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Sheung Moon Holdings Limited
常滿控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8523)

VOLUNTARY ANNOUNCEMENT
MEMORANDUM OF UNDERSTANDING –
STRATEGIC COOPERATION

This announcement is made by Sheung Moon Holdings Limited (the “**Company**”, collectively with its subsidiaries, the “**Group**”) on a voluntary basis for the purpose of keeping the shareholders of the Company (the “**Shareholders**”) and potential investors informed of the latest business update of the Group.

MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 26 June 2024 (after trading hours), the Company entered into a non-legally binding memorandum of understanding (the “**MOU**”) with Nanjing Zhongke Micropoint Supply Chain Company Limited* (南京中科微點供應鏈有限公司) (the “**Potential Partner**”), in relation to the potential cooperation for adopting leading anti-counterfeiting technology in the Company’s construction business (the “**Proposed Cooperation**”).

As at the date of this announcement, the Potential Partner engages in promoting WA Microdot Technology* (WA微點碼技術) (“**WA Microdot**”) and owns 7% equity interest in Zhongke Micropoint Technology Company Ltd.* (中科微點技術有限公司) (“**ZM**”), which is a company established in the PRC with limited liability and holds an extensive portfolio of over 10 granted patents, with its application products and services addressing certain existing technology gaps in the field of big data technology and application. In December 2023, ZM entered into a collaborative research initiative with the Institute of Data Science at the University of Science and Technology (Hefei)* (國家高性能計算中心(合肥)資料科學研究院). This partnership has resulted in the establishment of a joint technology research laboratory, providing valuable support and resources for the ZM’s technology development.

In May 2024, the Potential Partner and ZM entered into an agreement, pursuant to which, among other things, the (i) Potential Partner is authorised by ZM to recruit distributors of WA Microdot globally; (ii) the Potential Partner is exclusively authorized to handle commercial arrangements in relation to WA Microdot, including but not limited to recruitment, negotiation and contracting; and (iii) ZM will provide the Potential Partner with the necessary technology and assistance to facilitate the Potential Partner's business development efforts.

The Company and the Potential Partner are in the process of discussing possible ways of cooperation. Pursuant to the MOU, the Company will leverage its business network and industry knowledge in the construction industry, as well as the advantages of being a listed company to jointly explore business opportunities with the Potential Partner on adopting the Potential Partner's and ZM's technology in the field of construction material supply. The Potential Partner, through its expertise and experience in promoting anti-counterfeiting technology, may collaborate with the Company to develop business models.

Additionally, the Potential Partner and ZM may utilize ZM's "Everything Digital Technology" (萬物數化技術) to establish a construction material traceability platform for the Company. This platform will employ "microdot code map wave frequency technology" (微點碼圖波頻技術) and blockchain technology to achieve end-to-end traceability of construction materials from production to construction site, aiming to ensure material authenticity and reliability of the construction materials.

The Potential Partner and ZM may also apply ZM's "Everything Digital technology" to projects jointly designed and developed by the Company and the Potential Partner. Not only can ZM's "Everything Digital Technology" be applicable to material traceability but also to the potential development of intelligent building solutions by integrating with the Internet of Things (the "IoT"), big data, and other technologies for the Company. Possibilities being explored may include IoT-based building equipment monitoring systems, optimising project management through big data analysis, and more, which could potentially bring the Company more intelligent and efficient building operations.

Exclusivity

During the period of 90 days from the date of MOU (or such later date(s) as the parties to the MOU may agree in writing) (the "**Exclusivity Period**"), each of the Company and the Potential Partner agrees not to enter into negotiations, whether formal or informal, with any party other than the Company or the Potential Partner concerning the Proposed Cooperation, and each of the Company and the Potential Partner shall promptly notify the other party of any inquiries by any third parties regarding the foregoing.

Formal Agreement

Each of the parties to the MOU agrees to use all reasonable endeavours to negotiate the terms and conditions of a legally binding cooperation agreement between the relevant parties in relation to the Proposed Cooperation (the "**Formal Agreement**").

Termination

The parties to the MOU agree that: (i) if the signing of the Formal Agreement does not take place within the Exclusivity Period, the MOU shall be terminated with immediate effect; or (ii) if the Company and the Potential Partner enter into the Formal Agreement within the Exclusivity Period, the MOU shall be terminated with immediate effect.

The MOU shall be terminated at the occurrence of any of the above two events, whichever is earlier.

Profit sharing

The profit sharing shall be further negotiated between the Company and the Potential Partner and be determined in the Formal Agreement.

BACKGROUND OF THE POTENTIAL PARTNER

The Potential Partner is a company established in the PRC with limited liability. It principally engages in promoting WA Microdot. As at the date of this announcement, the Potential Partner is owned as to 99% by Zhang Weihong* (張衛宏).

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Potential Partner and its ultimate beneficial owners are independent third parties and are not connected with the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”)).

REASONS FOR AND BENEFITS OF ENTERING INTO THE MOU

The Group is a local contractor in the civil engineering construction industry and is principally engaged in the provision of site formation works, road and drainage work as well as structural works in both public and private sectors in Hong Kong. The Group is an approved contractor of the HKSAR Government, a registered general building contractor and a specialist contractor (site formation works) with the Hong Kong Buildings Department.

The Board consider that it is beneficial for the Group to seek investment opportunities from time to time to develop its existing business portfolio and engage in a new line of business with growth potential and broaden its source of income. The Directors are of the view that the possible cooperation between the Group and the Potential Partner, if materialised, represents an opportunity for the Group to diversify the revenue stream of the Group and is in the interests of the Company and the Shareholders as a whole.

NATURE OF THE MOU

The MOU does not constitute any legally binding commitment in respect of the possible business cooperation, save and except that each party agrees to be legally bound by certain clauses including confidentiality and the governing law. The possible business cooperation between the Group and the Potential Partner will only be finalised after the conclusion of negotiation and execution of the Formal Agreement between the relevant parties.

GENERAL

The Board wishes to emphasise that the Proposed Cooperation contemplated under the MOU may or may not proceed and that the parties have not entered into a legally binding agreement in relation to the transactions contemplated under the MOU as at the date of this announcement. If the transactions contemplated under the MOU materialise, the Company will make further announcements as and when appropriate in accordance with the GEM Listing Rules.

By order of the Board
Sheung Moon Holdings Limited
Shen Taiju
Executive Director and Chairman

Hong Kong, 26 June 2024

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Tang Siu Tim and Ms. Shen Taiju and two independent non-executive Directors, namely, Mr. Wong Choi Chak and Mr. Leung Kim Hong.

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page on the Stock Exchange’s website at www.hkexnews.hk for at least 7 days from the day of its posting. This announcement will also be published on the Company’s website at www.smcl.com.hk.

* For identification purposes only