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TESSON HOLDINGS LIMITED

天臣控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 1201)

**TERMINATION OF MAJOR TRANSACTION IN RELATION
TO THE ACQUISITION OF LAND PLOT II
IN LISHUI DISTRICT**

References are made to (i) the announcements of Tesson Holdings Limited (the “**Company**”) dated 18 October 2018, 8 November 2018, 16 November 2018 and 30 November 2018; and (ii) the circular dated 5 December 2018 (the “**Circular**”) in relation to the Acquisitions of Land Plots in Lishui District, Nanjing City, Jiangsu Province, the PRC. Unless otherwise defined in this announcement, all capitalised terms used herein shall have the same meanings as those defined in the Circular.

The Board hereby announces that given that one of the terms and conditions could not be fulfilled in accordance with the terms of Acquisition II, the Vendor and Purchaser II entered into a termination agreement and the executed copy was received on 19 November 2021 (the “**Termination Agreement**”), Acquisition II has then been terminated. Under the terms of Acquisition II, Purchaser II promised to introduce not less than 10 overseas, Taiwan, Hong Kong or Macau new energy experts with specific qualifications and expertise accepted by the relevant party of the Vendor to Lishui District. As less than 10 experts were accepted by the relevant party of the Vendor eventually, the Vendor and Purchaser II mutually agreed to terminate Acquisition II.

Upon termination, neither party to Acquisition II shall have further rights or obligations towards the others other than antecedent breaches (if any). Pursuant to the Termination Agreement, the Vendor will refund the full amount of consideration and tax in relation to Acquisition II to Purchaser II in phase.

According to the latest unaudited financial information, after the termination, properties for sale under development of the Group decreased by approximately HK\$847 million whereas other receivables or bank and cash balances increased at the amount of approximately HK\$841 million, a loss of HK\$6 million was expected, which mainly represented design fee, site investigation fee and other project cost. The Board considers that the termination of Acquisition II will not have any material adverse impact on the financial position and operation of the Group.

As disclosed in the Circular, Land Plot II was planned for residential and commercial development in relation to the Production and Research Facilities in Lishui District. The Group will continue to construct the Production and Research Facilities in Lishui District for the development of our Lithium Ion Motive Battery Business on Land Plot I, and continue to seek for other investment opportunity to create greater value to our shareholders.

By order of the Board
Tesson Holdings Limited
Tin Kong
Chairman and Executive Director

Hong Kong, 24 November 2021

As at the date of this announcement, the Board comprises Mr. Tin Kong, Mr. Chan Wei, Ms. Cheng Hung Mui and Ms. Liu Liu as executive Directors, and Dr. Ng Ka Wing, Mr. See Tak Wah and Mr. Wang Jinlin as independent non-executive Directors