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# NationalInvestments

**National Investments Fund Limited**

**國盛投資基金有限公司**

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

**(Stock Code: 1227)**

## **MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED ACQUISITION OF 20% EQUITY INTEREST OF THE TARGET COMPANY**

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

The Board is pleased to announce that on 26 February 2019 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of the Company) and the Vendor entered into the MOU pursuant to which the Vendor proposed to sell and the Purchaser proposed to acquire 20% of the equity interest in the Target Company. The MOU is not legally binding with regard to the Proposed Acquisition.

**As at the date of this announcement, no definitive agreement in relation to the Proposed Acquisition has been entered into by the Group. As the Proposed Acquisition contemplated under the MOU may or may not materialize, shareholders and potential investors of the Company are reminded to exercise caution when dealing in the shares of the Company.**

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

## **MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE PROPOSED ACQUISITION**

The Board is pleased to announce that on 26 February 2019 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of the Company) and the Vendor entered into the MOU pursuant to which the Vendor proposed to sell and the Purchaser proposed to acquire 20% of the equity interest in the Target Company. The MOU is not legally binding with regard to the Proposed Acquisition.

### **Major terms of the MOU**

#### **Date**

26 February 2019 (after trading hours)

#### **Parties**

- (i) Shenzhen Qianhai National Enterprise Consulting Limited\* (深圳前海國盛企業諮詢有限公司) as the purchaser; and
- (ii) Liu Guilan\* (劉桂蘭) as the vendor.

To the best knowledge, information and belief of the Directors after making all reasonable enquiries, the Vendor is an Independent Third Party.

### **The Proposed Acquisition**

Pursuant to the MOU, the Vendor proposed to sell and the Purchaser proposed to acquire 20% of the equity interest in the Target Company. The MOU is not legally binding with regard to the Proposed Acquisition. The terms of the Proposed Acquisition, including consideration for the Proposed Acquisition, is subject to further negotiation and the signing of a formal sale and purchase agreement between the parties within the Exclusivity Period (as defined below).

#### **Exclusivity**

The Vendor shall, within 180 days after the date of the MOU (or such longer period as extended by writing between the Parties) (the “**Exclusivity Period**”), negotiate exclusively with the Purchaser in respect of the Proposed Acquisition. The Vendor shall not, whether directly or indirectly, engage in any form of discussion or negotiation or enter into any memorandum of understanding, letter of intent or agreement (whether legally binding or not) with any other potential purchasers in respect of the Proposed Acquisition or disposal of any equity interest of the Target Company during the Exclusivity Period.

The Purchaser and the Vendor shall use their best endeavours to negotiate the terms of the Proposed Acquisition and enter into legally-binding equity transfer agreement during the Exclusivity Period. In the event that a formal equity transfer agreement is not entered into between the Purchaser and the Vendor within the Exclusivity Period, the MOU shall lapse automatically.

## **Due diligence review**

Pursuant to the MOU, the Purchaser (including its advisers or agents) shall be entitled to carry out due diligence review on the Target Company and its business (the “**Due Diligence Review**”). The Vendor shall provide to the Purchaser, among other things, the detailed information, financial data and the relevant agreements and contracts of the projects of the Target Company. The Vendor shall provide assistance to the Purchaser in connection with the Due Diligence Review, including but not limited to providing the information and documents as required by the Purchaser, its agents or advisers and providing reply to the enquiries raised by the Purchaser, its agents or advisers.

## **INFORMATION OF THE TARGET COMPANY**

The Target Company is a limited liability company established in the PRC on 24 December 2015 with registered capital of RMB10 million. The equity interest of the Target Company is wholly-owned by the Vendor, which is an Independent Third Party.

According to the information provided by the Vendor, the Target Company is located in the Xiangxi Guangzhou Industrial Area, Xiangxi Economic Development Zone, Hunan province, the PRC, and is engaged in agricultural product cultivation, production, processing and sales.

## **REASONS FOR ENTERING INTO THE MOU**

The Company is an investment holding company. The Group is principally engaged in the investment in listed and unlisted companies.

If the Proposed Acquisition proceeds to completion, the Company expects that the Proposed Acquisition can enlarge the investment portfolio of the Group which can provide a more stable investment return in order to optimize the operational efficiency and to improve the cash flow of the Group.

## **GENERAL**

The MOU is not legally binding on the Parties in respect of the Proposed Acquisition and only sets out the initial understanding of the Parties in relation to the Proposed Acquisition. The Proposed Acquisition is subject to further negotiations between the Parties and the MOU may or may not lead to the entering into of a formal equity transfer agreement between the Parties and the Proposed Acquisition contemplated thereunder may or may not be consummated.

Further announcement(s) will be made by the Company in respect of the Proposed Acquisition as and when required by the Listing Rules.

**As at the date of this announcement, no definitive agreement in relation to the Proposed Acquisition has been entered into by the Group. As the Proposed Acquisition contemplated under the MOU may or may not materialize, shareholders and potential investors of the Company are reminded to exercise caution when dealing in the shares of the Company.**

## DEFINITIONS

In this announcement, the following definitions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Company”	National Investments Fund Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 1227)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Independent Third Party”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) which are third parties independent of the Company and its connected persons
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	a non-legally binding memorandum of understanding entered into between the Purchaser and the Vendor on 26 February 2019 in relation to the Proposed Acquisition
“Parties”	collectively, the Purchaser and the Vendor
“Proposed Acquisition”	the proposed acquisition of 20% equity interest in the Target Company by the Purchaser from the Vendor, subject to the signing of a formal equity transfer agreement
“PRC”	the People’s Republic of China which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Purchaser”	Shenzhen Qianhai National Enterprise Consulting Limited* (深圳前海國盛企業諮詢有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Xiangxi Zhonghui Trading Limited* (湘西眾薈商貿有限公司), a limited liability company established in the PRC
“Vendor”	Liu Guilan* (劉桂蘭)

By order of the board of  
**National Investments Fund Limited**  
**Xie Xiangrong**  
*Chairperson*

Hong Kong, 26 February 2019

*As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Wong Danny F. and Mr. Chan Cheong Yee; a non-executive Director, namely Ms. Xie Xiangrong (Chairperson); and four independent non-executive Directors, namely Mr. Liu Jin, Mr. Li Li, Ms. Chan So Fong and Mr. Liao Kai.*

\* *For identification purposes only*