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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)

**VERY SUBSTANTIAL DISPOSAL
POSSIBLE DEEMED DISPOSAL RESULTING
FROM
PLACING OF NEW SHARES BY
NON-WHOLLY-OWNED SUBSIDIARY
AND
NOTICE OF THE ALS EGM**

Financial adviser to ALS



**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)

**PLACING OF NEW SHARES
UNDER SPECIFIC MANDATE
AND
NOTICE OF THE HTICI EGM**

Placing Agent of HTICI



A letter from the HTICI Board is set out on pages 1 to 13 of this joint circular.

A notice convening the HTICI EGM to be held at 25/F, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong on Tuesday, 18 March 2025, at 10:30 a.m. is set out on pages HTICI-1 to HTICI-3 of this joint circular. A blue form of proxy for use at the HTICI EGM is enclosed. Whether or not the HTICI Shareholders intend to attend and vote at the HTICI EGM, the HTICI Shareholders are requested to complete the enclosed blue form of proxy in accordance with the instructions printed thereon and return it to HTICI's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event not less than forty-eight (48) hours before the time appointed for holding the HTICI EGM or any adjournment thereof. Completion and return of the blue form of proxy will not preclude the HTICI Shareholders from attending and voting in person at the HTICI EGM or any adjournment thereof (as the case may be) should they so wish and in such event, the blue form of proxy shall be deemed to be revoked.

A letter from the ALS Board is set out on pages 14 to 23 of this joint circular.

A notice convening the ALS EGM to be held at 25/F, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong on Tuesday, 18 March 2025, at 11:00 a.m. is set out on pages ALS-1 to ALS-2 of this joint circular. A yellow form of proxy for use at the ALS EGM is enclosed. Whether or not the ALS Shareholders intend to attend and vote at the ALS EGM, the ALS Shareholders are requested to complete the enclosed yellow form of proxy in accordance with the instructions printed thereon and return it to ALS's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event not less than forty-eight (48) hours before the time appointed for holding the ALS EGM or any adjournment thereof. Completion and return of the yellow form of proxy will not preclude the ALS Shareholders from attending and voting in person at the ALS EGM or any adjournment thereof (as the case may be) should they so wish and in such event, the white form of proxy shall be deemed to be revoked.

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DEFINITIONS

In this joint circular, the following words and expressions have the meanings set out below unless the context requires otherwise:

“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 a controlling shareholder of HTICI
“ALS Announcement”	the announcement of ALS dated 25 October 2024 in relation to the Placing and the Possible Deemed Disposal
“ALS Board”	the board of the ALS Directors
“ALS Director(s)”	the director(s) of ALS
“ALS EGM”	the extraordinary general meeting of ALS to be convened and held for the purpose of approving, among other things, the Placing Agreement and the grant of Specific Mandate
“ALS Group”	ALS and its subsidiaries
“ALS Share(s)”	ordinary share(s) with par value of HK\$0.10 each in the share capital of ALS
“ALS Shareholder(s)”	holder(s) of the ALS Share(s)
“associates”	has the meaning ascribed thereto under the Listing Rules
“Business Day(s)”	any day on which banks are generally open for business in Hong Kong
“Completion”	completion of the Placing pursuant to the terms and conditions of the Placing Agreement
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Full Placing”	the maximum number of the Placing Shares are fully placed under the Placing

DEFINITIONS

“HTICI”	Hao Tian International Construction Investment Group Limited (昊天國際建設投資集團有限公司), a 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 Announcement”	the announcement of HTICI dated 3 October 2024 in relation to the Placing
“HTICI Board”	the board of the HTICI Directors
“HTICI Director(s)”	the director(s) of HTICI
“HTICI EGM”	the extraordinary general meeting of HTICI to be convened and held for the purpose of approving, among other things, the Placing Agreement and the grant of Specific Mandate
“HTICI Share(s)”	the ordinary share(s) with par value of HK\$0.01 each in the share capital of HTICI
“HTICI Group”	HTICI and its subsidiaries
“HTICI Independent Shareholder(s)”	the HTICI Shareholder(s), other than ALS and its associates
“HTICI Shareholder(s)”	the holders of the HTICI Shares
“HTICI Subsidiary”	a company which is for the time being and from time to time a subsidiary of HTICI
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with ALS and HTICI and its connected persons and is not acting in concert (as defined in the Takeovers Code) with any of the connected persons of ALS and HTICI or any of their respective associates (as defined in the Listing Rules)
“Last Trading Day”	3 October 2024, being the last trading day of the HTICI Shares on the Stock Exchange before the entering into of the Placing Agreement

DEFINITIONS

“Latest Practicable Date”	21 February 2025, being the latest practicable date prior to the printing of this joint circular for ascertaining information for inclusion in this joint circular
“Listing Committee”	the listing committee appointed by the Stock Exchange for considering applications for listing and approving the listing of and dealing with securities on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board maintained and operated by the Stock Exchange
“No Share Number Change”	there will be no other change to the issued share capital of HTICI between the Latest Practicable Date and the date of Completion other than the issue of the Placing Shares under the Placing
“Placee(s)”	independent professional, institutional and/or individual investor(s) procured by the Placing Agent to subscribe for the Placing Shares
“Placing”	the placement of up to 1,524,224,000 Placing Shares pursuant to the terms of the Placing Agreement at the Placing Price
“Placing Agent”	Hao Tian International Securities Limited, a licensed corporation to carry on business in Type 1 (dealing in securities) regulated activity under the SFO
“Placing Agreement”	the placing agreement entered into between HTICI and the Placing Agent dated 3 October 2024 in respect of the Placing
“Placing Price”	HK\$0.4 per Placing Share
“Placing Share(s)”	up to 1,524,224,000 new HTICI Shares to be placed under the Placing

DEFINITIONS

“Possible Deemed Disposal”	the possible deemed disposal of the shareholding interest of ALS in HTICI as a result of the dilution of shareholding interest of ALS in HTICI upon the allotment and issue of the Placing Shares
“PRC”	the People’s Republic of China which, for the purposes of this joint circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Remaining ALS Group”	ALS and its subsidiaries after the Deemed Disposal
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Specific Mandate”	a specific mandate to be sought from the shareholders of HTICI and ALS for the allotment and issue of Placing Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	a subsidiary for the purposes of the Listing Rules
“substantial shareholder”	has the same meaning as ascribed to it under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“UK Property”	the self-owned commercial property of ALS located at 55 Mark Lane, London, the United Kingdom
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE HTICI BOARD

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)

Executive HTICI Directors:

Mr. Fok Chi Tak

Dr. Zhiliang Ou, J. P. (Australia)

Mr. Tang Yiu Chi James

Non-executive HTICI Directors:

Mr. Xu Lin

Ms. Jiang Yang

Independent non-executive HTICI Directors:

Mr. Mak Yiu Tong

Mr. Li Chi Keung Eliot

Mr. Shek Lai Him Abraham

Mr. Chan Ming Sun Jonathan

Registered office:

Windward 3

Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

Head office and principal place of business:

Rooms 2510–2518, 25th Floor

Shui On Centre

6–8 Harbour Road, Wanchai

Hong Kong

25 February 2025

To the HTICI Shareholders

Dear Sir or Madam,

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

AND

NOTICE OF THE HTICI EGM

INTRODUCTION

Reference is made to the HTICI Announcement.

The purpose of this joint circular is to provide you with, among other things, (i) details of the Placing Agreement and transactions contemplated thereunder; (ii) a notice convening the HTICI EGM together with related form of proxy; and (iii) other information as required under the Listing Rules.

LETTER FROM THE HTICI BOARD

THE PLACING AGREEMENT

On 3 October 2024 (after trading hours), the Placing Agent and HTICI entered into the Placing Agreement, pursuant to which HTICI has conditionally agreed to place, through the Placing Agent on a best efforts basis, an aggregate of up to 1,524,224,000 Placing Shares at the Placing Price of HK\$0.4 per Placing Share to not less than six Placees who and whose ultimate beneficial owners will be third parties independent of HTICI and its connected persons.

The principal terms and conditions of the Placing Agreement are set out below.

Date	3 October 2024 (after trading hours)
Parties	(a) HTICI; and (b) The Placing Agent
Placee(s)	The Placing Agent will place the Placing Shares to not less than six Placees who and whose ultimate beneficial owners are third parties independent of and not connected with HTICI and its connected persons. It is expected that none of the Placees will become a substantial shareholder of HTICI as a result of the Placing.
Number of the Placing Shares	The 1,524,224,000 Placing Shares under the Placing represent approximately 20.00% of the existing issued share capital of HTICI of 7,621,152,835 HTICI Shares as at the Latest Practicable Date and approximately 16.67% of the issued share capital of HTICI as enlarged by the allotment and issue of the Placing Shares in full (assuming No Share Number Change). The total nominal value of the Placing Shares is HK\$15,242,240.

LETTER FROM THE HTICI BOARD

Placing Price

The Placing Price of HK\$0.4 per Placing Share represents:

- (i) a discount of approximately 21.57% to the closing price of HK\$0.510 per HTICI Share as quoted on the Stock Exchange on the date of the Placing Agreement;
- (ii) a discount of approximately 12.47% to the average closing price of HK\$0.457 per HTICI Share for the last five consecutive trading days immediately prior to the date of the Placing Agreement;
- (iii) a discount of approximately 3.38% to the average closing price of HK\$0.414 per HTICI Share for the last ten consecutive trading days immediately prior to the date of the Placing Agreement;
- (iv) a premium of approximately 146.64% to the net assets of HTICI per HTICI Share as at 31 March 2024; and
- (v) a premium of approximately 161.67% to the net assets of HTICI per HTICI Share as at 30 September 2024.

The Placing Price was negotiated and arrived at after arm's length negotiation between HTICI and the Placing Agent with reference to (a) the prevailing market price of the HTICI Shares during the past two months prior to the Last Trading Day (the "**Relevant Period**"). The closing price of the HTICI Shares ranged from HK\$0.355 to HK\$0.950 per HTICI Share with the average and median closing prices of approximately HK\$0.535 per HTICI Share and HK\$0.473 per HTICI Share respectively during the Relevant Period. The Placing Price falls within such range of closing prices of the HTICI Share during the Relevant Period, with discounts of approximately 25.2% and 15.4% to the average and median closing prices of HTICI Share respectively during the Relevant Period. Besides, HTICI has also taken into account the market conditions at the material time when negotiating the Placing Price with the Placing Agent as the capital market in Hong Kong has been volatile at the material time when the Placing Agreement was being negotiated and the borrowing costs were high, which adversely affected investors' confidence and investment sentiment in the market.

Ranking of the Placing Shares

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the existing HTICI Shares in issue on the date of issue.

LETTER FROM THE HTICI BOARD

**Specific Mandate to
issue Placing Shares**

The Placing Shares will be allotted and issued under the Specific Mandate which are subject to the approval of HTICI Shareholders and ALS Shareholders.

**Application for listing of
Placing Shares**

Application will be made by HTICI to the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

Placing Commission

The Placing Agent has conditionally agreed to place a maximum of 1,524,224,000 Placing Shares at the Placing Price of HK\$0.4 on a best efforts basis and will receive a placing commission of 1.5% of the aggregate Placing Price of the Placing Shares being placed. HTICI shall bear the Placing Agent's out-of-pocket expenses reasonably and properly incurred by the Placing Agent in relation to the Placing. The Placing Agent is an indirect wholly-owned subsidiary of HTICI.

The placing commission was determined after arm's length negotiations between HTICI and the Placing Agent with reference to the prevailing market rates of placing commission charged by other placing agents in comparable placing exercises during the past two months prior to the Last Trading Day, where their placing commission rates ranged from 0.5% to 4%. Therefore, the HTICI Directors consider that the placing commission of 1.5%, which falls within the above-mentioned range of placing commission rates, is fair and reasonable and is in line with the market rate.

LETTER FROM THE HTICI BOARD

Conditions of the Placing Agreement

Completion under the Placing Agreement is conditional upon:

1. the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange;
2. compliance by HTICI and ALS of all requirements under the Listing Rules in respect of the Placing and the Specific Mandate; and
3. HTICI and ALS having obtained all necessary consents, authorisations and approvals for the Placing in accordance with the applicable laws, regulations and rules (including the Listing Rules), including but not limited to the approval of the shareholders of HTICI and ALS granting the Specific Mandate.

If the above condition is not satisfied on or before 31 December 2024 (or such later date as HTICI and the Placing Agent may agree in writing) (the “**Long-Stop Date**”), all obligations of the Placing Agent and HTICI under the Placing Agreement shall cease and terminate and none of the parties shall have any claim against the other in relation to the Placing Agreement. HTICI and the Placing Agent have agreed to extend the Long-Stop Date to 31 March 2025.

As at the Latest Practicable Date, none of the above conditions precedent had been fulfilled.

LETTER FROM THE HTICI BOARD

Termination of the Placing

Under the Placing Agreement, the Placing Agent may terminate the Placing Agreement by giving notice to HTICI at any time between the date of the Placing Agreement and at or before 8:00 a.m. on the date of Completion, if:

- (1) there is any material change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (2) there is any material breach of the warranties, representations and undertakings given by HTICI in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in the market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or make it inadvisable or inexpedient for the Placing to proceed; or
- (4) any statement contained in the previous announcements, circulars, interim and annual reports issued by HTICI since the publication of the announcement of HTICI relating to the annual results of HTICI for the year ended 31 March 2024 has become or been discovered to be untrue, incorrect or misleading in any material respect which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing.

Upon termination of the Placing Agreement pursuant to the above, all liabilities of HTICI and the Placing Agent under the Placing Agreement shall cease and determine and neither HTICI nor the Placing Agent shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement, save in respect of any antecedent breach of any obligation under the Placing Agreement.

Completion of the Placing

Completion will take place on the fifth Business Day after the fulfillment of the condition set out in the Placing Agreement or such other date as HTICI and the Placing Agent may agree in writing. HTICI and the Placing Agent have agreed that Completion may take place on or before 31 May 2025.

LETTER FROM THE HTICI BOARD

EQUITY FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS

HTICI has not raised any funds from the issue of equity securities in the 12 months immediately preceding the date of the Placing Agreement.

EFFECTS OF THE PLACING ON THE SHAREHOLDING STRUCTURE OF HTICI

To the best of the HTICI Directors' knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of HTICI as at the Latest Practicable Date; and immediately upon the Completion (assuming (i) No Share Number Change and (ii) Full Placing) are set out as follows:

Name of HTICI Shareholders	As at the Latest Practicable Date		Immediately upon the Completion	
	<i>Number of</i>	<i>Approximate</i>	<i>Number of</i>	<i>Approximate</i>
	<i>HTICI Shares</i>	<i>%</i>	<i>HTICI Shares</i>	<i>%</i>
ALS (Note 1)	2,213,613,259	29.05%	2,213,613,259	24.20%
Li Shao Yu (Note 2)	71,784,000	0.94%	71,784,000	0.78%
Lin Yuan (Note 3)	891,264,000	11.69%	891,264,000	9.75%
Fok Chi Tak (Note 4)	60,975,610	0.80%	60,975,610	0.67%
Xu Lin (Note 5)	4,146,342	0.05%	4,146,342	0.05%
China Harbour International Asset Management Limited	1,335,440,000	17.52%	1,335,440,000	14.60%
Public HTICI Shareholders				
Placees	–	–	1,524,224,000	16.67%
Other public HTICI Shareholder	3,043,929,624	39.95%	3,043,929,624	33.28%
	<u>7,621,152,835</u>	<u>100.00%</u>	<u>9,145,376,835</u>	<u>100.00%</u>

Notes:

- Among 2,213,613,259 HTICI Shares, (i) 599,912,000 HTICI Shares were held through Hao Tian Management (China) Limited, (ii) 1,542,272,688 HTICI Shares were held through Hao Tian Management (Hong Kong) Limited and (iii) 71,428,571 HTICI Shares were held through Hao Tian Finance Company Limited.
- The 71,784,000 HTICI Shares were held by Ms. Li Shao Yu as beneficial owner. Ms. Li Shao Yu is the controlling shareholder of ALS and is therefore also deemed to be interested in those HTICI Shares held by ALS.

LETTER FROM THE HTICI BOARD

3. Pursuant to the disclosure form dated 11 January 2023 (being the latest disclosure form filed up to the Latest Practicable Date) as published on the website of the Stock Exchange, Ms. Lin Yuan was beneficially interested in the total of 891,264,000 HTICI Shares, among which, 391,264,000 HTICI Shares are held by Ms. Lin as beneficial owner, and 500,000,000 HTICI Shares are held by Soaring Wealth Ventures Limited, a company wholly-owned by Ms. Lin.
4. Mr. Fok Chi Tak, being an executive director and the chief executive officer of HTICI and an executive ALS Director, is interested in 60,975,610 HTICI Shares as at the Latest Practicable Date.
5. Mr. Xu Lin, being a non-executive director of HTICI, is interested in 4,146,342 HTICI Shares as at the Latest Practicable Date.
6. The aggregate percentage may not add up to 100% due to rounding.

USE OF PROCEEDS

Assuming Full Placing, the maximum gross proceeds from the Placing will be approximately HK\$610 million. The estimated net proceeds from the Placing (after deducting all fees, costs and expenses properly incurred by HTICI (including the Placing Agent's commission, trading fee and transaction levy) to be borne by HTICI, and other expenses incurred by HTICI, in connection with the Placing) are expected to be approximately HK\$600 million. The estimated net Placing Price, after deducting such fees, costs and expenses, is therefore approximately HK\$0.39 per Placing Share.

HTICI intends to use the estimated net proceeds of the Placing as follows:

- (i) approximately HK\$436 million will be used for the development of an internet data center ("IDC") on the land owned by HTICI Group in Malaysia, with high-performance graphic processing units ("GPU") to handle high-performance computing tasks that require significant processing power. The development involves the construction of a building to create a robust and efficient data center with floor spaces allowed for installing servers equipped with multiple GPUs to handle complex computations, storage systems for quick data access and retrieval, high-speed network infrastructure, power supply and backup, management and monitoring systems, security systems and environmental control systems. The development costs for the IDC include the construction costs for the building and related infrastructure and the equipment costs for setting up the IDC. The HTICI Group expects the development of IDC could be completed over the course of a 12-month period and the proceeds would be fully utilized by December 2025. The IDC development will be completed by different stages based on the capacity and processing power of the installed GPU servers;
- (ii) approximately HK\$94 million will be used for the general working capital of the HTICI Group over the course of the next 12 months which includes approximately HK\$36 million for the IDC development and the remaining HK\$58 million for the administrative expenses of existing business of the HTICI Group which it has no intention of ceasing or downsizing the same; and
- (iii) approximately HK\$70 million will be used for repayment of loans and finance leases of the HTICI Group.

LETTER FROM THE HTICI BOARD

The rapid development of artificial intelligence, big data and other high-performance computing applications in recent years has significantly increased the global demand for advanced computing infrastructure. Comprehensive computing power has become a critical enabler for digital transformation across key industries, such as healthcare, financial services and scientific research. A joint study conducted by the International Data Corporation, IEIT Systems, and Tsinghua Institute for Global Industry revealed a positive correlation between the computing power index and the growth of a country's digital economy and gross domestic product (GDP). More countries are accelerating their development in computing power, including the PRC. As of mid-2023, the PRC's total computing power reached 197 EFLOPS, ranking second in the world. The establishment of the IDC will allow HTICI to tap into this rapidly expanding market. By leveraging on GPU-based technology, the proposed IDC will generate revenue to the HTICI Group by providing scalable, efficient and high performance computing power and storage solutions to enterprise clients across a wide range of industries to support the workload of artificial intelligence. Recognizing the technical complexity and operational demands of managing a high-performance IDC, HTICI intends to recruit experienced professionals with specialized expertise in data centre operation and GPU-based computing to oversee the operation and development of the IDC. The HTICI Board is of the view that this strategic investment will enable it to enter into a high-growth market, diversify its revenue streams and create long-term value for its shareholders.

As disclosed in the HTICI Announcement, HTICI initially intended to utilise part of the net proceeds of the Placing for potential investment in and development of electric vehicles and power charging related businesses in Asia. However, despite the HTICI Group's vigorous effort to negotiate with the counter-parties to explore relevant business opportunities, no significant progress has been achieved as at the Latest Practicable Date. As such, due to the inherent uncertainties associated with the counter-parties and the slower-than-expected negotiation progress, the HTICI Group has made the strategic decision to redirect the intended use of partial proceeds from the Placing towards other more promising business opportunities, being the development of the IDC, which will enable the HTICI Group to utilize its financial resources more efficiently and provide a greater degree of controllability to the HTICI Group.

In the event that the Placing Shares are not fully placed, the net proceeds will be reduced and utilised on a pro rata basis as set out above and the HTICI Group would alter the development plan and schedule for the IDC development so that the development goals would be achieved in different stages. Should the HTICI Group require additional funding for the development plan as mentioned above, the Group may seek for other financing alternatives, including but not limited to, debt financing or equity financing, if necessary.

REASONS FOR THE PLACING

As at the Latest Practicable Date, the principal activities of the HTICI Group include: (i) securities investment; (ii) provision of securities brokerage and financial services; (iii) asset management; (iv) rental and trading of construction machinery; (v) provision of repair and maintenance and transportation income; (vi) property development; and (vii) money lending.

LETTER FROM THE HTICI BOARD

The Placing is being undertaken to supplement the HTICI Group's general working capital and to raise fund to support the business development of the HTICI Group. The HTICI Directors consider that the Placing will provide opportunities to raise further capital for HTICI, whilst broadening the HTICI Shareholder base and the capital base of HTICI. The funds raised from the Placing will enable the HTICI Group to accelerate the diversification of its business structure, enhance its business profile, and expand its customer base in the long-term by engaging in potential business ventures which involve advanced technology as it considers those to be thriving industries with promising market prospects. For more details, please refer to the section headed "USE OF PROCEEDS" above.

The HTICI Board has considered and explored other fund-raising alternatives before resolving to the proposed Placing, including debt financing and rights issue. For bank borrowings from commercial banks, HTICI has been discussing with two commercial banks in order to try to obtain new bank loans. However, HTICI will have to incur significant amount of interest expenses for bank borrowings under the current market conditions and the business and operation of HTICI may also be restrained by various positive and negative covenants in the loan documents. Further, the loss position of HTICI Group has presented significant challenges in securing loan financing. For other equity fund-raising alternatives such as rights issue, the HTICI Board considers that these would involve relatively more time and costs to complete when compared with the Placing. It is also difficult to predict with certainty on the level of acceptance of the HTICI Shareholders. After considering the aforesaid factors, the HTICI Board has determined that conducting the fund-raising through a placement of new HTICI Shares is the most feasible and efficient approach.

The HTICI Board has taken into account its available financial resources prior to resolving to the proposed Placing. The cash and cash equivalents of HTICI as at 31 March 2024 was approximately HK\$100,000,000. After careful consideration, the HTICI Board is of the view its cash position will only be adequate to support the recurring operations of the HTICI Group and finance costs of existing projects for approximately one year, including the repayment of outstanding bank loan(s). The HTICI Board considers the Placing will strengthen the financial position of HTICI and provide the additional funding for its working capital and for it to capture any future investment opportunities to enhance its profitability.

The HTICI Directors consider that the Placing Agreement were entered into upon normal commercial terms following arm's length negotiations between the parties and that the terms of the Placing Agreement (including the Placing Price) are fair and reasonable and in the interests of HTICI and HTICI Shareholders as a whole.

LETTER FROM THE HTICI BOARD

LISTING RULES IMPLICATIONS

The Placing Shares will be allotted and issued under the Specific Mandate which are subject to the approval of the HTICI Shareholders at the HTICI EGM and the ALS Shareholders at the ALS EGM. The HTICI EGM will be convened and held for the HTICI Shareholders to consider and, if thought fit, approve, among other things, the Placing Agreement and the grant of the Specific Mandate.

To the best knowledge, information and belief of the HTICI Directors having made all reasonable enquiries, as no HTICI Shareholder has a material interest in the Placing Agreement and the grant of the Specific Mandate, no HTICI Shareholders will be required to abstain from voting on the relevant resolution(s) to approve the Placing Agreement, the grant of the Specific Mandate and transactions contemplated thereunder at the HTICI EGM.

GENERAL

As at the Latest Practicable Date, save for the abovementioned, the HTICI Directors are of the opinion that, after taking into account the amount of net proceeds to be raised from the Placing, in the absence of unforeseeable circumstances, the HTICI Group has sufficient working capital for its requirements for the next twelve (12) months and HTICI has no present plan or intention to conduct, or has not entered into any agreement, arrangement, undertaking or negotiation in relation to, any equity fund-raising activities in the next twelve (12) months. HTICI will make further announcement(s) in accordance with the Listing Rules as and when appropriate.

WARNING

Completion is subject to the satisfaction of the condition precedent in the Placing Agreement. As the Placing may or may not proceed, HTICI Shareholders and potential investors are reminded to exercise caution when dealing in the securities of HTICI.

HTICI EGM

The HTICI EGM will be convened and held to consider and, if thought fit, approve, among other things, the Placing Agreement and the grant of the Specific Mandate, by the HTICI Shareholders by way of poll.

LETTER FROM THE HTICI BOARD

A notice convening the HTICI EGM to be held at 25/F, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong on Tuesday, 18 March 2025, at 10:30 a.m. is set out on pages HTICI-1 to HTICI-3 of this joint circular. A **blue** form of proxy for the HTICI EGM is enclosed with this joint circular. Whether or not the HTICI Shareholders are able to attend and vote at the HTICI EGM, they are requested to read the notice and to complete and sign the accompanying **blue** form of proxy in accordance with the instructions printed thereon and return it to HTICI's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the HTICI EGM. Completion and return of the **blue** form of proxy will not preclude the HTICI Shareholders from attending and voting in person at the HTICI EGM or any adjournment thereof (as the case may be) should they so wish and, in such event, the **blue** form of proxy shall be deemed to be revoked.

The resolution(s) put to the HTICI EGM will be voted on by way of poll.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the HTICI Shareholders' eligibility to attend and vote at the HTICI EGM, the register of members of HTICI will be closed from Thursday, 13 March 2025 to Tuesday, 18 March 2025, both dates inclusive. During such period, no transfers of HTICI Share will be registered. In order to qualify to attend and vote at the HTICI EGM, all transfers of the HTICI Shares accompanied by the relevant share certificates must be lodged with HTICI's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 12 March 2025.

RECOMMENDATION

The HTICI Board is of the opinion that the terms and conditions of the Placing Agreement are on normal commercial terms, fair and reasonable and in the best interests of HTICI and the HTICI Shareholders as a whole. Accordingly, the HTICI Board recommends the HTICI Shareholders to vote in favour of the ordinary resolution(s) to approve the Placing Agreement and transactions contemplated thereunder, including the grant of the Specific Mandate, to be proposed at the HTICI EGM.

RESPONSIBILITY STATEMENT

This joint circular, for which the HTICI Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to HTICI. The HTICI Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this joint circular 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 joint circular misleading.

LETTER FROM THE HTICI BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the notice of the HTICI EGM and other additional information as set out in this joint circular.

Yours faithfully,

By order of the HTICI Board

Hao Tian International Construction Investment Group Limited

Fok Chi Tak

Executive Director

LETTER FROM THE ALS BOARD



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)

Executive ALS Directors:

Dr. Zhiliang Ou, J. P. (Australia)

Mr. Fok Chi Tak

Non-executive ALS Director:

Ms. Jiang Yang

Independent non-executive ALS Directors:

Mr. Chan Ming Sun Jonathan

Mr. Lam Kwan Sing

Mr. Mak Yiu Tong

Registered office:

Cricket Square

Hutchins Drive

P. O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Head office and principal place of business:

Rooms 2501–2509, 25th Floor

Shui On Centre

6–8 Harbour Road, Wanchai

Hong Kong

25 February 2025

To the ALS Shareholders,

Dear Sir or Madam,

VERY SUBSTANTIAL DISPOSAL
POSSIBLE DEEMED DISPOSAL RESULTING FROM
PLACING OF NEW SHARES BY
NON-WHOLLY-OWNED SUBSIDIARY
AND
NOTICE OF THE ALS EGM

LETTER FROM THE ALS BOARD

INTRODUCTION

Reference is made to the ALS Announcement.

On 3 October 2024 (after trading hours), HTICI, an indirect non-wholly-owned subsidiary of ALS, and the Placing Agent entered into the Placing Agreement, pursuant to which HTICI has conditionally agreed to place, through the Placing Agent on a best efforts basis, an aggregate of up to 1,524,224,000 Placing Shares at the Placing Price of HK\$0.4 per Placing Share to not less than six Placees who and whose ultimate beneficial owners will be third parties independent of HTICI and its connected persons.

Assuming all the 1,524,224,000 Placing Shares are successfully placed under the Placing Agreement, the shareholding interest of ALS in HTICI will be diluted from approximately 29.05% to 24.20% (assuming No Share Number Change), representing a decrease of approximately 4.85%.

Immediately upon the Completion and assuming Full Placing, HTICI's financial results and financial positions of HTICI will no longer to be consolidated in the consolidated financial statements of ALS.

The purpose of this joint circular is to provide you with, among other things, further information on the Possible Deemed Disposal and other information required under the Listing Rules.

THE PLACING AGREEMENT

The principal terms and conditions of the Placing Agreement are set out in the section headed "THE PLACING AGREEMENT" in the Letter from the HTICI Board on pages 1 to 13 of this joint circular.

FINANCIAL IMPACT OF THE PLACING TO ALS

As agreed with the auditors of ALS, immediately after the Completion and assuming Full Placing, HTICI will no longer be a subsidiary of ALS and its financial results and financial positions will not be consolidated in the consolidated financial statements of ALS Group. Assuming Full Placing, the gain due to the Possible Deemed Disposal of HTICI by ALS as a result of the Placing is initially estimated to be around HK\$730 million, which is calculated based on the difference between the fair value of the retained equity interest of 24.20% in HTICI Group held by the ALS Group as at 30 September 2024 and the carrying value of ALS Group's investment in HTICI (net of the share of non-controlling interests of HTICI Group and reclassification reserves) as at 30 September 2024. This is only an estimated gain on the Possible Deemed Disposal for ALS and will be further subject to the review by the auditors of ALS.

LETTER FROM THE ALS BOARD

POSSIBLE DEEMED DISPOSAL

As at the Latest Practicable Date, ALS is a controlling shareholder (as defined under the Listing Rules) of HTICI, holding 2,213,613,259 HTICI Shares, representing approximately 29.05% of the total issued share capital of HTICI.

Assuming Full Placing, the shareholding interest of ALS in HTICI will be diluted from approximately 29.05% to approximately 24.20% (assuming No Share Number Change), representing a decrease of approximately 4.85%. Accordingly, such dilution of shareholding interest in HTICI of ALS immediately upon the Completion constitutes a deemed disposal transaction of ALS under Rule 14.29 of the Listing Rules.

As at the Latest Practicable Date, ALS was interested in 2,213,613,259 HTICI Shares, representing approximately 29.05% of the total issued share capital of HTICI. Ms. Li Shao Yu (“**Ms. Li**”), who is the controlling shareholder of ALS, held 71,784,000 HTICI Shares, representing approximately 0.94% of the total issued share capital of HTICI and Mr. Fok Chi Tak (“**Mr. Fok**”), who is an executive ALS Director, held 60,975,610 HTICI Shares, representing approximately 0.80% of the total issued share capital in HTICI. Therefore, the shareholding interests in HTICI held by Ms. Li and Mr. Fok, who are both associates of ALS, together with the shareholding interests in HTICI held by ALS, are approximately 30.79%.

Assuming Full Placing and No Share Number Change, the ALS Group’s absolute size of holdings (including the ALS Shares held by Ms. Li and Mr. Fok, who are the ultimate controlling shareholder of ALS and an executive ALS Director respectively) will be decreased from 30.79% to 25.65%, the relative size and dispersion of other shareholders’ holdings have changed such that the ALS Group may not have the practical ability to direct the relevant activities of HTICI Group unilaterally.

Accordingly, after the reassessment of ALS’s control on HTICI by the management of ALS, should the Placing are fully placed, the ALS Directors consider that the ALS Group will cease to have sufficiently dominant voting interest in HTICI to direct the relevant activities of HTICI Group and HTICI will no longer be a subsidiary of ALS and the financial statements of HTICI will no longer be consolidated into the consolidated financial statements of the ALS Group.

LETTER FROM THE ALS BOARD

Nevertheless, even if the Placing is not fully placed, ALS anticipates that the target fundraising size of the Placing will be at least HK\$200 million such that 500,000,000 new HTICI Shares will be issued. Based on the above anticipation and the current shareholding structure of HTICI, the shareholding interest of ALS in HTICI will be diluted from approximately 29.05% to approximately 27.26% and HTICI will cease to be a subsidiary of ALS upon Completion. In any event, whether HTICI will be deconsolidated from ALS depends on the then shareholding structure of HTICI upon Completion and other various factors in assessing ALS's control on HTICI, which include but not limited to, the relative size and dispersion of other shareholders' shareholdings in HTICI, attendances and voting patterns at previous general meetings of HTICI.

The Possible Deemed Disposal is resulted from the Placing conducted by HTICI but not a direct disposal by ALS of HTICI Shares. The Placing will enable HTICI to obtain substantial financial resources, which can in turn be used to invest in potential business opportunities identified by HTICI. Despite the Possible Deemed Disposal, ALS will continue to be a substantial shareholder and the single largest shareholder of HTICI and the improvement in the business of HTICI will also benefit ALS. ALS acquired its controlling interest in HTICI in 2017. As at the Latest Practicable Date, ALS's weighted average investment cost of each HTICI share was approximately HK\$0.325 and the closing price per HTICI Share was HK\$0.870. Despite the Possible Deemed Disposal, ALS will continue to have significant interest in the business of HTICI and is optimistic towards the prospects of HTICI in the long-run.

IMPACT OF THE POSSIBLE DEEMED DISPOSAL

HTICI Group is principally engaged in (i) rental and trading of construction machinery; (ii) provision of securities brokerage and financial services; (iii) asset management; (iv) securities investment; (v) provision of repair and maintenance and transportation income; (vi) property development; and (vii) money lending. The revenue of HTICI Group represented approximately 78.85% and 75.88% of the revenue of the ALS Group for the year ended 31 March 2023 and the year ended 31 March 2024 respectively. After the Completion (assuming Full Placing), ALS's share of net assets and operating results of HTICI will decrease in accordance with the dilution of its interest in HTICI after the Possible Deemed Disposal and HTICI will not be regarded as a subsidiary of ALS, its results and financial position will be deconsolidated from the financial statements of ALS. ALS will present its own consolidated financial statement and its interest in HTICI will be accounted for as a separate line item as interest in an associate in the balance sheet representing ALS's share of net assets of HTICI. After that, ALS will continue to benefit from its share of net assets and operating results of HTICI through its attributable equity interest in it. Assuming the Possible Deemed Disposal and deconsolidation of HTICI Group takes place on 30 September 2024, the ALS Group would continue to record total assets and total liabilities of approximately HK\$3,587 million and HK\$2,029 million respectively while the net assets attributable to ALS Shareholders would be approximately HK\$1,558 million. Such deconsolidation represents purely one of the forms of accounting treatment, and the estimation is for illustrative purpose only and does not purport to represent how the financial position of the ALS Group will be presented after the Possible Deemed Disposal.

LETTER FROM THE ALS BOARD

Despite the deconsolidation of the financial statements of HTICI Group from that of the ALS Group, ALS will continue to maintain a sizeable business operation as follows:

- (a) ALS will continue to engage in property leasing business through its self-owned commercial property located at 55 Mark Lane, London, the United Kingdom, i.e. the UK Property, with carrying value of approximately HK\$1,497 million as at 30 September 2024. The ALS Group has outstanding bank and other borrowings in respect of the UK Property of approximately HK\$1,193 million as at 30 September 2024. During the year ended 31 March 2024, the rental income derived from the said commercial property was HK\$54 million, which is a significant amount. ALS has been performing a feasibility study on refurbishing the UK Property in order to increase its total leasable area, thereby increasing the rental income in the long-term. Recently, ALS has engaged a reputable external asset manager in the United Kingdom to devise a comprehensive business plan on the UK Property to assist ALS in carrying out the refurbishment project, which includes a major upgrade and/or building additional floors on the UK Property;
- (b) ALS will continue to indirectly hold not less than 24.20% shareholding interest in HTICI with a carrying value of approximately HK\$1,085 million as at 30 September 2024 and have substantial interest in its business. Being the single largest shareholder of HTICI, ALS will continue to communicate with the management of HTICI from time to time to explore the growth potential of the business of HTICI;
- (c) ALS will continue to engage in its equity and debt investment business. As at 30 September 2024, the ALS Group had a substantial investment portfolio with a total carrying value of approximately HK\$260 million, including its investments in listed equity securities, unlisted equity securities, unlisted funds, unlisted debts etc.; and
- (d) ALS continues to actively explore new business opportunities. In particular, ALS is now discussing with a potential party for the acquisition of an artificial intelligence data centre business in the PRC.

In light of the above, ALS considers that the ALS Group's remaining business could maintain a sufficient level of operation and have a sizeable total assets of more than HK\$3 billion after the deemed disposal of HTICI.

The operation of ALS, including its investment in the UK Property, is separate and independent of that of HTICI. Although there will be potential loss of control of HTICI Group, ALS considers that there will not be any material dilution of ALS's effective interest in the HTICI Group. The investment by ALS in HTICI is strategic and for long-term. Taking into account the importance of the financial viability and the prospect of HTICI, ALS considers that the Placing is in the interests of ALS and the ALS Shareholders as a whole.

LETTER FROM THE ALS BOARD

Although HTICI will no longer be a subsidiary of ALS upon Completion, as ALS will continue to have its board representations in HTICI, ALS's economic benefit from its substantial equity interests in HTICI could still be retained.

In the long-term, the Placing will provide financial viability to HTICI and it could benefit from the return of its potential investment opportunities, while ALS could still enjoy the benefits from the increase in net assets value of HTICI and its business development as ALS will still maintain substantial equity interests in HTICI following the deemed disposal of HTICI.

REASONS FOR AND BENEFITS OF THE POSSIBLE DEEMED DISPOSAL

The ALS Board considers that the Possible Deemed Disposal, which constitutes a very substantial disposal of ALS, is conducive to satisfying the long-term development strategies of HTICI, which will in turn also benefit ALS as its substantial shareholder by enhancing its value and profitability in the future.

The ALS Board concurs with the view of the HTICI Board as set out under the paragraph headed "Reasons for the Placing" in the Letter from the HTICI Board that the Placing will supplement the HTICI Group's general working capital and raise funds to support its business development. The ALS Board also considers the immediate additional funding from the Placing will ease the financial pressure that may exert on current business operations of HTICI, and satisfy its business growth with the funds for the expansion and development of an internet data centre and the purchase and installation of relevant hardwares and GPU. It enables HTICI to accelerate the diversification of its business structure, enhance its business profile, and expand its customer base in the long-term by engaging in potential business ventures which involve advanced technology as HTICI considers those to be thriving industries with promising market prospects. The ALS Board considers the Placing represents a good opportunity for HTICI to implement its strategic initiative. As ALS will still maintain substantial equity interests in HTICI following the deemed disposal of HTICI, the ALS Board believes that such benefits will outweigh the dilution effect.

LETTER FROM THE ALS BOARD

The ALS Board has considered and explored other fund-raising alternatives to obtain funds for HTICI before resolving to the proposed Placing, including debt financing and rights issue. For bank borrowings from commercial banks, ALS considered that both ALS and HTICI were unable to provide collateral to secure bank financing, and significant amount of interest expenses will have to be incurred to HTICI for bank borrowings under the current market conditions. The business and operation of ALS and/or HTICI may also be restrained by various positive and negative covenants in the loan documents. Banks have reservation in extending further loans to ALS in view of its loss-making position. After careful evaluation of the ALS Board, debt financing is not considered to be a feasible option for ALS. For other equity fund-raising alternatives such as rights issue, the ALS Board considers that these would involve relatively more time and costs to complete when compared with the Placing. It is also difficult to predict with certainty on the level of acceptance of the HTICI Shareholders. Considering the low trading volume of the ALS Shares, it is difficult to ascertain the level of acceptance of the ALS Shareholders in the rights issue and the potential interest from investors in the placing of the ALS Shares. After considering the aforesaid factors, the ALS Board has determined that conducting the fund-raising through the Placing is the most feasible and efficient approach to raise funds for HTICI.

The ALS Board has taken into account its available financial resources prior to resolving to the proposed Placing to raise funds for HTICI. The cash and cash equivalent of ALS as at 31 March 2024 was approximately HK\$350,000,000. After careful consideration, the ALS Board is of the opinion its cash position will only be sufficient to sustain the business and operations of the ALS Group for approximately one year, including to satisfy its financial obligations of bank loan repayment. Although HTICI will no longer be a subsidiary and will be deconsolidated from the ALS Group upon the Completion (assuming Full Placing), the ALS Board considers that it would be beneficial to support the Placing as it is in ALS's interest as an investor of HTICI to enable HTICI with additional funding from the Placing for the long-term business development and prospect of HTICI.

In light of the above, the ALS Board considers that it would be beneficial to support the Placing, if proceed, is fair and reasonable and in the interest of ALS and its ALS Shareholders.

INFORMATION ON THE ALS GROUP

ALS is an investment holding company incorporated in the Cayman Islands with limited liability, the ALS Shares of which are listed on the Main Board of the Stock Exchange (stock code: 474). As at the Latest Practicable Date, the principal activities of the ALS Group include: (i) securities investment; (ii) provision of securities brokerage and 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.

LETTER FROM THE ALS BOARD

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratio(s) in respect of the Possible Deemed Disposal is/are more than 75%, the Possible Deemed Disposal, if materializes, will constitute a very substantial disposal of ALS under Chapter 14 of the Listing Rules, and is therefore subject to the reporting, announcement and the ALS Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The ALS EGM will be convened and held for the ALS Shareholders to consider and, if thought fit, approve, among other things, the Placing Agreement and the grant of the Specific Mandate.

To the best knowledge, information and belief of the ALS Directors having made all reasonable enquiries, as no ALS Shareholder has a material interest in the Possible Deemed Disposal, no ALS Shareholders will be required to abstain from voting on the relevant resolution(s) to approve the Placing Agreement and the grant of the Specific Mandate at the ALS EGM.

ALS EGM

The ALS EGM will be convened and held to consider and, if thought fit, approve, among other things, the Placing Agreement and the grant of the Specific Mandate, by the ALS Shareholders by way of poll.

A notice convening the ALS EGM to be held at 25/F, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong on Tuesday, 18 March 2025, at 11:00 a.m. is set out on pages ALS-1 to ALS-2 of this joint circular. A **yellow** form of proxy for the ALS EGM is enclosed with this joint circular. Whether or not the ALS Shareholders are able to attend and vote at the ALS EGM, they are requested to read the notice and to complete and sign the accompanying **yellow** form of proxy in accordance with the instructions printed thereon and return it to ALS's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the ALS EGM. Completion and return of the **yellow** form of proxy will not preclude the ALS Shareholders from attending and voting in person at the ALS EGM or any adjournment thereof (as the case may be) should they so wish and, in such event, the **yellow** form of proxy shall be deemed to be revoked.

The resolution(s) put to the ALS EGM will be voted on by way of poll.

LETTER FROM THE ALS BOARD

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the ALS Shareholders' eligibility to attend and vote at the ALS EGM, the register of members of ALS will be closed from Thursday, 13 March 2025 to Tuesday, 18 March 2025, both dates inclusive. During such period, no ALS Share transfers will be registered. In order to qualify to attend and vote at the ALS EGM, all transfers of the ALS Shares accompanied by the relevant share certificates must be lodged with ALS's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 12 March 2025.

RECOMMENDATION

The ALS Directors (including all the independent non-executive ALS Directors) consider that the terms of the Placing Agreement are on normal commercial terms, fair and reasonable so far as the ALS Shareholders are concerned, and are in the interests of ALS and the ALS Shareholders as a whole. Accordingly, the ALS Board would recommend the ALS Shareholders to vote in favour of the resolution to approve the Placing Agreement and transactions contemplated thereunder, including the grant of the Specific Mandate, at the ALS EGM.

RESPONSIBILITY STATEMENT

This joint circular, for which the ALS Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to ALS. The ALS Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this joint circular 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 joint circular misleading.

ADDITIONAL INFORMATION

Your attention is drawn to the notice of the ALS EGM and other additional information as set out in this joint circular.

LETTER FROM THE ALS BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this joint circular.

Yours faithfully,

By order of the ALS Board

Aceso Life Science Group Limited

Zhiliang Ou

Executive Director

Set out below are the unaudited consolidated statements of financial position of HTICI Group (the “**Disposal Group**”) as at 31 March 2022, 2023 and 2024 and 30 September 2024 and the unaudited consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Disposal Group for each of the three years ended 31 March 2024 and the six months ended 30 September 2023 and 2024 (the “**Relevant Periods**”) and explanatory notes collectively referred to as the “**Unaudited Financial Information**”. The Unaudited Financial Information has been presented on the basis set out in note 2 of the notes to the Unaudited Financial Information and are prepared in accordance with the accounting policies adopted by ALS as shown in its annual report for the year ended 31 March 2024, and Rule 14.68(2)(a)(i) of the Listing Rules.

The Unaudited Financial Information is prepared by the Directors of ALS solely for the purpose of inclusion in this joint circular in connection with the Possible Deemed Disposal. The Company’s auditors, Moore CPA Limited (the “**reporting accountants**”), were engaged to review the Unaudited Financial Information of the Disposal Group set out on pages I-2 to I-17 of this appendix in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” and with reference to Practice Note 750 “Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal” issued by the Hong Kong Institute of Certified Public Accountants.

A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the reporting accountants to obtain assurance that the reporting accountants would become aware of all significant matters that might be identified in an audit. Accordingly, the reporting accountants do not express an audit opinion.

Based on their review on the Unaudited Financial Information of the Disposal Group, nothing has come to their attention that causes them to believe that the Unaudited Financial Information is not prepared, in all material respects, in accordance with the basis of preparation as set out in note 2 below.

A. CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 March			Six months ended	
	30 September				
	2022	2023	2024	2023	2024
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
Revenue	220	246	173	86	86
Cost of revenue	(144)	(164)	(109)	(54)	(55)
Gross profit	76	82	64	32	31
Other income	26	37	43	20	14
Other (losses)/gains, net	(385)	76	(174)	(92)	(6)
Administrative expenses	(58)	(53)	(58)	(26)	(27)
(Provision)/reversal of provision of impairment loss on financial assets (expected credit losses)	(13)	39	(37)	(6)	(17)
Fair value loss of investment properties	–	–	(1)	–	–
Share-based payment expenses	(7)	(3)	–	(1)	–
Share of results of associates	(17)	(45)	(325)	–	(69)
Share of results of a joint venture	1	–	–	–	–
Finance costs	(29)	(19)	(20)	(9)	(6)
(Loss)/profit before taxation	(406)	114	(508)	(82)	(80)
Income tax expense	(6)	(6)	(4)	(3)	(1)
(Loss)/profit for the year/period	(412)	108	(512)	(85)	(81)
Other comprehensive (expenses)/ income after tax:					
<i>Items that will not be reclassified to profit or loss:</i>					
Fair value loss on investments in equity instruments at fair value through other comprehensive income (“FVTOCI”)	(16)	(23)	(87)	(17)	(32)

	Year ended 31 March			Six months ended	
	2022	2023	2024	30 September 2023	2024
	HK\$'million	HK\$'million	HK\$'million	HK\$'million	HK\$'million
<i>Items that may be reclassified to profit or loss:</i>					
Share of associates' exchange differences on translating foreign operation	11	3	(4)	(3)	(4)
Exchange differences on translating foreign operations	<u>(2)</u>	<u>(16)</u>	<u>(25)</u>	<u>(22)</u>	<u>46</u>
Other comprehensive expenses for the year/period, net of tax	<u>(7)</u>	<u>(36)</u>	<u>(116)</u>	<u>(42)</u>	<u>10</u>
Total comprehensive (expenses)/ income for the year/period	<u>(419)</u>	<u>72</u>	<u>(628)</u>	<u>(127)</u>	<u>(71)</u>
(Loss)/profit for the year/period attributable to:					
Owners of HTICI	(412)	108	(463)	(85)	(71)
Non-controlling interests	<u>–</u>	<u>–</u>	<u>(49)</u>	<u>–</u>	<u>(10)</u>
	<u>(412)</u>	<u>108</u>	<u>(512)</u>	<u>(85)</u>	<u>(81)</u>

	Year ended 31 March			Six months ended	
				30 September	
	2022	2023	2024	2023	2024
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
Total comprehensive (expenses)/					
income for the year/period					
attributable to:					
Owners of HTICI	(419)	72	(579)	(126)	(61)
Non-controlling interests	—	—	(49)	(1)	(10)
	<u>(419)</u>	<u>72</u>	<u>(628)</u>	<u>(127)</u>	<u>(71)</u>

B. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As of 31 March		As at 30 September	
	2022	2023	2024	2024
	HK\$'million	HK\$'million	HK\$'million	HK\$'million
Non-current assets				
Property, plant and equipment	199	205	192	176
Right-of-use assets	29	27	18	25
Investment properties	–	–	7	7
Intangible assets	5	5	5	5
Interests in associates	1,220	1,128	798	724
Interests in joint ventures	–	–	–	21
Financial assets at FVTOCI	42	345	258	239
Loan receivables	6	–	–	–
Finance lease receivables	2	–	–	2
Deferred tax assets	4	2	1	1
Properties for development	368	352	326	373
Other receivables and deposits	10	4	9	1
Other financial asset	–	–	1	1
Corporate note receivable	–	42	–	–
Total non-current assets	<u>1,885</u>	<u>2,110</u>	<u>1,615</u>	<u>1,575</u>
Current assets				
Inventories	5	1	1	1
Trade receivables	126	91	185	192
Other receivables, deposits and prepayments	74	43	37	72
Financial assets at fair value through profit or loss (“FVTPL”)	239	178	13	–
Loan receivables	53	45	20	10
Finance lease receivables	4	2	1	3
Corporate note receivables	358	360	412	45
Trusted and segregated bank accounts	96	554	4	6
Cash and cash equivalents	<u>91</u>	<u>105</u>	<u>100</u>	<u>56</u>
Total current assets	<u>1,046</u>	<u>1,379</u>	<u>773</u>	<u>385</u>
Total assets	<u>2,931</u>	<u>3,489</u>	<u>2,388</u>	<u>1,960</u>

	As of 31 March		As at 30 September	
	2022	2023	2024	2024
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
Current liabilities				
Lease liabilities	12	15	10	10
Bank and other borrowings	292	263	293	79
Trade payables	6	13	6	3
Other payables, deposits received and accruals	278	665	240	103
Income tax payables	9	12	5	5
Total current liabilities	597	968	554	200
Net current assets	817	411	219	185
Total assets less current liabilities	2,334	2,521	1,834	1,760
Non-current liabilities				
Lease liabilities	17	14	9	16
Deferred tax liabilities	24	24	22	21
Bank and other borrowings	31	41	28	17
Financial liabilities at FVTPL	629	578	539	541
Total non-current liabilities	701	657	598	595
NET ASSETS	1,633	1,864	1,236	1,165

	As of 31 March		As at 30 September	
	2022	2023	2024	2024
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
EQUITY				
Share capital	76	76	76	76
Reserves	<u>1,557</u>	<u>1,619</u>	<u>1,040</u>	<u>979</u>
	1,633	1,695	1,116	1,055
Non-controlling interests	<u>–</u>	<u>169</u>	<u>120</u>	<u>110</u>
TOTAL EQUITY	<u><u>1,633</u></u>	<u><u>1,864</u></u>	<u><u>1,236</u></u>	<u><u>1,165</u></u>

C. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of HTICI										
	Share capital	Share premium	Share-based payment reserve	Capital reserve	Other reserve	FVTOCI reserve	Translation reserve	Retained earnings/ (accumulated losses)	Total	Non-controlling interests	Total equity
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
At 1 April 2021	67	1,255	10	55	1	11	–	325	1,724	–	1,724
Loss for the year	–	–	–	–	–	–	–	(412)	(412)	–	(412)
Other comprehensive (expenses) income for the year:											
Fair value loss on investment in equity instruments at FVTOCI	–	–	–	–	–	(16)	–	–	(16)	–	(16)
Share of associate's exchange difference on translating foreign operation	–	–	–	–	–	–	11	–	11	–	11
Exchange difference on translating foreign operations	–	–	–	–	–	–	(2)	–	(2)	–	(2)
Total comprehensive expenses for the year	–	–	–	–	–	(16)	9	(412)	(419)	–	(419)
Transactions with equity holders:											
Issue of consideration shares	8	313	–	–	–	–	–	–	321	–	321
Disposal of financial assets at FVTOCI	–	–	–	–	–	(2)	–	2	–	–	–
Issue of award shares	1	6	(7)	–	–	–	–	–	–	–	–
Share-based payment expenses	–	–	7	–	–	–	–	–	7	–	7
At 31 March 2022	76	1,574	10	55	1	(7)	9	(85)	1,633	–	1,633
Profit for the year	–	–	–	–	–	–	–	108	108	–	108
Other comprehensive (expenses) income for the year:											
Fair value loss on investments in equity instruments at FVTOCI	–	–	–	–	–	(23)	–	–	(23)	–	(23)
Share of associate's exchange differences on translating foreign operation	–	–	–	–	–	–	3	–	3	–	3
Exchange differences on translating foreign operation	–	–	–	–	–	–	(16)	–	(16)	–	(16)
Total comprehensive income for the year	–	–	–	–	–	(23)	(13)	108	72	–	72
Transactions with equity holders:											
Issue of award shares	–	6	(6)	–	–	–	–	–	–	–	–
Share-based payment expenses	–	–	3	–	–	–	–	–	3	–	3
Disposal of interests in subsidiary without loss in control	–	–	–	–	(13)	–	–	–	(13)	169	156
At 31 March 2023	76	1,580	7	55	(12)	(30)	(4)	23	1,695	169	1,864

APPENDIX I

FINANCIAL INFORMATION OF THE HTICI GROUP

	Attributable to owners of HTICI										
	Share capital	Share premium	Share-based payment reserve	Capital reserve	Other reserve	FVTOCI reserve	Translation reserve	Retained earnings/ (accumulated losses)	Total	Non-controlling interests	Total equity
	HK\$'million	HK\$'million	HK\$'million	HK\$'million	HK\$'million	HK\$'million	HK\$'million	HK\$'million	HK\$'million	HK\$'million	HK\$'million
Loss for the year	-	-	-	-	-	-	-	(463)	(463)	(49)	(512)
Other comprehensive expenses for the year:											
Fair value loss on investments in equity instruments at FVTOCI	-	-	-	-	-	(87)	-	-	(87)	-	(87)
Share of associate's exchange differences on translating foreign operation	-	-	-	-	-	-	(4)	-	(4)	-	(4)
Exchange differences on translating foreign operations	-	-	-	-	-	-	(25)	-	(25)	-	(25)
Total comprehensive expenses for the year	-	-	-	-	-	(87)	(29)	(463)	(579)	(49)	(628)
Transactions with equity holders:											
Issue of award shares	-	6	(6)	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	(1)	-	-	-	-	1	-	-	-
At 31 March 2024	76	1,586	-	55	(12)	(117)	(33)	(439)	1,116	120	1,236
Loss for the period	-	-	-	-	-	-	-	(71)	(71)	(10)	(81)
Other comprehensive (expenses) income for the period:											
Fair value loss on investments in equity instruments at FVTOCI	-	-	-	-	-	(32)	-	-	(32)	-	(32)
Share of associate's exchange differences on translating foreign operation	-	-	-	-	-	-	(4)	-	(4)	-	(4)
Exchange differences on translating foreign operations	-	-	-	-	-	-	46	-	46	-	46
Total comprehensive expenses for the year	-	-	-	-	-	(32)	42	(71)	(61)	(10)	(71)
Transactions with equity holders:											
Issue of award shares	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
At 30 September 2024	76	1,586	-	55	(12)	(149)	9	(510)	1,055	110	1,165

APPENDIX I

FINANCIAL INFORMATION OF THE HTICI GROUP

	Attributable to equity holders of the HTICI										
	Fair value					Retained			Non-		
	through other					earnings/			controlling		
	Share	Capital	payments	income	Translation	(accumulated	Others				
	capital	premium	reserve	reserve	reserve	losses)	reserve	Sub-total	interests	Total	
	HK\$'million	HK\$'million	HK\$'million	HK\$'million	HK\$'million	HK\$'million	HK\$'million	HK\$'million	HK\$'million	HK\$'million	
At 1 April 2023	76	1,580	55	7	(30)	(4)	23	(12)	1,695	169	1,864
Loss for the period	-	-	-	-	-	-	(85)	-	(85)	-	(85)
Other comprehensive expenses for the period:											
Fair value loss on investments in equity instruments at FVTOCI	-	-	-	-	(17)	-	-	-	(17)	-	(17)
Share of associates exchange differences on translating foreign operation	-	-	-	-	-	(3)	-	-	(3)	-	(3)
Exchange differences on translating foreign operations	-	-	-	-	-	(21)	-	-	(21)	(1)	(22)
Total comprehensive expenses for the period	-	-	-	-	(17)	(24)	(85)	-	(126)	(1)	(127)
Equity-settled share-based payment	-	-	-	1	-	-	-	-	1	-	1
Issue of Shares:											
– award shares	-	5	-	(5)	-	-	-	-	-	-	-
At 30 September 2023	76	1,585	55	3	(47)	(28)	(62)	(12)	1,570	168	1,738

D. CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 March			Six months ended	
				30 September	
	2022	2023	2024	2023	2024
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
Cash flows (used in)/from					
operating activities					
(Loss)/profit before taxation	(406)	114	(508)	(82)	(80)
Adjustments for:					
Depreciation of property, plant and equipment	37	35	32	15	16
Depreciation of right-of-use assets	10	12	13	7	6
Fair value (gains)/losses:					
– financial assets at FVTPL	397	(16)	183	116	4
– financial liabilities at FVTPL	1	(51)	(39)	(26)	2
– investment properties	–	–	1	–	–
Finance costs	29	19	20	9	6
Gain on disposal of associates	–	(1)	–	–	–
Gain on disposal of a subsidiary	–	(1)	–	–	–
Gain on disposal of property, plant and equipment	–	(6)	–	–	–
Gain on settlement of other receivable	(12)	–	–	–	–
Provision for/(reversal of provision) of financial assets (expected credit loss)	13	(39)	37	6	17
Provision for liabilities arising from financial assets at FVTPL	–	–	27	–	–
Interest earned on corporate note receivables	(17)	(23)	(25)	(12)	(4)
Interest earned on bank deposits	(1)	(2)	(5)	(2)	(2)
Loss on disposal of a joint venture	1	–	–	–	–
Share-based payment expenses	7	3	–	1	–
Share of results of associates	17	45	325	–	69
Share of results of a joint venture	(1)	–	–	–	–

	Year ended 31 March			Six months ended	
				30 September	
	2022	2023	2024	2023	2024
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
Operating profit before working capital and other changes	75	89	61	32	34
Working capital and other changes:					
Finance lease receivables	1	4	1	–	(4)
Financial assets at FVTPL	94	46	(20)	–	8
Inventories	10	19	2	–	–
Additions of assets held for rental and subsequently held for sale	–	(23)	(25)	–	–
Loans receivables	218	(5)	–	(2)	1
Other receivables, deposits and prepayments	(4)	(8)	8	(4)	(16)
Other payables, deposits received and accruals	23	(16)	(5)	(1)	(3)
Trade payables	2	7	(7)	(6)	(3)
Trade receivables	(22)	44	(94)	(20)	(9)
Cash from/(used in) operations	397	157	(79)	(1)	8
Income tax paid	(4)	(1)	(11)	–	(2)
Net cash from/(used in) operating activities	393	156	(90)	(1)	(6)

	Year ended 31 March			Six months ended	
				30 September	
	2022	2023	2024	2023	2024
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
Cash flows (used in)/from investing activities					
Consideration paid for acquisition of corporate note receivables	(352)	(396)	(367)	(374)	–
Acquisition of financial assets at FVTOCI	(4)	(121)	–	–	(13)
Withdrawal of pledged deposits	5	–	–	–	–
Consideration paid for investment in joint ventures	–	–	–	–	(21)
Purchase of property, plant and equipment	(56)	(23)	(2)	(18)	–
Deposit paid for purchase of property, plant and equipment	–	–	(9)	–	(11)
Repayment of corporate note receivables	–	377	370	370	365
Proceeds from disposal of property, plant and equipment	13	6	–	–	–
Proceeds from disposal of associates	–	16	1	1	–
Proceeds from disposal of a joint venture	4	–	–	–	–
Proceeds from disposal of financial assets at FVTPL	–	10	–	–	–
Interest received	13	2	5	2	2
Proceeds from disposal of a subsidiary	–	1	–	–	–
Net cash (used in)/from investing activities	<u>(377)</u>	<u>(128)</u>	<u>(2)</u>	<u>(19)</u>	<u>322</u>

	Year ended 31 March			Six months ended	
				30 September	
	2022	2023	2024	2023	2024
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
Cash flows (used in)/from financing activities					
Repayment of bank and other borrowings	(220)	(366)	(246)	(229)	(225)
Repayment of corporate note payables	(108)	(63)	–	–	–
Advance from/(repayment to) a director	12	(20)	1	–	–
Interest paid	(27)	(19)	(20)	(8)	(6)
Lease liabilities paid	(13)	(14)	(14)	(7)	(6)
Advance from (repayment to) fellow subsidiaries	(3)	(7)	10	–	–
Proceeds from bank and other borrowings	331	319	263	231	–
Proceeds from disposal of interests in subsidiaries without loss of control	–	156	–	–	–
Advance from (repayment to) intermediate holding company	–	–	92	–	(136)
Net cash (used in)/from financing activities	<u>(28)</u>	<u>(14)</u>	<u>86</u>	<u>(13)</u>	<u>(373)</u>

	Year ended 31 March			Six months ended	
				30 September	
	2022	2023	2024	2023	2024
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
Net (decrease)/increase in cash and cash equivalents	(12)	14	(6)	(33)	(45)
Cash and cash equivalents at beginning of year/period	107	91	105	105	100
Effect of foreign exchange rate changes, net	<u>(4)</u>	<u>–</u>	<u>1</u>	<u>1</u>	<u>1</u>
Cash and cash equivalents at end of year/period	<u>91</u>	<u>105</u>	<u>100</u>	<u>73</u>	<u>56</u>

NOTES TO THE FINANCIAL INFORMATION

1. GENERAL

HTICI is an exempted limited liability company incorporated in the Cayman Islands. The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands. The principal place of business in Hong Kong is Rooms 2510–2518, 25/F, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong. The ordinary shares of HTICI are listed on the Main Board of the Stock Exchange.

On 3 October 2024 (after trading hours), the Placing Agent and HTICI entered into the Placing Agreement pursuant to which HTICI has conditionally agreed to place, through the Placing Agent on a best efforts basis, an aggregate of up to 1,524,224,000 Placing Shares of HTICI at the Placing Price of HK\$0.4 per Placing Share HTICI to not less than six Placees.

Assuming all the 1,524,224,000 Placing Shares are successfully placed under the Placing Agreement, the shareholding interest of ALS in HTICI will be diluted from approximately 29.05% to approximately 24.20% (assuming no other change to the issued share capital of HTICI between the Latest Practicable Date and the date of the Completion, other than the issue by HTICI of the Placing Shares), representing a decrease of approximately 4.85% (the “**Possible Deemed Disposal**”). Immediately upon the Completion, HTICI Group will cease to be subsidiaries of ALS, considering the ALS Group will cease to have sufficiently dominant voting interest in HTICI to direct the relevant activities of HTICI Group.

2. BASIS OF PREPARATION OF THE UNAUDITED FINANCIAL INFORMATION

The unaudited financial information of the Disposal Group has been prepared in accordance with Rule 14.68(2)(a)(i)(A) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and is solely for the purpose of inclusion in this joint circular issued by ALS and HTICI in connection with the Deemed Disposal. The amounts included in the unaudited financial information of the Disposal Group for each of the three years ended 31 March 2024 and the six months ended 30 September 2023 and 2024 has been prepared using the same accounting policies as those adopted by ALS in the preparation of ALS's annual consolidated financial statements for the year ended 31 March 2024, which conform with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. The unaudited financial information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 "Presentation of Financial Statements" or an interim financial report as defined in Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and should be read in conjunction with ALS's and HTICI's published annual consolidated financial statements.

The Financial Information is presented in Hong Kong dollars ("HK\$"), which is the functional currency of HTICI, and all values are rounded to the nearest million ("million") except when otherwise indicated.

Certain figures as set out in the consolidated statements of financial positions as at 31 March 2022 and 2023 have been reclassified to conform with 31 March 2024's presentation. These reclassifications have no material effect on the consolidated statements of financial position of the HTICI Group as at 31 March 2022 and 2023.

1. FINANCIAL SUMMARY OF THE ALS GROUP

Financial information of the ALS Group for each of the financial years ended 31 March 2022, 2023 and 2024 and for the six months ended 30 September 2024 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and ALS (www.acesogrouphk.com):

- (i) Interim Report for the six months ended 30 September 2024:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1220/2024122000634.pdf>

- (ii) Annual Report for the year ended 31 March 2024:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0726/2024072601341.pdf>

- (iii) Annual Report for the year ended 31 March 2023:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0726/2023072601157.pdf>

- (iv) Annual Report for the year ended 31 March 2022:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0728/2022072800721.pdf>

2. WORKING CAPITAL

As at 31 December 2024, the ALS Group had bank borrowings of approximately HK\$1,088 million and corporate notes of approximately HK\$470 million repayable within one year.

The ALS Group might not have sufficient working capital to operate if such bank borrowings and/or corporate notes are required to be repaid and all other alternative financing and operating plans as described below cannot be implemented as planned. These conditions indicate the existence of uncertainties of the working capital sufficiency of the ALS Group.

In view of these circumstances, the ALS Directors have prepared a cash flow forecast covering a period of 18 months ending 30 June 2026. In doing so, they have given careful consideration to the future liquidity and cash flows of the ALS Group in assessing whether the ALS Group will have sufficient financial resources to meet its operational, existing contractual debt obligation and capital expenditure requirements for at least 12 months from the date of publication of this joint circular after taking into account of the following plans and measures:

1. the renewal of the existing bank borrowings and the existing corporate notes which had records of being renewed successfully previously and certain of the corporate note holders had expressed their intention for renewal;
2. the ALS Group has been actively seeking new sources of financing from other financial institutions;
3. obtaining additional cash inflows through utilising the ALS Group's assets, including the HTICI Shares held by the ALS Group, both free of encumbrances and pledge, to secure funds at reasonable costs; and
4. taking active measures to control administrative costs in order to improve the ALS Group's operating cash flows and financial position.

Taking into account the financial resources available to the ALS Group, including the internally generated funds, the existing cash and bank balances available, the effect of the Possible Deemed Disposal, and based on the assumptions as described above that the ALS Group will be able to renew the bank borrowings and/or corporate notes, in the absence of unforeseeable circumstances, the ALS Directors, after due and careful consideration, are of the opinion that the ALS Group has sufficient working capital for its present requirements for at least the next 12 months from the date of publication of this joint circular.

Notwithstanding the above, uncertainty exists as to whether the bank borrowings and corporate notes can be renewed and all other alternative operating and financing plans as the ALS Group is still negotiating with its external financiers on the financing to the ALS Group.

ALS has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

3. INDEBTEDNESS

As at the close of business on 31 December 2024, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this joint circular, the ALS Group had outstanding borrowings and debts, details of which are set out below:

Bank and other borrowings

	<i>HK\$'million</i>
Carrying amounts – secured and guaranteed	345
Carrying amounts – secured and unguaranteed	843
Carrying amounts – unsecured and unguaranteed	<u>8</u>
	<u><u>1,196</u></u>

Bank and other borrowings amounting to approximately HK\$345 million were secured by Ms. Li Shao Yu's own property and guaranteed by Ms. Li Shao Yu, approximately HK\$747 million were secured by mortgages over the UK Property owned by the ALS Group and approximately HK\$96 million were secured by corporate note receivables, property, plant and equipment, financial assets at fair value through profit or loss and pledged bank deposits.

Corporate note payables

	<i>HK\$'million</i>
Carrying amounts – secured and unguaranteed	370
Carrying amounts – unsecured and unguaranteed	<u>985</u>
	<u><u>1,355</u></u>

Corporate note payables amounting to approximately HK\$370 million were secured by equity interest in a subsidiary of the ALS Group. This subsidiary is the intermediate holding company of the subsidiary which owns the UK Property.

Lease liabilities

As at the close of business on 31 December 2024, the lease liabilities of approximately HK\$26 million were secured by rental deposits and unguaranteed.

Save as disclosed above and for intra-group liabilities, the ALS Group did not have any debt securities authorized or created but unissued, issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guaranteed, unguaranteed, secured and unsecured borrowing and debt, or other material contingent liabilities as at 31 December 2024.

4. MATERIAL ADVERSE CHANGE

The ALS Directors confirm that, as at the Latest Practicable Date, subject to other unpredictable circumstances, there has been no material adverse change in the financial or trading position or outlook of the ALS Group since 31 March 2024, being the date to which the latest published audited financial statements of ALS were made up, up to and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECTS OF THE ALS GROUP

The ALS Group will continue focusing its efforts on the development of its existing principal businesses, including property investment and investment in securities while exploring other potential projects with a view to providing steady and favourable returns to the ALS Shareholders and bringing increased values to the ALS Group's stakeholders.

Despite the increasing uncertainties and volatilities on global economic landscape brought by high inflation and interest rates and geopolitical tensions which hinder the post-pandemic normalcy and recovery of Hong Kong, the ALS Group continuously and closely monitors the current situation and remains prudently optimistic about the business prospects of the ALS Group and the ALS Group will stay abreast of the latest market movements, adopt flexible and cautious business strategies and continue to grow over the longer term of the global markets.

In line with its investment strategy and policy, ALS will continue to identify appropriate investment and divestment opportunities during this challenging period that fit the objective and investment criteria of ALS, and will continue to seek quality opportunities to replenish its property portfolio on an ongoing business exercise. The ALS Board will exercise utmost caution so as to bring long-term benefits to the operating and financial results of ALS in the foreseeable future.

6. MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING ALS GROUP

Set out below is the management discussion and analysis on the continuing operations of the Remaining ALS Group for the years ended 31 March 2022, 2023 and 2024 and the six months ended 30 September 2024.

The financial data in respect of the Remaining ALS Group, for the purpose of this joint circular, is derived from the consolidated financial statements of ALS for the reporting periods. For further financial information of the ALS Group, please refer to the section headed “Management Discussion and Analysis” of ALS’s annual reports for the years ended 31 March 2022, 2023 and 2024 and ALS’s interim report for the six months ended 30 September 2024.

OVERVIEW

Following the Completion, the Remaining ALS Group will continue to engage in the businesses of property investment and investment in securities. The following is based on the assumption that the Completion took place on 31 March 2021 (with a total of 1,524,224,000 new HTICI Shares having been issued by HTICI), and investment in HTICI is classified as an associate company thereafter.

FINANCIAL RESULTS

For the six months ended 30 September 2024

For the period, the Remaining ALS Group’s revenue amounted to approximately HK\$23 million as compared with the six months ended 30 September 2023 (the “**2023 Period**”) of approximately HK\$27 million, which represented a decrease of approximately HK\$4 million. The Remaining ALS Group’s revenue for the period was derived from its property investment business. The period’s gross profit margin was approximately 100% (2023 Period: approximately 92%).

For the period, the Remaining ALS Group’s consolidated loss attributable to shareholders of ALS was approximately HK\$135 million as compared with the 2023 Period of approximately HK\$200 million. The decrease in net loss was mainly attributable to, among other things, the decrease in fair value loss on financial assets through profit or loss.

The basic and diluted loss per share amounted to HK 1.95 cents and HK 1.95 cents for the period, as compared with basic and diluted loss per share of HK 2.95 cents and HK 2.95 cents for the 2023 Period.

For the year ended 31 March 2024

For the year ended 31 March 2024, the Remaining ALS Group's revenue amounted to approximately HK\$55 million as compared with the previous year ended 31 March 2023 of approximately HK\$66 million, which represented a decrease of approximately HK\$11 million or approximately 16%. Revenue of approximately HK\$54 million was derived from the Remaining ALS Group's property investment business and approximately HK\$1 million was derived from the Remaining ALS Group's money lending business. As disclosed in the annual reports of ALS for the years ended 31 March 2022, 2023 and 2024 respectively, ALS has been streamlining the client base of its money lending business since 2022, hence the revenue generated by such business has been decreasing since then. This strategic initiative was taken after assessing the credit risks associated with its client base. This year's gross profit margin was approximately 96% (2023: approximately 89%).

For the year, the Remaining ALS Group's consolidated loss attributable to the ALS's owners was approximately HK\$490 million as compared with the loss of HK\$276 million during the previous year. The increase in net loss was mainly attributable to, among other things, the increases of losses from fair value change on investment property, increase in sharing of loss of associate company and loss on disposal of associate company.

The basic and diluted loss per share amounted to HK 6.99 cents and HK 6.99 cents for the year, as compared with basic and diluted loss per share of HK 3.94 cents and HK 3.94 cents for the previous year.

For the year ended 31 March 2023

For the year ended 31 March 2023, the Remaining ALS Group's revenue amounted to approximately HK\$66 million (2022: approximately HK\$95 million), representing a decrease of approximately HK\$29 million or approximately 30% as compared to the previous year ended 31 March 2022. Revenue of approximately HK\$55 million was derived from the Remaining ALS Group's property investment business and approximately HK\$11 million was derived from the Remaining ALS Group's money lending business.

Loss for the year attributable to ALS's owners was approximately HK\$276 million (2022: loss of approximately HK\$344 million), representing a decrease of 20% as compared with the previous year.

The gross profit margin for the year was approximately 89%, as compared to the previous year of approximately 90%, representing a decrease of approximately 1%.

The basic and diluted loss per share amounted to HK 3.94 cents and HK 3.94 cents for the year, as compared with basic and diluted loss per share of HK 4.29 cents and HK 4.15 cents for the previous year.

For the year ended 31 March 2022

For the year ended 31 March 2022, the Remaining ALS Group's revenue amounted to approximately HK\$95 million (2021: approximately HK\$126 million), representing a decrease of approximately HK\$31 million or approximately 25% as compared to the previous year ended 31 March 2021. Revenue of approximately HK\$71 million was derived from the Remaining ALS Group's property investment business and approximately HK\$24 million was derived from the Remaining ALS Group's money lending business.

The loss for the year attributable to the ALS's owners was approximately HK\$344 million (2021: loss of approximately HK\$409 million).

The gross profit margin for the year was approximately 90%, as compared to the previous year of approximately 95%, representing a decrease of approximately 5%.

The basic and diluted loss per share amounted to HK 4.29 cents and HK 4.15 cents for the year, as compared with basic and diluted loss per share of HK 5.99 cents and HK 5.6 cents for the previous year.

BUSINESS REVIEW

The review of each business segment of the Remaining ALS Group is set out below.

Property Investment

As at 31 March 2022, 2023, 2024 and 30 September 2024, the Remaining ALS Group's portfolio of investment properties comprised of commercial properties located in Zone 1 of the London Central Business District, at 55 Mark Lane, London, United Kingdom. For the years ended 31 March 2022, 2023 and 2024 and the six months ended 30 September 2024, the rental income of the Remaining ALS Group were approximately HK\$71 million, HK\$55 million, HK\$54 million and HK\$23 million respectively. The decrease in rental income was primarily attributable to the tenant on the 4th floor of the UK Property having moved out in late July 2022 and the 4th floor has remained vacant thereafter.

As at 31 March 2022, 2023, 2024 and 30 September 2024, the overall occupancy rate of the UK Property was 95%, 83%, 83% and 83% respectively.

Investment in securities and others

The Remaining ALS Group invested in a diversified portfolio of investments, including listed and unlisted equity securities, equity-linked notes, bonds and other investment products based on (i) potential return on investment in terms of capital appreciation and dividend payment for the targeted holding period; (ii) risks exposure in comparison with the Remaining ALS Group's risk tolerance level at the material time; and (iii) diversification of the existing investment portfolio.

As at 31 March 2022, 2023, 2024 and 30 September 2024, the Remaining ALS Group's financial assets at fair value through profit or loss amounted to approximately HK\$311 million, HK\$237 million, HK\$106 million and HK\$79 million. As at 31 March 2022, 2023, 2024 and 30 September 2024, the Remaining ALS Group's financial assets at fair value through other comprehensive income amounted to approximately HK\$438 million, HK\$475 million, HK\$206 million and HK\$196 million. There were no investments held by the Remaining ALS Group, the value of which was more than 5% of the total assets of the Remaining ALS Group. The Remaining ALS Group recorded a segment result of profit/(loss) of approximately HK\$132 million, HK\$28 million, HK\$(126 million) and HK\$(18 million) during the years ended 31 March 2022, 2023, 2024 and the six months ended 30 September 2024 respectively.

MATERIAL ACQUISITIONS AND DISPOSALS

In April 2021, the ALS Group entered into a share purchase agreement with Mr. Su Junhao, pursuant to which the ALS Group acquired from Mr. Su 49% equity interests in Kingdom Future Limited (“**KFL**”) at the consideration of approximately HK\$321 million which was settled by way of allotment and issue of approximately 867 million HTICI Shares. KFL, through its interests in Tisé Equity SP-1, acquired shares of New Gains Group Limited. The acquisition was completed in May 2021. The allotment and issue of the above-mentioned shares by HTICI resulted in the dilution of ALS’s percentage shareholding in HTICI from approximately 53% to 47% and therefore constituted a deemed disposal of ALS under the Listing Rules.

In July 2021, the ALS Group entered into a sale and purchase agreement with Hundred Gain Industrial Investment Company Limited (“**Hundred Gain**”), pursuant to which the ALS Group sold 637,500,000 HTICI Shares, representing approximately 8.44% of the then issued share capital of HTICI, to Hundred Gain at HK\$0.52 each for a total cash consideration of HK\$331,500,000. Disposal of 61,488,000 HTICI Shares was completed by ALS Group in 2021 which resulted in the decrease of ALS’s percentage of shareholding in HTICI by approximately 0.81% in aggregate. However, the sale and purchase in respect of the remaining 576,012,000 HTICI Shares did not proceed to completion.

On 11 May 2022, Victory Bright Limited (“**Victory Bright**”) and Alcott Global Limited (“**Alcott Global**”), both being indirect non-wholly owned subsidiary of ALS, and Glaring Sand Holdings Limited (“**Glaring Sand**”) entered into a sale and purchase agreement, pursuant to which Victory Bright conditionally agreed to sell 15 issued shares of Alcott Global, representing 15% of the entire issued share capital of Alcott Global at a consideration of US\$20 million (equivalent to approximately HK\$157 million). The transaction was completed on 16 May 2022. The major asset of Alcott Global is 22% of the issued share capital of CESIZ (Cambodia) Co., Ltd. a company incorporated in Cambodia with limited liability which is principally engaged in investment in urban complex development project. It has obtained approval from the Council of Ministers to establish a special economic zone at Koh Kong Province, Cambodia.

On 22 June 2022, the ALS Group executed an order for the purchase of notes, with principal amount of US\$45,000,000 (the “**2022 Nanshan Notes**”) at the consideration of US\$45,000,000 (approximately HK\$354 million). The 2022 Nanshan Notes are interest bearing at 7% per annum, guaranteed by Nanshan Group Co., Ltd and due on 23 June 2023. Expected credit loss amounted to HK\$1 million was provided as at 31 March 2023. All the principal and interest from 2022 Nanshan Notes have been settled on due date.

On 22 June 2022, True Well Limited, an indirect non-wholly owned subsidiary of ALS, executed an order with Shanghai Commercial Bank for a bond purchase at the consideration of approximately US\$45 million (equivalent to approximately HK\$355 million).

On 23 June 2022, Victor Ocean Developments Limited, an indirect non-wholly owned subsidiary of ALS, executed an agreement for the disposal of 49% equity interest in Triple Blessing International Limited, an associated of the Group, at a consideration of HK\$44 million.

On 19 July 2022, Glory Century Limited, an indirect non-wholly owned subsidiary of ALS, received a statement confirming that the redemption of 126,068.186 Participating Shares in HT Riverwood Multi-Growth Fund (formerly Riverwood Multi-Growth Fund) at the aggregate redemption price of approximately US\$5.8 million (equivalent to approximately HK\$45 million) on 4 July 2022.

On 28 October 2022, Novel Advice Limited, an indirect non-wholly-owned subsidiary of ALS, and Leading Partner Group Limited, a direct wholly-owned subsidiary of ALS, executed an agreement for the acquisition of 6% and 4% equity interest in China Pearl Global Limited, at a consideration of HK\$255 million and HK\$170 million, respectively. The acquisition was completed on 7 November 2022.

On 13 June 2023 and 29 June 2023, the ALS Group executed orders for the purchase of notes with principal amounts of HK\$250 million and HK\$101 million (collectively, the “**2023 Nanshan Notes**”) at the consideration of approximately HK\$250 million and HK\$101 million, respectively. The note purchases constituted discloseable transaction under the Listing Rules. 2023 Nanshan Notes are interest bearing at 7.5% per annum, guaranteed by Nanshan Group Co., Ltd. and due on 14 June 2024. Expected credit loss amounted to HK\$2 million was provided as at 31 March 2024. All the principal and interest from 2023 Nanshan Notes have been settled on due date and no further execution orders for purchase of notes issued by Nanshan have been placed by the ALS Group subsequent to the settlement.

On 27 July 2023, the ALS Group entered into a sale and purchase agreement with Yitai Share (Hongkong) Co., Limited (“**Yitai HK**”), a wholly-owned subsidiary of Inner Mongolia Yitai Coal Co., Ltd.* (內蒙古伊泰煤炭股份有限公司) (“**Yitai**”), pursuant to which the ALS Group agreed to sell, and Yitai HK agreed to acquire, 1,400,088,000 HTICI Shares (representing approximately 18.37% of the entire issued share capital of HTICI). The sale of the said HTICI Shares by ALS Group resulted in the decrease of ALS’s percentage of shareholding in HTICI from approximately 47.4% to 29.3%. The sale and purchase was completed on 17 October 2023.

Save as disclosed above, ALS did not carry out any material acquisition or disposal during each of the years ended 31 March 2022, 2023, 2024 and 30 September 2024.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2022, 2023, 2024 and 30 September 2024, the Remaining ALS Group had aggregate bank and other borrowings amounted to approximately HK\$1,509 million, HK\$1,439 million, HK\$1,339 million and HK\$1,320 million respectively. The gearing ratio of the Remaining ALS Group, calculated as a ratio of total net debts to total capital, for the years ended 31 March 2022, 2023, 2024 and the six months ended 30 September 2024 were approximately 44%, 49%, 56%, and 58% respectively. As at 31 March 2022, 2023, 2024 and 30 September 2024, the Remaining ALS Group has net current liabilities of approximately HK\$634 million, HK\$1,321 million, HK\$1,168 million and HK\$1,393 million respectively. Current ratios were approximately 0.678, 0.343, 0.379 and 0.293 as at 31 March 2022, 2023, 2024 and 30 September 2024 respectively. The cash and cash equivalents as at 31 March 2022, 2023, 2024 and 30 September 2024 were approximately HK\$104 million, HK\$82 million, HK\$250 million and HK\$242 million respectively.

The maturity profile of the Remaining ALS Group's secured bank borrowings is set out below:

- As at 31 March 2022, the bank and other borrowings which are classified as repayable (i) on demand or within one year was HK\$1,442 million, (ii) between one and two years was HK\$157 million, and (iii) between two and five years was HK\$ nil.
- As at 31 March 2023, the bank and other borrowings which are classified as repayable (i) on demand or within one year was HK\$1,439 million, (ii) between one and two years was HK\$ nil, and (iii) between two and five years was HK\$ nil.
- As at 31 March 2024, the bank and other borrowings which are classified as repayable (i) on demand or within one year was HK\$1,339 million, (ii) between one and two years was HK\$ nil, and (iii) between two and five years was HK\$ nil.
- As at 30 September 2024, the bank and other borrowings which are classified as repayable (i) on demand or within one year was HK\$1,320 million, (ii) between one and two years was HK\$ nil, and (iii) between two and five years was HK\$ nil.

As at 31 March 2022, 2023, 2024 and 30 September 2024, the Remaining ALS Group's bank and other borrowings carry interest ranged from 3.24% to 10.65%, 3.24% to 10.65%, 3.24% to 10.65% and 3.24% to 10.65% respectively.

CHARGES OF ASSETS

As at 31 March 2022, 2023, 2024 and 30 September 2024, the Remaining ALS Group's borrowings in the aggregate amount of approximately HK\$1,940 million, HK\$1,651 million, HK\$1,491 million and HK\$1,511 million respectively were secured by investment properties, corporate note receivables, property, plant and equipment, financial assets and bank deposits.

TREASURY POLICY

The Remaining ALS Group has established a treasury policy with the objective of lowering cost of funds. Therefore, funding for all its operations have been centrally reviewed and monitored at the Remaining ALS Group level. To manage the Remaining ALS Group's exposure to fluctuations in interest rates on project, appropriate funding policies will be applied, including the use of bank and other borrowings, corporate note payables, convertible note payables and issue of placement shares. The management will continue its efforts in obtaining the most privileged rates and favourable terms to the Remaining ALS Group for its financing.

EXPOSURE ON FOREIGN EXCHANGE FLUCTUATIONS

The Remaining ALS Group mainly operates in Hong Kong with most of the transactions denominated and settled in HK\$, US\$ and GBP. The Remaining ALS Group's exposure to foreign currency risk primarily arises from certain financial instruments including trade receivables, bank balances and cash, trade payables, borrowings and obligation under finance leases which are denominated in US\$ and EUR. The Remaining ALS Group does not adopt any hedging strategy in the long run but the management continuously monitors the foreign exchange risk exposure and might enter into foreign exchange forward contracts on a case-by-case basis. The Remaining ALS Group has not used any hedging contracts to engage in speculative activities.

CONTINGENT LIABILITIES

The Remaining ALS Group did not have any significant contingent liabilities as at 31 March 2022, 2023, 2024 and 30 September 2024.

CAPITAL EXPENDITURE

For the years ended 31 March 2022, 2023, 2024 and the six months ended 30 September 2024, the Remaining ALS Group invested approximately HK\$1 million, HK\$1 million, HK\$ nil and HK\$1 million on property, plant and equipment, respectively.

CAPITAL COMMITMENTS

The Remaining ALS Group had no material capital commitments in respect of capital expenditure as at 31 March 2022, 2023, 2024 and 30 September 2024, respectively.

EMPLOYEES

As at 31 March 2022, 2023, 2024 and 30 September 2024, the Remaining ALS Group had 41, 40, 32 and 34 employees respectively. Staff costs (including Directors' emoluments) for the years ended 31 March 2022, 2023, 2024 and the six months ended 30 September 2024 amounted to approximately HK\$35 million, HK\$33 million, HK\$30 million and HK\$14 million respectively. The Remaining ALS Group generally recruits its employees from the open market or by referral and enters into employment contracts with its employees. The Remaining ALS Group offers attractive remuneration packages to the employees. In addition to salaries, the employees would be entitled to bonuses, subject to the financial results of the Remaining ALS Group and employees' performance. The Remaining ALS Group provides a defined contribution to the mandatory provident fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for the eligible employees. The Remaining ALS Group has also adopted a share option scheme and a share award scheme.

FUTURE PLANS

The impact caused by geopolitical tensions and military occupation, high inflation rate continues to bring unprecedented challenges as it impacts long-term global economic developments. However, the ALS Group implements prudent business strategies to establish a diversified business portfolio that can survive the uncertain market conditions while exploring high-quality investment opportunities to explore the growth potential of profit and capital value for shareholders and investors of ALS. As at the Latest Practicable Date, ALS is in the process of discussing with a potential party for the acquisition of an artificial intelligence data centre in the PRC and no concrete timeline has been agreed with the potential party. ALS also recognised the growing global demand in natural resources. The ALS Group has put in additional resources and is in the process of looking for investment opportunities in projects related to natural resources around the world and has yet to identify an acquisition or investment target.

Money lending and financial services business

The ALS Group will continue to expand the client base and establish a strong track record in order to strengthen the businesses of corporate financial advisory services, asset management services and streamline the client base and gradually phasing out the money lending business in the coming future. For the securities brokerage services business, the ALS Group will explore the involvement in the share placement activities to enhance its revenue stream.

Looking forward, the Remaining ALS Group remains confident in its existing businesses and will continue to monitor its performance in order to maximise the returns to its shareholders.

INTRODUCTION

The accompanying unaudited pro forma financial information of the Remaining ALS Group has been prepared to illustrate the effect of the deemed disposal of the shareholding interest of ALS in HTICI as a result of the dilution of shareholding interest of ALS in HTICI by the allotment and issue of the Placing Shares upon the Completion subject to the terms and conditions of the Placing Agreement (the “**Deemed Disposal**”) on ALS Group’s financial position as at 30 September 2024, as if the Deemed Disposal had been taken place on 30 September 2024, and on ALS Group’s financial performance and cash flows for the year ended 31 March 2024, as if the Deemed Disposal had been taken place on 1 April 2023.

The unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows of the Remaining ALS Group for the year ended 31 March 2024 are prepared based on the audited consolidated statement of profit or loss and other comprehensive income and audited consolidated statement of cash flows of ALS Group for the year ended 31 March 2024 as extracted from the published annual report of ALS Group for the year ended 31 March 2024 and the unaudited consolidated statements of profit or loss and other comprehensive income and unaudited consolidated statements of cash flows of HTICI Group for the year ended 31 March 2024 as extracted from the financial information of the HTICI Group as set out in Appendix I to this joint circular, as if the Deemed Disposal had been completed on 1 April 2023.

The unaudited pro forma consolidated statement of financial position of the Remaining ALS Group as at 30 September 2024 is prepared based on the unaudited condensed consolidated statement of financial position of ALS Group as at 30 September 2024 as extracted from the interim report of ALS Group for the six months ended 30 September 2024 and the unaudited consolidated statement of financial position of HTICI Group as at 30 September 2024 as extracted from the financial information of the HTICI Group as set out in Appendix I to this joint circular, as if the Deemed Disposal had been completed on 30 September 2024.

The unaudited pro forma financial information of the Remaining ALS Group is prepared based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purposes only. Accordingly, as a result of the nature of the unaudited pro forma financial information of the Remaining ALS Group, it may not give a true picture of the actual financial position, results of operation or cash flows of the Remaining ALS Group that would have been attained had the Deemed Disposal actually occurred on the dates indicated herein. Furthermore, because of its hypothetical nature, the unaudited pro forma financial information of the Remaining ALS Group does not purport to predict the Remaining ALS Group’s future financial position, results of operation or cash flows.

The unaudited pro forma financial information of the Remaining ALS Group should be read in conjunction with the financial information of the ALS Group as set out in Appendix II, the financial information of the HTICI Group as set out in Appendix I and other financial information included elsewhere in this joint circular.

**A. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
OF THE REMAINING ALS GROUP AS AT 30 SEPTEMBER 2024**

	ALS Group		Pro forma adjustments			The Remaining ALS Group
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
	<i>(Note 1)</i>	<i>(Note 2)</i>	<i>(Note 3a)</i>	<i>(Note 4)</i>	<i>(Note 8)</i>	
Non-current assets						
Property, plant and equipment	182	(176)	–	–	–	6
Right-of-use assets	25	(25)	–	–	–	–
Artworks	19	–	–	–	–	19
Investment properties	1,504	(7)	–	–	–	1,497
Intangible assets	171	(5)	–	–	–	166
Interests in associates	724	(724)	–	1,085	–	1,085
Interests in joint ventures	21	(21)	–	–	–	–
Financial assets at FVTOCI	420	(239)	–	–	–	181
Properties for development	373	(373)	–	–	–	–
Other financial assets	1	(1)	–	–	–	–
Finance lease receivables	2	(2)	–	–	–	–
Deferred tax assets	54	(1)	–	–	–	53
Other receivables and deposits	3	(1)	–	–	–	2
	<u>3,499</u>	<u>(1,575)</u>	<u>–</u>	<u>1,085</u>	<u>–</u>	<u>3,009</u>
Total non-current assets	<u>3,499</u>	<u>(1,575)</u>	<u>–</u>	<u>1,085</u>	<u>–</u>	<u>3,009</u>

	The Remaining ALS Group				
	ALS Group		Pro forma adjustments		
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
	(Note 1)	(Note 2)	(Note 3a)	(Note 4)	(Note 8)
Current assets					
Inventories	2	(1)	–	–	–
Trade receivables	207	(192)	–	–	–
Other receivables, deposits and prepayments	103	(72)	83	–	–
Financial assets at FVTPL	79	–	–	–	–
Loan receivables	37	(10)	–	–	–
Finance lease receivables	3	(3)	–	–	–
Corporate note receivables	134	(45)	–	–	–
Pledged bank deposits	13	–	–	–	–
Trusted and segregated bank accounts	6	(6)	–	–	–
Cash and cash equivalents	298	(56)	–	–	(2)
Total current assets	882	(385)	83	–	(2)
Total assets	4,381	(1,960)	83	1,085	(2)
Current liabilities					
Lease liabilities	10	(10)	–	–	–
Bank and other borrowings	1,399	(79)	–	–	–
Corporate note payables	505	–	–	–	–
Trade payables	4	(3)	–	–	–
Other payables, deposits received and accruals	152	(103)	83	–	–
Income tax payables	20	(5)	–	–	–
Total current liabilities	2,090	(200)	83	–	–
Net current liabilities	(1,208)	(185)	–	–	(2)
Total assets less current liabilities	2,291	(1,760)	–	1,085	(2)

	The Remaining ALS Group				
	ALS Group		Pro forma adjustments		
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
	(Note 1)	(Note 2)	(Note 3a)	(Note 4)	(Note 8)
Non-current liabilities					
Lease liabilities	16	(16)	–	–	–
Deferred tax liabilities	77	(21)	–	–	56
Bank and other borrowings	17	(17)	–	–	–
Corporate note payables	–	–	–	–	–
Financial liabilities at FVTPL	541	(541)	–	–	–
Total non-current liabilities	651	(595)	–	–	56
NET ASSETS	1,640	(1,165)	–	1,085	(2)
EQUITY					
Share capital	73	(76)	–	76	–
Reserves	725	(979)	–	1,741	(2)
	798	(1,055)	–	1,817	(2)
Non-controlling interests	842	(110)	–	(732)	–
TOTAL EQUITY	1,640	(1,165)	–	1,085	(2)

B. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE REMAINING ALS GROUP FOR THE YEAR ENDED 31 MARCH 2024

	ALS Group		Pro forma adjustments					The Remaining ALS Group
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
	(Note 1)	(Note 2)	(Note 3b)	(Note 5)	(Note 6)	(Note 7)	(Note 8)	
Revenue	228	(173)	–	–	–	–	–	55
Cost of revenue	(111)	109	–	–	–	–	–	(2)
Gross profit	117	(64)	–	–	–	–	–	53
Other income	49	(43)	4	–	–	–	–	10
Fair value (losses)/gains:	(292)	1	–	–	–	–	–	(291)
– investment properties	(89)	1	–	–	–	–	–	(88)
– financial assets at fair value through profit or loss (“FVTPL”)	(242)	–	–	–	–	–	–	(242)
– financial liabilities at FVTPL	39	–	–	–	–	–	–	39
Other (losses)/gains, net	(33)	174	–	–	–	–	–	141
Gain on Deemed Disposal	–	–	–	130	–	–	–	130
Gain on partial disposal of associate	–	–	–	–	–	62	–	62
Administrative expenses	(124)	58	(4)	–	–	–	(2)	(72)
(Impairment losses)/reversal of impairment losses on financial assets (expected credit losses)	(74)	37	–	–	–	–	–	(37)
Share of results of associates	(325)	325	–	–	(137)	–	–	(137)
Finance costs	(141)	20	–	–	–	–	–	(121)
Loss before taxation	(823)	508	–	130	(137)	62	(2)	(262)
Income tax credit	14	4	–	–	–	–	–	18
Loss for the year	(809)	512	–	130	(137)	62	(2)	(244)

	ALS Group		Pro forma adjustments					The Remaining ALS Group
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
	(Note 1)	(Note 2)	(Note 3b)	(Note 5)	(Note 6)	(Note 7)	(Note 8)	
Other comprehensive (expenses)/ income								
after tax:								
<i>Items that will not be reclassified to profit</i>								
<i>or loss:</i>								
Fair value loss on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")	(354)	87	–	–	–	–	–	(267)
Share of other comprehensive expenses of associates	–	–	–	–	(24)	–	–	(24)
<i>Items that may be reclassified to profit or</i>								
<i>loss:</i>								
Share of associates' exchange differences on translating foreign operation	(4)	4	–	–	(1)	–	–	(1)
Exchange differences on translating foreign operations	(15)	25	–	–	–	–	–	10
Reclassification of translation reserve to profit or loss upon Deemed Disposal	–	–	–	(9)	–	–	–	(9)
Share of other comprehensive expenses of associates	–	–	–	–	(9)	–	–	(9)
Reserve released upon partial disposal of associate	–	–	–	–	–	4	–	4
Other comprehensive expenses for the year, net of tax	(373)	116	–	(9)	(34)	4	–	(296)
Total comprehensive expenses for the year	(1,182)	628	–	121	(171)	66	(2)	(540)

	ALS Group		Pro forma adjustments					The Remaining ALS Group
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
	<i>(Note 1)</i>	<i>(Note 2)</i>	<i>(Note 3b)</i>	<i>(Note 5)</i>	<i>(Note 6)</i>	<i>(Note 7)</i>	<i>(Note 8)</i>	
(Loss)/profit for the year attributable to:								
Owners of ALS	(462)	463	–	130	(137)	62	(2)	54
Non-controlling interests	(347)	49	–	–	–	–	–	(298)
	<u>(809)</u>	<u>512</u>	<u>–</u>	<u>130</u>	<u>(137)</u>	<u>62</u>	<u>(2)</u>	<u>(244)</u>
Total comprehensive (expenses)/income for the year attributable to:								
Owners of ALS	(724)	579	–	121	(171)	66	(2)	(131)
Non-controlling interests	(458)	49	–	–	–	–	–	(409)
	<u>(1,182)</u>	<u>628</u>	<u>–</u>	<u>121</u>	<u>(171)</u>	<u>66</u>	<u>(2)</u>	<u>(540)</u>

C. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE REMAINING ALS GROUP FOR THE YEAR ENDED 31 MARCH 2024

	ALS Group		Pro forma adjustments				The Remaining ALS Group
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
	(Note 1)	(Note 2)	(Note 5)	(Note 6)	(Note 7)	(Note 8)	
Cash flows used in operating activities							
Loss before taxation	(823)	508	130	(137)	62	(2)	(262)
Adjustments for:							
Depreciation of property, plant and equipment	37	(32)	–	–	–	–	5
Depreciation of right-of-use assets	13	(13)	–	–	–	–	–
Fair value losses/(gains):							
– investment properties	89	(1)	–	–	–	–	88
– financial assets at FVTPL	242	(183)	–	–	–	–	59
– financial liabilities at FVTPL	(39)	39	–	–	–	–	–
Finance costs	141	(20)	–	–	–	–	121
Interest earned on corporate note receivables	(27)	25	–	–	–	–	(2)
Interest earned on bank deposits	(8)	5	–	–	–	–	(3)
Gain on Deemed Disposal	–	–	(130)	–	–	–	(130)
Provision for (reversal of) impairment losses: financial assets (expected credit loss)	74	(37)	–	–	–	–	37
Provision for liabilities arising from financial assets at FVTPL	27	(27)	–	–	–	–	–
Share of results of associates	325	(325)	–	137	–	–	137
Gain on partial disposal of associates	–	–	–	–	(62)	–	(62)

	ALS Group		Pro forma adjustments				The Remaining ALS Group
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
	(Note 1)	(Note 2)	(Note 5)	(Note 6)	(Note 7)	(Note 8)	
Operating profit before working capital and other changes	51	(61)	–	–	–	(2)	(12)
Working capital and other changes							
Finance lease receivables	1	(1)	–	–	–	–	–
Financial assets at FVTPL	29	20	–	–	–	–	49
Inventories	2	(2)	–	–	–	–	–
Additions of assets held for rental and subsequently held for sale	(25)	25	–	–	–	–	–
Loans receivables	14	–	–	–	–	–	14
Other payables, deposits received, accruals and contract liabilities	(14)	5	–	–	–	–	(9)
Other receivables, deposits and prepayments	15	(8)	–	–	–	–	7
Trade receivables	(93)	94	–	–	–	–	1
Trade payables	(7)	7	–	–	–	–	–
Cash (used in)/from operations	(27)	79	–	–	–	(2)	50
Income tax paid	(10)	11	–	–	–	–	1
Net cash (used in)/from operating activities	(37)	90	–	–	–	(2)	51

	ALS Group		Pro forma adjustments				The Remaining ALS Group
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
	(Note 1)	(Note 2)	(Note 5)	(Note 6)	(Note 7)	(Note 8)	
Cash flows from/(used in) investing activities							
Consideration paid for acquisition of a corporate note receivable	(370)	367	–	–	–	–	(3)
Purchase of property, plant and equipment	(2)	2	–	–	–	–	–
Deposit paid for purchase of property, plant and equipment	(9)	9	–	–	–	–	–
Repayment of corporate note receivables	403	(370)	–	–	–	–	33
Proceeds from disposal of associates	3	(1)	–	–	–	–	2
Proceeds from disposal of financial assets at FVTPL	25	–	–	–	–	–	25
Proceeds from disposal of joint ventures	2	–	–	–	–	–	2
Interest received	8	(5)	–	–	–	–	3
Withdrawal of pledged deposits	15	–	–	–	–	–	15
Net cash outflow on Deemed Disposal	–	–	(105)	–	–	–	(105)
Proceeds from partial disposal of associate	–	–	–	–	420	–	420
Net cash from/(used in) investing activities	<u>75</u>	<u>2</u>	<u>(105)</u>	<u>–</u>	<u>420</u>	<u>–</u>	<u>392</u>

	ALS Group		Pro forma adjustments				The Remaining ALS Group
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
	(Note 1)	(Note 2)	(Note 5)	(Note 6)	(Note 7)	(Note 8)	
Cash flows from financing activities							
Repayment of bank and other borrowings	(787)	246	–	–	–	–	(541)
Interest paid	(142)	20	–	–	–	–	(122)
Repayment of corporate note payables	(52)	–	–	–	–	–	(52)
Advance from/(repayment of) a loan from a director of a subsidiary	1	(1)	–	–	–	–	–
Lease liabilities paid	(16)	14	–	–	–	–	(2)
Proceeds from bank and other borrowings	693	(263)	–	–	–	–	430
Proceeds from disposal of interests in subsidiaries without loss of control	420	–	–	–	(420)	–	–
Advance from fellow subsidiaries	–	(10)	–	–	–	–	(10)
Advance from intermediate holding company	–	(92)	–	–	–	–	(92)
Net cash from/(used in) financing activities	<u>117</u>	<u>(86)</u>	<u>–</u>	<u>–</u>	<u>(420)</u>	<u>–</u>	<u>(389)</u>
Net increase/(decrease) in cash and cash equivalents	155	6	(105)	–	–	(2)	54
Cash and cash equivalents at beginning of year	187	(105)	105	–	–	–	187
Effect of foreign exchange rate changes, net	<u>8</u>	<u>(1)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>7</u>
Cash and cash equivalents at end of year	<u><u>350</u></u>	<u><u>(100)</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>(2)</u></u>	<u><u>248</u></u>
Analysis of cash and cash equivalents							
Bank and cash balances	<u><u>350</u></u>	<u><u>(100)</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>(2)</u></u>	<u><u>248</u></u>

Notes to the Unaudited Pro Forma Financial Information of the Remaining ALS Group

1. The unaudited condensed consolidated statement of financial position as at 30 September 2024 was extracted from the published interim report of ALS for the six months ended 30 September 2024. While the audited consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of ALS Group for the year ended 31 March 2024 were extracted from the published annual report of ALS for the year ended 31 March 2024.
2. The amounts have been extracted from the unaudited consolidated statement of financial position of HTICI Group as at 30 September 2024, and the unaudited consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of HTICI Group for the year ended 31 March 2024 in Appendix I to this joint circular.
- 3a. Being the relevant elimination adjustments for HTICI Group in the consolidation level of ALS Group, which includes: (i) approximately HK\$51 million of amount due to ALS Group (which has been included as other payables, deposits received and accruals in the unaudited consolidated statement of financial position of HTICI Group as at 30 September 2024); (ii) approximately HK\$30 million of amount due from ALS Group (which has been included as other receivables, deposits and prepayments in the unaudited consolidated statement of financial position of HTICI Group as at 30 September 2024); and (iii) approximately HK\$2 million of outstanding balance between HTICI and ALS arising from rental payables in relation to the rental of offices by ALS Group as at 30 September 2024.
- 3b. Being the relevant elimination adjustments for HTICI Group in the consolidation level of ALS Group for transactions between HTICI and ALS which represented the rental of offices by ALS Group from HTICI Group of approximately HK\$4 million for the year ended 31 March 2024.
4. For the purpose of the unaudited pro forma consolidated statement of financial position of the Remaining ALS Group, it is assumed that the maximum number of Placing Shares are placed in full and the Deemed Disposal has been completed on 30 September 2024. Based on the assessment of facts and circumstances, the directors of ALS considered that ALS Group would lose control over HTICI Group and would have significant influence over HTICI Group upon the completion of Deemed Disposal. Accordingly, HTICI Group ceased to be subsidiaries of ALS Group as from 30 September 2024 and HTICI Group would become an associate of ALS Group with effect from the same date and HTICI Group has since been accounted for in the consolidated financial statements using the equity method of accounting.

The adjustment represents the recognition of interests in associates and the gain on Deemed Disposal, as if the maximum number of Placing Shares are placed in full and the Deemed Disposal has been completed on 30 September 2024, where HTICI Group becomes an associate of ALS Group:

	<i>Notes</i>	<i>HK\$'million</i>
Net assets disposed of HTICI Group	<i>a</i>	(1,165)
Non-controlling interests of HTICI Group	<i>b</i>	842
Reclassification of cumulative translation reserve upon Deemed Disposal to profit of loss	<i>c</i>	(32)
Fair value of the retained equity interest of approximately 24.20% in HTICI Group	<i>d</i>	<u>1,085</u>
Gain on Deemed Disposal of HTICI Group		<u><u>730</u></u>

Notes:

- a. The amount of net assets of HTICI Group disposed of as at 30 September 2024 is extracted from the unaudited consolidated statement of financial position of HTICI Group of this joint circular as set out in Appendix I to this joint circular.
 - b. The non-controlling interests of HTICI Group represents the share of portion of non-controlling interests of HTICI Group at the consolidation level of ALS Group as at 30 September 2024.
 - c. The amount represents the cumulative translation reserve arising from HTICI Group as at 30 September 2024.
 - d. The fair value of the retained equity interest of approximately 24.20% in HTICI Group is based on 2,213,613,259 HTICI's share held by ALS Group at the share price of HTICI of HK\$0.49 as at 30 September 2024.
5. For illustration purpose of the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining ALS Group for the year ended 31 March 2024, it is assumed that the maximum number of Placing Shares are placed in full and the Deemed Disposal has been completed on 1 April 2023, the directors of ALS assumed ALS Group would lose control over HTICI Group and would have significant influence over HTICI Group upon the completion of Deemed Disposal even the equity interest in HTICI held by ALS would only decrease from approximately 47.57% to 39.62% as of 1 April 2023.

The adjustment represents the gain on Deemed Disposal, as if the maximum number of Placing Shares are placed in full and the Deemed Disposal has been completed on 1 April 2023, where HTICI Group becomes an associate of ALS Group:

	<i>Notes</i>	<i>HK\$'million</i>
Net assets disposed of HTICI Group	<i>a</i>	(1,864)
Non-controlling interests of HTICI Group	<i>b</i>	1,028
Reclassification of cumulative translation reserve upon Deemed Disposal to profit of loss	<i>c</i>	9
Fair value of the retained equity interest of approximately 39.62% in HTICI Group	<i>d</i>	<u>957</u>
Gains on Deemed Disposal of HTICI Group		<u><u>130</u></u>

Notes:

- a. The amount of net assets of HTICI Group disposed of as at 1 April 2023 is extracted from the unaudited consolidated statement of financial position of HTICI Group as at 31 March 2023 as set out in Appendix I to this joint circular.
- b. The non-controlling interests of HTICI Group represents the share of portion of non-controlling interests of HTICI Group at the consolidation level of ALS Group as at 1 April 2023.
- c. The amount represents the cumulative translation reserve arising from HTICI Group as at 1 April 2023.
- d. ALS Group had equity interest of approximately 47.57% in HTICI (i.e 3,611,701,259 HTICI's shares held by ALS Group out of HTICI's issued shares of 7,591,945,516 as at 1 April 2023) before the Deemed Disposal. Following the Deemed Disposal (as if the Placing Shares of 1,524,224,000 shares are placed in full on 1 April 2023), ALS Group would have equity interest of 39.62% in HTICI. The fair value of the retained interest of approximately 39.62% in HTICI Group is based on 3,611,701,259 HTICI's Shares held by ALS Group at the share price of HK\$0.265 as at 3 April 2023, being the first trading day since 1 April 2023.

For the unaudited pro forma consolidated statement of cash flows for the remaining ALS Group for the year ended 31 March 2024 in Appendix III C, the cash outflow of HK\$105 million represents the cash and bank balances of HTICI as at 31 March 2023, and which was taken out from ALS Group upon deemed disposal and deconsolidation on 1 April 2023.

6. The adjustment represents the share of HTICI Group's loss using equity method of approximately HK\$137 million and other comprehensive expense of approximately HK\$34 million during the year ended 31 March 2024, as if the Deemed Disposal has been completed on 1 April 2023 and has taken into account the partial disposal of associate as set out in Note7, where HTICI Group would become an associate of ALS Group with effect from 1 April 2023. This adjustment is expected to have a continuing effect to the Remaining ALS Group.
7. The adjustment represents the partial disposal of 1,400,088,000 HTICI Shares at the consideration of HK\$420 million to an independent third party during the year ended 31 March 2024. For the purpose of the preparation of the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows as if the Deemed Disposal has been completed on 1 April 2023, this partial disposal of HTICI would be considered as a partial disposal of associate and recognised a gain of partial disposal of associate of approximately HK\$62 million in profit or loss and a release of reserve of approximately HK\$4 million in other comprehensive expense during the year ended 31 March 2024. This adjustment has no continuing effect to the financial statements of Remaining ALS Group in subsequent years.
8. The adjustment represents the estimated transaction costs of approximately HK\$2 million, including accountancy, legal and other professional services related to the Deemed Disposal. The expenses are charged to profit or loss directly. This adjustment has no continuing effect to the financial statements of Remaining ALS Group in subsequent years.
9. Apart from the above, no other adjustment has been made to reflect any trading results or other transactions of ALS Group entered into subsequent to 31 March 2024 or 30 September 2024 for the purpose of preparation of the unaudited pro forma financial information of the Remaining ALS Group.

D. ACCOUNTANT’S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of the independent reporting accountants’ assurance report received from Moore CPA Limited, Certified Public Accountants, Hong Kong, the reporting accountants of ALS, in respect of the ALS Group’s unaudited pro forma financial information prepared for the purpose of incorporation in this joint circular.

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**INDEPENDENT REPORTING ACCOUNTANTS’ ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

TO THE BOARD OF DIRECTORS OF ACESO LIFE SCIENCE GROUP LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Aceso Life Science Group Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 30 September 2024, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2024, the unaudited pro forma consolidated statement of cash flows for the year ended 31 March 2024 and related notes as set out on pages III-2 to III-15 of the circular issued by the Company dated 25 February 2025 (the “**Circular**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on page III-1 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the deemed disposal of Hao Tian International Construction Investment Group Limited (“**HTICI**”) as a result of the dilution of shareholding interest of HTICI by the allotment and issue of the placing shares upon completion subject to the terms and condition of the placing agreement (the “**Deemed Disposal**”) on the Group’s financial position as at 30 September 2024 and the Group’s financial performance and cash flows for the year ended 31 March 2024 as if the Deemed Disposal had taken place at 30 September 2024 and 1 April 2023 respectively. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s unaudited condensed consolidated financial statements for the six months ended 30 September 2024, on which no review report has been published; and information about the

financial performance and cash flows has been extracted by the directors from the Group's audited consolidated financial statements for the year ended 31 March 2024, on which an auditor's report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management (HKSQM) 1 "Quality Management for Firms that perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2024 or 1 April 2023 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Moore CPA Limited

Certified Public Accountants

Registered Public Interest Entity Auditors

Hong Kong

25 February 2025

1. RESPONSIBILITY STATEMENT

This joint circular, for which the ALS Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to ALS. The ALS Directors, after having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this joint circular 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 joint circular misleading.

2. DISCLOSURE OF INTERESTS

(a) ALS Directors' Interest in ALS Shares, Underlying ALS Shares and Debentures

As at the Latest Practicable Date, the interests and short positions of the ALS Directors and chief executive of ALS in the ALS Shares, underlying ALS Shares and debenture of ALS or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by ALS under section 352 of the SFO, or as otherwise notified to ALS and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in the Listing Rules, were as follows:

Long positions in the ordinary ALS Shares and the underlying ALS Shares

Name of ALS Director	Number of Ordinary ALS Shares			Approximate	
	Personal Interest	Corporate Interest	Other Interest	Total	% of Shareholding (Note i)
Fok Chi Tak	60,871,152	–	–	60,871,152	0.82%
Zhiliang Ou	733,752	–	–	733,752	0.01%
Chan Ming Sun Jonathan	733,752	–	–	733,752	0.01%
Lam Kwan Sing	733,752	–	–	733,752	0.01%

Notes:

- (i) The percentage represented the number of the ALS Shares over the total issued share capital of ALS as at the Latest Practicable Date was 7,381,776,805 shares.

Save as disclosed above, as at the Latest Practicable Date, none of the ALS Directors or chief executives of ALS had any interests or short positions in the ALS Shares, underlying ALS Shares and debentures of ALS or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to ALS and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by ALS under Section 352 of the SFO, or which were required to be notified to ALS and the Stock Exchange pursuant to the Model Code.

(b) Substantial ALS Shareholders' Interest

Substantial Shareholders' Interest in ALS Shares and Underlying ALS Shares

As at the Latest Practicable Date, the persons (other than the ALS Directors or the chief executives of ALS) who had an interest or a short position in the ALS Shares and underlying ALS Shares which would fall to be disclosed to ALS under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by ALS under Section 336 of the SFO were as follows:

Long positions in the ordinary ALS Shares and the underlying ALS Shares

Name of ALS Shareholder	Capacity	Number of Ordinary ALS Shares Held	Number of Underlying ALS Shares Held	Approximate Total Shareholding % of (Note 1)
Li Shao Yu ("Ms. Li") (Note 2)	Interest of controlled corporations Beneficial owner	3,572,972,773 881,352,342	–	4,454,325,115 60.34%
Asia Link Capital Investment Holdings Limited ("Asia Link") (Note 2)	Interest of controlled corporations Beneficial owner	226,800,000 3,068,940,773	–	3,295,740,773 44.65%
Huang Shiyong (Note 3)	Interest of controlled corporations	800,000,000	–	800,000,000 10.83%

Name of ALS Shareholder	Capacity	Number of Ordinary ALS Shares Held	Number of Underlying ALS Shares Held	Total	Approximate % of Shareholding (Note 1)
Huang Tao (Note 3)	Interest of controlled corporations	800,000,000	–	800,000,000	10.83%
Century Golden Resources Investment Co., Ltd. (“ Century Golden ”) (Note 3)	Beneficial owner	800,000,000	–	800,000,000	10.83%
Haitong Securities Co., Limited (“ HSCL ”) (Note 4)	Security interest	–	1,948,333,338	1,948,333,338	26.39%

Notes:

1. The percentage of shareholding is calculated on the basis of 7,381,776,805 ALS Shares in issue as at the Latest Practicable Date.
2. Ms. Li was beneficially interested in a total of 4,454,325,115 ALS Shares, among which, 881,352,342 ALS Shares were held by Ms. Li as beneficial owner, and 3,572,972,773 ALS Shares were held by (i) Asia Link as to 3,068,940,773 ALS Shares, (ii) Team Success Venture Holdings Limited as to 230,900,000 ALS Shares, (iii) TRXY Development (HK) Limited as to 46,332,000 ALS Shares, and (iv) Glory Century Limited as to 226,800,000 ALS Shares, all of which were beneficially owned by Ms. Li.
3. Each of Mr. Huang Shiyong and Mr. Huang Tao was deemed to be interested in 800,000,000 ALS Shares held by Century Golden pursuant to the SFO by virtue of his controlling interest in Century Golden.
4. HSCL, through Haitong International Holdings Limited, which is its direct wholly-owned subsidiary, held 64.4% of the issued shares in Haitong International Securities Group Limited, which in turn held 100% of the issued shares in Haitong International Financial Products (Singapore) Pte. Ltd (“**HIFP Singapore**”). HIFP Singapore held the security interest in those 1,948,333,333 ALS Shares.

Save as disclosed above, as at the Latest Practicable Date, ALS had not been notified by any persons (other than the ALS Directors or chief executive of ALS) who had interest or short positions in the ALS Shares and underlying ALS Shares which would fall to be disclosed to ALS under the provisions of Division 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register kept by ALS under Section 336 of the SFO.

3. ALS DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the ALS Directors had entered into any existing and proposed service contract with any members of the ALS Group other than contracts expiring or determinable by the relevant member of the ALS Group within one year without payment of compensation (other than statutory compensation).

4. ALS DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, in so far as the ALS Directors are aware, none of the ALS Directors or any of their respective associates had an interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the ALS Group which required to be disclosed under Rule 8.10 of the Listing Rules.

5. LITIGATION

As at the Latest Practicable Date, neither ALS nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the ALS Directors to be pending or threatened against ALS or any of its subsidiaries.

6. ALS DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

As at the Latest Practicable Date:

- (a) none of the ALS Directors was materially interested in any contract or arrangement, which was subsisting and was significant in relation to the business of the ALS Group; and
- (b) none of the ALS Directors had any direct or indirect interest in any assets which have been, since 31 March 2024 (being the date to which the latest published audited consolidated accounts of the ALS Group were made up), acquired or disposed of by or leased to any member of the ALS Group, or are proposed to be acquired or disposed of by or leased to any member of the ALS Group.

7. MATERIAL CONTRACTS

The following contracts, not being contracts in the ordinary course of business of the ALS Group, were entered into by the ALS Group within two (2) years immediately preceding the Latest Practicable Date which are or may be material:

ALS Group

- (a) the sale and purchase agreement dated 27 July 2023 entered into between Hao Tian Management (China) Limited (a wholly-owned subsidiary of ALS) as the vendor and Yitai Share (Hongkong) Co., Limited as the purchaser for the sale and purchase of 1,400,088,000 HTICI Shares for the total consideration of HK\$420,026,400, details of which were set out in the announcement jointly issued by ALS and HTICI dated 27 July 2023 and the circular issued by ALS dated 17 August 2023.

HTICI Group

- (a) the license agreement dated 10 February 2023 entered into between Glory Century Limited (an indirect wholly-owned subsidiary of HTICI) as the licensor and Hao Tian Management (Hong Kong) Limited (an indirect subsidiary of ALS) as the licensee for the licensing of the premises located at Rooms 2501–2509, 25/F., Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong, for a term commencing from 1 February 2023 to 30 September 2024 with the proposed maximum annual monetary sums of the transactions during the term of the license agreement be HK\$4,560,000 for the period from 1 January 2023 to 31 December 2023, and HK\$3,420,000 for the period from 1 January 2024 to 30 September 2024, respectively, details of which were set out in the announcement issued by HTICI dated 10 February 2023;
- (b) the license agreement dated 7 October 2024 entered into between Glory Century Limited (an indirect wholly-owned subsidiary of HTICI) as the licensor and Hao Tian Management (Hong Kong) Limited (an indirect subsidiary of ALS) as the licensee for the licensing of the premises located at Rooms 2501–2509, 25/F., Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong, for a term commencing from 1 October 2024 to 30 September 2027 with the proposed maximum annual monetary sums of the transactions during the term of the license agreement be HK\$3,168,000 for the period from 1 October 2024 to 30 September 2025, HK\$3,228,000 for the period from 1 October 2025 to 30 September 2026, and HK\$3,288,000 for the period from 1 October 2026 to 30 September 2027, respectively, details of which were set out in the announcement issued by HTICI dated 7 October 2023; and
- (c) the Placing Agreement.

8. EXPERT AND CONSENT

The following is the qualification of the expert who is named in this joint circular or has given opinions or advice which are contained in this joint circular:

Name	Qualification
Moore CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, the above expert did not have:

- (a) any direct or indirect interest in any assets which have been, since 31 March 2024 (being the date to which the latest published audited consolidated accounts of the ALS Group were made up), acquired or disposed of by or leased to any member of the ALS Group, or are proposed to be acquired or disposed of by or leased to any member of the ALS Group; and
- (b) any shareholding in any member of the ALS Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the ALS Group.

The above expert has given and has not withdrawn its written consent to the issue of this joint circular with the inclusion of its letters and the references to its name in the form and context in which it appear.

9. GENERAL

- (a) The company secretary of ALS is Mr. Siu Chun Pong Raymond, a practising solicitor of the High Court of Hong Kong since 2005.
- (b) The registered office of ALS is at Cricket Square, Hutchins Drive, P. O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and the head office and principal place of business of ALS is at Rooms 2501–2509, 25th Floor, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong.
- (c) The Hong Kong branch share registrar and transfer office of ALS is Computershare Hong Kong Investor Services Limited at Shops 1712– 1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
- (d) In the event of any inconsistency, the English version of this joint circular shall prevail over the Chinese version.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of ALS (www.acesogrouphk.com) for a period of 14 days from the date of this joint circular (inclusive):

- (a) the Placing Agreement (together with a subsequent letter agreement dated 24 February 2025);
- (b) the letter from Moore CPA Limited in respect of the financial information of the HTICI Group as referred to in Appendix I to this joint circular;
- (c) the letter from Moore CPA Limited in respect of the unaudited pro forma financial information of Remaining ALS Group as set out in Appendix III to this joint circular; and
- (d) the written consent referred to in the paragraph headed “Expert and Consent” in this appendix.

NOTICE OF THE HTICI EGM

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**HTICI EGM**”) of Hao Tian International Construction Investment Group Limited (“**HTICI**”) will be held at 25/F, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong on Tuesday, 18 March 2025, at 10:30 a.m. (or at any adjournment thereof) for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed, with or without amendment, as an ordinary resolution of HTICI:

ORDINARY RESOLUTION

“**THAT:**

- (a) subject to and conditional upon the fulfilment of the conditions in the conditional placing agreement dated 3 October 2024 (the “**Placing Agreement**”) (a copy of which has been produced to the HTICI EGM and initialled by the chairman of the HTICI EGM for the purpose of identification) entered into between HTICI as the issuer and Hao Tian International Securities Limited as the placing agent in relation to the placing of a maximum of up to 1,524,224,000 new ordinary shares of HK\$0.01 in the capital of HTICI (the “**Placing Share(s)**”) on a best effort basis at the placing price of HK\$0.4 per Placing Share, and transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the directors of HTICI (the “**Directors**”) be and are hereby granted a specific mandate to exercise all the powers of HTICI to allot and issue the Placing Shares, subject to and in accordance with the terms and conditions set out in the Placing Agreement; and

NOTICE OF THE HTICI EGM

- (c) any one Director, or any two Directors or any one Director and the company secretary of HTICI (with a common seal of HTICI be affixed, if required) be and is or are hereby authorized for and on behalf of HTICI to sign and execute all such other documents, instruments and agreements, and to do all such acts or things deemed by him or her or them to be incidental to, ancillary to or in connection with the matters contemplated in the Placing Agreement as he or she or they consider(s) necessary, desirable or expedient for the implementation of and giving effect to the Placing Agreement and transactions contemplated thereunder (including but not limited to the allotment and issue of the Placing Shares).”

By order of the HTICI Board

Hao Tian International Construction Investment Group Limited

Fok Chi Tak

Executive Director

Hong Kong, 25 February 2025

Principal place of business in Hong Kong:

Rooms 2510–2518, 25th Floor

Shui On Centre

6–8 Harbour Road, Wanchai

Hong Kong

NOTICE OF THE HTICI EGM

Notes:

1. A **blue** proxy form for use at the HTICI EGM is enclosed herewith.
2. A member entitled to attend and vote at the HTICI EGM (or at any adjournment thereof) is entitled to appoint another person as his/her/its proxy to attend and vote in his/her/its stead. A proxy need not be a member of HTICI.
3. Where there are joint registered holders of any shares, any one of such persons may vote at the HTICI EGM (or at any adjournment thereof), either personally or by proxy, in respect of such shares as if a sole holder; but if more than one of such joint holders be present at the HTICI EGM personally or by proxy, that one of the said persons so present whose name stands first in the register of members of HTICI in respect of such share shall alone be entitled to vote in respect thereof.
4. In order to establish entitlements to attend and vote at the HTICI EGM, the register of members of HTICI will be closed from Thursday, 13 March 2025 to Tuesday, 18 March 2025, both days inclusive, during which period no transfer of HTICI Share(s) will be registered. All transfer document(s) accompanied by the relevant share certificate(s) must be lodged with the branch share registrar and transfer office of HTICI in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4: 30 p.m. on Wednesday, 12 March 2025.
5. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority (such certification to be made by either a notary public or a solicitor qualified to practise in Hong Kong), must be deposited with the branch share registrar and transfer office of HTICI in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time fixed for holding the HTICI EGM or any adjournment thereof.
6. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the HTICI EGM or any adjourned meeting (as the case may be) should the member so wish.
7. The Translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

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

NOTICE OF THE ALS EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**ALS EGM**”) of Aceso Life Science Group Limited (“**ALS**”) will be held at 25/F, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong on Tuesday, 18 March 2025, at 11:00 a.m. for the following purposes of considering and, if thought fit, passing with or without amendments, the following resolution as an ordinary resolution of ALS:

ORDINARY RESOLUTION

“**THAT:**

- (a) the placing agreement (the “**Placing Agreement**”) dated 3 October 2024 entered into between Hao Tian International Construction Investment Group Limited (“**HTICI**”) as issuer and Hao Tian International Securities Limited as placing agent in relation to the placing of up to 1,524,224,000 new ordinary shares of HK\$0.01 in the capital of HTICI (the “**Placing Share(s)**”) on a best effort basis at the placing price of HK\$0.4 per Placing Share, and transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the directors of HTICI (the “**Directors**”) be and are hereby granted a specific mandate to exercise all the powers of HTICI to allot and issue the Placing Shares, subject to and in accordance with the terms and conditions set out in the Placing Agreement; and

NOTICE OF THE ALS EGM

- (c) any one or more director(s) of ALS (each a “**ALS Director**”) be and is/are hereby authorised to implement and take all steps and do all acts and things and execute all such documents (including under seal of ALS, where applicable) which he/they consider(s) necessary, desirable or expedient to give effect to the Placing Agreement and transactions contemplated thereunder (including but not limited to the allotment and issue of the Placing Shares) and to agree with such variation, amendment or waiver as, in the opinion of the ALS Directors, in the interests of ALS and its shareholders as a whole.”

By order of the ALS Board
Aceso Life Science Group Limited
Zhiliang Ou
Executive Director

Hong Kong, 25 February 2025

Notes:

1. A **yellow** form of proxy for use in connection with the ALS EGM is enclosed.
2. A member entitled to attend and vote at ALS EGM (or at any adjournment thereof) is entitled to appoint another person as his/her/its proxy to attend and vote in his/her/its stead. A proxy need not be a member of ALS.
3. Where there are joint registered holders of any shares, any one of such persons may vote at the ALS EGM (or at any adjournment thereof), either personally or by proxy, in respect of such shares as if he/she/it was solely entitled thereto; but if more than one of such joint holders are present at the ALS EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of ALS in respect of such share shall alone be entitled to vote in respect thereof.
4. In order to establish entitlements to attend and vote at the ALS EGM, the register of members of ALS will be closed from Thursday, 13 March 2025 to Tuesday, 18 March 2025, both days inclusive, during which period no transfer of ALS Share(s) will be registered. All transfers of ALS Shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the branch share registrar and transfer office of ALS in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 12 March 2025.
5. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority (such certification to be made by either a notary public or a solicitor qualified to practise in Hong Kong), must be deposited with the branch share registrar and transfer office of ALS in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding the ALS EGM or any adjournment thereof.
6. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the ALS EGM or any adjourned meeting (as the case may be) should the member so wish.
7. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

As at the date of this notice, the ALS Board comprises two executive directors, namely Dr. Zhiliang Ou, J. P. (Australia) and Mr. Fok Chi Tak; one non-executive director, namely Ms. Jiang Yang; and three independent non-executive directors, namely Mr. Chan Ming Sun Jonathan, Mr. Lam Kwan Sing and Mr. Mak Yiu Tong.