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Dongwu Cement International Limited
東吳水泥國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 695)

DISCLOSEABLE AND CONNECTED TRANSACTION
ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF
THE TARGET COMPANY

Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders



BACKGROUND

The Board is pleased to announce that on 6 November 2020 (after trading hours) the Purchaser, a wholly-owned subsidiary of the Company, and the Vendor entered into the Share Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, which represent the entire issued share capital of the Target Company, in the Consideration of RMB32,500,000 (equivalent to approximately HK\$38,025,000).

Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company. The Target Company holds 65% issued share capital in Suzhou Everhealth. Suzhou Everhealth, situating in Suzhou industrial park, is principally engaged in the research and development of innovative drugs and therapy technology for cancers and autoimmune diseases and their commercialisation. The major assets owned by the Target Group include the facilities and equipment used for research and studies of biotechnology.

The remaining 35% issued share capital of Suzhou Everhealth is held by Mr. Wu.

LISTING RULES IMPLICATIONS

The Vendor is directly controlled by Mr. Tseung, who is a non-executive Director and the controlling shareholder of the Company, and is a connected person of the Company. Therefore, the Vendor, being an associate of Mr. Tseung, is also a connected person of the Company under Rule 14A.07(4) of the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the transactions contemplated under the Share Purchase Agreement are more than 5% but lower than 25%, the transactions contemplated under the Share Purchase Agreement therefore (i) constitute a disclosable transaction of the Company under Chapter 14 of the Listing Rules; and (ii) also constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements of the Listing Rules.

Mr. Tseung has abstained from voting on the relevant resolution of the Board in accordance with the articles of association of the Company and the Listing Rules. Other than Mr. Tseung, none of the other Directors is required to abstain from voting on the relevant resolution of the Board.

The EGM will be convened for the Independent Shareholders to consider, if thought fit, to approve the Share Purchase Agreement and the transactions contemplated thereunder. Pursuant to Rule 14A.36 of the Listing Rules, any Shareholder who has a material interest in the Share Purchase Agreement shall abstain from voting to approve the Acquisition and the Share Purchase Agreement at the EGM. As at the date of this announcement, Goldview, which is wholly-owned by Mr. Tseung, holds approximately 53.89% of the issued share capital of the Company and, will be required to abstain from voting on the relevant resolution at the EGM accordingly. Save for Goldview, as at the date of this announcement, to the best knowledge of the Directors, no other Shareholder would be required to abstain from voting thereat as no other Shareholder has any interest in the Share Purchase Agreement which is different from the other Shareholders.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Cao Kuangyu, Ms. Yu Xiaoying and Mr. Suo Suo, has been established to consider the terms of the Share Purchase Agreement and the transactions contemplated thereunder, and to advise the Independent Shareholders as to whether they are on normal commercial terms, fair and reasonable and whether the Share Purchase Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

The Independent Board Committee will form its view in respect of the terms of the Acquisition after obtaining and considering the advice from the Independent Financial Adviser. Opus Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the independent Shareholders in this connection.

A circular containing, among other things, (i) information on the Acquisition; (ii) the recommendation of the Independent Board Committee in respect of the Acquisition; (iii) the advice of the Independent Financial Adviser in respect of the Acquisition; (iv) the Valuation Report; and (v) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 27 November 2020.

WARNING

Shareholders and potential investors of the Company should note that Completion is subject to the fulfillment (or waiver, if applicable) of the Conditions Precedent, and Completion may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.

The Board is pleased to announce that on 6 November 2020 (after trading hours) the Purchaser, a wholly-owned subsidiary of the Company, and the Vendor entered into the Share Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, which represent the entire issued share capital of the Target Company, in the Consideration of RMB32,500,000 (equivalent to approximately HK\$38,025,000).

The major terms of the Share Purchase Agreement are summarised below:

THE SHARE PURCHASE AGREEMENT

| | |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date | 6 November 2020 |
| Parties | (i) The Purchaser (as the purchaser); and (ii) The Vendor (as the vendor). |
| Assets to be acquired | The Sale Shares which represents the entire issued share capital of the Target Company |
| Consideration | RMB32,500,000 (equivalent to approximately HK\$38,025,000) |
| Conditions Precedent | Completion is subject to the following Conditions Precedent, unless being waived by both parties in writing, subject to the relevant laws and regulations: (i) the Share Purchase Agreement is signed by both parties and remains in force; (ii) except for the material matters that have been disclosed by the Vendor to the Purchaser, there is no material change in the principal business of the Target Company and Suzhou Everhealth; |

- (iii) except for the material matters that have been disclosed by the Vendor to the Purchaser, there is no material adverse change in the composition and positions of the assets of the Target Company and Suzhou Everhealth; there is no event that may have material adverse effects on the financial positions, prospects, assets or obligations of the Target Company and Suzhou Everhealth; there is no circumstance that may lead to the termination of the operation of the Target Company and Suzhou Everhealth; and there is no sequestration or seizure over the share capital of the Target Company and Suzhou Everhealth;
- (iv) the representations and warranties under the Share Purchase Agreement having been performed and complied with in all aspects by each of Purchaser and the Vendor;
- (v) shareholders' resolution approving the transfer of the Sale Shares having been duly passed by the Vendor;
- (vi) the Target Company having entered into the Shareholders Agreement with Mr. Wu;
- (vii) the Vendor having procured Mr. Wu to enter into the Employment Contract with Suzhou Everhealth;
- (viii) the Company having obtained the approval from the Independent Shareholders at the EGM in respect of the Share Purchase Agreement and the transactions contemplated thereunder;
- (ix) the Outstanding Receivables and Outstanding Payables having been fully settled; and
- (x) all necessary approvals and consents required under all applicable laws and regulations having been obtained by both parties in respect of the transactions contemplated under the Share Purchase Agreement.

For the avoidance of doubt, the Conditions Precedent (i), (v) to (x) cannot be waived.

Unless it has been agreed in writing by both parties, the Conditions Precedents shall be completed no later than 60 days from the date of signing the Share Purchase Agreement.

Consideration and Shares Transfer Base Date

The amount of the Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor and is on normal commercial terms, with reference to, among others, (i) the preliminary valuation prepared by Graval Consulting Limited, an independent professional valuer, based on market approach to determine the appraised value of the 100% equity interests in Suzhou Everhealth of RMB62,400,000 (equivalent to approximately HK\$73,008,000) as of 30 September 2020; (ii) the registered capital of the Target Company paid up by the Vendor which amounted to RMB26,500,000 (equivalent to approximately HK\$31,005,000); and (iii) the potential business opportunities and prospects of the Target Group's business.

The Consideration shall be settled by the Purchaser in cash within five days of the Shares Transfer Base Date, being the date when all Conditions Precedent are fulfilled or waived (as applicable) and where all the rights and obligations of the Sale Shares are transferred to the Purchaser. The Company intends to satisfy the Consideration by way of internal resources.

From the date of the Share Purchase Agreement to Shares Transfer Base Date, the Target Company and Suzhou Everhealth shall not sign any agreements not in their ordinary course of business with external parties, and the originals of any agreements in their ordinary course of business signed with external parties shall be submitted to the Purchaser for review one Business Day before the date of signing the Share Purchase Agreement.

From 30 September 2020 to the Shares Transfer Base Date, the Target Company and Suzhou Everhealth shall not incur any current accounts or indebtedness with connected persons of the Company. Otherwise, both parties shall procure the Target Company, Suzhou Everhealth or the relevant connected person(s) of the Company (as the case maybe) to fully settle the relevant amounts prior to the Shares Transfer Base Date.

Completion

Completion shall take place on the Shares Transfer Base Date. Within ten days from the Shares Transfer Base Date, the Vendor shall procure and assist the Target Company to complete the industrial and commercial registration and filing procedures for the transfer of the Sale Shares under the Share Purchase Agreement.

Upon Completion, the Target Company will become a subsidiary of the Company and accordingly its financial results will be consolidated into that of the Group.

Post-Completion undertaking

Pursuant to the terms of the Share Purchase Agreement, the Vendor undertakes to procure Mr. Wu to enter into the Employment Contract with a term of more than three years with Suzhou Everhealth from the date of signing the Share Purchase Agreement and before Shares Transfer Base Date. During the period of employment, Mr. Wu shall not unilaterally propose to terminate the employment relationship and he shall not directly or indirectly engage in any commercial activities that compete with Suzhou Everhealth, including but not limited to (i) holding any full-time or part-time positions in any competing companies that engaged in the same or similar business as Suzhou Everhealth; or (ii) through investment relationships or other arrangements, directly or indirectly controlling such companies.

Details of Mr. Wu's background is set out in the paragraph headed "Information on the Target Group – Key personnel of the Target Group" below.

It is the intention of the parties that the Company will appoint Mr. Wu as a Director and Mr. Wu will join the Board, after Completion should the Acquisition materialise, with an aim to provide the relevant expertise and insights to the Board to supervise the Target Group's business at the Board level.

SHAREHOLDERS AGREEMENT

As one of the Conditions Precedent, the Target Company and Mr. Wu shall enter into the Shareholders Agreement. Material terms of which are set out below:

| | |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Capital contribution arrangements | The Target Company shall be entitled to make decisions on the capital contribution plans and proposals of Suzhou Everhealth and promote their implementation and execution at its sole discretion. If the Target Company decides to make the capital contribution to Suzhou Everhealth, Mr. Wu has the priority to make the capital contribution in proportion to his paid-up capital. If Mr. Wu decides not to make the capital contribution, the Target Company shall have the right to decide to make the capital contribution itself and/or bring in other investors at its sole discretion. |
| Share transfer | Mr. Wu's transfer of the whole or any part of his shares in Suzhou Everhealth shall be subject to the prior written consent of the Target Company. |

- Intellectual property rights
- (i) Suzhou Everhealth shall have the absolute ownership, rights and interest in the inventions made by Mr. Wu during execution of his duties or tasks assigned to him; during his tenure mainly by using the material conditions and business information of Suzhou Everhealth; and within one year from the date of his resignation in connection with his duties or assignments or business with Suzhou Everhealth. Such inventions shall be service inventions or service works in accordance with the definitions of the Patent Law and the Copyright Law of the PRC. Mr. Wu understands and agrees that Suzhou Everhealth has the right, at its sole discretion, to commercialise or sell such inventions for the sole benefit of Suzhou Everhealth and/or its affiliates. If certain works are not the aforementioned service inventions or service works, but are related to the business of Suzhou Everhealth and/or its affiliates, Mr. Wu shall make a disclosure to Suzhou Everhealth, and Suzhou Everhealth and/or its affiliates shall have a right of first refusal to acquire all or part of the rights in such results within three months from the date of Mr. Wu's disclosure of such inventions to it.
 - (ii) Mr. Wu shall irrevocably waive any remaining rights (including but not limited to the pre-emption rights under the Contract Law of the PRC) that Mr. Wu may have when Suzhou Everhealth sells, transfers or otherwise disposes of such inventions.

INFORMATION ON THE TARGET GROUP

The Target Company holds 65% issued share capital in Suzhou Everhealth and the remaining 35% issued share capital of Suzhou Everhealth is held by Mr. Wu. The Target Company was established in the PRC with limited liability on 21 June 2018, with registered capital paid up by the Vendor, amounted to RMB26,500,000 (equivalent to approximately HK\$31,005,000). Suzhou Everhealth was subsequently established in the PRC with limited liability on 25 December 2018 and situated in Suzhou industrial park.

Suzhou Everhealth is principally engaged in the research and development of innovative drugs and therapy technology for cancers and autoimmune diseases and their commercialisation. The major projects conducted by Suzhou Everhealth currently include CAR-T-cell therapy technology, TIM-3 inhibiting antibody drug development project, Vitamin D antibody reagents, NMN anti-aging project, PD-L1 inhibiting antibody drug and IL-6 neutralising antibody drug projects. The table below summarises the information and current status of the major projects:

Core projects in the research and development stage (pre-clinical):

| | Projects | Drug description | Targeting disease | Current Status |
|----|------------------------------------------|-----------------------------------------------|----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| 1. | CAR-T-cell therapy technology | Gene-modified immune cell therapy for cancers | Multiple solid tumors, e.g. colon cancer, breast cancer | Entering the stage of production process development and safety evaluation |
| 2. | TIM-3 antibody drug development project | Inhibitory antibody drug therapy for cancers | Lung cancer, melanoma, hodgkin lymphoma, etc. | At the stage of function and effectiveness evaluation for humanised antibody |
| 3. | PD-L1 antibody drug | Inhibitory antibody drug therapy for cancers | Lung cancer, melanoma, hodgkin lymphoma, etc. | Obtained antibody hybridoma cell line, pending for subsequent development |
| 4. | IL-6 neutralising antibody drug projects | Neutralising antibody drug | Rheumatoid arthritis, treatment of lung cancer in combination of use of TIM-3 antibody, etc. | Feasibility research stage |

Other projects in commercialisation stage:

| | Projects | Drug description | Targeting disease | Current Status |
|----|-----------------------------|---------------------------|--------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| 1. | Vitamin D antibody reagents | Health diagnostic reagent | Measurement of Vitamin D levels in blood in vitro test | The technology is available for stable production; the negotiation on commercialisation is under way |
| 2. | NMN anti-aging project | Health care product | Anti-aging and health care | There are stable supply channels; the negotiation on commercialisation is under way |

The major assets owned by the Target Group include the facilities and equipment used for research and studies of biotechnology.

Key personnel of the Target Group

The Target Group's research and development team is led by Mr. Wu. The team members have different expertises and complement each other with advantages. Specifically, the team includes, among others, a specialised experimenter engaged in stem cell and immune cell culture; a technician with more than two years' experience in molecular cloning; a senior researcher who has been trained for five years in the Institute of Genetics and Development Biology of the Chinese Academy of Sciences with deep experience in protein purifications and immunological detections; and two technicians who have been engaged in the research of genesis, development and treatment of tumor in Japan's top medical universities. The relevant team is equipped with the relevant theoretical knowledge of tumor, immune cell and stem cell as well as having in-depth experience in the development and research of antibody drugs and cell therapy drugs.

Mr. Wu is one of the co-founders, a director and the general manager of Suzhou Everhealth. He is a scientist with extensive experience in the areas of immunology and cell biology. He graduated with a bachelor degree of medicine from Tongji Medical College of Huazhong University of Science and Technology in the PRC, and obtained a master degree of immunology from Shanghai Institute of Biochemistry and Cell Biology of the Chinese Academy of Sciences and a Ph.D. from Nanjing University. He served as an assistant professor and a researcher at McGill University, a senior scientist at Cell Signally Technology, Inc. and was a vice president of Cell Applications, Inc.. He also served as a scientific consultant for a number of public and private companies and research institutions. He is currently a distinguished professor at Renmin Hospital of Wuhan University, the honorary chairman of Hubei Provincial Society of Clinical Oncology, and a member of the standing committee of the Precision Medicine Branch of the Chinese Society of Biomedicine.

Financial Information of the Target Group

As at the date of this announcement, no audited consolidated accounts have been prepared for the Target Group and the only core assets held by the Target Company are the 65% equity interests in Suzhou Everhealth. Accordingly, the financial information of the Target Company and Suzhou Everhealth will be presented separately.

Set out below is a summary of the unaudited financial information of the Target Company:

| | For the year ended 31 December 2019 <i>(Note 1)</i> RMB | For the nine months ended 31 December 2020 RMB |
|----------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| Net loss before taxation for the year/period | 101,851.8 | 13,250.0 |
| Net loss after taxation for the year/period | 101,851.8 | 13,250.0 |

As at 30 September 2020, the unaudited net assets of the Target Company were approximately RMB26.2 million. *(Note 2)*

Set out below is a summary of the unaudited financial information of Suzhou Everhealth:

| | For the year ended 31 December 2019 (Note 3) RMB | For the nine months ended 30 September 2020 RMB |
|----------------------------------------------|-----------------------------------------------------------------------------|------------------------------------------------------------------------|
| Net loss before taxation for the year/period | 2,004,259.3 | 4,622,670.2 |
| Net loss after taxation for the year/period | 2,004,259.3 | 4,622,670.2 |

As at 30 September 2020, the unaudited net assets of Suzhou Everhealth were approximately RMB18.5 million. (Note 2)

Notes:

- (1) The unaudited financial information of the Target Company for the year ended 31 December 2018 is not available as the Target Company was established in June 2018.
- (2) The unaudited net assets of the Target Company and Suzhou Everhealth had included the Outstanding Payables as well as the Outstanding Receivables due from Orient Xinmin and Orient Strait (as the case maybe) to the Target Company and Suzhou Everhealth (as the case maybe), which will be settled in full prior to Completion.
- (3) The unaudited financial information of Suzhou Everhealth for the year ended 31 December 2018 is not available as Suzhou Everhealth was established in December 2018.

INFORMATION ON THE VENDOR

The Vendor is an investment holding company established in the PRC with limited liability and is directly controlled by Mr. Tseung.

INFORMATION ON THE COMPANY AND THE PURCHASER

The Group is mainly engaged in manufacture and sale of cement and clinker. The Purchaser, which is a wholly-owned subsidiary of the Company, is an investment holding company established in the PRC with limited liability.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is committed to exploring new business opportunities and intends to acquire high quality businesses and assets with good future prospects for the Group's future development. The Acquisition provides the Group with an opportunity to expand into comprehensive healthcare and biopharmaceutical sectors, which can be seen as a way to diversify the Group's business and enhance Shareholder value. The Target Company holds 65% equity interests in Suzhou Everhealth. Suzhou Everhealth is principally engaged in research and development of innovative drugs and therapy technology for cancers and autoimmune diseases and their commercialisation. Given that (i) there is an emerging market of innovative drugs in the biopharmaceutical industry; (ii) Suzhou Everhealth has a strong research team which has the relevant technical expertise and deep experience in the research and development of cell therapy and antibody drugs; and (iii) CAR-T-cell therapy, a major pre-clinical research project being conducted by Suzhou Everhealth, is showing significant tumor killing efficacy without any side effects in recent results of pre-clinical study, the Board (excluding the independent non-executive Directors whose views will be set out in the circular to be despatched to the Shareholders after having considered the advice of the Independent Financial Adviser) considers the entering into of the Share Purchase Agreement could help the Group to venture into an exciting business area which has significant growth potential and to diversify the Group's business and to enhance Shareholder value.

The Board (excluding the independent non-executive Directors whose views will be set out in the circular to be despatched to the Shareholders after having considered the advice of the Independent Financial Adviser) considers the terms of the Share Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and are entered into on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Vendor is directly controlled by Mr. Tseung, who is a non-executive Director and the controlling shareholder of the Company, and is a connected person of the Company. Therefore, the Vendor, being an associate of Mr. Tseung, is also a connected person of the Company under Rule 14A.07(4) of the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the transactions contemplated under the Share Purchase Agreement are more than 5% but lower than 25%, the transactions contemplated under the Share Purchase Agreement therefore (i) constitute a disclosable transaction of the Company under Chapter 14 of the Listing Rules; and (ii) also constitute a connected transaction of the Company under Chapter 14A of the Listing Rules, and are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements of the Listing Rules.

Mr. Tseung has abstained from voting on the relevant resolution of the Board in accordance with the articles of association of the Company and the Listing Rules. Other than Mr. Tseung, none of the other Directors is required to abstain from voting on the relevant resolution of the Board.

The EGM will be convened for the Independent Shareholders to consider, if thought fit, to approve the Share Purchase Agreement and the transactions contemplated thereunder. Pursuant to Rule 14A.36 of the Listing Rules, any Shareholder who has a material interest in the Share Purchase Agreement shall abstain from voting to approve the Acquisition and the Share Purchase Agreement at the EGM. As at the date of this announcement, Goldview, which is wholly-owned by Mr. Tseung, holds approximately 53.89% of the issued share capital of the Company and, will be required to abstain from voting on the relevant resolution at the EGM accordingly. Save for Goldview, as at the date of this announcement, to the best knowledge of the Directors, no other Shareholder would be required to abstain from voting thereat as no other Shareholder has any interest in the Share Purchase Agreement which is different from the other Shareholders.

The Independent Board Committee, comprising all the non-executive Directors, namely Mr. Cao Kuangyu, Ms. Yu Xiaoying and Mr. Suo Suo, has been established to consider the terms of the Share Purchase Agreement and the transactions contemplated thereunder, and to advise the Independent Shareholders as to whether they are on normal commercial terms, fair and reasonable and whether the Share Purchase Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

The Independent Board Committee will form its view in respect of the terms of the Acquisition after obtaining and considering the advice from the Independent Financial Adviser. Opus Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this connection.

A circular containing, among other things, (i) information on the Acquisition; (ii) the recommendation of the Independent Board Committee in respect of the Acquisition; (iii) the advice of the Independent Financial Adviser in respect of the Acquisition; (iv) the Valuation Report; and (v) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 27 November 2020.

WARNING

Shareholders and potential investors of the Company should note that Completion is subject to the fulfillment (or waiver, if applicable) of the Conditions Precedent, and Completion may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

| | |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Acquisition” | the purchase of the Sale Shares by the Purchaser as contemplated under the Share Purchase Agreement |
| “associate(s)” | has the meaning ascribed to it under the Listing Rules |
| “Board” | the board of Directors |
| “Business Day(s)” | day(s) on which commercial banks are open for business in the PRC (excluding Saturdays, Sundays and public holidays) |
| “CAR-T-cell therapy” | chimeric antigen receptor T-cell therapy, which involves removing a person’s T-cells from the body, in vitro genetically editing and expanding T-cells, and then conducting T-cell infusion to eliminate tumors |
| “CD3” | a protein complex and T-cell co-receptor that is involved in activating both the cytotoxic T-cell and T helper cells |
| “Company” | Dongwu Cement International Limited, a company incorporated in the Cayman Islands whose issued Shares are listed and traded on the Stock Exchange (stock code: 695) |
| “Completion” | completion of the Share Purchase Agreement |
| “Conditions Precedent” | the conditions precedent to Completion |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “Consideration” | RMB 32,500,000 (equivalent to approximately HK\$38,025,000), being the consideration for the Sale Shares pursuant to the Share Purchase Agreement |
| “Director(s)” | the director(s) of the Company |
| “EGM” | an extraordinary general meeting of the Company to be held for the purpose of approving, among others, the Share Purchase Agreement and the transactions contemplated thereunder |
| “Employment Contract” | the employment contract to be entered into between Suzhou Everhealth and Mr. Wu, details of which are set out in the paragraph headed “The Share Purchase Agreement – Post-completion Undertaking” of this announcement |

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|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Goldview” | Goldview Development Limited, a controlling shareholder of the Company, which is wholly-owned by Mr. Tseung as at the date of this announcement |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “IL-6” | Interleukin-6, which is an interleukin, a type of cytokine signalling molecule in the immune system to provoke an immune response in the body of a human and other animals (i.e. the ability to induce humoral and/or cell-mediated immune responses) |
| “Independent Board Committee” | an independent committee of the Board, comprising all the independent non-executive Directors, which has been established for the purpose of advising the Independent Shareholders in respect of the Share Purchase Agreement and the transactions contemplated thereunder |
| “Independent Financial Adviser” or “Opus Capital” | Opus Capital Limited, a corporation licensed under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Share Purchase Agreement and the transactions contemplated thereunder |
| “Independent Shareholder(s)” | Shareholder(s) other than Mr. Tseung and its associates who have a material interest in the Share Purchase Agreement and the transactions contemplated thereunder |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Mr. Tseung” | Mr. Tseung Hok Ming, a non-executive Director and the controlling shareholder of the Company through his interests in Goldview |
| “Mr. Wu” | Mr. Wu Jiong, a shareholder of Suzhou Everhealth holding 35% of its issued share capital as at the date of this announcement, and a director and the general manager of Suzhou Everhealth |

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| “NMN” | Nicotinamide Mononucleotide is an inherent molecule in the human body, which has been found to improve aging indicators |
| “Orient Strait” | Orient Strait Capital Management Company Limited* (東方海峽資本管理有限公司), a company established in the PRC with limited liability, which is ultimately controlled by Mr. Tseung |
| “Orient Xinmin” | Orient Xinmin Holdings Limited* (東方新民控股有限公司), a company established in the PRC with limited liability, which is ultimately controlled by Mr. Tseung. |
| “Outstanding Payables” | the outstanding payables due to Orient Strait by Suzhou Everhealth in the amount of RMB60,000 as at 30 September 2020 |
| “Outstanding Receivables” | the outstanding receivables due to (i) the Target Company by Orient Xinmin in the amount of RMB2,542,100; (ii) the Target Company by Orient Strait in the amount of RMB20,000; and (iii) Suzhou Everhealth by Orient Xinmin in the amount of RMB6,157,900, as at 30 September 2020 |
| “PD-1” | programmed cell death protein 1 or programmed death receptor 1, an immune checkpoint receptor expressed on T-cells, B cells and macrophages. The normal function of PD-1 is to turn off the T-cell mediated immune response as part of the process that stops a healthy immune system from attacking other pathogenic cells in the body. When PD-1 on the surface of T-cells binds to PD-L1 on the surface of cancer cells, the T-cell tumor-specific killing ability is inhibited |
| “PD-L1” | PD-1 ligand 1, which is a protein on the surface of a normal cell or a cancer cell binding to PD-1 on the surface of the T-cell that causes the inhibition of T-cell tumor-specific killing ability |
| “PRC” | the People’s Republic of China, excluding Taiwan, Hong Kong and Macau Special Administrative Region of the People’s Republic of China for the purpose of this announcement |
| “Purchaser” | Xihua Shanghai Investment Management Co., Ltd. * (熙華(上海)投資管理有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement |

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|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Sale Shares” | 100% of the issued share capital of the Target Company |
| “SFO” | the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) |
| “Share(s)” | the ordinary share of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | the holder(s) of the Shares |
| “Shareholders Agreement” | a shareholders agreement to be entered into between Target Company and Mr. Wu prior to Completion |
| “Share Purchase Agreement” | a share purchase agreement dated 6 November 2020 entered into between the Purchaser and the Vendor in relation to the Acquisition |
| “Shares Transfer Base Date” | the date upon the fulfilment (or wavier, if applicable) of all the Conditions Precedent |
| “Suzhou Everhealth” | Suzhou Everhealth Biomedical Company Limited* (蘇州恆康生命科學有限公司), a sino-foreign joint venture established in the PRC with limited liability on 25 December 2018, and 65% and 35% of the issued share capital of which is owned by the Target Company and Mr. Wu, respectively, as at the date of this announcement |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target Company” | Orient Everhealth Biomedical Company Limited* (東方恆康生命科學有限公司), a company established in the PRC with limited liability on 21 June 2018, the entire issued share capital of which is owned by the Vendor as at the date of this announcement |
| “TIM-3” | T-cell immunoglobulin domain and mucin domain-3 is a type of T-cell surface inhibitory molecule that can cause T-cell failure during cancer and chronic viral infection |
| “Target Group” | the Target Company and Suzhou Everhealth |

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| “T-cell(s)” | a lymphocyte of a type produced or processed by the thymus gland and actively participating in the immune response, which plays a central role in cell-mediated immunity. T-cells can be distinguished from other lymphocytes, such as B cells and NK cells, by the presence of CD3 molecule on the cell surface |
| “Valuation Report” | a valuation report on the 100% equity interests in Suzhou Everhealth as of 30 September 2020 to be issued by an independent professional valuer |
| “Vendor” | Orient Hengxin Capital Holding Group Company Limited* (東方恒信資本控股集團有限公司), a company established in the PRC with limited liability, which is directly controlled by Mr. Tseung as at the date of this announcement |
| “%” | per cent |

In this announcement, translation of RMB into HK\$ based on the exchange rate of RMB1.00 to HK\$1.17. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in HK\$ or RMB have been, could have been or may be converted at such or any other rates or at all.

By order of the Board
Dongwu Cement International Limited
Liu Dong
Executive Director

Hong Kong, 6 November 2020

As at the date of this announcement, the Board comprises Mr. Liu Dong and Mr. Wu Junxian as executive Directors; Mr. Tseung Hok Ming, Ms. Xie Yingxia and Mr. Chen Xuanlin as non-executive Directors; and Mr. Cao Kuangyu, Ms. Yu Xiaoying and Mr. Suo Suo as independent non-executive Directors.

* *For identification purposes only*