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MAN SHUN GROUP (HOLDINGS) LIMITED

萬順集團(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1746)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RELATION TO A POTENTIAL COOPERATION WITH ENECO INVESTMENT

This is an announcement made by Man Shun Group (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

POTENTIAL COOPERATION WITH ENECO INVESTMENT

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 8 November 2019 (after trading hours), the Company and Eneco Investment Pte, Ltd. (エネコインベストメント) (“**Eneco Investment**”) entered into a non-legally binding memorandum of understanding (the “**MOU**”) in relation to a potential business cooperation in the Greater China Region between the Group and Eneco Investment in respect of the sales, installation and maintenance of environmental-friendly fuel equipment produced by Eneco Investment (the “**Potential Cooperation**”).

To the best of the Directors’ knowledge, information and belief, after having made all reasonable enquiries, each of Eneco Investment and its ultimate beneficial owner is a third party independent of and not connected with the Company and its connected persons.

Cooperation structure

The parties are still negotiating the terms and conditions of the Potential Cooperation and the corporate structure for implementing the Potential Cooperation.

Due diligence review and feasibility study

The Company is currently conducting a due diligence review on the environmental-friendly fuel equipment business of Eneco Investment and a feasibility study of launching such a business in the Greater China Region. Pursuant to the MOU, Eneco Investment shall use its best endeavours to provide such assistance and information as is necessary for the Company to complete its due diligence review and feasibility study.

Binding effect

Save for the provisions relating to the cost and expense and confidentiality, the MOU does not constitute a legally binding agreement on the parties to the MOU.

INFORMATION ABOUT THE GROUP

The Group is principally engaged in the provision of service contract for installation and maintenance of heating, ventilation and air-conditioning system (the “**HVAC Business**”) in Hong Kong. The Group generally focuses on serving new residential property development projects as a first-tier or second-tier subcontractor in Hong Kong.

INFORMATION ABOUT ENECO INVESTMENT

Eneco Investment is an investment holding company. Eneco Investment and its group members are principally engaged in the production and development of emulsion fuel equipment, and the sales of environmental-friendly fuel and mineral water in Japan. With an exclusive patented catalyst technology and exclusive refining equipment, Eneco Investment and its group members produce environmental-friendly fuel products that achieve higher efficiency and lower air pollutant emissions as compared to conventional fuel products.

As at the date of this announcement, Eneco Investment holds 90,000,000 ordinary shares of nominal value of HK\$0.01 each of the Company, representing approximately 9.00% of the issued share capital of the Company. The Board was informed by Eneco Investment that its shareholding interest in the Company was acquired from the secondary market in July 2019 and it demonstrates that Eneco Investment has confidence in the prospects of the heating, ventilation and air-conditioning market in Hong Kong and the current sales network and channels in Hong Kong of the Group.

GENERAL

As at the date of this announcement, the terms and conditions of the Potential Cooperation are still being negotiated and no legally binding agreement has been entered into by the parties. The Potential Cooperation, if materialized, may or may not constitute a notifiable transaction for the Company under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules.

As the Potential Cooperation 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
Man Shun Group (Holdings) Limited
Cheung Yuen Tung
Chairman and Executive Director

Hong Kong, 8 November 2019

As of the date of this announcement, the executive Directors are Mr. Cheung Yuen Tung and Mr. Cheung Yuen Chau; and the independent non-executive Directors are Mr. Pang Kam Fai, Dickson, Mr. Law Chung Lam, Nelson and Mr. Lau Yu Ching.