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DIWANG INDUSTRIAL HOLDINGS LIMITED

帝王實業控股有限公司

(formerly known as Sunlight Technology Holdings Limited 深藍科技控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1950)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RESPECT OF STRATEGIC COOPERATION

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

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 23 May 2022, the Company has entered into a memorandum of understanding (the “**MOU**”) with Xuzhou Yuandao Health Technology Co., Ltd.* (徐州元道健康科技有限公司) (“**Xuzhou Yuandao**”), a company incorporated in the People’s Republic of China (the “**PRC**”), pursuant to which the parties (or their designated subsidiaries) intend to establish a new company (the “**Target Company**”) in the PRC. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of Xuzhou Yuandao and its ultimate beneficial owner(s) is a third party independent of the Company and its connected persons.

MOU

The Target Company will be principally engaged in the big health industry combining the health industry and the sales and promotion of food and beverage. It is expected that by integrating the entire intended liquor industry chain of the Company and the health industry network of Xuzhou Yuandao, together with the sales promotion and services of high-end customised products as its core, the Target Company will build a healthcare sales network across the PRC, so as to achieve the goals of the partners hereto.

This MOU shall remain in effect from the date of the MOU (i) for a term of ninety (90) days; (ii) until the date of termination as agreed by all parties in writing; or (iii) until any party violates the provision relating to confidentiality as contained in the MOU, whichever is earlier (the “**Exclusivity Period**”). Each of the parties thereto shall not engage in any form of discussion or negotiation or enter into any agreement with any other interested parties in respect of the possible formation of the Target Company during the Exclusivity Period with any third party.

* For identification purpose only

The amount of contribution and other terms in relation to the formation of the Target Company will be set out in a definitive and legally-binding agreement proposed to be entered into by the parties.

Save for certain provisions including but not limited to confidentiality, exclusivity and termination, the MOU does not create legally binding obligations on the parties thereto.

INFORMATION ON XUZHOU YUANDAO

Xuzhou Yuandao, a company incorporated in the PRC with limited liability, is a brand development company focusing on health products. Xuzhou Yuandao is rooted from self-manufacturing and joint-development with high-quality origins and professional institutions by integrating the premium health care products and culture in the PRC, or even the globe, and strives for constant innovation. Xuzhou Yuandao provides enterprises with safe and scientific products and professional and convenient services, in an effort to create a life of high-quality and achieve a healthy life.

REASONS FOR AND BENEFIT OF THE POSSIBLE FORMATION OF THE TARGET COMPANY

The Group is an established faux leather chemicals manufacturer in the PRC principally engaged in the research and development, manufacturing and sale of coating agents and synthetic resins under our own brand.

The Directors have been actively seeking opportunities to expand the business scope and broaden the income stream of the Group. As a Hong Kong listed company, the Company has the advantage of promoting and introducing products of the Target Company to Hong Kong and overseas markets. On the other hand, Xuzhou Yuandao has experience and expertise in the health industry and internet online and offline integrated marketing.

The Directors believe that entering into the MOU provides a good business opportunity for the Group to develop its food and beverage business in the PRC. The Directors are of the view that the formation of and investment in the Target Company will enhance the future profitability of the Group.

GENERAL

Shareholders and potential investors of the Company should note that the MOU only sets out the intention of the parties thereto in relation to the possible formation of the Target Company, and that the MOU is not legally-binding and creates no legal obligations on the parties. In the event that a legally-binding and definitive agreement is agreed and/or signed, further announcement(s) will be made by the Company in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as and when appropriate.

By order of the Board
Diwang Industrial Holdings Limited
Gu Jianguo
Executive Director

Hong Kong, 23 May 2022

As at the date hereof, the Board comprises Ms. Liu Jing, Mr. Chen Hua, Ms. Zhu Jianqin and Mr. Gu Jianguo as executive Directors; Mr. Au Hei Ching, Mr. Ho Ho Tung Armen, Mr. Lee Cheung Yuet Horace, Mr. Zheng Yu and Ms. Zhou Xiaochun as independent non-executive Directors.