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TESSON HOLDINGS LIMITED

天臣控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code:1201)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 20 September 2024 (after trading hours of the Stock Exchange), the Company, as the issuer, entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 120,000,000 Subscription Shares at the Subscription Price of HK\$0.10 per Subscription Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the date of Completion, the Subscription Shares represents (i) approximately 5.78% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 5.46% of the issued share capital of the Company as enlarged by the allotment and issue of the total Subscription Shares.

The Subscription Price of HK\$0.10 per Subscription Share represents a discount of (i) approximately 3.85% to the closing price of HK\$0.104 per Share as quoted on the Stock Exchange on 20 September 2024, and (ii) approximately 1.96% to the average closing price of HK\$0.102 per Share as quoted on the Stock Exchange for the five consecutive trading days of Shares immediately preceding to the date of the Subscription Agreement.

The gross proceeds from the Subscription is expected to be HK\$12.0 million. The net proceeds of the Subscription, after deduction of all relevant expenses, are estimated to be approximately HK\$11.6 million, representing a net price of approximately HK\$0.10 per Subscription Share. The Company intends to apply the net proceeds for general working capital of the Group.

Shareholders and prospective investors should be reminded that the Completion is subject to the fulfillment or waiver (as the case may be) of the conditions precedent as set out in the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.

The Board is pleased to announce that on 20 September 2024 (after trading hours of the Stock Exchange), the Company, as the issuer, entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has agreed to subscribe for, and the Company has agreed to allot and issue, 120,000,000 Subscription Shares at the Subscription Price of HK\$0.10 per Subscription Share. The Subscription is subject to the conditions set out under the section headed “Conditions Precedent” below.

SUBSCRIPTION AGREEMENT

- Date : 20 September 2024 (after trading hours of the Stock Exchange)
- Parties : (1) the Company as issuer; and
(2) the Subscriber as subscriber.
- Number of Subscription Shares subscribed by the Subscriber : 120,000,000 Subscription Shares, which represents:
- (i) approximately 5.78% of the existing issued share capital of the Company as at the date of this announcement; and
 - (ii) approximately 5.46% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there are no other changes in the share capital of the Company between the date of the Subscription Agreement and the date of the Completion).

SUBSCRIPTION PRICE

The Subscription Price of HK\$0.10 per Subscription Share represents:

- (i) a discount of approximately 3.85% to the closing price of HK\$0.104 as quoted on the Stock Exchange on 20 September 2024; and
- (ii) a discount of approximately 1.96% to the average closing price of HK\$0.102 as quoted on the Stock Exchange for the five consecutive trading days of Shares immediately preceding the date of the Subscription Agreement.

The Subscription Price of HK\$0.10 for the Subscription was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the recent market prices of the Shares, current market conditions and the funding needs as disclosed under the section headed "Reasons for the Subscription and Use of Proceeds".

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Subscription Agreement (including the Subscription Price) was entered into on normal commercial terms after arm's length negotiations and the terms therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The aggregate nominal value of the Subscription Shares is HK\$12,000,000.

RANKING OF THE SUBSCRIPTION SHARES

The Subscription Shares will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Subscription Shares.

GENERAL MANDATE

The allotment and issue of the Subscription Shares will not be subject to the approval of the Shareholders and the Subscription Shares will be issued under the General Mandate granted to the Directors at the AGM. Pursuant to the General Mandate, the total number of new Shares that the Company is authorised to issue is 415,370,456 Shares, representing 20% of the total number of Shares in issue as at the date of the AGM. Since the date of the AGM and up to the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate, the General Mandate is sufficient for the allotment and issue of the Subscription Shares. The Subscription Shares shall utilise 28.89% of the General Mandate.

CONDITIONS PRECEDENT

The Completion is conditional upon the fulfillment or waiver (as the case may be) of the following conditions precedent:

- (i) the Listing Committee having granted the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange;
- (ii) all necessary and relevant approvals and consents in relation to the Subscription having been obtained by the Company and the Subscriber; and
- (iii) the representations and warranties of the Company under the Subscription Agreement being true, accurate and not misleading in all material respects as at the date of the Subscription Agreement and the date of the Completion.

For avoidance of doubt, condition (iii) cannot be waived. If any of the conditions precedent are not fulfilled or waived, the obligations and liabilities of the Company under the Subscription shall be null and void and Company shall be released from all rights and obligations pursuant to the Subscription save for any antecedent breach thereof.

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

LOCK-UP

The Subscriber undertakes to the Company that within three (3) years from the date of Completion, it shall:

- (a) remain as the beneficial owner of the Subscription Shares at all times;
- (b) not make or attempt to make or agree to make or approve the making or in existence of any charge against all or part of the Subscription Shares or any interest thereunder; and not to transfer, dispose of or sell all or part of the Subscription Shares. Further, it shall not change its ultimate beneficiary or controller; and
- (c) not grant any interest, option or other right in any Subscription Shares to any other party.

COMPLETION

Completion of the Subscription is expected to take place on the second Business Day after all the conditions precedent set out in the section headed “Conditions Precedent” having been fulfilled or waived (as the case may be) (or such later date or time as the parties to the Subscription Agreement may agree in writing).

EFFECTS ON SHAREHOLDING STRUCTURE

The following is a table illustrating the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion, assuming that there will be no change in the number of Shares in issue (other than the issue of the Subscription Shares) between the date of this announcement and the date of Completion:

	As at the date of this announcement		Immediately after Completion	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
Shareholders				
Double Key International Limited (Note 1)	1,357,815,432	65.38	1,357,815,432	61.81
Cui Qiang	107,214,750	5.16	107,214,750	4.88
Subscriber	-	-	120,000,000	5.46
Other public shareholders	611,822,101	29.46	611,822,101	27.85
Total	2,076,852,283	100.00	2,196,852,283	100.00

Note:

1. Double Key International Limited is wholly-owned by Ms. Cheng Hung Mui who is an executive Director.

INFORMATION ON THE GROUP

The Group is principally engaged in the manufacturing and sale of lithium ion motive battery, lithium ion battery module, battery charging devices, battery materials machines and production lines, new energy solution and sale of relevant equipment, investments holding and import and export trading.

INFORMATION ON THE SUBSCRIBER

The Subscriber is a company incorporated in Hong Kong, which is a wholly-owned subsidiary of Aerospace Lithium Battery Technology (Jiangsu) Co., Ltd.* (航天鋰電科技(江蘇)有限公司). To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Subscriber and its beneficial owners are Independent Third Parties as at the date of this announcement.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

Assuming that all the Subscription Shares are fully subscribed, the gross proceeds from the Subscription is expected to be HK\$12.0 million. The estimated net proceeds from the Subscription, after deducting all the relevant expenses, will amount to approximately HK\$11.6 million.

The Company intends to apply the net proceeds for general working capital for the Group.

The Directors consider that the net proceeds of the Subscription would enhance the Company's financial strength and financing capabilities and provide the Company with an opportunity to broaden its shareholder base and capital base. Aerospace Lithium Battery Technology (Jiangsu) Co., Ltd.* is focusing in manufacturing of lithium battery with long-term business history in the battery industry. By introducing the Subscriber as a new Shareholder, the Company believes that the Subscription reflects the confidence of the Subscriber towards the long term and sustainable development of the Company. The Company intends to explore potential cooperation and investment opportunities with the Subscriber to enhance the competitiveness of the Company and the value of the Company to its Shareholders.

Accordingly, the Directors (including the independent non-executive Director) consider that the terms of the Subscription Agreement (including the Subscription Price) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

EQUITY FUNDRAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Save as the disclosed below, the Company has not conducted any fund-raising activities in the past twelve months immediately preceding the date of this announcement:

Date of announcements	Description of fund-raising activity	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
7 June 2023, 24 August 2024, 9 January 2024, 31 January 2024	Rights issue	HK\$57,915,000	The net proceeds of HK\$34,971,000 was intended to be used for the development of Lithium Ion Motive Battery Business; HK\$5,829,000 was intended to be used for general working capital; and HK\$17,115,000 was intended to be used for repayment of loan.	The net proceeds of HK\$34,938,000 was used for development of Lithium Ion Motive Battery Business; HK\$5,829,000 was used for general working capital; and HK\$17,148,000 was used for repayment of loan. The net proceeds have been fully utilised as at 30 June 2024.

WARNING

Shareholders and prospective investors should be reminded that the Completion is subject to the fulfillment or waiver (as the case may be) of the conditions precedent as set out in the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 21 June 2024
“Board”	the board of Directors
“Business Day(s)”	any day on which the Stock Exchange is open for the business of dealing in securities
“Company”	Tesson Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code:1201)
“Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to issue, allot and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Independent Third Party”	third party independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Takeovers Code) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Aerospace Lithium Battery (Hong Kong) Co., Limited
“Subscription”	the subscription of the Subscription Shares by the Subscriber under the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 20 September 2024 entered into between the Company and the Subscriber for the subscription of the Subscription Shares
“Subscription Price”	HK\$0.10 per Subscription Share
“Subscription Share(s)”	a total of 120,000,000 Shares to be subscribed by the Subscriber under the Subscription Agreement, and “Subscription Share” shall refer to any of them
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission
“%”	per cent

By order of the Board
Tesson Holdings Limited
Tin Kong
Chairman

Hong Kong, 20 September 2024

** for identification purpose only*

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