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Manfield Chemical Holdings Limited

萬輝化工控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1561)

VOLUNTARY ANNOUNCEMENT

**MEMORANDUM OF UNDERSTANDING
IN RELATION TO
A POSSIBLE ACQUISITION OF INTEREST IN
AN INFORMATION AND DATA SERVICES BUSINESS VENTURE**

This announcement is made by the Company on a voluntary basis with a view to keeping its Shareholders and potential investors informed of the latest development of the Group.

THE MOU

The Board is pleased to announce that on 24 June 2019 (after trading hours), the Company entered into the MOU with the Vendors, the Target Company and OPCO in respect of the Possible Acquisition. Principal terms of the MOU are set out as follows:

Date

24 June 2019

Parties

- (1) the Company;
- (2) Vendor A, Vendor B, Vendor C, collectively as the Vendors;
- (3) the Target Company; and
- (4) OPCO

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Vendors and their respective ultimate beneficial owner(s) is an Independent Third Party.

Assets to be acquired

Subject to the completion of the Reorganisation and such other conditions set out below, the Company (or its nominee) will acquire part of the issued share capital of the Target Company through the purchase of existing shares of the Target Company from the Vendors and the subscription of new shares to be issued by the Target Company.

Earnest Money

The Company has paid refundable earnest money of HK\$21 million to OPCO. If the Transaction Documents are not signed by the parties to the MOU, the full amount of the Earnest Money shall be refunded by OPCO to the Company without interest. If Completion occurs in accordance with the Transaction Documents, the Earnest Money shall be applied in part payment of the consideration.

Conditions precedent

Completion of the Possible Acquisition is expected to be conditional upon the following amongst other things:

- (1) satisfactory completion of due diligence on the Target Company and OPCO by the Company;
- (2) completion of the Reorganisation conducted to the satisfaction of the Company;
- (3) the Company having obtained a PRC legal opinion satisfactory to the Company on matters such as legality of the Transaction Documents, the Reorganisation, certain structured contracts and the authorisation of the compliant access to and use of the canonical data source available to OPCO;
- (4) receipt of all necessary government or other regulatory approvals, consents and authorisations; and
- (5) compliance with the Listing Rules by the Company.

In addition, it is expected that the Transaction Documents will contain customary representations, warranties and undertakings provided by the parties to the MOU. The Company will be entitled to customary investor protection rights for transactions of this kind.

Transaction Documents

The parties to the MOU shall endeavour to enter into the Transaction Documents in relation to the Possible Acquisition within 60 days of the MOU or a later date as agreed by the parties to the MOU.

Legal effect

Save for certain provisions relating to costs and expenses, confidentiality, governing law and dispute resolution, the MOU does not have any legal effect.

INFORMATION OF THE TARGET COMPANY AND OPCO

The Target Company is an investment holding company incorporated in Cayman Islands with limited liability.

The Target Company will undergo the Reorganisation by establishing Guo Rong WFOE as an indirect wholly-owned subsidiary in the PRC, to be used to control 80% of the entire equity interest in and financial results of OPCO by entering into certain structured contracts. Guo Rong WFOE will be engaged in provision of business consultancy services to OPCO.

OPCO is a company incorporated in the PRC with limited liability and is principally engaged in the development of big data mining, modelling and analysis in general, and the provision of digital risk management services in retail financial services since its establishment in September 2018.

REASONS FOR AND POTENTIAL BENEFITS OF THE POSSIBLE ACQUISITION

The Group is principally engaged in the manufacturing and sale of industrial coatings in the forms of customised liquids and powders at present. The Company has also entered into an agreement to invest in a payment services company as detailed in the Company's circular dated 18 April 2019.

In recent years, the demand for efficient digital risk management services in retail financial services business in the PRC has been rapidly increasing and is driven by, among others, the big data trend of the growth in consumer spending. In line with the strategic directions of the offeror, the Group has been exploring opportunities to expand and diversify its business and activities, with a view to creating new sources of income in the new economy sector (including digital application for retail and quasi-retail area).

OPCO was initiated by 中國信息通信研究院 (China Academy of Information and Communications Technology*), an entity instrumental in setting China's national strategies, policies and standards of information and communications technology among others and directly under the Ministry of Industry and Information Technology of the PRC, while its investment booking vehicle 泰爾信通(北京)投資管理中心 (Beijing Ruite Telecom Technology Company*) is one of the founding shareholders of OPCO. As at the date of this announcement, 泰爾信通(北京)投資管理中心 (Beijing Ruite Telecom Technology Company*) is an Independent Third Party which owns 20% equity interest in OPCO. OPCO has secured compliant access to and use of the canonical data source of an authoritative national institution granted by its transformation center of scientific and technological achievements. The Directors consider the Possible Acquisition a valuable opportunity to participate in big data based risk management services in retail financial services business, and is in the interests of the Company and the Shareholders as a whole.

GENERAL

The Possible Acquisition, if it materialises, is expected to constitute a notifiable transaction on the part of the Company under Chapter 14 of the Listing Rules. If and when the Company enters into the Transaction Documents or the MOU is terminated, the Company will make further announcement(s) in accordance with the Listing Rules as and when appropriate.

The Possible Acquisition is subject to, among other things, the entering into of the Transaction Documents. As at the date of this announcement, the terms and conditions of the Transaction Documents are yet to be finalised and agreed between the parties to the MOU. As such, the Possible Acquisition may or may not proceed. Shareholders and potential investors are therefore reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“associate(s)”	the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“Company”	Manfield Chemical Holdings Limited (萬輝化工控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1561);
“Completion”	completion of the Possible Acquisition;
“Director(s)”	the director(s) of the Company;
“Earnest Money”	the earnest money in the amount of HK\$21 million paid by the Company to OPCO prior to the date of the MOU;
“Group”	the Company and its subsidiaries from time to time;
“Guo Rong WFOE”	a wholly foreign owned enterprise to be incorporated under the Reorganisation;
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party”	an individual or company which is not connected with any Directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associates and is/are independent of the Company;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MOU”	the memorandum of understanding dated 24 June 2019 entered into by the Company, the Vendors, the Target Company and OPCO in relation to the Possible Acquisition;
“OPCO”	聯洋國融（北京）科技有限公司 (Lian Yang Guo Rong (Beijing) Science and Technology Co., Ltd.*), a company incorporated in Beijing, the PRC;
“Possible Acquisition”	the possible acquisition of an equity interest in the Target Company by the Company pursuant to the MOU;
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and the territory of Taiwan;
“Reorganisation”	a reorganisation of the Target Company prior to Completion;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	the meaning ascribed to it in the Listing Rules;
“Target Company”	Lian Yang Guo Rong Holdings Limited, a company incorporated in the Cayman Islands with limited liability;
“Transaction Documents”	the legally binding documents which may or may not be entered into in relation to the Possible Acquisition;
“Vendors”	collectively, Vendor A, Vendor B and Vendor C;
“Vendor A”	a company incorporated in the British Virgin Islands with limited liability, which owns an approximately 43.75% equity interest in the Target Company as at the date of this announcement;
“Vendor B”	a company incorporated in the British Virgin Islands with limited liability, which owns an approximately 16.25% equity interest in the Target Company as at the date of this announcement;

“Vendor C” a company incorporated in the British Virgin Islands with limited liability, which owns an approximately 40.00% equity interest in the Target Company as at the date of this announcement; and

“%” per cent.

By Order of the Board
Manfield Chemical Holdings Limited
Dr. Li Zhong Yuan
Chairman

Hong Kong, 24 June 2019

As at the date of this announcement, the Board comprises:

Executive Director:

Dr. Li Zhong Yuan

Non-executive Directors:

Mr. Kong Muk Yin

Ms. Zuo Yi

Independent non-executive Directors:

Mr. Li Gong

Mr. Wang Jianping

Dr. Shi Ping

* *for identification purposes only*