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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)

HAO TIAN INTERNATIONAL
CONSTRUCTION INVESTMENT GROUP LIMITED
昊天國際建設投資集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1341)

JOINT ANNOUNCEMENT

DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF AN ASSOCIATE COMPANY

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On 23 June 2022, the Vendor (an indirect wholly owned subsidiary of HTICI and an indirect non-wholly owned subsidiary of ALS) and the Purchaser entered into the Agreement, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire, the Sales Shares (representing 49% of the entire issued share capital of TBI (as indirectly held associate company of ALS and HTICI)) at the total consideration of HK\$44 million in accordance with the terms and conditions of the Agreement.

As one or more of the percentage ratios (as defined in the Listing Rules) applicable to the Disposal is more than 5% but all the applicable percentage ratios are less than 25% for ALS and HTICI, the Disposal constitutes a discloseable transaction (which was originally mis-classified as a transaction with all applicable percentage ratios being less than 5%) on the part of ALS and HTICI under Chapter 14 of the Listing Rules and shall be subject to reporting and announcement requirements under the Listing Rules.

THE AGREEMENT

On 23 June 2022, the Vendor (an indirect wholly owned subsidiary of HTICI and an indirect non-wholly subsidiary of ALS) and the Purchaser entered into the Agreement, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire, the Sales Shares (representing 49% of the entire issued share capital of TBI).

Details of the Agreement are set out below:

Date: 23 June 2022

Parties: Vendor; and

Purchaser

To the best of the knowledge, information and belief of the ALS Board and the HTICI Board and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

Subject Matter

The Vendor agreed to sell and the Purchaser agreed to acquire, the Sales Shares (representing 49% of the entire issued share capital of TBI).

Consideration

The Total Consideration for the Disposal was at HK\$44 million, which shall be payable, (i) HK\$8.8 million upon completion; and (ii) HK\$35.2 million within six months after Completion. The Total Consideration settled by the Purchaser.

Basis of Consideration

The Total Consideration was determined after arm's length negotiations between the Vendor and the Purchaser having considered with reference to (i) the carrying amount of investment in TBI for the financial year ended 31 March 2022 of approximately HK\$45 million; (ii) the valuation of investment in TBI as at 31 March 2022 of approximately HK\$45 million. Having considered the above, the ALS Board and the HTICI Board consider that the Total Consideration is fair and reasonable and is in the interest of ALS and HTICI and the shareholders as a whole.

Condition Precedent

Completion of the Agreement is subject to the following condition precedent;

- 1) ALS and HTICI having complied with all requirements, if necessary, under the Listing Rules and obtained all requisite approvals and consents from the Stock Exchange and/or the other authorities in respect of the Disposal, the Agreement and the transaction contemplated thereunder; and
- 2) the warranties as set out in the Agreement are true and accurate in all material aspects.

The Purchaser have absolute rights to waive any of the above Condition Precedents.

Completion

The Disposal was completed on 23 June 2022.

INFORMATION ON THE VENDOR, ALS GROUP AND HTICI GROUP

The Vendor is a company incorporated in the British Virgin Islands with limited liability and it is an indirect wholly-owned subsidiary of HTICI and an indirect non-wholly owned subsidiary of ALS. The Vendor is principally engaged in investment holding.

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

HTICI is an exempted company incorporated in the Cayman Islands with limited liability. HTICI is an investment holding company and the HTICI Group is principally engaged in (a) rental and trading of construction machinery; (b) property development business; and (c) provision of financial services and related financial advisory services through subsidiaries licensed to conduct (i) Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance; and (ii) money lending activities.

INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. The ultimate beneficial owner is Mr. Sze Ching Lau, BBS JP.

INFORMATION OF TBI

TBI is a company incorporated in the British Virgin Islands with limited liability. It holds rights in various intellectual properties (“IPs”) in the PRC and has license to use of such IPs for 20 years from 1 January 2021. Licensing fee will be agreed in writing annually.

Financial Information of TBI

Set out below is a summary of the financial information of TBI as shown in the financial statements of TBI for each of the years ended 31 March 2022 and 2021.

	For the year ended 31 March	
	2022	2021
	<i>HK\$ 'million</i>	<i>HK\$ 'million</i>
Non-Current assets	33	101
Current assets	59	13
Total assets and net assets	92	114
Revenue	47	13
Loss and Total Comprehensive Loss before tax	(22)	(51)
Loss and Total Comprehensive Loss after tax	(22)	(51)

REASONS FOR AND BENEFITS OF THE DISPOSAL AND USE OF PROCEEDS

The ALS Directors and HTICI Directors consider that the Disposal represents a good opportunity for the ALS Group and HTICI Group to realise its investment. Through the Disposal, the ALS Group and HTICI Group will be able to strengthen its cash flow, enhance its working capital position and allow for reallocation of its financial resources for the future development of the ALS Group and HTICI Group.

ALS Group and HTICI Group expected to receive gross and net proceeds from the Disposal of approximately HK\$44 million after deducting all costs and expenses. ALS Group and HTICI Group intends to use the net proceeds for its working capital. Taking into consideration of the reasons for and benefits of the Disposal to the ALS Group, the HTICI Group, the ALS Board and HTICI Board are of the view that the terms of the Agreement, including the Total Consideration, which has been reached after arm's length negotiations among the parties, are fair and reasonable and is in the interest of ALS, ALS shareholders, HTICI and HTICI shareholders as a whole.

Financial Effects of the Disposal

Upon Completion, ALS Group and HTICI Group no longer hold any shares in TBI. Given the carrying amount of investment in TBI at 31 March 2023 of approximately HK\$45 million, a loss of approximately HK\$1 million was made to the profit and loss accounts of ALS and HTICI.

LISTING RULES IMPLICATIONS FOR ALS AND HTICI AND MIS-CLASSIFICATION OF A NOTIFIABLE TRANSACTION

As one or more of the percentage ratios (as defined in the Listing Rules) applicable to the Disposal is more than 5% but all applicable percentage ratios are less than 25% for ALS and HTICI, the Disposal constitutes a discloseable transaction (which was originally mis-classified as a transaction with all applicable percentage ratios being less than 5%) of ALS and HTICI under the Listing Rules and shall be subject to reporting and announcement requirements under the Listing Rules.

As such, the misclassification has resulted in the failure by ALS and HTICI to comply with the requirements of the Listing Rules in respect of the Disposal in a timely manner, which constituted non-compliance with Chapter 14 of the Listing Rules.

Remedial Actions

The ALS Group and the HTICI Group express their regrets for their non-compliance with the Listing Rules. It would like to stress that ALS Group and HTICI Group have indeed assessed the compliance requirements of the Disposal under the Listing Rules but the non-compliance arose due to the inadvertent miscalculation of the size-tests attributable to human errors.

To prevent and avoid similar mistake from occurring in the future, the ALS Group and HTICI Group have promptly taken the following remedial measures and actions:

- (1) the ALS Group's and HTICI Group's legal and secretarial department shall continue to oversee and monitor their on-going compliance with the Listing Rules;
- (2) enhanced trainings and reminders have been provided to the relevant employees, in particular on the relevant requirements and procedures for notifiable transaction with emphasis of the importance of identifying such transactions and ensuring the accurate classification thereof prior to execution; and
- (3) legal advisors has been engaged to assist in checking size tests computations and assessing compliance requirements of the transactions to be undertaken by the ALS Group and HTICI Group in the future.

The ALS Group and HTICI Group are not aware of any other non-compliance with Chapters 14 and 14A of the Listing Rules as at the date of this announcement.

DEFINITIONS

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

“Agreement”	the sale and purchase agreement dated 23 June 2022 entered into between the Vendor and the Purchaser in respect of the Disposal;
“ALS”	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), which is an indirect controlling shareholder of HTICI;
“ALS Board”	the board of directors of ALS;
“ALS Group/Group”	ALS and its subsidiaries;
“ALS Shareholder(s)”	the holder(s) of the ALS Shares;
“ALS Share(s)”	shares(s) of ALS of par value of HK\$0.01 each;
“Completion”	the completion of the Disposal in accordance with the terms and conditions of the Agreement;
“Director(s)”	the director(s) of ALS;
“Disposal”	the disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the terms and conditions of the Agreement;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

“HTICI”	Hao Tian International Construction Investment Group Limited (昊天國際建設投資集團有限公司), 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: 1341);
“HTICI Board”	the board of directors of HTICI;
“HTICI Group”	HTICI and its subsidiaries;
“Independent Third Party”	third parties independent of the ALS Group and HTICI Group 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 only excludes Hong Kong, Macau and Taiwan;
“Purchaser”	Welly Investment Development Limited (榮利投資發展有限公司), a company incorporated in the British Virgin Islands with limited liability;
“Sale Shares”	4,900 shares in the share capital of TBI, representing approximately 49% of the entire issued share capital of TBI as at the date of the Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“TBI”	Triple Blessing International Limited, a company incorporated in the British Virgin Islands with limited liability;
“Total Consideration”	HK\$44,000,000, being the consideration in respect of the Sale Shares payable by the Purchaser to the Vendor under the Agreement;

“Vendor” Victor Ocean Developments Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly-owned subsidiary of HTICI, and a non-wholly owned subsidiary of ALS; and

“%” per cent.

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

By order of the board of directors of
**Hao Tian International Construction
Investment Group Limited**
Fok Chi Tak
Executive Director

Hong Kong, 15 September 2023

As at the date of this announcement, the ALS 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.

As at the date of this announcement, the HTICI Board comprises three executive directors, namely Mr. Fok Chi Tak, Mr. Tang Yiu Chi James and Dr. Zhiliang Ou, J.P. (Australia); one non-executive director, namely Mr. Xu Lin; and four independent non-executive directors, namely Mr. Mak Yiu Tong, Mr. Li Chi Keung Eliot, Mr. Shek Lai Him Abraham and Mr. Chan Ming Sun Jonathan.