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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 23 July 2021, the Company entered into a non-legally binding 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, it is intended that the Company will acquire from the Potential Vendor a minimum of 51% registered share capital 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 the research and development and sales of computer applications, Internet of Things and intelligent technologies.

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 and/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 aspects of the Target Company 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 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 the 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 23 June 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% registered share capital 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 the 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”	及贊科技股份有限公司, 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, 23 July 2021

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

Executive Directors:

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

Independent non-executive Directors:

Mr. YU Lei
Mr. CHAI Guoqiang
Ms. Li Qin