

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.



Zhongshi Minan Holdings Limited

中食民安控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8283)

VOLUNTARY ANNOUNCEMENT

MEMORANDUM OF UNDERSTANDING IN RELATION TO A PROPOSED ACQUISITION

This announcement is made by Zhongshi Minan Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) on a voluntary basis, to keep the shareholders and potential investors of the Company informed of the latest business development of the Group.

MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 16 July 2024 (after trading hours), the Company, as potential purchaser, entered into a non-legally binding memorandum of understanding (the “**MOU**”) with Mr. Liu Yang* (劉洋) (“**Mr. Liu Yang**”) and Mr. Liu Qinghao* (劉慶好) (“**Mr. Liu Qinghao**”) (collectively the “**Potential Vendors**”). Pursuant to the MOU, the Group intends to acquire and the Potential Vendors intend to dispose of the equity interest (the precise figure to be further negotiated between and determined by the Company and the Potential Vendors in the Formal Agreement (as defined below)) in 河南省開源食品有限責任公司* (Henan Kaiyuan Food Company Limited) (the “**Target Company**”) (the “**Proposed Acquisition**”) which is wholly owned by the Potential Vendors as at the date of this announcement. The Proposed Acquisition, if materialises, may constitute a discloseable transaction for the Company under the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

PRINCIPAL TERMS OF THE MOU

Date: 16 July 2024 (after trading hours)

Parties: (1) the Company; and
(2) the Potential Vendors

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 which may be settled by way of cash and/or the issue of consideration shares.

Exclusivity

During the period of 90 days from the date of MOU (or such later date(s) as the parties to the MOU may agree in writing) (the “**Exclusivity Period**”), each of the parties to the MOU agrees not to enter into negotiations, whether formal or informal, with any party other than the Company or the Potential Vendors concerning the Proposed Acquisition, and each of the Company and the Potential Vendors shall promptly notify the other party of any inquiries by any third parties regarding the foregoing.

Formal Agreement

Each of the parties to the MOU agrees to use their best endeavours to procure the entering into of a legally binding formal agreement in relation to the Proposed Acquisition (the “**Formal Agreement**”) within the Exclusivity Period.

Termination

Unless mutually agreed otherwise in writing, the MOU will be terminated at the earlier of:

- (i) the expiry of the Exclusivity Period; or
- (ii) the date of execution of the Formal Agreement.

Non-legally binding effect

Save for the provisions relating to the exclusivity, due diligence review, confidentiality, termination, notices, costs, and governing law and jurisdiction, the MOU does not constitute a legally binding agreement on the parties to the MOU.

Information on the Target Company

The Target Company is a company incorporated in the People's Republic of China (the "PRC"), and is principally engaged in (i) gosling incubation; and (ii) breeding, slaughtering, processing, and sales of goose. The Target Company currently holds valid Pollutant Discharge Permit* (排污許可證) and Animal Epidemic Prevention Conditions Qualification Certificate* (動物防疫條件合格證書). It also owns a fully automated poultry slaughter production line that can slaughter up to 11 million poultry per year in Xinyang City, Henan Province (河南省信陽市).

As at the date of this announcement, the Target Company is owned as to 98% to Mr. Liu Yang and 2% to Mr. Liu Qinghao, respectively.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Potential Vendors and the Target Company are third parties independent of the Company and its connected persons (as defined under the GEM Listing Rules).

REASONS FOR AND BENEFITS OF ENTERING INTO THE MOU

The Company is an investment holding company. The Company's subsidiaries are principally engaged in the passenger car service industry and offer a comprehensive range of passenger car services including: (1) maintenance and repair of services; (2) modification, tuning and grooming services; (3) provision of extended warranty program; and (4) development, manufacturing and sale of smart kitchen appliances segment.

The Board is of the view that the Proposed Acquisition may offer multiple strategic advantages. It may create synergistic effects with the Group's smart kitchen appliance business while simultaneously expanding the Target Company's current breeding scale of Gushi geese (固始鵝) and enhancing its poultry slaughtering and processing production lines. Furthermore, the Proposed Acquisition is expected to increase the Target Company's sales by leveraging the Group's established brand name in the PRC market.

The Company will continue to explore different opportunities to penetrate into different areas in the food industry with an aim to maximise the Group's profit.

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 discloseable transaction for the Company under the GEM Listing Rules. Further announcement(s) will be made by the Company as and when appropriate in compliance with the GEM 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
Zhongshi Minan Holdings Limited
WANG Lei

Co-Chairman, Chief Executive Officer and Executive Director

Hong Kong, 16 July 2024

As at the date of this announcement, the executive Directors are Mr. WANG Lei, Mr. FENG Wei, Mr. CHUA Boon Hou (CAI Wenhao) and Ms. WU Mengmeng; the non-executive Directors are Mr. LI Xiaodong and Mr. ZHAO Yanjiao; and the independent non-executive Directors are Mr. CHEN Huichun, Mr. GAO Yan and Mr. ZHAO Wei.

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk for at least seven days from the day of its posting. This announcement will also be published on the website of the Company at <http://www.zhongshiminanholdings.com>.

* For identification purpose only