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## **SHEUNG YUE GROUP HOLDINGS LIMITED**

### **上諭集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1633)**

## **MEMORANDUM OF UNDERSTANDING IN RELATION TO A PROPOSED ACQUISITION**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

The Board is pleased to announce that on 14 October 2020 (after trading hours), the Company entered into a non-legally binding MOU with the Potential Vendor. Pursuant to the MOU, the Company intends to acquire, and the Potential Vendor intends to dispose of part of the issued share capital in the Target Company. The Proposed Acquisition, if materialised, may constitute a discloseable transaction for the Company under the Listing Rules.

**As the Proposed Acquisition may or may not proceed, shareholders and potential investors are reminded to exercise caution when dealing in the shares of the Company.**

This announcement is made by Sheung Yue Group Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (“**SFO**”) (Chapter 571 of the Laws of Hong Kong).

## MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 14 October 2020 (after trading hours), the Company, as potential purchaser, entered into a non-legally binding memorandum of understanding (the “**MOU**”) with a potential vendor (the “**Potential Vendor**”).

Pursuant to the MOU, the Company intends to acquire, and the Potential Vendor intends to dispose of part of (the precise figure to be further negotiated between and determined by the Company and the Potential Vendor in the Formal Agreement (as defined below)) the issued share capital in Mianyang Chiyuan Construction Limited\* (綿陽馳遠置業有限公司) (the “**Target Company**”) (the “**Proposed Acquisition**”) which are held by the Potential Vendor as at the date of this announcement. The Proposed Acquisition, if materialised, may constitute a discloseable transaction for the Company under the Listing Rules.

### Principal Terms of the MOU

Date: 14 October 2020 (after trading hours)

Parties: (1) the Company; and

(2) the Potential Vendor, Chen Lei\* (陳磊), who is the beneficial owner as to 48% equity interest in the Target Company as at the date of this announcement.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Potential Vendor is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

### Consideration

The consideration for the Proposed Acquisition will be further negotiated between and determined by the Company and the Potential Vendor in the Formal Agreement.

### Exclusivity

During the period of 60 days from the date of the MOU (the “**Exclusivity Period**”), the Potential Vendor will, in good faith, negotiate with the Company exclusively on the Proposed Acquisition and will not (whether directly or indirectly through its directors, staff, employees or representatives) discuss, negotiate and/or enter into any agreement, arrangement or understanding with any other party with respect to the disposal of the Target Company or any of its business.

### **Due diligence review**

Pursuant to the MOU, the Company shall be entitled to conduct due diligence review on the business, financial and legal affairs of the Target Company upon signing of the MOU. The Potential Vendor shall use its best endeavours to procure the Target Company and its agent to provide such assistance and information as is necessary for the Company to complete its due diligence review on the Target Company.

### **Formal Agreement**

The Company and the Potential Vendor shall use their best endeavours to procure a legally binding formal agreement in relation to the Proposed Acquisition (the “**Formal Agreement**”) within the Exclusivity Period.

### **Termination**

Unless mutually agreed otherwise in writing, the MOU will be terminated at the earlier of:

- (i) the expiry of the Exclusivity Period; or
- (ii) the date of execution of the Formal Agreement.

### **Non-legally Binding Effect**

Save for the provisions relating to the exclusivity, due diligence review, confidentiality, termination, notices, costs, and governing law and jurisdiction, the MOU does not constitute a legally binding agreement on the parties to the MOU.

### **INFORMATION ON THE TARGET COMPANY**

The Target Company is a company incorporated in Mianyang, Sichuan province of the People’s Republic of China (the “**PRC**”) and is principally engaged in project investment, development and management of real estate, water conservancy and hydropower projects, construction and building projects and municipal construction projects in the PRC.

### **REASONS FOR AND BENEFIT OF THE PROPOSED ACQUISITION**

The Company is an investment holding company principally engaged in the foundation works in Hong Kong and Macau and is committed to seek business opportunities and acquire high quality business with good potential. The Directors consider that it is in the interests of the Company and its shareholders as a whole to enter into the MOU to expand the Group’s business in order to diversify the Group’s business in the PRC.

## **GENERAL**

As at the date of this announcement, the terms and conditions of the Proposed Acquisition are still being negotiated and no legally binding agreement has been entered into. The Proposed Acquisition, if materialised, may constitute a discloseable transaction for the Company under the Listing Rules. Further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules.

**As the Proposed Acquisition may or may not proceed, shareholders and potential investors are reminded to exercise caution when dealing in the shares of the Company.**

*\* For identification purpose only*

By order of the Board  
**Sheung Yue Group Holdings Limited**  
**Chan Lap Wai Gary**  
*Chairman*

Hong Kong, 14 October 2020

*As at the date of this announcement, the Board comprises Mr. Chan Lap Wai Gary (Chairman), Mr. Chan Lap Chuen Edmond, Ms. Chan Chin Ying Amanda as executive Directors, and Mr. Li Hon Hung, BBS, MH, JP, Mr. Cheng Chi Hung and Mr. Wong Yip Kong as independent non-executive Directors.*