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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
IN RELATION TO
A PROPOSED ACQUISITION**

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. Reference is also made to the announcement of the Company dated 26 June 2024 (the “**26 June MOU Announcement**”) in relation to, among other things, the potential cooperation for adopting leading anti-counterfeiting technology in the Group’s construction business.

MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 2 August 2024 (after trading hours), the Company, as potential purchaser, entered into a non-legally binding memorandum of understanding (the “**MOU**”) with Mr. Zhang Weihong* (張衛宏) (“**Mr. Zhang**”) and Mr. Yu Wei* (俞威) (“**Mr. Yu**”) (collectively the “**Potential Vendors**”). Pursuant to the MOU, the Group intends to acquire and the Potential Vendors intend to dispose of the equity interest (the precise figure to be further negotiated between and determined by the Company and the Potential Vendors in the Formal Agreement (as defined below)) in Nanjing Zhongke Micropoint Supply Chain Company Limited* (南京中科微點供應鏈有限公司 (the “**Target Company**”) (the “**Proposed Acquisition**”) which is wholly owned by the Potential Vendors as at the date of this announcement. The Proposed Acquisition, if materialises, may constitute a notifiable transaction for the Company under the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

PRINCIPAL TERMS OF THE MOU

Date: 2 August 2024 (after trading hours)

Parties: (1) the Company; and
(2) the Potential Vendors

Consideration

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

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 parties to the MOU agrees not to enter into negotiations, whether formal or informal, with any party other than the Company or the Potential Vendors concerning the Proposed Acquisition, and each of the Company and the Potential Vendors 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 their best endeavours to procure the entering into of 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.

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

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.

BACKGROUND OF THE TARGET COMPANY

The Target Company is a company established in the PRC with limited liability. It principally engages in promoting WA Microdot Technology* (WA微點碼技術) (“WA Microdot”). As disclosed in the 26 June MOU Announcement, in May 2024, the Target Company and Zhongke Micropoint Technology Company Ltd.* (中科微點技術有限公司) (“ZM”) entered into an agreement, pursuant to which, among other things, the (i) Target Company is authorised by ZM to recruit distributors of WA Microdot globally; (ii) the Target Company is exclusively authorised to handle commercial arrangements in relation to WA Microdot, including but not limited to recruitment, negotiation and contracting; and (iii) ZM will provide the Target Company with the necessary technology and assistance to facilitate the Target Company’s business development efforts.

As at the date of this announcement, the Target Company is owned as to 99% to Mr. Zhang and 1% to Mr. Yu, respectively.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Potential Vendors and the Target Company are third parties independent of the Company and its connected persons (as defined in 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 is of the view that the Proposed Acquisition may offer multiple strategic advantages. The Group may explore business opportunities on adopting the Target Company’s and ZM’s technology in the field of construction supply. The Target Company, through its expertise and experience in promoting anti-counterfeiting technology, may collaborate with the Group to develop various business models. The Group may utilize ZM’s “Everything Digital Technology” (萬物數化技術) to establish a construction material traceability platform for the Group’s business. 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.

NATURE OF THE MOU

The MOU does not constitute any legally binding commitment in respect of the Proposed Acquisition, save and except that each party agrees to be legally bound by certain clauses including confidentiality and the governing law. The Proposed Acquisition 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 Acquisition 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.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 July 2024 and will continue to be suspended, pending the publication of the annual results of the Group for the financial year ended 31 March 2024.

Shareholders of the Company and potential investors should exercise caution when dealing in the Company's shares.

* *For identification purposes only*

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

Hong Kong, 2 August 2024

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

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.