Group for the six months ended 30 June 2025 and recommended its adoption by the Board.

## **REMUNERATION COMMITTEE**

The remuneration committee of the Company (the “Remuneration Committee”) was established on 20 June 2013 with specific written terms of reference in compliance with the CG Code for the purpose of making recommendations to the Board regarding the Group’s policy and structure for all remuneration of Directors and senior management and approving the remuneration package of the individual executive Directors, the specific duties set out in CG Code provisions E.1.2(a) to (h). The Remuneration Committee comprises a total of four members, being one executive Director, namely, Mr. Lin Wan Tsang, and three independent non-executive Directors, namely, Ms. Luo Mei Kai (Chairman), Dr. Lin Tat Pang and Mr. Yip Wai Man Raymond. Accordingly, a majority of the members are independent non-executive Directors.



## **NOMINATION COMMITTEE**

The nomination committee of the Company (the “Nomination Committee”) was established on 20 June 2013 with specific written terms of reference in compliance with the CG Code for the purpose of reviewing the Board composition, developing the relevant procedures for nomination and appointment of Directors and assessing the independence of independent non-executive Directors to ensure that the Board has a balance of expertise, skills and experience and formulating succession plans for executive Directors and senior executives. The Nomination Committee assesses each Director’s effectiveness, integrity, and independence, relevant work experience, considering their contributions to Board discussions and decisions. This ongoing evaluation process ensures that the Board is composed of qualified individuals capable of fulfilling their responsibilities and driving the Company’s success. The Nomination Committee comprises a total of four members, being one executive Director, namely, Mr. Lin Wan Tsang, and three independent non-executive Directors, namely, Dr. Lin Tat Pang (Chairman), Ms. Luo Mei Kai and Mr. Yip Wai Man Raymond. Accordingly, a majority of the members are independent non-executive Directors.

## **RISK MANAGEMENT COMMITTEE**

The risk management committee of the Company (the “Risk Management Committee”) was established on 24 June 2013, with specific written terms of reference for reviewing and approving the hedging policies as formulated by the hedging team of the Company (the “Hedging Team”) and reporting to the Board as to whether the hedging policies have been duly following by the Hedging Team. The Risk Management Committee is authorized to separate an independent direct access to and complete an open communication with the Group’s management to allow them to fulfill their duties. The Risk Management Committee comprises a total of two members, being two independent non-executive Directors, namely, Mr. Yip Wai Man Raymond (Chairman) and Dr. Lin Tat Pang.

The Risk Management Committee has reviewed the hedging policies regarding its activities in forward purchases of aluminum ingots and entering into foreign currency forward contracts statements of the Group for the six months ended 30 June 2025 and is of the opinion that the Group has complied with the hedging policy.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company has complied with the code provisions set out in the CG Code during the six months ended 30 June 2025, except the CG Code provision C.2.1.

Pursuant to the CG Code provision C.2.1, the role(s) of chairman and chief executive should be separate and should not be performed by the same individual. As the duties of chairman and chief executive of the Company (the “Chief Executive”) are performed by Mr. Lin, the Company has deviated from the CG Code. The Board believes that it is necessary to vest the roles of chairman and chief executive in the same person due to its unique role, Mr. Lin’s experience and established market reputation in the industry, and the importance of Mr. Lin in the strategic development of the Company. The dual role arrangement provides strong and consistent market leadership and is critical for efficient business planning and decision making of the Company. As all major decisions are made in consultation with the members of the Board, and there are three independent non-executive Directors on the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board. The Board will also continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding the Directors’ securities transactions. All Directors have confirmed that, following specific enquiries made by the Company, they have complied with the required standards set out in the Model Code for the six months ended 30 June 2025.

## **DIVIDENDS**

The Board has resolved to declare an interim dividend of HK0.15 cent per Share for the six months ended 30 June 2025 (six months ended 30 June 2024: HK0.28 cent per Share) to be payable on or around 28 October 2025 to the shareholders of the Company whose names appear on the register of members of the Company on 10 September 2025. As of the date of this announcement, Shares repurchased and cancelled were not included in 2025 interim dividend distribution.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from 5 September 2025 to 10 September 2025, both days inclusive, during which period no transfers of Shares shall be effected. In order to qualify for the interim dividend, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, 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 4 September 2025.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This interim results announcement is published on the websites of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company (<http://www.6898hk.com>). The interim report of the Company for the six months ended 30 June 2025 will be dispatched to shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 21 August 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.*

*\* For identification purpose only*