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WS-SK TARGET GROUP LIMITED

萬順瑞強集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8427)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RELATION TO PROPOSED ACQUISITION

This announcement is made by WS-SK Target Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide shareholders and potential investors of the Company with the latest business update of the Group.

MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 10 January 2025, the Company (the “**Buyer**”), entered into a non-legally binding memorandum of understanding (the “**MOU**”) with Vansion New Energy Vehicle Technology (Wuhan) Ltd.* (萬順新能源汽車科技(武漢)有限公司) (“**Vansion New Energy**”), pursuant to which the Buyer intends to acquire equity interest in Vansion New Energy by way of capital injection or transfer of equity interest (the “**Proposed Acquisition**”).

Amount of Equity Interest to be Acquired and Consideration

The (i) amount of equity interest in Vansion New Energy to be acquired by the Buyer and (ii) the consideration for the Proposed Acquisition are subject to further negotiations between the parties to the MOU before entering into any Formal Agreement (as defined below).

Exclusivity

During the period of three months from the date of the MOU (the “**Exclusivity Period**”), Vansion New Energy will negotiate with the Buyer exclusively on the Proposed Acquisition and will not (whether directly or indirectly through companies under the control of Vansion New Energy, its subsidiaries, substantial shareholders, directors, staff, senior management, agents or representatives) discuss, negotiate and/or enter into any agreement or understanding with any other party with respect to the Proposed Acquisition or the MOU.

Due diligence review

Pursuant to the MOU, the Buyer shall be entitled to conduct due diligence review on the business, financial and legal affairs of Vansion New Energy upon signing of the MOU. Vansion New Energy and its agent shall use their best endeavours to assist the Buyer in completing the due diligence review on Vansion New Energy.

Formal Agreement

The Buyer and Vansion New Energy shall use their best endeavours to agree on the terms of and enter into 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 terminate at the earlier of:

- (i) the date of execution of the Formal Agreement;
- (ii) the date on which the Buyer gives notice in writing to Vansion New Energy in accordance with the terms of the MOU that the results of the due diligence review are unsatisfactory;
- (iii) both parties agree in writing to terminate; or
- (iv) the expiry of the Exclusivity Period.

Non-legally Binding Effect

Save for the provisions as to exclusivity, confidentiality, termination of the MOU, costs, and governing law and jurisdiction, the MOU does not constitute a legally binding agreement on the parties to the MOU.

INFORMATION OF VANSION NEW ENERGY

Vansion New Energy is a company established in the People’s Republic of China (the “**PRC**”) and based in Wuhan, Hubei province and is principally focusing on sales of new energy vehicles, auto parts and electrical accessories for new energy vehicles.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Company is an investment holding company. The Group is principally engaged in manufacturing and trading of precast concrete junction boxes, trading of accessories and pipes and provision of mobile crane rental and ancillary services in Malaysia.

The Board is of the view that the transactions contemplated in the MOU, if materialised, will enable the Group to expand the business scope and broaden the income source of the Group, and therefore are in the interests of the Company and its shareholders as a whole.

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. 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 potential investors are reminded to exercise caution when dealing in the shares of the Company.

By order of the Board
WS-SK Target Group Limited
Loh Swee Keong
Chairman and Executive Director

Hong Kong, 10 January 2025

As at the date of this announcement, the Board comprises one Executive Director, namely, Mr. Loh Swee Keong and three Independent Non-executive Directors, namely, Mr. Yau Ka Hei, Mr. Ma, She Shing Albert and Ms. Chan Sheung Yu.

This announcement, for which the Directors 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 herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkexnews.hk for at least 7 days from the date of its posting and on the website of the Company at www.sktargetgroup.com.