

*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 25 June 2019, 青島西發瑞海實業發展有限公司 (Qingdao Xifa Ruihai Industrial Development Co., Ltd.\*), a wholly-owned subsidiary of the Company (“**Qingdao Xifa**”), as potential purchaser, entered into a memorandum of understanding (the “**MOU**”) with various potential vendors (the “**Potential Vendors**”, and each a “**Potential Vendor**”). Pursuant to the MOU, Qingdao Xifa intends to acquire and the Potential Vendors intend to dispose certain equity interests (the “**Sale Interests**”) in a target company established in the People’s Republic of China (the “**Target Company**”), representing a controlling stake of the Target Company (the “**Proposed Acquisition**”).

**Principal terms of the MOU**

Date: 25 June 2019

Parties: (i) 青島西發瑞海實業發展有限公司 (Qingdao Xifa Ruihai Industrial Development Co., Ltd.\*) as potential purchaser; and  
(ii) the Potential Vendors

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Potential Vendors and their respective ultimate beneficial owners (as the case may be) are independent third parties who are 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**”).

## **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**”).

## **Exclusivity and binding effect**

It is agreed that the Potential Vendors shall not, during a period of 90 days from the date of execution of the MOU, transfer or pledge the Sale Interests to any party (other than Qingdao Xifa) (the “**Exclusivity Period**”).

Save for the provisions relating to the Due Diligence Review (as defined below), 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 which may be entered into by Qingdao Xifa and the Potential Vendors within the Exclusivity Period.

## **Due diligence review**

After the signing of the MOU, Qingdao Xifa 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**”) within the Exclusivity Period. The Potential Vendors shall, and shall procure the Target Company and their advisers or agents to, provide assistance in this respect.

## **REASONS FOR THE PROPOSED ACQUISITION**

Based on the information provided by the Potential Vendors, the Target Company is principally engaged in building construction, design and decoration construction, foundation construction, earthwork and landscaping construction.

In order to maximize the return to the Company and its shareholders in the long run, the Directors have been reviewing the Group’s existing business and seeking investment opportunities that could diversify the Group’s existing business portfolio and broaden its source of income. 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 tap into the construction market in the People’s Republic of China which will provide an additional source of income to the Group.

## **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 materialises, 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.*

*English translation of names in Chinese which are marked with “\*” in this announcement are for identification purpose only.*

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

Hong Kong, 26 June 2019

*As at the date of this announcement, the Board comprised executive Directors Mr. LIU Luqiang (chairman of the Board), Mr. CUI Qi, 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.*