

*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.*



**瑞港建設控股有限公司**  
**PROSPER CONSTRUCTION HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 6816)**

**VOLUNTARY ANNOUNCEMENT**  
**MEMORANDUM OF UNDERSTANDING**  
**IN RELATION TO A POSSIBLE ACQUISITION**

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

**THE MEMORANDUM OF UNDERSTANDING**

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 22 September 2020 (after trading hours), 青島東捷建設工程有限公司 (Qingdao Dongjie Construction Engineering Co., Ltd.\*), an indirect non-wholly owned subsidiary of the Company (“**Qingdao Dongjie**”), as potential purchaser, entered into a memorandum of understanding (the “**MOU**”) with a potential vendor (the “**Potential Vendor**”). Pursuant to the MOU, Qingdao Dongjie intends to acquire and the Potential Vendor intends to dispose of 34.00% of the equity interest (the “**Sale Interest**”) in a target company (the “**Target Company**”) established in the People’s Republic of China (the “**Proposed Acquisition**”). As at the date of the MOU, the Potential Vendor holds approximately 82.80% of the equity interest in the Target Company.

**Principal terms of the MOU**

Date: 22 September 2020

Parties: (i) 青島東捷建設工程有限公司 (Qingdao Dongjie Construction Engineering Co., Ltd.\*) as proposed purchaser; and  
(ii) the Potential Vendor

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 person(s) (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)).

Pursuant to the MOU, the parties have agreed that Qingdao Dongjie shall appoint a majority number of directors of the Target Company and the financial results, assets and liabilities of the Target Company will be consolidated into the accounts of the Group upon completion of the Proposed Acquisition.

### **Consideration**

The consideration for the Proposed Acquisition will be subject to further negotiation between the parties to the MOU and will be stipulated in a formal sale and purchase agreement which may or may not be entered into in relation to the Proposed Acquisition (the “**Formal Agreement**”).

### **Due diligence review**

After the signing of the MOU, Qingdao Dongjie and its financial advisers, legal advisers, auditors, valuers and other advisers or agents shall be entitled to access to and review the matters of the Target Company (the “**Due Diligence Review**”). The Potential Vendor shall, and shall procure the Target Company and its advisers or agents to, provide assistance in this respect.

### **Exclusivity and binding effect**

It is agreed that the Potential Vendor shall not, during a period of 90 days from the date of execution of the MOU, transfer or pledge the Sale Interest to any party (other than Qingdao Dongjie).

Save for the provisions relating to the Due Diligence Review, exclusivity, confidentiality and governing laws and jurisdiction, the MOU does not have any legal binding effect and the MOU does not constitute any legally binding commitment on the parties in respect of the Proposed Acquisition. The consummation of the Proposed Acquisition is subject to the execution and completion of the Formal Agreement.

## **REASONS FOR THE PROPOSED ACQUISITION**

Based on the information provided by the Potential Vendor, the Target Company is principally engaged in design and implementation of construction and decoration works, design, production and installation of curtain walls, doors and windows, steel structure works, landscaping and municipal construction.

The Directors consider that it is in the interest of the Company to enter into the MOU to explore the possibility of the Proposed Acquisition as it would allow the Group to expand its existing construction business with the Target Company’s construction capabilities such as design, production and installation of curtain walls, doors and windows. The Directors believe the consummation of the Proposed Acquisition will strengthen the Company’s position in the construction services market in the People’s Republic of China. Accordingly, the Board is of the view that the entering into of the MOU and exploring of the Proposed Acquisition are in the interests of the Company and its shareholders as a whole.

## **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. The Proposed Acquisition, if materialised, may constitute a notifiable transaction for the Company under the Listing Rules. 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 potential investors of the Company are reminded to exercise caution when dealing in the shares of the Company.**

*The English translation of the name in Chinese which is marked with “\*” in this announcement is for identification purpose only.*

By order of the Board  
**Prosper Construction Holdings Limited**  
**Jiang Shuang**  
*Executive Director*

Hong Kong, 22 September 2020

*As at the date of this announcement, the Board comprised executive Directors Mr. LIU Luqiang (chairman of the Board), Mr. CUI Qi, Mr. DING Hongbin, Mr. YANG Zhenshan and Mr. JIANG Shuang; non-executive Director Mr. WANG Xuejun; and independent non-executive Directors Mr. CHEUNG Chi Man Dennis, Mr. WANG Yaping and Mr. CHENG Xuezhao.*