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**Trendzon Holdings Group Limited**  
**卓航控股集團有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1865)**

## **VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RELATION TO A PROPOSED ACQUISITION**

This is a voluntary announcement made by Trendzon Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to provide the shareholders and potential investors of the Company an update on the latest business development of the Group.

### **MEMORANDUM OF UNDERSTANDING**

The board of directors of the Company (the “**Board**”) is pleased to announce that on 19 July 2023, the Company and Mr. Xu Guoqiang (徐國強) (the “**Vendor**”) entered into a memorandum of understanding (the “**MOU**”), pursuant to which the parties agreed to enter into a negotiation regarding a possible conditional acquisition by the Company, and the possible conditional disposal by the Vendor, of the 51% equity interest in Fujian Qiang An Construction Group Co., Ltd.# (福建省強安建設集團有限公司) (“**Target Company**”) (the “**Proposed Acquisition**”). Subject to the finalization and entering into of the definitive agreement by the Company (or a wholly-owned subsidiary of the Company nominated by the Company) and the Vendor (the “**Definitive Agreement**”), upon completion of the Proposed Acquisition, the Target Company will become a subsidiary of the Company.

## **The Proposed Acquisition**

The Company intends to acquire and the Vendor intends to dispose of the 51% equity interest in Target Company.

The consideration for the Proposed Acquisition, the basis of consideration and the detailed payment methods shall be determined in the Definitive Agreements, which the parties shall enter into within one month upon signing of the MOU or at any later date which the Company and the Vendor may otherwise agree. Pursuant to the MOU, the Vendor and the Company intended that the consideration of the Proposed Acquisition to be agreed between the Company and the Vendor shall be determined with reference to, among other things, the valuation of the Target Company prepared by an independent professional valuer to be appointed by the Company.

## **Exclusivity Period and Due Diligence**

Pursuant to the MOU, the Vendor has agreed and undertaken that it shall not, directly or indirectly, engage in any discussion or negotiation with any third party in respect of any sale of share, asset or interest of the Target Company (a) within one month upon signing of the MOU or at any later date which the Company and the Vendor may otherwise agree; (b) upon mutual agreement and with written confirmation between the parties that the Proposed Acquisition has fallen through; or (c) upon a breach of contractual obligation on confidentiality by either party to the MOU (whichever is earlier) (the “**Exclusivity Period**”).

Within the Exclusivity Period, the Company shall be entitled to conduct business, financial and legal due diligence on the Target Company. The Vendor shall provide to the Company and/or procure the Company’s access to all records and documents of the Target Company forthwith upon request for due diligence purpose and to respond forthwith to the enquiries of the Company.

## **Legal effect**

Save for the Exclusivity Period, the MOU is non-binding in nature and the terms and conditions of the Proposed Acquisition are subject to further negotiations between the parties and the execution of the Definitive Agreements.

## **Costs**

Each party to the MOU shall bear its own costs and expenses (including legal fees) incurred in connection with the preparation, negotiation, execution and performance of the MOU.

## **INFORMATION ON THE TARGET COMPANY**

The Target Company was incorporated in Fujian Province, the PRC with limited liability which is wholly owned by Mr. Xu Guoqiang (徐國強) and Mr. Xu Xiaoxing (許孝興). Founded in February 2018, the Target Company is a comprehensive construction enterprise integrating municipal administration, construction, highway, water conservancy, decoration, steel structure, environmental protection and landscaping, and a construction group company capable of general contracting for urban comprehensive buildings, large-scale public facilities, high-rise buildings, large-scale industrial plants and other constructions. The Target Company possesses qualifications including Grade I Municipal Public Works Construction General Contracting (市政公用工程施工總承包壹級), Grade III Construction General Contracting (建築工程施工總承包三級) (Class II Qualification for General Contracting of Housing Construction (房建總承包貳級資質) is currently being applied for), Grade III General Contracting of Highway Engineering Construction (公路工程施工總承包三級), Grade III Water Conservancy and Hydropower Project Construction General Contracting (水利水電工程施工總承包三級), Grade I Professional Contracting of Building Decoration and Decoration Engineering (建築裝修裝飾工程專業承包壹級), Grade II Steel Structure Engineering Professional Contracting (鋼結構工程專業承包貳級) and Grade III Environmental Protection Engineering Professional Contracting (環保工程專業承包三級). According to the Vendor, the annual construction output value of the Target Company reaches RMB2 billion, and the construction area of the Target Company is nationwide. The main construction scope is government bidding projects, industrial parks, and commercial CBD buildings. As a professional subcontractor, it has established sound strategic partnerships with large central enterprises and state-owned enterprises. In the construction process, it has its own mature material supply chain and has established good supply and demand relationships with large cement groups and steel groups.

To the best of the knowledge, information and belief of the directors of the Company, the Vendor, each of the companies of the Target Company and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

## **INFORMATION ON THE GROUP**

The Company is an investment holding company. The Group is principally engaged in (i) infrastructural pipeline construction and related engineering services mainly for gas, water, telecommunications and power industries services; and (ii) trading of building materials.

## REASONS FOR THE PROPOSED ACQUISITION

The Board considers that the Proposed Acquisition is in line with the Group's investment strategy and is expected to enrich the Company's existing business by utilizing the resource and mold development capabilities of the Target Company. The Board considers that the Proposed Acquisition, if materialized, would immediately bring in a new income stream to the Company and enable the Company to further strengthen its revenue and client base and therefore is in the interests of the Company and its shareholders as a whole.

## GENERAL

As at the date of this announcement, no formal Definitive Agreements or legally binding agreement in relation to the Proposed Acquisition has been entered into. If the Proposed Acquisition materialises, it may constitute a notifiable transaction of the Company under the Listing Rules. Further announcement(s) in relation to the Proposed Acquisition will be made by the Company as and when appropriate in compliance with the Listing Rules.

**There is no assurance that any transactions referred to in this announcement will materialise or eventually be consummated. Shareholders of the Company and potential investors should note that the Proposed Acquisition is subject to, among other things, the signing of Definitive Agreement, the terms and conditions of which are yet to be agreed. The Proposed Acquisition may or may not proceed and the final structure and terms of the Proposed Acquisition, which are still subject to further negotiations between the parties, have yet to be finalised and may deviate from that set out in the MOU. In the event that the Definitive Agreement are signed, further announcement(s) will be made by the Company in compliance with the Listing Rules. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**Trendzon Holdings Group Limited**  
**Feng Jiamin**  
*Chairman*

Hong Kong, 19 July 2023

*As at the date of this announcement, the Board comprises Ms. Feng Jiamin, Mr. Michael Shi Guan Wah, Mr. Lok Ka Ho and Mr. Fong Hang Fai as executive directors; Mr. Shek Jun Chong, Mr. Qiu Yue, Mr. Lui Kwun Yuen, and Mr. Wong Kwong Fai as independent non-executive directors.*

\* *In this announcement, translated English names of Chinese entities for which no official English translation exists are unofficial translations for identification purposes only, and in the event of any inconsistency between the Chinese names and their English translation, the Chinese names shall prevail.*