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## **VESTATE GROUP HOLDINGS LIMITED**

**國投集團控股有限公司**

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

**(Stock Code: 1386)**

### **MEMORANDUM OF UNDERSTANDING**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

#### **POSSIBLE ACQUISITION**

The Board announces that after trading hours of the Stock Exchange on 16 September 2020, the Company entered into the Memorandum of Understanding with the Potential Vendor in relation to the Possible Acquisition, major terms of which are set out below.

#### **MEMORANDUM OF UNDERSTANDING**

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Potential Vendor is a third party independent of and not connected with the Company and its Connected persons.

#### **Subject matter**

Under the Memorandum of Understanding, the Company will acquire from the Potential Vendor a minimum of 51% equity interest in the Target Company.

As at the date of this announcement, the Target Company is established in the PRC with limited liability, and it is principally engaged in establishing solutions for automated transportation in the production process of materials. In addition, the Target Company creates logic control programs and special controllers for customers' production lines, and through utilising 5G IoT technology to collect real-time data to increase production line efficiency and reduce production cost and loss.

## **Consideration**

The consideration for the Possible Acquisition will be subject to further negotiation between the parties to the Memorandum of Understanding based on the valuation of the Target Company to be conducted by an independent professional valuer.

The consideration for the Possible Acquisition shall be settled by cash or procuring the Company to allot and issue new Shares or such other methods agreed between the parties to the Memorandum of Understanding.

## **Due diligence review**

The Company will conduct the due diligence review on the assets, indebtedness, operation and other aspect of the Target Company as it may consider appropriate and the Potential Vendor shall provide such assistance as the Company may require in connection with such review.

## **Formal agreement**

The Company and the Potential Vendor will proceed with further negotiation for the entering into of the Formal Agreement as soon as possible.

The Memorandum of Understanding does not constitute a legally-binding commitment of the parties to the Memorandum of Understanding in respect of the Possible Acquisition. The Possible Acquisition is subject to the execution and completion of the Formal Agreement.

If the Formal Agreement is materialised, the Possible Acquisition will constitute a notifiable transaction of the Company pursuant to the Listing Rules and thus the Company will comply with the relevant requirements under the Listing Rules as and when appropriate.

## **Reasons for and benefit of the Possible Acquisition**

In order to maximize return to the Company and the shareholders of the Company, the Directors consider that it is in the interests of the Company and its shareholders as a whole to enter into Memorandum of Understanding to explore the possibility of diversification of the investment portfolios of the Group. The Directors are of the view that the terms of the Memorandum of Understanding are fair and reasonable.

**The Board wishes to emphasise that no binding agreement in relation to the Possible Acquisition has been entered into by the Company and the Potential Vendor as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition materialises, it will constitute a notifiable transaction of the Company pursuant to the Listing Rules.**

**Shareholders and the potential investors of the Company are urged to exercise caution when dealing in the Shares. Further announcement in respect of the Possible Acquisition will be made by the Company in the event that any Formal Agreement has been signed.**

## DEFINITION

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

“Board”	the board of Directors
“Company”	Vestate Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange
“Connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Formal Agreement”	the formal sale and purchase agreement which may or may not be entered into by the Company and the Potential Vendor in relation to the Possible Acquisition
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Understanding”	the non-legally binding memorandum of understanding dated 16 September 2020 entered into between the Potential Vendor and the Company setting out preliminary understanding in relation to the Possible Acquisition
“Possible Acquisition”	the possible acquisition of a minimum of 51% equity interest in the Target Company to be carried out by the Company as contemplated under the Memorandum of Understanding and subject to the execution of the Formal Agreement
Potential Vendor	An individual who is beneficial owner as to 100% equity interest in the Target Company as at the date of this announcement.
“PRC”	People’s Republic of China

“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	廣東明大智能設備科技有限公司, a company established in the PRC with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board  
**Vestate Group Holdings Limited**  
**ZHU Xiaojun**  
*Chairman*

Hong Kong, 16 September 2020

*As at the date of this announcement, the Board comprises:*

*Executive Directors:*

Mr. ZHU Xiaojun  
Mr. KANG Jianming  
Ms. CAI Jiaying  
Mr. YIN Wansun

*Independent non-executive Directors:*

Ms. ZHAO Hong  
Mr. CHAU Wai Hing  
Mr. YU Lei  
Mr. CHAI Guoqiang