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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)

(1) DISCLOSEABLE TRANSACTION – SUBSCRIPTION FOR NEW SHARES IN CORNERSTONE TECHNOLOGIES HOLDINGS LIMITED

(2) MEMORANDUM OF UNDERSTANDING ON STRATEGIC COOPERATION

THE SUBSCRIPTION FOR NEW SHARES IN CORNERSTONE TECHNOLOGIES HOLDINGS LIMITED

On 27 June 2022 (after trading hours), the Company entered into the Subscription Agreement with the Issuer in respect of the Subscription of an aggregate of 32,320,000 Subscription Shares at the Subscription Price of HK\$0.62 per Subscription Share.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Subscription is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

Completion of the Subscription is subject to fulfilment of the conditions as set out in the Subscription Agreement. The Subscription may or may not proceed.

Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares. If in doubt, Shareholders and potential investors of the Company are recommended to consult their professional adviser(s).

MEMORANDUM OF UNDERSTANDING ON STRATEGIC COOPERATION

The Board is also pleased to announce that on the same date, the Company and the Issuer entered into a MOU. Pursuant to the MOU, the Company and the Issuer intend to collaborate with each other so as to bring mutual benefits to each other.

(1) SUBSCRIPTION FOR NEW SHARES IN THE ISSUER

The Board is pleased to announce that, on 27 June 2022 (after trading hours), the Company entered into the Subscription Agreement with the Issuer in respect of the Subscription of an aggregate of 32,320,000 Subscription Shares at the Subscription Price of HK\$0.62 per Subscription Share.

The Subscription Agreement

Date : 27 June 2022 (after trading hours)

Issuer : Cornerstone Technologies Holdings Limited

Subscriber : The Company, or its nominee(s)

To the best knowledge of the Directors, having made reasonable enquiry, as at the date of this announcement, one of the directors of the Issuer is the sole director of a non-wholly owned subsidiary of the Company. The subsidiary is an insignificant subsidiary (within the meaning under Rule 14A.09 of the Listing Rules) of the Company and therefore, the sole director of the subsidiary is not connected with the Company. Accordingly, the Issuer and its ultimate beneficial owners are third parties independent of, and not connected with the Company and connected persons of the Company.

Subscription for new shares in the Issuer

The Company, or its nominee(s), has conditionally agreed to subscribe for and the Issuer has conditionally agreed to allot and issue, 32,320,000 new shares of the Issuer to the Company or its nominee(s) at the Subscription Price of HK\$0.62 per Subscription Share.

The Subscription Price

The aggregate amount of the consideration for the Subscription Shares is approximately HK\$20.04 million, which shall be payable by the Company in cash upon completion of the Subscription Agreement.

The Subscription Price and the consideration were determined after arm's length negotiation between the Company and the Issuer with reference to the financial performance of the Issuer, the prevailing market prices of the Subscription Shares and the recent market conditions. The Board consider that the Subscription Price and the consideration are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Ranking of the Subscription Shares

The Subscription Shares, upon issue, will rank *pari passu* in all respects among themselves and with all the shares of the Issuer in issue as at the date of allotment and issue of the Subscription Shares.

Conditions of the Subscription

Completion of the Subscription is conditional upon the fulfilment or waiver (as the case may be) of the following conditions:

- (a) if required, the ordinary resolution(s) for approving the Subscription Agreement and the transactions contemplated thereunder having been duly passed by the shareholders of the Company and/or the Issuer;
- (b) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Subscription Shares and such approval has not been revoked prior to Completion; and
- (c) each of the Company and the Issuer having obtained all necessary consents and approvals in respect of the Subscription Agreement and the transactions contemplated thereunder.

The Company may waive any conditions, except the condition referred to in (a) above which may not be waived by any party to the relevant Subscription Agreement. If the above conditions are not fulfilled or waived (as the case may be) by 15 July 2022 (or such other date as the parties may agree in writing), the Subscription Agreement will be automatically terminated and lapsed and none of the parties to the Subscription Agreement shall have any claim against the others in respect of the Subscription, save for any antecedent breaches thereof.

Completion

Completion of the Subscription will take place within 5 Business Days after the date of fulfillment of the conditions referred to above.

Reasons for and Benefits of the Subscription

As disclosed in the Company's interim report for the six months ended 30 September 2021, the Board foresees the Group's profit and profit margin will continue to be under pressure due to the increasing competitive environment. The Board is also of the view that the prolonged COVID-19 situation in Hong Kong will affect the profitability of the Group. In addition, as disclosed in the Company's annual report for the year ended 31 March 2021, the Board would continue to explore investment opportunities to diversify the Group's risk profile and expand the profit base for the Shareholders.

The Environmental Protection Department of Hong Kong rolled out a HK\$2 billion "EV-charging Hong Subsidy Scheme" to subsidise the installation of EV charging-enabling infrastructure "EVCEI" in car parks of existing private residential buildings, and hence further facilitate EV owners to install EV chargers at car parks of their residences according to their own needs in the future in a simple and easy manner. The EHSS will run for about 3 years with a view to cover roughly 60,000 private parking spaces. There will be more EHSS related construction projects available for tender. As at the date of this announcement, cooperating with the Issuer, the Group was successfully confirmed with one EHSS construction contract as a subcontractor.

The most recent operational information of the Issuer is promising and strengthens the Directors' belief that the Issuer's group is in a growth trend and has potential for further growth. In addition, the Subscription provides additional working capital for the Issuer to develop and diversify its business, and the Group would benefit from the future growth and development of the Issuer.

In light of the above, after due and careful consideration, the Directors believe environmental protection and EV businesses will likely become a trend in Hong Kong in the upcoming future, the cooperation with the Issuer and the Subscription will provide more opportunities for the Group to participate in the environmental protection and EV industry and enable the Group to explore potential business cooperation opportunities.

The Directors consider that the terms and conditions of the Subscription Agreement (including the Subscription Price) were entered into on normal commercial terms after arm's length negotiations and the terms therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Information on the Issuer

The Issuer is an investment holding company and its subsidiaries are principally engaged in the provision of printing, typesetting and translation services and electric vehicle charging business in Hong Kong.

Set out below is the audited financial information of the Issuer based on its audited financial statements prepared in accordance with the HKFRS for the year ended 31 December 2021 and for the nine months ended 31 December 2020:

	Year ended 31 December 2021 (audited) HK\$'000	Nine months ended 31 December 2020 (audited) HK\$'000
Revenue	55,032	40,909
Loss before taxation	60,933	32,058
Loss after taxation	61,999	30,471

As at 31 December 2021, the Issuer had audited net liabilities of approximately HK\$11.3 million.

To the best knowledge of the Directors, having made reasonable enquiry, as at the date of this announcement, one of the directors of the Issuer is the sole director of a non-wholly owned subsidiary of the Company. The subsidiary is an insignificant subsidiary (within the meaning under Rule 14A.09 of the Listing Rules) of the Company and therefore, the sole director of the subsidiary is not connected with the Company. Accordingly, the Issuer and its ultimate beneficial owners are third parties independent of, and not connected with the Company and not connected persons of the Company as defined under Chapter 14A of the Listing Rules.

Information on the Company

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

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Subscription is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

WARNING

Completion of the Subscription is subject to fulfilment of the conditions as set out in the Subscription Agreement. The Subscription may or may not proceed.

Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares. If in doubt, Shareholders and potential investors of the Company are recommended to consult their professional adviser(s).

(2) MEMORANDUM OF UNDERSTANDING ON STRATEGIC COOPERATION

The Board is also pleased to announce that on the same date, the Company and the Issuer entered into a MOU.

Pursuant to the MOU, the Company and the Issuer intend to collaborate with each other so as to bring mutual benefits to each other, and it is noted by the parties hereto that the collaboration may be in the form of, including but not limited to:

1. the Company and the Issuer become official business partners in which upon being awarded a EHSS project by the Issuer, the Issuer shall invite the Company to tender. Should the Group submits a tender and the tender price is the lowest or same as the lowest among all tenders submitted, and satisfy all technical requirements of the tender, the Issuer shall cooperate with and engage the Group as the contractor for the relevant EHSS project;
2. by pooling of relevant resources of the parties, to establish other cooperative model(s) which aims to maximize each party's benefits; and
3. other equity investments in pursuit of mutual interests of the parties.

Reasons and Benefits of the MOU

With the strategic cooperation with the Issuer, the Company and the Issuer will be able to share and synergize upon, amongst others: (i) leverage their respective in-depth knowledge, expertise and experience in construction and project management in cost effectiveness for tendering and execution of EHSS projects as well as other EV-charging solutions related projects; and (ii) enlarge market coverage of EV-charging solutions in Hong Kong to capture the potential EV charging market growth. With this cooperation, both the Company and the Issuer would be well-positioned to leverage their respective expertise and to further expand businesses across the industry.

Non-legally binding effect

Save for certain clauses regarding, among others, confidentiality, termination, costs and expenses and governing law, the MOU is not legally binding on the parties to the MOU.

GENERAL

The MOU only represents a memorandum of understanding between the Company and the Issuer. The implementation of the transactions contemplated under the MOU is subject to formal agreement(s) ultimately being entered into, and may or may not materialise as described in this announcement or at all. Should any formal agreement(s) in relation to the MOU be entered into, the Company will comply with the relevant requirements under the Listing Rules, where applicable.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day on which the Stock Exchange is open for the business of dealing in securities
“Company”	Golden Ponder Limited, 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: 1783)
“Completion”	completion of the Subscription in accordance with the terms and conditions of the relevant Subscription Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules and the GEM Listing Rules

“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“EHSS”	EV-charging Hong Subsidy Scheme
“EV(s)”	electric vehicle(s)
“Group”	the Company and its subsidiaries
“HKFRS”	the Hong Kong Financial Report Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuer”	Cornerstone Technologies Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM of the Stock Exchange (stock code: 8391)
“Listing Rules”	the Rules Governing the Listing of Securities of the Stock Exchange
“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“MOU”	the memorandum of understanding on strategic cooperation dated 27 June 2022 between the Company and Issuer
“RMAA”	repair, maintenance, alteration and addition
“Share(s)”	ordinary share(s) with a nominal value 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
“Subscription”	the subscription of Subscription Shares by the Company under the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 27 June 2022 between the Company and Issuer for the Subscription

“Subscription Price”	HK\$0.62 per Subscription Share
“Subscription Share(s)”	32,320,000 ordinary shares of the Issuer
“Substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“%”	per cent

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

Hong Kong, 27 June 2022

As at the date of this announcement, the Board of the Company 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.