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信銘生命科技集團有限公司
Aceso Life Science Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00474)

DISCLOSEABLE TRANSACTION
DISPOSAL OF 15% EQUITY INTEREST IN A SUBSIDIARY

THE DISPOSAL

On 11 May 2022 (after trading hours), the Vendor, the Target Company, both of which is an indirect non-wholly owned subsidiary of the Company, and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Sale Shares, representing 15% of the entire issued share capital of the Target Company, at a consideration of US\$20 million (equivalent to approximately HK\$157 million), which shall be settled in cash upon Completion.

IMPLICATION UNDER THE LISTING RULES

As one or more of the percentage ratios (as defined in the Listing Rules) in respect of the Disposal is more than 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements.

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entire issued share capital of the Target Company, at a consideration of US\$20 million (equivalent to approximately HK\$157 million), which shall be settled in cash upon Completion.

THE SALE AND PURCHASE AGREEMENT

Date: 11 May 2022 (after trading hours)

Parties: (i) Victory Bright Limited (衛邦有限公司) as the Vendor
(ii) Alcott Global Limited
(iii) Glaring Sand Holdings Limited as the Purchaser

Conditions Precedent

Completion of the Sale and Purchase Agreement shall be subject to the following conditions precedent (the “**Condition(s)**”):

- (a) the warranties, representation and/or undertakings set out in the Sale and Purchase Agreement remaining true, accurate and not misleading in all material aspects at all times between the date of the Sale and Purchase Agreement and the Completion Date;
- (b) the Vendor having obtained all necessary waivers, consents, approvals, permits and/or authorisations from any governments, regulatory authorities, and/or other relevant third parties in connection with the transactions contemplated under the Sale and Purchase Agreement;
- (c) the Purchaser having conducted due diligence in relation to the land held by the Project Company and being satisfied with the results thereof; and
- (d) no material adverse change having occurred since the execution of the Sale and Purchase Agreement.

The Purchaser may waive in writing any Conditions at its sole and absolute discretion (to the extent permitted under the Listing Rules or applicable laws).

The Vendor and the Purchaser shall use their reasonable endeavours to procure the fulfilment of the Conditions. In the event that any of the Conditions is not fulfilled or waived by 16 May 2022, then the parties shall not be bound to proceed with the sale and purchase of the Sale Shares.

Consideration

The consideration for the sale and purchase of the Sale Shares shall be in the aggregate sum of US\$20 million (equivalent to approximately HK\$157 million), which shall be settled in cash upon Completion.

Basis of Consideration

The consideration was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to (i) the latest financial position of the Target Company; and (ii) the historical acquisition cost of the Target Company.

Completion

The Completion shall take place on the third Business Day upon the fulfilment (or waiver as the case may be) of all the Conditions under the Sale and Purchase Agreement and in any event no later than 16 May 2022 or on such other date as may be agreed between the Vendor and the Purchaser in writing.

INFORMATION OF THE PURCHASER

The Purchaser is a company established in the British Virgin Islands with limited liability and is principally engaged in real estate investment.

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

INFORMATION OF THE VENDOR AND THE COMPANY

The Company is an exempted company incorporated in the Cayman Islands with limited liability. The Company is an investment holding company and the Group is principally engaged in (i) money lending; (ii) securities investment; (iii) provision of commodities, futures, securities brokerage and other financial services; (iv) asset management; (v) rental and trading of construction machinery; (vi) provision of repair and maintenance and transportation service; (vii) property development; and (viii) property leasing.

The Vendor is a company incorporated in Hong Kong with limited liability. As at the date of this announcement, the Vendor is an indirect non-wholly owned subsidiary of the Company. The Vendor is principally engaged in investment holding.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in the British Virgin Islands with limited liability and principally engaged in investment holding. As at the date of this announcement, the Target Company is directly wholly-owned by the Vendor. The major asset of the Target Company is 22% of the issued share capital of the Project Company.

The Project Company is principally engaged in investment in urban complex development project. Approval was granted by the Council of Ministers to the Project Company to establish a special economic zone at Koh Kong Province, Cambodia. For more details, please refer to the joint announcement of the Company and Hao Tian International Construction Investment Group Limited dated 4 September 2020.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

The Target Company was incorporated on 7 August 2020 in the British Virgin Islands. The unaudited financial information of the Target Company for the years ended 31 March 2021 and 31 March 2022, which were prepared in accordance with the generally accepted accounting standards of Hong Kong is set out below:

	For the year ended 31 March 2021 <i>HK\$'000</i> (Unaudited)	For the year ended 31 March 2022 <i>HK\$'000</i> (Unaudited)
Net profit/(loss) before tax and extraordinary items	—	—
Net profit/(loss) after tax and extraordinary items	—	—

Upon Completion, the Target Company will remain as a subsidiary of the Company and will continue to be accounted for on a consolidated basis in the financial statements of the Group.

With reference to the net assets value of the Target Company of approximately HK\$1,116.2 million as at 31 March 2022, the estimated net loss from the Disposal is approximately HK\$10.4 million and will be debited against reserve of the Group. The actual loss on the Disposal may be different from the above and is subject to the review and final audit by the Company's auditor.

The Board intends to apply the net proceeds from the Disposal as general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board considers that the Disposal represents a good opportunity for realisation of the Group's investment. The proceeds from the Disposal can further strengthen the cash flow of the Group and its liquidity and will allow the Group to reallocate its resources for future development.

The Board considers that the Disposal and the terms of the Sale and Purchase Agreement including the consideration are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the percentage ratios (as defined in the Listing Rules) in respect of the Disposal is more than 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Business Day”	any day (other than Saturday, Sunday or public holiday) on which commercial and clearing banks are open for normal banking business in Hong Kong, British Virgin Islands and Cambodia
“Cambodia”	the Kingdom of Cambodia
“Company”	Aceso Life Science Group Limited (信銘生命科技集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 474)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the third Business Day upon the fulfilment (or waiver as the case may be) of all the conditions precedent under the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of 15% equity interest in the Target Company by the Vendor to the Purchaser
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Project Company”	CESIZ (Cambodia) Co., Ltd., a company incorporated in Cambodia with limited liability, which is directly owned as to 22% by the Target Company as at the date of this announcement

“Purchaser”	Glaring Sand Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Sale and Purchase Agreement”	the sale and purchase agreement dated 11 May 2022 entered into among the Vendor, the Target Company and the Purchaser in relation to the Disposal
“Sale Shares”	15 issued shares of the Target Company, representing 15% of the entire issued share capital of the Target Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Alcott Global Limited, a company incorporated in the British Virgin Islands with limited liability, which is directly wholly-owned by the Vendor as at the date of this announcement and immediately prior to Completion
“US\$”	United States dollar(s), the lawful currency of the United States
“Vendor”	Victory Bright Limited (衛邦有限公司), a company incorporated in Hong Kong with limited liability, which is an indirect non-wholly owned subsidiary of the Company
“%”	per cent.

For the purpose of this announcement, conversion of US\$ to HK\$ is based on the approximate exchange rate of US\$1.0 to HK\$7.85. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in HK\$ or US\$ have been, could have been or may be converted at such or any other rate or at all.

By order of the Board
Aceso Life Science Group Limited
Fok Chi Tak
Executive Director

Hong Kong, 11 May 2022

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Xu Haiying, Dr. Zhiliang Ou, J.P. (Australia) and Mr. Fok Chi Tak; and three independent non-executive Directors, namely Mr. Chan Ming Sun Jonathan, Mr. Lam Kwan Sing and Mr. Mak Yiu Tong.