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VONGROUP LIMITED

黃河實業有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 318)

MEMORANDUM OF UNDERSTANDING

IN RESPECT OF POSSIBLE ACQUISITION OF SMART-CITY PROPERTY DEVELOPMENT RIGHTS FOR CERTAIN PHASES OF MANILA INTERNATIONAL FINANCIAL CENTER HEADQUARTERS CITY CENTER CITY, AT MANILA BAY, THE PHILIPPINES, INCORPORATING INTELLIGENT TECHNOLOGIES AND ECOSYSTEMS

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (the “SFO”).

The Board announces that on 4 August 2020 (after trading hours), the Company entered into a non-legally binding Memorandum of Understanding (the “MOU”) with the Vendor in relation to the possible acquisition of smart-city property development rights for certain phases of Manila International Financial Center Headquarters City Center City, at Manila Bay, the Philippines, incorporating intelligent technologies and ecosystems, subject to formal documentation (the “Formal Agreement”).

If this possible acquisition proceeds, this will involve the synergistic value contributed by the collaboration of the Company’s property and technology businesses.

The Board wishes to emphasise that no binding agreement in relation to the possible acquisition has been entered into as at the date of this announcement. As such, the possible acquisition may or may not proceed. If the possible acquisition is materialised, it may constitute a notifiable transaction. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the possible acquisition will be made by the Company as and when appropriate in accordance with the Listing Rules.

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

POSSIBLE ACQUISITION OF SMART-CITY PROPERTY DEVELOPMENT RIGHTS FOR CERTAIN PHASES OF MANILA INTERNATIONAL FINANCIAL CENTER HEADQUARTERS CITY CENTER CITY IN THE PHILIPPINES, INCORPORATING INTELLIGENT TECHNOLOGIES AND ECOSYSTEMS

The Board announces that on 4 August 2020 (after trading hours of the Stock Exchange), the Company entered into the non-legally binding MOU with the Vendor in relation to the possible acquisition of smart-city property development rights for certain phases of Manila International Financial Center Headquarters City Center City, at Manila Bay, the Philippines, incorporating intelligent technologies and ecosystems.

If this possible acquisition proceeds, this will involve the synergistic value contributed by the collaboration of the Company’s property and technology businesses.

CONSIDERATION

The consideration for the possible acquisition will be subject to further negotiation between the Vendor and Company, and will be finalised in the Formal Agreement.

TERMINATION

In the event that the Formal Agreement is not entered into within 60 days after the date of the MOU (or such later date as may be agreed between the Vendor and Company), the MOU shall be terminated.

EXCLUSIVITY PERIOD

The Vendor and the Company have agreed upon a 60-day exclusivity period starting with the date of the MOU.

FORMAL AGREEMENT

The Vendor and the Company intend to negotiate in good faith to procure that the Formal Agreement be entered into as soon as possible and in any event, on or before 60 days after the date of the MOU (or such later date as may be agreed).

THE PARTIES

The Vendor has informed the Company that it is engaged in property development in the Philippines and owns the master property development rights of Manila International Financial Center Headquarters City Center City, which is currently expected to (a) consist of several phases including high-end residential, Grade A corporate offices, shopping malls, restaurants and entertainment hubs, and hotels located in the City of Manila Pasay Philippines waterfront, occupying land area of approximately 232,000 square metres and GFA of not less than approximately 2,000,000 square metres, and (b) be developed as a state-of-the-art “smart city”, incorporating intelligent technologies and ecosystems.

The Company seeks business development and investment opportunities from time to time to diversify its business operations and broaden the Group’s source of income, especially in relationship to property and intelligent technologies. As referred to in the Company’s Annual Results announcement for the year ended 30 April 2020, the Company has been exploring investment opportunities in regional property outside Hong Kong, and the Company has been developing its technology business, especially in relation to fintech, intelligent systems and virtual technology. If this possible acquisition proceeds, this will involve the synergistic value contributed by the collaboration of the Company’s property and technology businesses in relation to a high-end smart-city that incorporates elements of intelligent technologies and ecosystems.

The Board wishes to emphasise that no binding agreement in relation to the possible acquisition has been entered into as at the date of this announcement. As such, the possible acquisition may or may not proceed. If the possible acquisition is materialised, it may constitute a notifiable transaction on the part of the Company. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the possible acquisition will be made by the Company as and when appropriate in accordance with the Listing Rules.

By Order of the Board
Vongroup Limited
Tsui Siu Hung Raymond
Company Secretary

Hong Kong, 4 August 2020

As at the date of this announcement, the Board comprises two executive Directors, namely Vong Tat Ieong David and Xu Siping; and three independent non-executive Directors, namely Fung Ka Keung David, Lam Lee G. and Wong Man Ngar Edna.

* *For identification purpose only*