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HONG KONG CHAOSHANG GROUP LIMITED

香港潮商集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 2322)

VOLUNTARY ANNOUNCEMENT – MEMORANDUM OF UNDERSTANDING IN RELATION TO THE POSSIBLE INVESTMENT

This announcement is made by the Company on a voluntary basis in order to keep its shareholders and potential investors updated with the latest business development of the Group.

On 4 July 2024 (after trading hours), the Company entered into the Memorandum with Public Investment Fund (“**PIF**”), pursuant to which the Company intends to collaborate with PIF of Saudi Arabia Asia Division in form of investment from PIF.

PRINCIPAL TERMS OF THE MEMORANDUM

Date: 4 July 2024
Parties: (i) the Company; and
(ii) PIF

To the best of the knowledge, information and belief of the Directors having made all

reasonable enquiries, PIF and its ultimate beneficial owners are Independent Third Parties.

Subject matter

Pursuant to the Memorandum, PIF intends to invest in the Company in the following aspects:

- (i) to provide financing to the Company by way of convertible debenture with a period of 5 years (the “**Financing**”); and
- (ii) to provide financing to the Company by way of a loan with a period of 5 years (the “**Loan**”).

Investment

The total investment amount pursuant to the Memorandum is US\$500 million (equivalent to approximately HK\$3.9 billion), comprising of US\$100 million and US\$400 million for the Financing and the Loan, respectively. The investment is expected to be wholly funded by PIF.

Definitive Agreement

Pursuant to the Memorandum, the parties thereto intended to, within three months from the date of Memorandum or such other extended period as mutually agreed by the parties, further negotiate the subsequent performance of the respective obligations under the Memorandum and to enter into the Definitive Agreement(s).

Non-legally binding effect of the Memorandum

The Memorandum is non-legally binding save for the provisions in relation to termination, confidentiality, notices and governing law and jurisdiction provisions.

REASONS FOR ENTERING INTO THE MEMORANDUM

The Group is principally engaged in trading, money lending, factoring, finance leasing and financial services businesses in China and Hong Kong. The Board believes that the entering into of the Memorandum is beneficial and crucial for the Group's general working capital and expansion of existing businesses with the investment contributed by and cooperation with PIF. Besides, with the financial support of PIF, the Group may undertake strategic initiatives including but not limited to investments into different industries such as mining and healthcare and/or other sectors as the opportunities arise.

The Board is of the view that the entering into of the Memorandum is in the interests of the Company and its shareholders as a whole.

GENERAL

The Memorandum merely provides a strategic cooperation framework between the Company and PIF. The terms of cooperation contemplated under the Memorandum are subject to the terms of any Definitive Agreements. If any transaction contemplated under the Memorandum constitutes a notifiable transaction for the Company under the Listing Rules, further announcement(s) will be made by the Company as and when appropriate. If the Financing will proceed by way of subscription of convertible debenture by PIF, the Company may seek a specific mandate from its shareholders to issue such convertible debenture.

As at the date of this announcement, the terms and conditions of the investment 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 Listing Rules.

As the investment may or may not proceed, shareholders and investors are reminded to exercise caution when dealing in the shares of the Company.

DEFINITION

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“China”	The People’s Republic of China
“Company”	Hong Kong ChaoShang Group Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	director(s) of the Company
“Definitive Agreement(s)”	the definitive agreements which may or may not be entered into by the Company and PIF in relation to, among other things, the transactions contemplated under the Memorandum
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any persons or company(ies) and their respective ultimate beneficial owners, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, who are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the non-legally binding memorandum of understanding entered into between the Company and PIF dated 4 July 2024 (after trading hours) in relation to the proposed investment
“PIF”	the Public Investment Fund, a government fund established under the laws of Saudi Arabia

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

In this announcement, amounts in US\$ are translated into HK\$ on the basis of US\$1 = HK\$7.81. The conversion rate is for illustration purpose only and should not be taken as a representation that US\$ could actually be converted into HK\$ at such rate or at all.

By order of the Board
Hong Kong ChaoShang Group Limited
Ms. Zheng Juhua
Chairlady

Hong Kong, 4 July 2024

As at the date of this announcement, the executive Directors are Ms. Zheng Juhua and Mr. Chan Chi Yuen; the independent non-executive Directors are Mr. Yu Pak Yan, Peter, Mr. Chi Chi Hung, Kenneth and Mr. Yeung Yat Chuen.