



*(Incorporated in the Cayman Islands with Limited Liability)*

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## ANNOUNCEMENT



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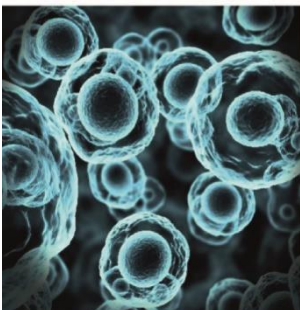
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### DISCLOSEABLE TRANSACTION ACQUISITION OF DEEP LONGEVITY, INC. (“DLI”)



#### SUMMARY

This announcement is made by the Company in compliance with Rule 13.09 and Chapter 14 of the HK Listing Rules and the Inside Information Provisions (as defined under the HK Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).



## ACQUISITION OF DLI

The Board is pleased to announce that today (after market close) the Company entered into legally binding Share Purchase Agreements with all the shareholders and DLI ESOP award recipients of DLI in respect of the conditional Acquisition of the issued and outstanding shares and DLI ESOP awards in DLI by the Company for approximately US\$3.79 million (or approximately HK\$29.56 million), to be satisfied by way of the issuance of Consideration Shares, the number of which was determined pursuant to an exchange ratio based on the valuation attributed to DLI and a Share price of HK\$0.070 per Share, which was referable to: (i) the closing Share price of HK\$0.067 per Share on 29 May 2020, which was the business day on which a non-legally binding understanding was reached on the respective valuations of each of the Company and DLI, subject to confirmatory due diligence; (ii) the 5-day average closing Share price of HK\$0.071 per Share concluding on 29 May 2020; and (iii) the 30-day average closing Share price of HK\$0.074 per Share concluding on 29 May 2020, in each case as quoted on the HK Stock Exchange.

In addition and as part of its due diligence on DLI, the Company has had a professional independent valuation performed on DLI, a summary of which is set out in this announcement.

On the basis of the Share Purchase Agreements, the Acquisition would therefore require the issuance of approximately 422.69 million Consideration Shares, representing a dilution of approximately 18.70 per cent of the issued share capital of the Company as to be enlarged by the allotment and issue of the Consideration Shares. These figures do not take into account any other issues of Shares that may or may not take place.

The Acquisition remains subject to a number of conditions, including Shareholder approval in respect of a specific mandate required to issue the Consideration Shares.

Following the transaction, DLI will become a wholly owned subsidiary of the Company. The Board believes that the acquisition of DLI will add a high-quality growth asset to the Company, which will serve as a key platform for its expansion into the health and wellness sector, namely the emerging field of longevity medicine.

DLI is developing explainable and user-friendly artificial intelligence systems to track the rate of aging at the molecular, cellular, tissue, organ, system, physiological and psychological levels. It is also developing systems for the emerging field of longevity medicine enabling physicians to make better decisions on the interventions that may slow down or reverse the aging processes. DLI developed Longevity as a Service (LaaS)© solution to integrate multiple deep biomarkers of aging dubbed “deep aging clocks” to provide a universal multifactorial measure of human biological age. Originally incubated by Insilico Medicine IP Limited, DLI started its independent journey in 2020 after closing a Series A financing at the end of June 2020 that included some of the most credible venture capitalists specialising in biotechnology, longevity, and artificial intelligence. Among these strategic investors are well known funds as ETP Ventures, Human Longevity and Performance Impact Venture Fund, BOLD Capital Partners, Longevity Vision Fund, LongeVC, co-founder of Oculus, Michael Antonov, and other expert AI and biotechnology investors have invested in the company. DLI has also established a key research partnership with one of the world’s leading longevity organisations, Human Longevity, Inc. (“**HLI**”). Under this arrangement HLI will provide a range of aging clocks to a global network of advanced physicians and longevity research specialists.

The acquisition will allow the Group to expand into the global wellness market that was estimated to be over US\$4.20 trillion in 2017. Further, there is an increased interest in the longevity market where DLI is looking to have first mover advantage with its applications including COVID-19 relevance (where epidemiological studies suggest that age is one of the most important factors of COVID-19 disease severity). DLI’s deep haematological clocks can be explored as a predictive tool for analysis of COVID-19 positive patients. The Group therefore believes there is significant growth potential in acquiring DLI at this stage in its development, and importantly believes the Acquisition to be on attractive terms to Shareholders.

The terms of the Acquisition were negotiated on an arm’s length basis and the Directors (including the independent non-executive Directors) consider that the Acquisition is in the ordinary and usual course of business of the Group and on normal commercial terms which are fair and reasonable having regard to the interests of the Company and the Shareholders as a whole.

Based on the Company’s current market capitalisation and other relevant metrics as at the date hereof, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules, while the issuance of the Consideration Shares will be carried out pursuant to a specific mandate that will need to be sought and obtained from the Shareholders in due course.

## GENERAL

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules, and therefore no Shareholders' approval is required for the Acquisition and the Share Purchase Agreements. However, the Company proposes to seek from the Shareholders at the Extraordinary General Meeting an approval of a specific mandate for the issue and allotment of the Consideration Shares.

It is expected that a circular containing the details of the Acquisition and the Share Purchase Agreements and the specific mandate for the issue and allotment of the Consideration Shares, together with the notice of the Extraordinary General Meeting, will be despatched to the Shareholders on or before 23 September 2020.

**As the Acquisition remains subject to the fulfillment of a number of conditions it may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.**

This announcement is made by the Company in compliance with Rule 13.09 and Chapter 14 of the HK Listing Rules and the Inside Information Provisions (as defined under the HK Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

## SHARE PURCHASE AGREEMENTS

On 2 September 2020 (after trading hours), the Company entered into two conditional Share Purchase Agreements with the Sellers, pursuant to which the Sellers have conditionally agreed to sell, and the Company has conditionally agreed to purchase, the Sale Shares. The Majority Share Purchase Agreement was between the Company, as purchaser, and the holders of ordinary and Series A preferred shares in DLI, as sellers, as well as DLI. The Minority Share Purchase Agreement was between the Company, as purchaser, and the holders of awards of restricted shares under the DLI ESOP, as sellers, as well as DLI.

The Share Purchase Agreements are inter-conditional upon each other and, together, will facilitate the Acquisition by the Company of all of the issued and outstanding securities in DLI, comprising ordinary shares, Series A preferred shares and restricted shares awarded under the DLI ESOP.

Set out below are the principal terms of the Share Purchase Agreements:

**Date**

2 September 2020

**Parties**

Purchaser: Regent Pacific Group Limited

Sellers: Each of the shareholders of DLI holding ordinary, Series A preferred shares and/or restricted share awards pursuant to the DLI ESOP

Sellers' Warrantor: Insilico Medicine IP Limited, as a founding and major shareholder of DLI, has provided certain operational representations and warranties under the Majority Share Purchase Agreement

DLI: in respect of certain covenants and obligations imposed on it under the Share Purchase Agreements

**Sellers**

The corporate or institutional entities that are Sellers under and pursuant to the Share Purchase Agreements are the following:

<u>Name of Corporate or Institutional Seller</u>	<u>Description of Seller</u>
Bold Capital Partners II, LP	Bold Capital Partners II, L.P. is an accredited investor and limited partnership organized under the laws of Delaware in the US. Bold Capital Partners II, L.P. is managed by Bold Capital Management II, LLC, which provides management services to certain venture capital investment funds focused on technology related investments in North America and Asia. Messrs. Neal Bhadkamkar, Teymour Boutros-Ghali, Peter Diamandis and Emilio Diez Barroso serve as managing members of Bold Capital Management II, LLC
Emerging Technology Partners, LLC	An accredited investor that is a life sciences focused investment fund, resident in the US and controlled and beneficially owned by Wei-Wu He

Human Longevity and Performance Impact Venture Fund, L.P.	An accredited investor that is a longevity focused early stage venture capital fund, resident in the US and controlled and beneficially owned by Emerging Technology Partners, LLC
Human Longevity, Inc.	An accredited investor, resident in the US which is an innovator in providing data-driven precision health intelligence platforms for physicians and patients. HLI also provides unparalleled, precision health analytics to individuals through the Health Nucleus assessment in La Jolla, CA. The Health Nucleus provides risk analyses for cardiac, cancer, metabolic and cognitive issues. This is provided via integrated looks at the individual's whole genome sequencing, brain and body imaging via MRI, cardiac CAT scan, metabolic tests and more, using machine learning and artificial intelligence. HLI is owned by a number of shareholders, the two largest of which are ETP Global Fund LP and ETP Longevity Fund LP, together holding greater than 50 per cent. of the voting power, both of whom are controlled and beneficially owned by Wei-Wu He
InSilico Medicine Cayman SubCo	An accredited investor, formed and registered in the Cayman Islands as an investment holding company focussed on drug discovery and drug development through the deployment of new artificial intelligence technologies and controlled and beneficially owned entirely by InSilico Medicine Cayman TopCo, also formed and registered in the Cayman Islands in which no shareholder owns or controls 25 per cent. or more of the voting power, further particulars of which are set out below
Insilico Medicine IP Limited	An accredited investor focussed on drug discovery and drug development through the deployment of new artificial intelligence technologies, established and resident in Hong Kong and controlled and beneficially owned by InSilico Medicine Cayman TopCo, also formed and registered in the Cayman Islands in which no shareholder owns or controls 25 per cent. or more of the voting power, further particulars of which are set out below
Longevity Vision Fund I, LP	An accredited investor that is a longevity focussed venture fund, resident in Delaware in the US and controlled by its General Partner, Longevity Vision Fund I GP, LLC, which, in turn, is beneficially owned by Sergey Braukhin
Tubus LLC	An accredited investor, resident in the US and controlled and beneficially owned by The Michael Antonov 2014 Delaware Trust. Michael Antonov is a co-founder of Facebook-owned virtual reality (VR) player Oculus

InSilico Medicine Cayman TopCo was formed and registered in the Cayman Islands and in which no shareholder owns or controls 25 per cent. or more of the voting power. Shareholders of InSilico Medicine Cayman TopCo holding more than 5 per cent. of its voting power are Deep Knowledge Ventures Limited, Juvenescence Limited (further explained below), Qiming Venture Partners VI, L.P., WuXi PharmaTech Healthcare Fund I L.P. (an affiliate of WuXi AppTec Co., Ltd. (2359.HK), a company listed on the HK Stock Exchange) and Aleksandrs Zavoronkovs.

Aleksandrs Zavoronkovs, a director of DLI and InSilico Medicine Cayman TopCo, will hold approximately 3.35 per cent. of the issued share capital of the Company as to be enlarged by the issue and allotment of the Consideration Shares.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, James Mellon is a non-executive director (one of four directors sitting on the board) and direct shareholder of InSilico Medicine Cayman TopCo, holding, together with Galloway Limited ("**Galloway**"), which is a private limited liability company indirectly wholly-owned by James Mellon, in aggregate approximately 1.66 per cent. of its issued share capital. Juvenescence Limited, in which Mr Mellon is the chairman and a shareholder holding, together with Galloway, approximately 18.59 per cent. of its issued share capital, directly holds approximately 11.63 per cent. of InSilico Medicine Cayman TopCo's issued share capital. InSilico Medicine Cayman TopCo is the parent company of Insilico Medicine IP Limited and InSilico Medicine Cayman SubCo, both of which are shareholders of DLI, holding approximately 13.18 per cent. and approximately 11.53 per cent., respectively, of DLI's issued share capital and Insilico Medicine IP Limited is the Sellers' Warrantor in respect of the operational warranties given under the Majority Share Purchase Agreement. On closing of the Acquisition, James Mellon will step down as a non-executive director of InSilico Medicine Cayman TopCo.

The remaining Sellers not listed above, being the Individual Minority Sellers, are all individuals whom have confirmed their sophisticated, professional, high net worth and/or accredited investor status, as appropriate.

Save as aforementioned in respect of Insilico Medicine IP Limited and InSilico Medicine Cayman SubCo, all Sellers are Independent Third Parties.

### **Interests to be Acquired**

The Sale Shares.

### **Total Consideration under the Share Purchase Agreements**

The total consideration under both Share Purchase Agreements shall be approximately US\$3.79 million (or approximately HK\$29.56 million), to be satisfied by way of the issuance of Consideration Shares pro rata in accordance with the Sellers' respective holdings in DLI, the aggregate number of which was determined pursuant to an Exchange Ratio based on the valuation attributed to DLI and a Share price of HK\$0.070 per Share, which was referable to: (i) the closing Share price of HK\$0.067 per Share on 29 May 2020, which was the business day on which a non-legally binding understanding was reached on the respective valuations of each of

the Company and DLI, subject to confirmatory due diligence; (ii) the 5-day average closing Share price of HK\$0.071 per Share concluding on 29 May 2020; and (iii) the 30-day average closing Share price of HK\$0.074 per Share concluding on 29 May 2020, in each case as quoted on the HK Stock Exchange.

The issue price of HK\$0.070 per Consideration Share represents:

- (a) a discount of approximately 43.09 per cent. to the closing price of HK\$0.123 per Share as quoted on the HK Stock Exchange on 2 September 2020, being the date of the Share Purchase Agreements; and
- (b) a discount of approximately 27.98 per cent. to the average closing price of HK\$0.0972 per Share as quoted on the HK Stock Exchange for the last five consecutive trading days immediately prior to the date of the Share Purchase Agreements.

On the basis of the Exchange Ratio, the Acquisition would therefore require the issuance of approximately 422.69 million Consideration Shares, representing a dilution of approximately 18.70 per cent. of the issued share capital of the Company as to be enlarged by the allotment and issue of the Consideration Shares. These figures do not take into account any other issues of Shares that may or may not take place.

In addition and as part of its due diligence on DLI, the Company has had a professional independent valuation performed on DLI, a summary of which is set out in this announcement.

## Conditions

Closing of the Share Purchase Agreements is conditional upon fulfilment or, to the extent capable of being waived, waiver of, *inter alia*, the following conditions:

1. the Shareholders of the Company having passed a resolution or resolutions approving: (i) a specific mandate to issue up to the maximum number of Consideration Shares; and (ii) if, and to the extent, required under the HK Listing Rules or otherwise by the HK Stock Exchange, the entry into and performance of any other transactions or agreements contemplated in the Share Purchase Agreements;
2. the Listing Committee of the HK Stock Exchange granting the listing of, and permission to deal in, the Consideration Shares;
3. the Sellers' warranties being true and correct in all material respects, as of the date of the Share Purchase Agreements and at closing, as if made on and as of the Closing Date;



4. the Sellers having performed and complied, in all material respects, with all of the obligations, undertakings and covenants required to be performed or complied with by the Sellers on or prior to Closing;
5. each Seller having obtained and delivered evidence to the Company to demonstrate that they have all required approvals (if any) in place to effect the Acquisition and that all such approvals remain in full force and effect as at the Closing Date;
6. from the date of the Share Purchase Agreements to the Closing Date, no event, circumstance or development or combination of events, circumstances or developments having occurred that, individually or in the aggregate, has had or will have a Material Adverse Effect;
7. the fulfilment of the conditions precedent in the other Share Purchase Agreement (subject only to closing) in accordance with its terms;
8. the execution, adoption, perfection and/or approval, as the case may require, of the Transaction Documents to the reasonable satisfaction of each of the parties;
9. obtaining of all necessary approvals and documents required under the laws of the Cayman Islands for the effective transfer of the Sale Shares to the Company; and
10. a certificate of good standing and, separately, a certificate of incumbency in respect of DLI, together with a certificate of continuing registration from the Hong Kong Companies Registry in respect of Deep Longevity Limited, in each case to be provided and dated as of Closing.

Absent any default by either the Sellers or the Company under the Share Purchase Agreements, in the event that any of the conditions remains unsatisfied on the Long Stop Date, either party may terminate the Share Purchase Agreements.

## **Termination**

In certain circumstances, the Share Purchase Agreements provide for either the Company or the Sellers to have the right to terminate before Closing if there has been a material breach of certain warranties, covenants or obligations set out in the Share Purchase Agreements.

## **Pre Closing Covenants**

The Share Purchase Agreements provide that DLI shall not, and the Sellers shall procure that DLI shall not, prior to Closing, engage in any activities outside the ordinary and usual course of business without the Company's prior written consent.

## Closing

Closing will take place at the offices of the Company on the second Business Day following fulfilment or waiver of the conditions set out in the Share Purchase Agreements, and in any event by the Long Stop Date, or at such other location, time or date as may be agreed between the Company and the Sellers.

It is expected that Closing will take place before 31 December 2020, being the Long Stop Date.

## Lock Up

The Share Purchase Agreements provide that:

- all Sellers under the Majority Share Purchase Agreement will not, without the prior written consent of the Board, dispose of or agree to dispose of any of their Consideration Shares that may be issued to them or any interest (as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) therein for a period of 6 months from the Closing Date of the Acquisition; and
- all Sellers under the Minority Share Purchase Agreement will not, without the prior written consent of the Board, dispose of or agree to dispose of any of their Consideration Shares that may be issued to them or any interest (as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) therein for a period of 12 months from their date of issue and thereafter may only dispose of up to one third of such Consideration Shares on the one year, two year and three year anniversaries of their date of issue. In addition, where the recipient or an affiliate thereof becomes employed or otherwise engaged by the Company after Closing, such person will also then become subject and must adhere to the Company's internal policies and procedures in respect of dealing in securities.

## Sellers' Restrictive Covenants

The Share Purchase Agreements impose certain obligations on the Sellers not to seek or continue any discussions in respect of alternative and competing transactions prior to Closing, nor to poach personnel or, in the case of Insilico Medicine IP Limited, to engage in competing businesses or similar activities, in each case for prescribed periods post Closing, without the prior written consent of the Company.

## **BASIS OF TOTAL CONSIDERATION**

The total consideration was determined on the basis of normal commercial terms and arm's length negotiations between the Company, the Sellers and DLI with reference to, *inter alia*:

- (i) the price at which the Series A Sellers participated in the Series A financing completed on 29 June 2020, which produced a post money valuation of DLI of approximately US\$3.79 million, whereby the Company is acquiring the Sale Shares at the same valuation and reference point that the Series A Sellers participated in with respect to the Series A financing with no uplift in valuation;
- (ii) an assessment of the prospects of DLI's targeted business and the potential market size, involving the development of explainable artificial intelligence systems to track the rate of aging at the molecular, cellular, tissue, organ, system, physiological and psychological levels, enabling physicians to make better decisions on the interventions that may slow down, or reverse the aging processes;
- (iii) the benefits to be derived by the Group from the Acquisition as described under the paragraph headed "REASONS FOR THE ACQUISITION" in this announcement; and
- (iv) the independent valuation report commissioned by the Company as part of its due diligence and prepared by an independent professional valuer on DLI.

As referred to above, as part of its due diligence on DLI, the Company commissioned a professional independent valuation to be conducted on DLI and its business. The Company is pleased to report that the professional independent valuation concluded that the fair value of the equity of DLI is US\$4.30 million (or approximately HK\$33.54 million), which is in excess of the total consideration that the Company has agreed to pay the Sellers.

The professional independent valuer used the Market Approach, a traditional approach to estimate the fair market value of DLI's equity, through (i) the guideline public company method, which produced an equity value of US\$4.40 million (or approximately HK\$34.32 million); (ii) the market transaction method, which produced an equity value of US\$4.10 million (or approximately HK\$31.98 million); and (iii) the exit method, which produced a valuation of US\$4.50 million (or approximately HK\$35.10 million). The professional independent valuer weighted each of the above methods (i) and (ii) at 40% and weighted the exit method at 20%. These weightings result in a weighted average equity value of US\$4.30 million (or approximately HK\$33.54 million) for DLI.

Accordingly, the professional independent valuation of DLI of US\$4.30 million (or approximately HK\$33.54 million) set out in the independent valuation report is in excess of the total consideration by approximately US\$0.51 million (or approximately HK\$3.98 million) agreed among the parties pursuant to the Share Purchase Agreements.

The Directors consider the terms of the Share Purchase Agreements to be on normal commercial terms and in the ordinary and usual course of business of the Company. They believe that the terms of the Share Purchase Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company's attributable share of DLI's net loss for the financial period from 24 June 2019 (date of incorporation) to 30 June 2020 from continued operations was approximately US\$2,000 (or approximately HK\$15,600), both before and after taxation.

The net asset value of DLI was approximately US\$2.57 million (or approximately HK\$20.05 million) as at 30 June 2020, as set out in DLI's latest consolidated management accounts for the financial period from 24 June 2019 (date of incorporation) to 30 June 2020.

## **RIGHTS ATTACHING TO THE CONSIDERATION SHARES**

Save in respect of the Lock Up, the Consideration Shares will be issued credited as fully paid up, free from all encumbrances and shall rank *pari passu* in all respects with the other Shares in issue at such time.

The Consideration Shares will be allotted and issued pursuant to a specific mandate to be sought from the Shareholders at the EGM. An application will be made by the Company to the Listing Committee of the HK Stock Exchange for the listing of, and permission to deal in, the Consideration Shares in due course.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The changes of the shareholding structure of the Company as at the date of this announcement and upon the Consideration Shares being issued at Closing (assuming no Shares issued or repurchased prior to the issue of the Consideration Shares) are as follows:

Shareholder	At the date of this announcement		Immediately after the Consideration Shares are issued	
	Number of Shares (Note 1)	Approximate %	Number of Shares (Note 1)	Approximate %
James Mellon (Notes 2 & 3)	387,816,211	21.11%	387,816,211	17.16%
Jayne Sutcliffe (Note 3)	1,716,046	0.09%	1,716,046	0.08%
Anderson Whamond (Note 3)	1,400,000	0.08%	1,400,000	0.06%
Jamie Gibson	69,208,513	3.77%	69,208,513	3.06%
Other Directors	4,170,292	0.23%	4,170,292	0.18%
Aleksandrs Zavoronkovs	-	-	75,771,448	3.35%
InSilico Medicine Cayman SubCo	-	-	55,725,443	2.47%
Insilico Medicine IP Limited	-	-	48,750,013	2.16%
Other Independent Third Parties	-	-	242,440,776	10.73%
Public Shareholders	1,372,940,120	74.72%	1,372,940,120	60.75%
	<b>1,837,251,182</b>	<b>100.00%</b>	<b>2,259,938,862</b>	<b>100.00%</b>

### Notes:

- All shareholdings set out in the above table do not take into account the Shares to be issued and allotted by the Company pursuant to two subscription agreements entered into on 29 May 2019 as set out in details in the announcements issued by the Company on 29 May 2019 and 23 August 2019 titled “Connected transaction: Proposed issue of convertible notes” and “Update on Connected transaction: Proposed issue of convertible notes” respectively and the relevant Shareholders’ circular dated 11 July 2019.
- 25,791,905 Shares are held by a private limited company indirectly wholly owned by James Mellon.  
  
An aggregate of 430,000 Shares are held by the parents of James Mellon, whose interests held in the Company are not required to be disclosed under James Mellon’s interests pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).
- James Mellon and Jayne Sutcliffe (both Directors), together with Anderson Whamond, constitute the Declared Concert Party Group.

To the best of the Directors' knowledge, information and belief and having made reasonable enquiries, none of the Sellers have any intention of entering into any kind of formal or informal arrangement between themselves or with the existing Shareholders (including the Declared Concert Party Group) to actively cooperate to obtain or consolidate control of the Company (i.e. the definition of "acting in concert" under The Codes on Takeovers and Mergers and Share Buy-backs in Hong Kong).

An application will be made by the Company to the HK Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

## **SOURCES OF FUNDS**

Given that the Acquisition consideration involves only the issuance of Consideration Shares, the Acquisition, save for any transaction fees incurred (which are estimated at US\$0.08 million (or approximately HK\$0.62 million), does not involve the payment of cash consideration.

Structuring the transaction by way of the issue of the Consideration Shares is regarded by the Group as being a sensible and appropriate method of payment for the Acquisition.

## **DEEP LONGEVITY, INC.**

DLI is developing explainable and user-friendly artificial intelligence (AI) systems to track the rate of aging at the molecular, cellular, tissue, organ, system, physiological and psychological levels. It is also developing systems for the emerging field of longevity medicine enabling physicians to make better decisions on the interventions that may slow down or reverse the aging processes. DLI has also developed Longevity as a Service (LaaS)© solution to integrate multiple deep biomarkers of aging dubbed "deep aging clocks" to provide a universal multifactorial measure of human biological age. Originally incubated by InSilico Medicine, DLI started its independent journey in 2020 after closing a Series A financing on 29 June 2020 that includes some of the most credible venture capitalists specialising in biotechnology, longevity, and AI. Among these strategic investors are such well known funds as BOLD Capital Partners, ETP Ventures, Human Longevity and Performance Impact Venture Fund, Longevity Vision Fund, LongeVC, Michael Antonov (co-founder of Facebook owned Oculus VR) and other expert AI and biotechnology investors. DLI has also established a key research partnership with one of the world's leading longevity organisations, HLI. Under this arrangement, HLI will provide a range of aging clocks to a global network of advanced physicians and longevity research specialists.

**Jamie Gibson, Chief Executive Officer of Regent Pacific**, said, “Our long-term vision is to transform Regent Pacific into a global end-to-end longevity and wellness biotechnology company dedicated to extending healthy productive lives of billions of people worldwide by developing a longevity ecosystem. It is only logical to start executing on this vision via the acquisition of the most sophisticated artificial intelligence system designed to track the rate of human aging and evaluate the effectiveness of longevity interventions. This system can be used by the longevity and performance clinics, insurance companies, pharmaceutical companies, and large employers that deeply care about their workforce. DLI is the original inventor of deep aging clocks with granted US patents, high-end clinics as clients, great scientific publications, top AI and longevity scientists, and more than half of the acquisition value being held in cash from expert investors. It is a great asset to serve as a core engine of our longevity ecosystem.”

## **REASONS FOR THE ACQUISITION**

The global population is rapidly aging. According to the latest estimates, by 2050 two billion or 22 per cent. of the world’s population will be aged over 60. Targeting aging with the latest advances in AI is not only the most altruistic cause and a way to boost economic growth in the developed countries, but a way to access a trillion-dollar market. By acquiring DLI, the Board believes that the acquisition of DLI will add a high-quality growth asset to the Company, which will serve as a key platform for its expansion into the health and wellness sector, namely the emerging field of longevity medicine.

In essence, DLI’s mission is to extend the healthy productive longevity and increase human performance. DLI provides customers with the most efficient, reliable and useful aging and longevity clocks to address their needs and importantly Deep aging clocks are among the most important breakthroughs in longevity science in the 21st century. DLI aspires to be a leader in the field of machine learning for personalised preventative healthcare and longevity interventions. By utilising advanced deep learning algorithms, DLI has also developed novel tools for aging research that can be applied in the many industries to make people live better, longer and healthier lives.

The acquisition will allow the Group to expand into the global wellness market that was estimated to be over US\$4.20 trillion in 2017. Further, there is an increased interest in the longevity market where DLI is looking to have first mover advantage with its applications including COVID-19 relevance (where epidemiological studies suggest that age is one of the most important factors of COVID-19 illness. DLI’s deep haematological clocks can be explored as a predictive tool for analysis of COVID-19 positive patients.

Longevity and performance clinics, hospital networks, insurance companies, pharmaceutical companies and investors alike, can invest in the combined Company, as enlarged by the acquisition of DLI, through the public market platform that the Company's listing on the HK Stock Exchange provides, and in so doing partner with the Company to help it transform into a longevity company focussed on the health and well-being of humans.

Following completion of the Acquisition, DLI will be run by the most credible experts in aging and longevity with Jim Mellon, the Company's chairman and the author of "Juvenescence" being joined by other noted biotechnology investors and entrepreneurs including Dr. Wei-Wu He, (the chairman of Human Longevity, Inc) and Alex Zhavoronkov, PhD (the founder of DLI and adjunct professor at the Buck Institute for Research on Aging). Together these individuals will combine their efforts to create a dedicated and focussed longevity company.

The combined company represents a possible hedge against the longevity risk for the many financial institutions that are no longer sustainable. The Group therefore believes there is significant growth potential in acquiring DLI at this stage in its development, and importantly believes the Acquisition to be on attractive terms to Shareholders.

## **DISCLOSEABLE TRANSACTION**

Based on the Company's current market capitalisation and issued share capital, together with other relevant metrics as at the date hereof, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules by virtue of the consideration ratio and the equity capital ratio, while the issuance of the Consideration Shares will be carried out pursuant to a specific mandate that will need to be sought and obtained from the Shareholders in due course.

The purpose of this announcement is to provide the Shareholders with information on the details of the Company's Acquisition in accordance with the HK Listing Rules.

## **NOT A CONNECTED TRANSACTION**

As noted above, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, James Mellon is a non-executive director (one of four directors sitting on the board) and direct shareholder of InSilico Medicine Cayman TopCo, holding, together with Galloway Limited ("**Galloway**"), which is a private limited liability company indirectly wholly-owned by James Mellon, in aggregate approximately 1.66 per cent. of its issued share capital. Juvenescence Limited, in which Mr Mellon is the chairman and a shareholder holding, together with Galloway, approximately 18.59 per cent. of its issued share capital, directly holds approximately 11.63 per cent. of InSilico Medicine Cayman TopCo's issued share capital. InSilico



Medicine Cayman TopCo is the parent company of Insilico Medicine IP Limited and InSilico Medicine Cayman SubCo, both of which are shareholders of DLI, holding approximately 13.18 per cent. and approximately 11.53 per cent., respectively, of DLI's issued share capital and Insilico Medicine IP Limited is the Sellers' Warrantor in respect of the operational warranties given under the Majority Share Purchase Agreement. On closing of the Acquisition, James Mellon will step down as a non-executive director of InSilico Medicine Cayman TopCo.

The remaining Sellers not listed earlier in the announcement, being the Individual Minority Sellers, are all individuals whom have confirmed their sophisticated, professional, high net worth and/or accredited investor status, as appropriate.

Save as aforementioned in respect of Insilico Medicine IP Limited and InSilico Medicine Cayman SubCo, all Sellers are Independent Third Parties.

## **GENERAL**

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules, and therefore no Shareholders' approval is required for the Acquisition and the Share Purchase Agreements. However, the Company proposes to seek from the Shareholders at the Extraordinary General Meeting an approval of a specific mandate for the issue and allotment of the Consideration Shares.

It is expected that a circular containing the details of the Acquisition and the Share Purchase Agreements and the specific mandate for the issue and allotment of the Consideration Shares, together with the notice of the Extraordinary General Meeting, will be despatched to the Shareholders on or before 23 September 2020.

## **ABOUT THE COMPANY**

The Group is a diversified investment group based in Hong Kong currently holding various corporate and strategic investments focusing on the healthcare, wellness and life sciences sectors. The Group has a strong track record of investments and has returned approximately US\$298 million (or approximately HK\$2,324.40 million) to Shareholders in the 21 years of financial reporting since its initial public offering.

**As the Acquisition remains subject to the fulfillment of a number of conditions it may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

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

<b>“Acquisition”</b>	the conditional acquisition of all of the issued and outstanding securities in DLI pursuant to the Share Purchase Agreements
<b>“associate(s)”</b>	shall have the meaning defined in the HK Listing Rules
<b>“Board”</b>	the board of directors of the Company
<b>“Business Day”</b>	a day which is not a Saturday, a Sunday or a public holiday in Hong Kong
<b>“Closing”</b>	the completion of the sale of the Sale Shares pursuant to the Share Purchase Agreements
<b>“Closing Date”</b>	the date on which Closing takes place
<b>“Company” or “Regent Pacific”</b>	Regent Pacific Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the HK Stock Exchange and are also traded on the OTC market (Freiverkehr) of the Frankfurt Stock Exchange
<b>“connected person(s)”</b>	shall have the meaning defined in Chapter 14A of the HK Listing Rules
<b>“Consideration Share(s)”</b>	422,687,680 ordinary shares of US\$0.01 each in the capital of the Company to be allotted and issued by the Company to the Sellers, credited as fully paid, pursuant to the Share Purchase Agreements
<b>“Declared Concert Party Group”</b>	the group of Shareholders of the Company, comprising: (i) James Mellon; and (ii) Jayne Sutcliffe, both being Directors as at the date of this announcement, and (iii) Anderson Whamond (a former Director but not being a Director as at the date of this announcement), who are regarded as acting

in concert for the purpose of The Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong (as amended) and have registered their aggregate holding as at 19 October 2001 as a “concert party group” pursuant to the transitional provisions in Rule 26.6 of such codes

<b>“Director(s)”</b>	the directors of the Company
<b>“DLI”</b>	Deep Longevity, Inc., an exempted company limited by shares incorporated under the laws of the Cayman Islands
<b>“DLI Constitutional Documents”</b>	the memorandum and articles of association of DLI adopted on 29 June 2020, together with the investor rights agreement, voting agreement, co-sale ROFR agreement and indemnification agreement each executed and dated 29 June 2020
<b>“DLI ESOP”</b>	DLI’s share option incentive plan 2020
<b>“Exchange Ratio”</b>	111.4286 Consideration Shares for each Sale Share held, giving an intrinsic price of approximately US\$1.00 (or approximately HK\$7.80) per Sale Share using the price of the Company’s Shares of HK\$0.070 per Share, which was agreed on 29 May 2020, being the business day on which a non-legally binding understanding was reached on the respective valuations of each of the Company and DLI, subject to confirmatory due diligence
<b>“Extraordinary General Meeting”</b>	the extraordinary general meeting to be convened by the Company to seek Shareholders’ approval for a specific mandate for the issue and allotment of the Consideration Shares
<b>“Group”</b>	the Company and its subsidiaries
<b>“HK Listing Rules”</b>	The Rules Governing the Listing of Securities on the HK Stock Exchange, as amended from time to time
<b>“HK Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited

<b>“HK\$”</b>	Hong Kong dollars, the lawful currency in Hong Kong
<b>“Independent Third Party(ies)”</b>	third parties independent of and not connected with the Company and its connected persons
<b>“Individual Minority Seller(s)”</b>	Aleksandr Aliper, Michelle Buyanova, Fedor Galkin, Anastasia Georgievskaya, Wei-Wu He, Kirill Kochetov, Daniel Kraft, Kai-Fu Lee, Polina Mamoshina, Alexey Moskalev, Robert Nelsen, Morten Scheibye-Knudsen, Marina Timofeeva, Xiaolong Yang, Aleksandrs Zavoronkovs and Garri Zmudze
<b>“Lock Up”</b>	Shall have the meaning given to it in the paragraph headed “Lock Up” under the “Share Purchase Agreements” in this announcement
<b>“Long Stop Date”</b>	31 December 2020
<b>“Majority Share Purchase Agreement”</b>	the conditional share purchase agreement entered into (after market close) on even date herewith between the Company, as purchaser, and the holders of ordinary and Series A preferred shares in DLI, as sellers, as well as DLI, in respect of the sale and purchase of the ordinary shares and Series A preferred shares in DLI
<b>“Material Adverse Effect”</b>	any change or effect which has, or would reasonably be expected to have, a material and adverse effect on the business, assets, properties, prospects or condition (financial or otherwise) of DLI and its subsidiaries, taken as a whole, or which would reasonably be expected to have a significant effect on the price or value of the securities of DLI or its subsidiaries
<b>“Minority Share Purchase Agreement”</b>	the conditional share purchase agreement entered into (after market close) on even date herewith between the Company, as purchaser, and the holders of restricted share awards in DLI made pursuant to the DLI ESOP, as sellers, as well as DLI, in respect of the sale and purchase of the restricted share awards under the DLI ESOP

<b>“Sale Share(s)”</b>	(i) 93,850 ordinary shares of no par value; and (ii) 2,574,500 Series A preferred shares; and (iii) 1,125,000 restricted shares, together comprising the total issued and outstanding share capital and restricted share capital of DLI, all of which are to be acquired by the Company for the same consideration per share after applying the Exchange Ratio pursuant to the Share Purchase Agreements
<b>“Seller(s)”</b>	each of the sellers of the Sale Shares pursuant to both Share Purchase Agreements
<b>“Series A Seller(s)”</b>	those Sellers that participated in the Series A financing holding Series A preferred shares in DLI
<b>“Shareholder(s)”</b>	the holders of the Shares
<b>“Share(s)”</b>	the ordinary shares, with voting rights, of US\$0.01 each in the capital of the Company, which are listed on the HK Stock Exchange and are also traded on the OTC market (Freiverkehr) of the Frankfurt Stock Exchange
<b>“Share Purchase Agreements”</b>	the Majority Share Purchase Agreement and the Minority Share Purchase Agreement
<b>“Termination Deed”</b>	the deed of termination, the agreed form of which is set out and appended to the Share Purchase Agreements, to be entered into between each of the parties to the DLI Constitutional Documents, pursuant to which the DLI Constitutional Documents will be terminated or, in the case of DLI’s memorandum and articles of association, replaced with full force and effect at or prior to Closing
<b>“Transaction Documents”</b>	the Share Purchase Agreements, together with: (i) the Termination Deed; and (ii) any and all board and shareholder resolutions and circulars, in respect of any of the parties, as may be required to effect the transactions contemplated in the Share Purchase Agreements, the agreed form of which are appended to the Share Purchase Agreements

“US” the United States

“US\$” United States dollars, the lawful currency of the United States

Note: Unless otherwise specified herein, amounts dominated in US\$ have been translated, for the purpose of illustration only, into HK\$ using the exchange rate of US\$1.00 = HK\$7.80.

On Behalf of the Board of  
**Regent Pacific Group Limited**

Jamie Gibson  
*Executive Director*

**Directors of the Company:**

James Mellon (*Chairman*)<sup>\*</sup>

Jamie Gibson (*Chief Executive Officer*)

David Comba<sup>#</sup>

Julie Oates<sup>#</sup>

Mark Searle<sup>#</sup>

Jayne Sutcliffe<sup>\*</sup>

<sup>\*</sup> *Non-Executive Directors*

<sup>#</sup> *Independent Non-Executive Directors*

Hong Kong, 2 September 2020



## **Forward Looking Statements**

*This announcement, including any information included or incorporated by reference in this announcement, contains statements about the Company that are or may be forward looking statements. Such forward looking statements involve risks and uncertainties that could significantly affect results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward looking statement. Much of the risk and uncertainty relates to factors that are beyond the Company's abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements. Neither the Company nor any of its associates or directors, officers, employees, managers, agents, representatives, partners, members, consultants or advisers: (i) provide any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statement will actually occur; nor (ii) assume any obligation to, and do not intend to, revise or update these forward looking statements, except as required pursuant to applicable law, the HK Listing Rules or other applicable regulation. The Company disclaims any obligation to update any forward looking or other statements contained herein, except as required by applicable law, the HK Listing Rules or other applicable regulation.*

## **No Profit Forecasts or Estimates**

*No statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for the Company for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for the Company. The Company does not undertake to update information contained in this announcement, except as required by applicable law, the HK Listing Rules or other applicable regulation.*