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## **GOLDEN PONDER HOLDINGS LIMITED**

**金倫控股有限公司**

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

**(Stock Code: 1783)**

### **DISCLOSEABLE TRANSACTION PROPOSED ACQUISITION OF 95% EQUITY INTEREST IN A TARGET COMPANY INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE**

**Financial adviser to the Company**



**建泉融資有限公司  
VBG Capital Limited**

#### **THE ACQUISITION**

The Board hereby announces that on 25 February 2022 (after trading hours), the Company entered into the Agreement with the Vendor in respect of the Acquisition. Pursuant to the Agreement, the Company has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares, representing 95% of the issued share capital of the Target Company, at the Consideration of HK\$11,802,000 which will be settled by the allotment and issue of 42,000,000 Consideration Shares by the Company to the Vendor (or its nominee(s)) upon Completion.

Completion of the Acquisition is subject to a number of conditions as set out in the paragraph headed “**Conditions Precedent**” in the section headed “THE ACQUISITION”.

The aggregate of 42,000,000 Consideration Shares represents (i) approximately 5.08% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.83% of the issued share capital of the Company as enlarged by the allotment and issue of all Consideration Shares.

The Consideration Shares will be issued and allotted under the General Mandate and are not subject to the approval of the Shareholders. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares, when allotted and issued, shall rank *pari passu* with the Shares in issue.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **WARNING**

**Shareholders and potential investors of the Company should note that the Completion is subject to the fulfillment (or waiver, if applicable) of the conditions precedent of the Agreement, and the Completion may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.**

## **INTRODUCTION**

The Board is pleased to announce that on 25 February 2022 (after trading hours), the Company entered into the Agreement with the Vendor in respect of the Acquisition. Pursuant to the Agreement, the Company has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares, representing 95% of the issued share capital of the Target Company, at the Consideration of HK\$11,802,000 which will be settled by the allotment and issue of 42,000,000 Consideration Shares by the Company to the Vendor (or his nominee) upon Completion.

## **THE ACQUISITION**

The principal terms of the Agreement are set out as follows:

### **Date**

25 February 2022 (after trading hours)

### **Parties to the Agreement**

- (i) the Purchaser: the Company; and
- (ii) the Vendor: Mr. Li Man Keung Edwin.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendor, the Target Company and their ultimate beneficial owner is an Independent Third Party.

### **Assets to be acquired**

Pursuant to the Agreement, the Company has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares, representing 95% of the issued share capital of the Target Company.

### **Consideration**

The Consideration of HK\$11,802,000 shall be satisfied by the allotment and issue of 42,000,000 Consideration Shares by the Company to the Vendor (or its nominee(s)) under the General Mandate at the issue price of HK\$0.281 per Consideration Share upon Completion.

### **Basis of consideration**

The Consideration was determined after arm's length negotiations between the Company and the Vendor on normal commercial terms after taking into account (i) the Target Company being at the pre-profit stage and having had no positive net asset as at 31 January 2022; (ii) the Target Company has spent more than HK\$7.8 million to get the project into the current stage of development; (iii) the status of the projects currently owned or managed by the Target Company; (iv) the Target Company entering into a "Second-Life Battery" agreement with a multi-disciplinary organisation; and (v) the synergy effect that brought by the Target Company to the Company's potential acquisitions.

The Directors consider the Consideration is fair and reasonable and on normal commercial terms and is in the interests of the Company and the Shareholders as a whole.

### **Issue of Consideration Shares**

The 42,000,000 Consideration Shares represent: (i) approximately 5.08% of the number of issued Shares as at the date of this announcement; and (ii) approximately 4.83% of the number of issued Shares as enlarged by the allotment and issue of the Consideration Shares (assuming there will be no change in the share capital of the Company prior to the Completion other than the issue of the Consideration Shares by the Company).

The Consideration Shares will be allotted and issued pursuant to the General Mandate. Under the General Mandate, the Directors are allowed to allot and issue up to 20% of the total number of the issued Shares. The maximum number of Shares that can be issued under the General Mandate is 160,000,000 Shares. As at the date of this announcement, 27,487,500 consideration shares have been allotted and issued under the General Mandate. The General Mandate is sufficient for the allotment and issue of all the Consideration Shares. As such, the Acquisition and Allotment is not subject to any Shareholders' approval. The General Mandate will be utilised as to 43.43% upon the allotment and issue of all the Consideration Shares.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares will rank *pari passu* in all respects with each other and with the Shares in issue at the time of the Consideration Shares.

### **Issue Price**

The issue price of HK\$0.281 per Consideration Share was determined after arm's length negotiation between the Company and the Vendor with reference to, among other things, the recent trading prices of the Shares, which represents:

- i. a discount of approximately 19.71% to the closing price of HK\$0.35 per Share as quoted on the Stock Exchange on the date of the Agreement;
- ii. a discount of approximately 18.79% to the average closing price of HK\$0.346 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Agreement; and
- iii. a discount of approximately 16.37% to the average closing price of HK\$0.336 per Share as quoted on the Stock Exchange for the ten consecutive trading days of the Shares immediately prior to the date of the Agreement.

### **Conditions Precedent**

Completion shall be subject to the fulfillment (or waiver, if applicable) of the following conditions precedent:

- (a) the Stock Exchange having granted approval for the listing of, and permission to deal in, the Consideration Shares;
- (b) the Company is satisfied with the Due Diligence Review on the Target Company;
- (c) the warranties given by the Vendor under this Agreement remaining true and accurate and not misleading in all material respects from the date of this Agreement up to the Completion Date; and
- (d) all necessary consents, approvals, authorisations and licences in relation to the transactions contemplated under the Agreement having been obtained.

The Company may waive any of the above conditions precedent in Clauses (b) and (c) by giving notice in writing to the Vendor.

The parties to the Agreement shall use (to the extent they are able) their respective best endeavours to procure the fulfillment of the conditions precedent on or before 30 April 2022 or such later date as the parties may agree in writing but in any event not later than the Long Stop Date. If any of the conditions precedent shall not have been fulfilled (or waived, where applicable) in all respects prior to the Long Stop Date, the Agreement shall be terminated automatically and of no further effect and all liabilities and obligations of the parties to the Agreement shall cease and determine provided that such termination shall be without prejudice to any rights or remedies of the parties to the Agreement which shall have accrued prior to such termination.

### **Completion**

The Completion shall take place within 10 Business Days from the fulfillment or waiver (as the case may be) of all conditions precedent, or such other date as the parties to the Agreement may mutually agree in writing.

Upon Completion, the Target Company will become a non-wholly owned subsidiary of the Company and the financial results and assets and liabilities of the Target Company will be consolidated into the consolidated financial statements of the Company.

## **INFORMATION ON THE PARTIES**

### **The Company**

The Company is a company incorporated in the Cayman Islands with limited liability. The Group principally provides superstructure building and RMAA works service as a main contractor in Hong Kong.

### **The Vendor**

The Vendor is Mr. Li Man Keung Edwin, who has over 30 years of experience in the electrical and mechanical engineering and property development industries.

### **Target Company**

The Target Company is a company incorporated in Hong Kong with limited liability, which is principally engaged in the business of project management of energy solution.

Set out below is the unaudited financial information of the Target Company based on its unaudited financial statements prepared in accordance with the Hong Kong accounting standards for the year ended 31 March 2020 and 31 March 2021:

	<b>Year ended 31 March 2021</b>	<b>Year ended 31 March 2020</b>
	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	Nil	Nil
Loss before and after taxation	7,851	—*

\* *Less than HK\$1,000*

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, each of the Vendor, the Target Company and their ultimate beneficial owner is an Independent Third Party.

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

The Group is principally engaged in the provision of superstructure building and repair, maintenance, alteration and addition (“**RMAA**”) works service as a main contractor in Hong Kong.

The Target Company is a specialist in energy solution, which enables a widespread of second-life EV batteries. The Target Company is developing a new technology which allows waste EV batteries to be reused in different occasions. The second-life EV batteries have a wide range of functions, including but not limited to stationary energy storage, being the backup power sources in telecom tower, reducing volatilities that impact on grid frequency, and providing customised micro-energy storage power stations for enterprises. According to the Hong Kong’s Climate Action Plan 2050, in order to achieve carbon neutrality by 2050 and improve air quality at the same time, the Environment Bureau of Hong Kong will make every effort to achieve net-zero electricity generation, zero vehicular emissions and zero carbon emissions in the transport sector before 2050. As a result, the Board is seeing an increase in prevalence of EVs in Hong Kong and thus the increasing number of EV batteries will be available for reused as second life battery after disposal. Given the recent acquisition of 40% of equity interests in another company which has the capability to dispose waste EV batteries and the growing market for EVs, the Directors are of the view that the Acquisition will bring potential business opportunities to the Group.

The Board believed that the Acquisition is in line with the expansion plan of the Group and can create synergies with the other acquisition of the Group as disclosed in the announcement of the Company dated 25 February 2022. Upon Completion, the Group and its associates will be able to provide one-stop services of EV batteries recycling, which will further refine the business in the renewable energy sector and overall competitiveness of the Group.

Furthermore, the initial capital needed for developing the aforesaid technology up to the current stage by the Company can be expensive. In addition to the time cost expected to be spent on the research and development process, after due and careful consideration, the Directors are of the view that acquiring the Target Company is more beneficial than developing the technology by the Company on its own, since the Group can better allocate its resources and increase efficiency.

The Directors consider that the terms of the Agreement are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon Completion (assuming that there are no other changes in the issued share capital of the Company prior to the Completion) are set out as follows:

	As at the date of this announcement		Immediately upon Completion	
	Number of Shares	Approx.% of shareholding	Number of Shares	Approx.% of shareholding
Shiny Golden Limited ( <i>Note i</i> )	408,000,000	49.31%	408,000,000	46.92%
<b>Public Shareholders</b>				
The Vendor or its nominee(s)	27,487,500	3.32%	69,487,500	8.00%
Other public Shareholders	392,000,000	47.37%	392,000,000	45.08%
<b>Total</b>	<u>827,487,500</u>	<u>100.00%</u>	<u>869,487,500</u>	<u>100.00%</u>

*Notes:*

- (i) Mr. Chan Kam Ming (“**Mr. KM Chan**”) and Mr. Chan Kam Tong (“**Mr. KT Chan**”) directly owned 50% equity interests respectively in Shiny Golden Limited. Mr. KM Chan, Mr. KT Chan and Shiny Golden Limited are parties acting in concert. Mr. KM Chan and Ms. Ng Wing Mui are spouses to each other, each of them is deemed to be interested in the Shares in which his/her spouse is interested under the SFO. Mr. KT Chan and Ms. Shu Ah Ping are spouses to each other, each of them is deemed to be interested in the Shares in which his/her spouse is interested under the SFO.

## LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## WARNING

**Shareholders and potential investors of the Company should note that the Completion is subject to the fulfillment (or waiver, if applicable) of the conditions precedent of the Agreement, and the Completion may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Allotment”	the issue and allotment of the Consideration Shares by the Company to the Vendor or its nominee(s) pursuant to the terms and conditions of the Agreement
“Acquisition”	the acquisition of the Sale Shares by the Company from the Vendor pursuant to the terms and conditions of the Agreement
“Agreement”	the sale and purchase agreement dated 25 February 2022 and entered into between the Company and the Vendor in relation to the Acquisition
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“BVI”	British Virgin Islands
“Company”	Golden Ponder Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on Main Board of the Stock Exchange (Stock Code: 1783)
“Completion”	the completion of the Acquisition
“Completion Date”	the date of the Completion, being the date falling on the 10 Business Days after the fulfillment or waiver (where applicable) of the Conditions Precedent, or such later date as agreed between the Vendor and the Company
“connected person(s)”	has the meaning as ascribed to it in the Listing Rules

“Consideration”	the total consideration in the sum of HK\$11,802,000 for the Acquisition which will be satisfied by the issue and allotment of the Consideration Shares to the Vendor pursuant to terms and conditions of the Agreement
“Consideration Share(s)”	42,000,000 Consideration Shares to be allotted and issued to the Vendor (or its nominee(s)) at the Issue Price for the Acquisition pursuant to the terms and conditions of the Agreement
“Director(s)”	director(s) of the Company
“EV(s)”	electric vehicle(s)
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting (the “AGM”) of the Company on 18 August 2021 to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third parties independent of the Company and its connected persons
“Issue Price”	the issue price of HK\$0.281 per each Consideration Share
“Listing Committee”	The Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Long Stop Date”	31 May 2022
“Sale Shares”	Nine thousand and five hundred (9,500) issued shares, representing 95% of the entire issued share capital of the Target Company on Completion
“SFO”	Securities and Futures Ordinance, Cap 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Cornerstone Energy Limited, a company incorporated under the laws of Hong Kong with limited liability and engaged in project management of energy solution
“Vendor”	Mr. Li Man Keung Edwin
“Vendor’s Warranties”	the warranties provided by the Vendor under the Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board of  
**Golden Ponder Holdings Limited**  
**Chan Kam Tong**  
*Chairman and executive Director*

Hong Kong, 25 February 2022

*As at the date of this announcement, the Board comprises three executive directors, namely, Mr. Chan Kam Tong, Mr. Chan Kam Ming and Mr. Tang Chi Kin and three independent non-executive directors, namely, Mr. Hau Wing Shing Vincent, Mr. Wan Simon and Mr. Zhang Jue.*