

*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.*



## **HONG KONG CHAOSHANG GROUP LIMITED**

香港潮商集團有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2322)**

### **MEMORANDUM OF UNDERSTANDING IN RELATION TO A PROPOSED ACQUISITION**

This announcement is made by Hong Kong ChaoShang Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

#### **MEMORANDUM OF UNDERSTANDING**

On 5 May 2023 (after trading hours), the Company, as potential purchaser, entered into a non-legally binding memorandum of understanding (the “**MOU**”) with two potential vendors (the “**Potential Vendor(s)**”). Pursuant to the MOU, the Company intends to acquire, and the Potential Vendors intend to dispose of, in aggregate 100% of the equity interest in a target company (the “**Target Company**”, together with its subsidiary, the “**Target Group**”) (the “**Proposed Acquisition**”). The Target Group is principally engaged in (a) marketing and sales of medical equipment and nutritional supplements, (b) marketing of medicine, and (c) provision of operation systems and training for clinics in the People’s Republic of China (the “**PRC**”).

To the best of the knowledge, information and belief of the board (the “**Board**”) of directors (the “**Director(s)**”) of the Company having made all reasonable enquiries, the Potential Vendors are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

#### **Formal Agreement**

The Company and the Potential Vendors (the “**Parties**”) agree to commence bona fide and

reasonable negotiation in relation to a formal agreement in respect of the Proposed Acquisition (the "**Formal Agreement**") after the date of the MOU, for the purpose of entering into the Formal Agreement as soon as practicable and no later than six months from the date of the MOU, or such later date as may be agreed among the Parties.

### **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.

### **Due Diligence**

The Company may conduct due diligence (including business, financial and legal due diligence) on the Target Group for six months from the date of the MOU (the "**Due Diligence Period**"). The Due Diligence Period may be extendable in the event that the Parties mutually agree to extend such period in writing. The Potential Vendors shall provide assistance in respect of the Company's due diligence exercise during the Due Diligence Period. If the Company is not satisfied with the results of the due diligence exercise, the Company has the unilateral right to terminate the Proposed Acquisition.

### **Exclusivity**

The Potential Vendors agreed that during the exclusivity period (from the date of the MOU to the earlier of (i) the end of the Due Diligence Period; or (ii) the date the Parties enter into the Formal Agreement) (the "**Exclusivity Period**"), the Potential Vendors will not contact any potential purchaser other than the Company in relation to the sale of the shares of the Target Company, will not participate in any discussion with other third parties or enter into any contract, agreement, letter of intent or memorandum of understanding with other third parties in relation to the sale of the shares of the Target Company, failure of which will amount to breach of the MOU by the Potential Vendors.

### **Termination**

The MOU may be terminated under the following circumstances: (i) by way of mutual agreement by the Parties in writing; (ii) if any of the Parties breaches its obligations under the MOU and fails to take satisfactory remedial actions within five calendar days after receiving written notice from the non-defaulting Party, the non-defaulting Party has the right to unilaterally terminate the MOU by written notice; (iii) any of the Parties has the unilateral right to terminate the MOU by written notice upon the expiry of the Exclusivity Period; or (iv) automatic termination upon execution of the Formal Agreement.

### **Non-legally binding effect**

Save for the provisions relating to due diligence, exclusivity, confidentiality, effect and termination, notices, expenses and tax, governing law and jurisdiction, and third party rights, the MOU shall have no legal binding effect.

## **REASONS FOR AND BENEFIT OF THE PROPOSED ACQUISITION**

The Group has been actively identifying and exploring investment and business opportunities to broaden its revenue base. The Board believes that the Proposed Acquisition will enable the Group to venture into the health management business in the PRC and diversify its existing business portfolio and broaden its revenue base.

## **GENERAL**

As at the date of this announcement, the terms and conditions of the Proposed Acquisition are still being negotiated and no legally binding agreement has been entered into. Further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules.

**As the Proposed Acquisition may or may not proceed, shareholders and investors are reminded to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Hong Kong ChaoShang Group Limited**  
**Ms. Zheng Juhua**  
*Chairlady*

Hong Kong, 5 May 2023

*As at the date of this announcement, the executive Directors are Ms. Zheng Juhua and Mr. Chan Chi Yuen; the independent non-executive Directors are Mr. Man Kwok Leung, Mr. Yu Pak Yan, Peter and Mr. Chi Chi Hung, Kenneth.*