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## **DCB Holdings Limited**

### **DCB控股有限公司**

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

**(Stock Code: 8040)**

## **VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RELATION TO POSSIBLE ACQUISITION**

This is a voluntary announcement made by DCB Holdings Limited (the “**Company**”).

### **THE MEMORANDUM OF UNDERSTANDING**

On 19 March 2021, the Company entered into a non-legally binding memorandum of understanding (the “**MOU**”) with the vendor (the “**Vendor**”), pursuant to which the Company will acquire and the Vendor will sell no more than 30% of the entire issued share capital (the “**Possible Acquisition**”) of a company (the “**Target Company**”) incorporated in the People’s Republic of China (the “**PRC**”) which businesses include the business cooperation, sale and marketing research of industrial materials, furniture, health products, cosmetics and consumer goods in the PRC. The consideration for the Possible Acquisition shall be determined after arms’ length negotiations between the Company and the Vendor and will be set out in the Formal Agreement (as defined below).

To the best knowledge, information and belief of the directors of the Company (the “**Directors**”), having made all reasonable enquiries, the Vendor is independent of and not connected with the Company and connected persons (as defined in the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) of the Company.

### **Due Diligence**

After the date of the MOU, the Company shall be entitled to carry out due diligence investigations on the Target Company. The Vendor shall, and shall procure the relevant parties, to provide assistance in this regard.

## **Exclusivity**

The Vendor will not, and will procure that the Target Company will not, within 180 days from the date of the MOU (i) initiate or continue negotiations or discussions with or enter into any memorandum of understanding, letter of intent, agreement, understanding or arrangement with any person or entity other than the Company with respect to the sale or other disposition of the issued share capital of the Target Company or any interests of the Target Company or (ii) accept, solicit or consider any offers in connection with the sale or transfer of the equity interest of the Target Company or the interests or investments of the Target Company, or any transaction which might compete with the transactions contemplated under the MOU.

## **Formal Agreement**

The Company and the Vendor will proceed with further negotiation for the entering into of the formal and binding agreement in respect of the Possible Acquisition (the “**Formal Agreement**”) within 180 days from the date of the MOU (or such later date as may be agreed by the parties).

## **Termination**

The MOU shall be terminated upon the earlier of (i) the date of the Formal Agreement and (ii) the day falling 180 days after the date of the MOU (or such later date as may be agreed by the parties), save for certain surviving provisions.

## **Legal effect**

The MOU shall create no legal and binding obligations on the parties thereto save for provisions relating to due diligence, exclusivity, costs, confidentiality and governing law.

## **REASONS FOR AND BENEFITS OF THE MOU**

The entering of the MOU will enable the Group to have the opportunity to access the PRC building materials and furniture sales and supplies market and gain knowledge of new materials application, which may add new business directions to the Group and also benefiting the Group in searching and selecting suitable building materials and furniture for its fitting-out and renovation projects, bringing synergy effects to the Group and thereby improving the overall performance of the Group’s fitting-out and renovation business.

## **GENERAL**

If the Formal Agreement materializes, the Possible Acquisition may constitute a notifiable transaction of the Company under the GEM Listing Rules. Further announcement(s) will be made by the Company in accordance with all applicable requirements of the GEM Listing Rules as and when appropriate.

The board of Directors (the “**Board**”) wishes to emphasize that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. 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  
**DCB Holdings Limited**  
**Cheng Tsang Fu Dennis**  
*Executive Director*

Hong Kong, 19 March 2021

*As at the date of this announcement, the executive directors of the Company are Mr. Cheng Tsang Wai, Mr. Cheng Tsang Fu Dennis and Ms. Liu Lee Lee Lily; and the independent non-executive directors of the Company are Mr. Cheung Kwok Keung, Mr. Chank Chi Man and Mr. Chu Wai Wa Fangus.*

*This announcement will remain on the “Latest Company Announcements” page on the GEM website at [www.hkgem.com](http://www.hkgem.com) for a minimum period of 7 days from the date of its publication and on the Company’s website at [www.dcb.com.hk](http://www.dcb.com.hk).*