

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Wan Kei Group Holdings Limited

宏基集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1718)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RELATION TO THE POTENTIAL ACQUISITION

This announcement is made by Wan Kei Group Holdings Limited (the “**Company**”, which together with its subsidiaries, collectively the “**Group**”) on a voluntary basis.

MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POTENTIAL ACQUISITION

The board (“**Board**”) of directors (“**Directors**”) of the Company is pleased to announce that on 26 August 2019 (after trading hours), the Company (as potential purchaser) entered into a non-legally binding memorandum of understanding (the “**MOU**”) with Massive Dynamic Venture Limited (“**Massive Dynamic**”), Shen Garden Holdings Limited (“**Shen Garden**”, together with Massive Dynamic as the “**Potential Vendors**”), Mr. Shao Chao and Mr. Shen Kan (together with Mr. Shao Chao as the “**Guarantors**”) pursuant to which the Potential Vendors proposed to sell not less than 51% of the issued share capital (the “**Potential Sale Interests**”) of Matsu Gami IP Development Limited (the “**Target Company**” and, together with its subsidiaries, the “**Target Group**”) to the Company (the “**Potential Acquisition**”).

INFORMATION OF THE TARGET GROUP

The Target Company is a company incorporated in the British Virgin Islands with limited liability. Upon completion of certain group restructuring of the Target Group (the “**Restructuring**”), the Target Group shall manage and operate restaurant(s) with themes based on certain intellectual properties in the People’s Republic of China. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of the Potential Vendors and the Guarantors is a third party independent of and not connected with the Company and its connected persons (as defined under the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited).

TERMS OF MOU

The Potential Acquisition is subject to satisfactory results of due diligence to be conducted by the Company, the successful completion of the Restructuring, and the signing of a formal sale and purchase agreement (the “**Binding Agreement**”) within an exclusivity period of six months after the date of the MOU (the “**Exclusivity Period**”), during which the Potential Vendors and the Guarantors have agreed not to negotiate with any other third parties in relation to transferring any of the Potential Sale Interests.

Under the terms of the MOU, the Company shall pay the refundable earnest money of HK\$10 million (the “**Earnest Money**”) within 10 business days upon the signing of the MOU to a bank account designated by the Potential Vendors. The Earnest Money shall be applied as part of the consideration for the Potential Acquisition if the parties proceed to the signing and completion of the Binding Agreement. The Potential Vendors and the Guarantors shall refund the Earnest Money to the Company within 3 business days after the Company serves a refund notice to the Potential Vendors if: (a) the Company not being satisfied with the results of the due diligence; (b) the Company being satisfied with the results of the due diligence but the Potential Vendors do not or decline to proceed to the signing of the Binding Agreement within the Exclusivity Period; or (c) as agreed between the parties to the MOU in writing.

The Board wishes to emphasise that the final terms of the Binding Agreement are still subject to further negotiation and have yet to be finalised. Save and except the clauses regarding refund of Earnest Money, non-transferability, confidentiality, applicable law, amendments to MOU, exclusivity, and due diligence which are legally binding, all the other provisions of the MOU are non-legally binding.

If the Potential Acquisition is materialised, it is expected to constitute a notifiable transaction for the Company under the Listing Rules. As the Potential Acquisition may or may not proceed, shareholders and potential investors of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcement(s) relating to the Potential Acquisition will be made by the Company if the Potential Acquisition proceeds to the signing of the Binding Agreement.

By order of the Board
Wan Kei Group Holdings Limited
Fong Hon Hung
Chairman

Hong Kong, 26 August 2019

As at the date of this announcement, the executive Directors are Mr. Fong Hon Hung, Mr. Zhang Zhenyi, Mr. Chan Kwan and Mr. Yan Shuai; and the independent non-executive Directors are Mr. Lo Wa Kei Roy, Mr. Leung Ka Fai Nelson and Mr. Qin Fen.