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GOLDBOND GROUP HOLDINGS LIMITED

金榜集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 00172)

VOLUNTARY ANNOUNCEMENT LETTER OF INTENT IN RELATION TO A POTENTIAL INVESTMENT

This announcement is made by the Company on a voluntary basis.

THE LETTER OF INTENT

The Board is pleased to announce that as part of the Company's plan of business reform and restructuring, on 18 December 2020, the Company has entered into the non-legally binding Letter of Intent with the Target Company in relation to the Potential Investment.

The Potential Investment

Pursuant to the Letter of Intent, the Company intends to make an investment in the Target Company through a subscription of the equity interest in the Target Company. The subscription amount is subject to further negotiation between the Company and the Target Company, and is expected to be made reference to the market valuation of the Target Group. The valuation on the Target Group as appraised by an independent professional valuer to be engaged by the Company shall form the foundation for fair negotiation and mutual agreement between the Company and the Target Company.

It is expected that following completion of the Potential Investment, the Company will become a major shareholder of the Target Company.

Due diligence review

The Target Company shall provide the Company and/or any professional firms engaged by the Company with information and documents relating to, among others, the legal, financial and business operation of the Target Group as may be requested by the Company.

Validity period

Unless extended by the Parties in writing, the Letter of Intent shall expire on 17 December 2021. Upon the expiry, the obligations of the Parties under the Letter of Intent shall cease.

Non-legally binding effect

The Letter of Intent is intended to record the intention of, and preliminary mutual understanding between, the Parties in relation to the Potential Investment. The Letter of Intent is not legally binding save for certain provisions including those relating to costs, confidentiality and governing law of the Letter of Intent.

The Potential Investment is subject to, among other things, (i) the Company being satisfied with the results of the due diligence in respect of the Target Group; and (ii) the entering into of definitive legally-binding agreement(s) between the Parties.

INFORMATION ON THE TARGET COMPANY

The Target Company and its subsidiaries are principally engaged in, among others, the provision of property technology services in the PRC for the public sector, including public and governmental buildings, industrial and energy, infrastructure construction, etc.

The Target Company is an indirect substantial shareholder of the SZ Subsidiary. Accordingly, the Target Company is a connected person of the Company at the subsidiary level pursuant to the Listing Rules.

REASONS FOR AND BENEFITS OF THE POTENTIAL INVESTMENT

As disclosed in the announcement of the Company dated 26 June 2020, in April 2020, the Group has formed the SZ Subsidiary with a local non-controlling shareholder (being a subsidiary of the Target Company). The SZ Subsidiary is engaged in the provision of property technology services, which uses and integrates software (e.g. programs and algorithms), hardware (e.g. internet-connected sensors and devices) and data to help individuals, landlords and property managers better manage and optimize the usage of their real estate.

While the focus of the SZ Subsidiary is on commercial customers (i.e. private sector), the Target Group focuses on the provision of property technology business in the public sector and has a well-established relationship with its public sector customers including governmental bodies and state-owned enterprises in the PRC. Leveraging on the reputation, extensive network coverage and experience of the Target Group, the Directors believe that the Potential Investment would not only complement the existing business conducted by the SZ Subsidiary through seamless horizontal integration, but also represent an opportunity to create substantial synergies with the business of the SZ Subsidiary by consolidating the experience, resources, vast customer base and business network of the Target Company and the SZ Subsidiary to enable the Group to extend its service to cover both private and public sectors, thereby enhancing the competitiveness of the Group's overall property technology services business allowing it to offer a more holistic and all-round IoT solutions to clients. Moreover, with the proven track record of the SZ Subsidiary, the Directors are optimistic in the prospects of the property technology in the PRC and are therefore of the view that the Potential Investment would enable the Group to expand its property technology business by offering more comprehensive IoT solutions to clients from various fields and sectors in order to capture the potential growth.

GENERAL

As at the date of this announcement, the terms and conditions of the Potential Investment are still under negotiation and no definitive legally-binding agreement in relation to the Potential Investment has been entered into by the Group. The Potential Investment, if materialised, may constitute a notifiable and connected transaction for the Company under the Listing Rules. The Company will make further announcement(s) on the Potential Investment as and when appropriate in accordance with the Listing Rules.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 28 June 2019 and will remain suspended until further notice.

WARNING

There is no assurance that the Potential Investment will materialise or eventually be consummated. Shareholders and potential investors of the Company should be aware that the terms and conditions of the Potential Investment are subject to further negotiations between the Company and the Target Company. The Potential Investment may or may not proceed. Shareholders and potential investors of the Company are advised to exercise extreme caution when dealing in the shares of the Company and if they are in any doubt about their position, they should consult their professional adviser(s).

DEFINITIONS

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

“Board”	the board of directors of the Company
“Company”	Goldbond Group Holdings Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 172)
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Letter of Intent”	the non-legally binding letter of intent dated 18 December 2020 and entered into between the Company and the Target Company in relation to the Potential Investment
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	the parties to the Letter of Intent, being the Company and the Target Company

“Potential Investment”	the potential investment in the Target Company by the Company by way of a subscription of the equity interest in the Target Company as set out in the Letter of Intent
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SZ Subsidiary”	Shenzhen NXT Smart Technology Company Limited* (深圳市能效通智慧科技有限公司), a non wholly-owned subsidiary of the Company
“Target Company”	Shenzhen Hietech Technologies Co., Ltd* (深圳市海億達科技股份有限公司), a company incorporated in the PRC and an indirect shareholder of the SZ Subsidiary
“Target Group”	the Target Company and its subsidiaries
“%”	percentage

* *For reference purposes only, the Chinese name of the PRC entity has been translated into English in this announcement. In the event of any discrepancies between such Chinese name and its English translation, the Chinese name shall prevail.*

By order of the Board of
Goldbond Group Holdings Limited
Wong Yu Lung, Charles
Chairman

Hong Kong, 18 December 2020

As at the date of this announcement, the Board comprises Mr. Wong Yu Lung, Charles and Ms. Wong, Michelle Yatyee (all being executive Directors), Mr. Ma Ho Fai GBS JP, Mr. Cheng Yuk Wo and Mr. Yeh Shing Hang Kevin Arthur (all being independent non-executive Directors).