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SINO-LIFE GROUP LIMITED

中國生命集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8296)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Financial adviser to the Company



Placing agent



PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 10 May 2024 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, up to a maximum of 60,000,000 Placing Shares at the Placing Price of HK\$0.1 per Placing Share on a best effort basis to not less than six Placées who are Independent Third Parties.

The maximum number of the Placing Shares represents (i) approximately 6.78% of the total number of Shares in issue as at the date of this announcement; and (ii) approximately 6.35% of the total number of Shares in issue as enlarged by the allotment and issue of the Placing Shares (assuming that there is no change to the total number of Shares in issue other than the issue of the Placing Shares).

APPLICATION FOR LISTING

The Placing Shares will be allotted and issued pursuant to the General Mandate. The allotment and issue of the Placing Shares is not subject to Shareholders' approval. Application will be made by the Company to the GEM Listing Committee for the listing of, and permission to deal in, the Placing Shares.

USE OF PROCEEDS OF THE PLACING

Assuming all the Placing Shares are fully placed, the gross proceeds and net proceeds (after deduction of commission and other expenses of the Placing) from the Placing will be HK\$6.0 million and approximately HK\$5.7 million, respectively, representing a net issue price of approximately HK\$0.095 per Placing Share. The Company intends to use the estimated net proceeds of the Placing for the Group's general working capital.

Shareholders and potential investors should note that the completion of the Placing is subject to the fulfilment of the conditions as set out in the Placing Agreement and the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

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THE PLACING AGREEMENT

The principal terms of the Placing Agreement are summarised as follows:

Date : 10 May 2024 (after trading hours)

Issuer : The Company

Placing Agent : Lego Securities Limited

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

Placing Shares

The Company has conditionally agreed to place, through the Placing Agent, up to a maximum of 60,000,000 Placing Shares on a best effort basis. The maximum number of the Placing Shares represents:

- (i) approximately 6.78% of the total number of Shares in issue as at the date of this announcement; and
- (ii) approximately 6.35% of the total number of Shares in issue as enlarged by the allotment and issue of the Placing Shares (assuming that there is no change to the total number of Shares in issue other than the issue of the Placing Shares).

Based on a nominal value of HK\$0.1 per Share, the aggregate nominal value of the maximum number of the Placing Shares will be HK\$6.0 million.

Ranking of the Placing Shares

The Placing Shares under the Placing will rank, upon allotment and issue, pari passu in all respects amongst themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price is HK\$0.1 per Share and represents:

- (i) a premium of approximately 2.0% over the closing price of HK\$0.098 per Share as quoted on the Stock Exchange on the date of the Placing Agreement;
- (ii) a premium of approximately 7.5% over the average closing price of approximately HK\$0.093 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement; and
- (iii) a premium of approximately 22.0% over the average closing price of approximately HK\$0.082 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and the financial condition of the Group. The terms of the Placing Agreement were arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions. The Directors are of the view that the terms of the Placing Agreement are fair and reasonable based on current market conditions, and the Placing is in the interests of the Company and the Shareholders as a whole.

Placing commission

The Placing Agent will charge the Company a placing commission equivalent to 1% of the aggregate Placing Price for the Placing Shares successfully placed by the Placing Agent. The placing commission was determined after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions.

Placees

The Placing Shares will be placed to not less than six Placees, who, to the best of the knowledge and belief of the Placing Agent, are investors who are independent of and not connected or acting in concert (as defined under the Code on Takeovers and Mergers) with the directors, chief executives or substantial shareholders of the Company, any of its subsidiaries or their respective associates. The Placing Agent undertook that none of the Placees or their associates would, immediately upon completion of the Placing, become a substantial shareholder (within the meaning of the GEM Listing Rules) of the Company.

General Mandate to allot and issue of the Placing Shares

The Placing Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 148,500,000 Shares. Up to the date of this announcement, no Shares have been allotted and issued under the General Mandate. As such, the issue of the Placing Shares is not subject to any further Shareholders' approval.

Conditions Precedent

The completion of the Placing is conditional upon the fulfilment of the following conditions:

- (i) the GEM Listing Committee having granted (subject only to allotment) the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently being revoked);
- (ii) all necessary written consents and approvals (if any) from the relevant authorities in respect of the Placing having been obtained by the Company, if applicable; and
- (iii) the Placing Agreement not having been terminated in accordance with its terms.

The conditions precedent set out above cannot be waived by any parties to the Placing Agreement. If any of the foregoing conditions are not fulfilled by 31 May 2024 or such other date as the parties to the Placing Agreement may agree in writing, the Placing Agreement shall terminate and all rights, obligations and liabilities of any parties shall cease and determine and none of the parties shall be bound to carry out the remaining terms of the Placing Agreement and no party shall have any right to damages or reimbursement for any cost and expenses that it may have incurred in connection with or arising out of the Placing Agreement or the failure to complete the Placing, save for any antecedent breach of the Placing Agreement or any accrued rights or remedies of any party arising prior to such date.

Completion of the Placing

Completion of the Placing shall take place on the third Business Day after the fulfilment of the above conditions precedent or on such other date agreed by the Company and the Placing Agent in writing.

Termination

The Placing Agent reserves its right to terminate the Placing Agreement by notice in writing at any time prior to 10:00 a.m. on the completion date of the Placing Agreement (or such other date as may be agreed between the Placing Agent and the Company in writing), upon the occurrence of the following events:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a material change in, or which may

result in a material change in the political, economic, fiscal, financial, regulatory or stock market conditions in Hong Kong or any other jurisdiction relevant to the Group and which in the Placing Agent's reasonable opinion would adversely affect the success of the Placing;

- (ii) the imposition of any moratorium, suspension (for more than seven trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would affect the success of the Placing;
- (iii) the introduction of any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's reasonable opinion any such new law or change may materially and adversely affect the business or financial prospects of the Group and/or the success of the Placing;
- (iv) any litigation or claim being instigated against any member of the Group, which has or may have a material effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing;
- (v) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole;
- (vi) any material breach of any of the representations and warranties pursuant to the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of completion which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of the representations and warranties untrue or incorrect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (vii) there is any material change (whether or not forming part of a series of changes) in market conditions in Hong Kong or any other jurisdiction relevant to the Group which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

Upon termination of the Placing Agreement, all obligations of the Company and the Placing Agent under the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any breach arising prior to such termination.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the provision of funeral and related services in the PRC, Taiwan and Hong Kong, sale of burial plots and tombstones and provision of cemetery maintenance services in Vietnam, sales of advance biotechnical machineries in Hong Kong, investment activities in the PRC, and provision of advisory services on stem cells and immunocytes.

Assuming all the Placing Shares are fully placed, the gross proceeds and net proceeds (after deduction of commission and other expenses of the Placing) from the Placing will be HK\$6.0 million and approximately HK\$5.7 million, respectively, representing a net issue price of approximately HK\$0.095 per Placing Share.

As at 31 December 2023, cash and cash equivalents held by the Company and its subsidiaries in Hong Kong amounted to approximately HK\$3.7 million as working capital for the Group's operation in Hong Kong. In view of the global economic uncertainties and the annual working capital requirement for the Group's operation in Hong Kong of approximately HK\$6.0 million, the Directors consider it essential, as a precautionary measure, to raise funds by way of Placing and to apply such proceeds to replenish the general working capital so as to ensure sufficient liquidity for the Group's operation in Hong Kong.

The Directors (including all the independent non-executive Directors) consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING DURING THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activity during the past twelve (12) months immediately preceding the date of this announcement.

EFFECT ON SHAREHOLDING OF THE PLACING

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon completion of the Placing (assuming that there is no change to the issued share capital other than the issue of the Placing Shares) are set out below:

	As at the date of this announcement		Immediate upon completion of the Placing	
	<i>Number of Shares</i>	<i>% (approx.)</i>	<i>Number of Shares</i>	<i>% (approx.)</i>
Hong Kong Gaoqi Biological Technology Company Limited ("HK Gaoqi") (Note)	220,475,000	24.91	220,475,000	23.33
Mr. Ou Yafei	147,864,000	16.71	147,864,000	15.65
<i>Public Shareholders:</i>				
Places	–	–	60,000,000	6.35
Other public Shareholders	516,661,000	58.38	516,661,000	54.67
Total	<u>885,000,000</u>	<u>100.00</u>	<u>945,000,000</u>	<u>100.00</u>

Note: Mr. Xu Jianchun (“Mr. Xu”), the Chairman of the Company and an executive Director, is the director of HK Gaoqi, which holds 24.91% Shares as at the date of this announcement, and the director of Houpi Bio-Technology Limited (“HBT Limited”), which holds 9.78% of equity interests in HK Gaoqi. Mr. Xu is interested in HK Gaoqi through his 25.55% direct beneficial interest and 9.78% through HBT Limited. HBT Limited, a company incorporated in the British Virgin Islands, has two classes of shares, namely class A and class B, in which shareholders of class A and class B have 30 votes and 1 vote per share in the shareholders’ meeting respectively, and Mr. Xu holds 94.07% class A interests in HBT Limited and Ms. Qiu Qi, the spouse of Mr. Xu, holds 5.93% class A interests and 10.74% class B interests in HBT Limited. By virtue of the SFO, Mr. Xu is taken to be interested in all the shares held by Ms. Qiu Qi, hence Mr. Xu collectively controls 86.78% of the total voting rights of HBT Limited, and in turn is interested in 9.78% of HK Gaoqi.

APPLICATION FOR LISTING

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

DEFINITIONS

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays, Sundays, public holidays and days on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9: 00 a.m. and 5: 00 p.m.) on which licensed banks generally are open for general banking business in Hong Kong
“Company”	Sino-Life Group Limited, a company incorporated in the Cayman Islands with limited liability, and the shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules governing the Listing of Securities on GEM
“GEM Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules

“General Mandate”	the general mandate granted to the Directors to allot, issue and deal with up to 148,500,000 Shares, representing 20% of the total number of issued Shares as at the date of the annual general meeting of the Company held on 31 May 2023
“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
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Placee(s)”	any person or entity who is procured by the Placing Agent or its agent(s) to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares to the Placee(s) pursuant to the Placing Agreement
“Placing Agent”	Lego Securities Limited, a company incorporated in Hong Kong which is a licensed corporation in Hong Kong permitted to carry on business in Type 1 (Dealing in Securities) regulated activity under the SFO
“Placing Agreement”	the conditional placing agreement dated 10 May 2024 entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	HK\$0.1 per Placing Share
“Placing Share(s)”	a maximum of 60,000,000 new Shares, to be allotted and issued pursuant to the terms and conditions of the Placing Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) as amended, modified and/or otherwise supplemented from time to time
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital the Company with par value of HK\$0.1 each

“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“substantial shareholders”	has the meaning ascribed to it under the GEM Listing Rules
“%”	per cent

By order of the Board
Sino-Life Group Limited
XU Jianchun
Chairman and Executive Director

Hong Kong, 10 May 2024

As at the date hereof, the Board comprises Mr. XU Jianchun and Mr. LIU Tien-Tsai being executive Directors; and Mr. CHAI Chung Wai, Dr. YANG Jingjing and Ms. HU Zhaohui being independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at <http://www.hkexnews.hk> for 7 days from the date of its posting. This announcement will also be posted on the Company’s website at <http://www.sinolifegroup.com>.