

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.

SK TARGET GROUP LIMITED

瑞強集團有限公司

(Incorporated in the Cayman Islands with Limited Liability)

(Stock Code: 8427)

MEMORANDUM OF UNDERSTANDING IN RELATION TO POTENTIAL ACQUISITION

This announcement is made by SK Target Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

MEMORANDUM OF UNDERSTANDING

Reference is made to the announcement of the Company dated 30 March 2021 in relation to the inside information. The board of directors (the “**Board**”) of the Company is pleased to announce that on 7 April 2021 (after trading hour), Gallant Empire Limited (the “**Purchaser**”), a wholly owned subsidiary of the Company, has entered into a non-legal binding memorandum of understanding (the “**MOU**”) with third party vendors (the “**Vendors**”), which are independent of and not connected with the Company and its connected persons. Pursuant to the MOU, the Purchaser has the intention to acquire (the “**Potential Acquisition**”) and the Vendors have the intention to sell 51% of the issued share capital of 深圳市麥田公寓管理有限公司 (the “**Target Company**”), which is principally engaged in property management and leasing business in Shenzhen.

CONSIDERATION

The consideration for the Potential Acquisition and the manner of payment shall be further negotiated between the Purchaser and the Vendors and be determined in the Formal Agreement.

EXCLUSIVITY

During the period from the date of the MOU to the date falling six months from the date of the MOU (the “**Exclusivity Period**”), the Vendors will, in good faith, negotiate with the Purchaser exclusively on the Potential Acquisition and will not (whether directly or indirectly through affiliate, agent or representative) discuss, negotiate and/or enter any agreement, arrangement or understanding with any other party with respect to the disposal of the Target Company or any of its business.

DUE DILIGENCE REVIEW

Pursuant to the MOU, the Purchaser may conduct due diligence review on the business, financial and legal affairs of the Target Company upon signing of the MOU. The Vendors shall use their best endeavours to procure the Target Company and its agent to provide such assistance and information as is necessary for the Purchaser to complete its due diligence review on the Target Company.

FORMAL AGREEMENT

The Purchaser and the Vendors shall use their best endeavours to procure a legally binding formal agreement in relation to the Potential Acquisition (the “**Formal Agreement**”) with in the Exclusivity Period.

BINDING EFFECT

Save for the provision relating to the exclusivity, due diligence review, confidentiality, notices, expenses, governing laws and jurisdiction, the MOU does not constitute a legal binding agreement on the parties to the MOU.

REASON FOR AND BENEFIT OF THE POTENTIAL ACQUISITION

In order to maximize return to the Company and the shareholders of the Company, the Directors consider that it is in interests of the Company and its shareholders as a whole to enter into the MOU to explore the possibility of diversification of the revenue stream of the Group.

GENERAL

As at the date of announcement, the terms and conditions of the Potential Acquisition are still being negotiated and no legal binding agreement has been entered into. If the Potential Acquisition materializes, the Company will comply with the applicable requirements under the GEM Listing Rules accordingly and make further announcement(s) in this regard as and when appropriate.

As the Potential Acquisition may or may not materialise, the shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 7 April 2021

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. Chu Kin Ming and Mr. Ma, She Shing Albert.

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.hkgem.com for at least 7 days from the date of its posting and on the website of the Company at www.targetprecast.com.