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CHINA FORDOO HOLDINGS LIMITED

中國虎都控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2399)

DISCLOSEABLE TRANSACTIONS ACQUISITIONS OF INTELLECTUAL PROPERTY RIGHTS AND FIXED ASSETS

THE ACQUISITIONS

The Board is pleased to announce that, on 10 January 2022 (after trading hours), Jiangsu HengAn, an indirectly wholly-owned subsidiary of the Company, entered into the Intellectual Property Rights Transfer Agreement and the Fixed Assets Transfer Agreement with the Transferors, pursuant to which Jiangsu HengAn will acquire and the Transferors will transfer the Intellectual Property Rights and Fixed Assets at a total consideration of RMB53.60 million, which comprises of (i) consideration for the Intellectual Properties Rights, RMB48.72 million; and (ii) consideration for the Fixed Assets, RMB4.88 million.

LISTING RULES IMPLICATIONS

As (i) the Transferors of the Intellectual Property Rights Transfer Agreement and the Fixed Assets Transfer Agreement are the same; and (ii) the Intellectual Property Rights Transfer Agreement and the Fixed Assets Transfer Agreement were entered into within a 12-month period, the transactions contemplated under the Intellectual Property Rights Transfer Agreement and the Fixed Assets Transfer Agreement are required to be aggregated pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transactions contemplated under the Intellectual Property Rights Transfer Agreement and the Fixed Assets Transfer Agreement exceeds 5% but all of the percentage ratios are less than 25%, the Acquisitions constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Board is pleased to announce that, on 10 January 2022 (after trading hours), Jiangsu HengAn, an indirectly wholly-owned subsidiary of the Company, entered into the Intellectual Property Rights Transfer Agreement and the Fixed Assets Transfer Agreement with the Transferors, pursuant to which Jiangsu HengAn will acquire and the Transferors will transfer the Intellectual Property Rights and Fixed Assets at a total consideration of RMB53.60 million, which comprises of (i) consideration for the Intellectual Properties Rights, RMB48.72 million; and (ii) consideration for the Fixed Assets, RMB4.88 million.

THE INTELLECTUAL PROPERTY RIGHTS TRANSFER AGREEMENT

A summary of the major terms of the Intellectual Property Rights Transfer Agreement is set out below:

- Date** : 10 January 2022 (after trading hours)
- Parties** : (a) Beijing Baineng Huitong Technology Co., Ltd.* (as Transferor A);
- (b) Baoding Baineng Huitong New Energy Technology Co., Ltd.* (as Transferor B);
- (c) Qinghai Baineng Huitong New Energy Technology Co., Ltd.* (as Transferor C); and
- (d) Jiangsu HengAn (as transferee).

To the best knowledge, information and belief of the Directors, having made all reasonable enquires, each of the Transferor A, the Transferor B and the Transferor C and their ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

**Intellectual
Property Rights**

: Pursuant to the Intellectual Property Rights Transfer Agreement, Jiangsu HengAn has agreed to acquire, and each of the Transferors has agreed to transfer, the following respective intellectual property rights in respect of the production facilities of zinc-bromine flow battery (鋅溴液流電池):

Items

- | | |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transferor A | — 8 registered patents in the PRC;
— 2 registered software copyrights in the PRC;
— 14 registered trademarks in the PRC; and
— 2 proprietary technologies. |
| Transferor B | — 1 registered patent in the PRC;
— 3 patents currently under registration applications in the PRC; and
— 2 registered software copyrights in the PRC. |
| Transferor C | — 14 registered patents in the PRC; and
— 8 patents currently under registration applications in the PRC. |

(collectively, the “**Intellectual Properties Rights**”)

The Intellectual Property Rights include but not limited to patents, utility models, design patents, trademarks, inventions (whether patents can be obtained or not), trade secrets, works, copyrights and proprietary technologies of computer software and software source code (which can be protected as trade secrets or in accordance with copyright), other proprietary technologies (including intellectual property rights for research and development, manufacturing and production of zinc-bromine flow battery, including but not limited to materials, relevant designs, formulas, drawings, etc. for research and development, production and manufacturing of microporous membrane, bipolar plate, electrolyte, stack, module and energy storage system), and all applications for registration of such rights and the right to apply for registration or renewal of such rights.

Consideration and payment terms : The total consideration for the Intellectual Property Rights is RMB48.72 million (subject to downward adjustment, which depends on the number and significance of the Intellectual Property Rights, if any of the Intellectual Property Rights fails to complete the registration process, save and except such failure is caused by the fault of Jiangsu HengAn), among which, Jiangsu HengAn shall pay RMB3.06 million, RMB2.70 million and RMB42.96 million to Transferor A, Transferor B and Transferor C, respectively, in cash in two instalments in the following manner:

- (i) Jiangsu HengAn shall pay RMB459,000 to Transferor A, RMB405,000 to Transferor B and RMB6,444,000 to Transferor C within five working days from the date of signing the Intellectual Property Rights Transfer Agreement; and
- (ii) Jiangsu HengAn shall pay the remaining balance to the designated bank accounts of the Transferors, within 170 working days from the date of signing the Intellectual Property Rights Transfer Agreement upon the satisfaction of the following conditions:
 - (1) the completion of the transfer of the Intellectual Property Rights from the Transferors to Jiangsu HengAn, including the completion of the registration process of registered Intellectual Property Rights and Intellectual Property Rights currently under registration applications;
 - (2) the FA Transfer Completion having taken place pursuant to the Fixed Assets Transfer Agreement; and
 - (3) Jiangsu HengAn having entered into the (a) employment contract and (b) confidentiality, non-competition and intellectual property ownership agreement with the Core Employees on or before 31 January 2022.

If all the conditions have not been fulfilled due to Jiangsu HengAn within six months after the date of the Intellectual Property Rights Transfer Agreement, unless otherwise agreed by Parties, the Intellectual Property Rights Transfer Agreement shall be terminated immediately, and Jiangsu HengAn shall immediately return all transferred Intellectual Property Rights to the Transferors free of charge, and bear all expenses incurred due to such return, and the Transferors shall return the consideration received to Jiangsu HengAn.

THE FIXED ASSETS TRANSFER AGREEMENT

A summary of the major terms of the Fixed Assets Transfer Agreement is set out below:

- Date** : 10 January 2022 (after trading hours)
- Parties** : (a) Beijing Baineng Huitong Technology Co., Ltd.* (as Transferor A);
- (b) Baoding Baineng Huitong New Energy Technology Co., Ltd.* (as Transferor B);
- (c) Qinghai Baineng Huitong New Energy Technology Co., Ltd.* (as Transferor C); and
- (d) Jiangsu HengAn (as transferee).

To the best knowledge, information and belief of the Directors, having made all reasonable enquires, each of the Transferor A, Transferor B and Transferor C and their ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

- Fixed Assets** : Pursuant to the Fixed Assets Transfer Agreement, Jiangsu HengAn has agreed to acquire, and each of the Transferors has agreed to transfer, the following respective fixed assets, which form a zinc-bromine flow battery production line (鋅溴液流電池生產線):
- (i) 11 zinc-bromine flow battery-related machinery and equipment for the production of battery materials, including but not limited to lathe (車床), vertical CNC milling machine (立式數控銑床), and radial drilling machine (搖臂鑽床) etc. owned by Transferor A;
- (ii) 45 zinc-bromine flow battery-related machinery and equipment for the production of conductive plastic, including but not limited to laser welding mould (激光焊接胎具), closed cooling tower (閉式冷卻塔), and parallel co-rotating twin screw extruder unit (平行同向雙螺桿擠出機組) etc. owned by Transferor B; and
- (iii) 22 zinc-bromine flow battery-related machinery and equipment, including but not limited to vacuum pump (真空泵), laser welding machine (激光焊接機), and ultrasonic metal welding machine (超聲波金屬焊接機) etc. owned by Transferor C.

(collectively, the “**Fixed Assets**”)

The Transferors shall transfer the Fixed Assets, together with the ancillary documents including but not limited to, invoices or their copies, warranty cards, instruction manuals, inspection certificates, maintenance manuals, training manuals, production records, etc., regardless of whether the documents are in written or electronic form, to Jiangsu HengAn on or before 5:00 p.m. of 31 January 2022 at the factory of Transferor B, subject to the inspection conducted by Jiangsu HengAn or its designated personnel in order to ensure the Fixed Assets are in proper working condition.

Jiangsu HengAn shall bear the costs of packing and delivery of the Fixed Assets from the factory of Transferor B to its designated location and the cost of installation. The Transferors shall ensure the Fixed Assets can be used for normal production after installation.

Transferors’ obligations

: The Transferors are required to, among other things, fulfil the following obligations on or before 5:00 p.m. of 31 January 2022, failing which, Jiangsu HengAn has the right to terminate the Fixed Assets Transfer Agreement:

- (a) the Transferors shall deliver documentary proof evidencing they possess the qualification to enter into the Fixed Assets Transfer Agreement, and the consents and/or approval from their board of directors and shareholders required for entering into the Fixed Assets Transfer Agreement;
- (b) the Transferors shall deliver the Fixed Assets to Jiangsu HengAn, together with the ancillary documents including but not limited to, invoices or their copies, warranty cards, instruction manuals, inspection certificates, maintenance manuals, training manuals, production records, etc., regardless of whether the documents are in written or electronic form, to Jiangsu HengAn, subject to the inspection conducted by Jiangsu HengAn or its designated personnel in order to ensure the Fixed Assets are in proper working condition; and
- (c) the Transferors having made the representations and warranties satisfactory to Jiangsu HengAn and the representations and warranties made by the Transferors under the Fixed Assets Transfer Agreement being true, accurate, and complete in all aspects as of the date of the FA Transfer Completion.

Consideration and payment terms : The total consideration for the Fixed Assets is RMB4.88 million for which Jiangsu HengAn shall pay RMB264,000, RMB4,259,000 and RMB357,000 to Transferor A, Transferor B and Transferor C, respectively, in cash in two instalments in the following manner:

- (i) Jiangsu HengAn shall pay RMB92,400 to Transferor A, RMB1,490,650 to Transferor B and RMB124,950 to Transferor C within five working days from the date of signing the Fixed Assets Transfer Agreement; and
- (ii) Jiangsu HengAn shall pay the remaining balance to the designated bank accounts of the Transferors within 170 working days from the date of signing the Fixed Assets Transfer Agreement upon the satisfaction of the conditions precedent set out below:
 - (1) the Transferors having delivered the full set of Fixed Assets to Jiangsu HengAn;
 - (2) the IP Transfer Completion having taken place pursuant to the Intellectual Property Rights Agreement; and
 - (3) Jiangsu HengAn having entered into the (a) employment contract and (b) confidentiality, non-competition and intellectual property ownership agreement with the Core Employees on or before 31 January 2022.

If all the conditions have not been fulfilled due to Jiangsu HengAn within six months after the date of the Fixed Assets Transfer Agreement, unless otherwise agreed by Parties, the Fixed Assets Transfer Agreement shall be terminated immediately, and Jiangsu HengAn shall immediately return all transferred Fixed Assets to the Transferors free of charge, and bear all expenses incurred due to such return, and the Transferors shall return the consideration received to Jiangsu HengAn.

Others : Jiangsu HengAn shall pay on behalf of the Transferors the rental fees, property fees and associated costs (the “**Rental Fees**”) of production facilities, where the Fixed Assets are currently located, from 1 January 2022 to 31 March 2022. The total maximum Rental Fees payable shall not exceed RMB500,000.

INFORMATION ON THE COMPANY AND THE GROUP

The Company is incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange. The principal activity of the Company is investment holding. The Group is principally engaged in the design, sourcing, manufacturing and sales of its branded menswear in the PRC.

Jiangsu HengAn is a wholly owned foreign enterprise established in the PRC, the entire issued share capital of which is held by an indirectly wholly-owned subsidiary of the Company as at the date of this announcement.

INFORMATION ON TRANSFERORS

Transferor A is a company incorporated in the PRC with limited liability. It is principally engaged in the scientific research and technical service including technology development, advisory, transfer and other related service. To the best knowledge, information and belief of the Directors, having made all reasonable enquires, as at the date of this announcement, Transferor A is owned as to 99% by Mr. Lang Bingrui* (郎炳瑞), who is an Independent Third Party.

Transferor B is a company incorporated in the PRC with limited liability. It is principally engaged in the scientific research and technical service for new energy, energy storage and solar power including product development, production, technology consultation and transfer service. To the best knowledge, information and belief of the Directors, having made all reasonable enquires, as at the date of this announcement, Transferor B is directly wholly-owned by Transferor A.

Transferor C is a company incorporated in the PRC with limited liability. It is principally engaged in manufacturing, technology development and service in relation to energy storage equipment, solar energy and new energy segment. To the best knowledge, information and belief of the Directors, having made all reasonable enquires, as at the date of this announcement, Transferor C is directly wholly-owned by Transferor A.

BASIS OF CONSIDERATION

The consideration for the Intellectual Properties Rights and Fixed Assets was determined after arm's length negotiations between the Transferors and Jiangsu HengAn with reference to, among other things, (i) the potential business development of the Group associated with the Fixed Assets; (ii) the reasons and benefits of the Acquisitions as set out in the paragraph headed "Reasons for and benefits of the Transactions" below; (iii) the total book value of the Intellectual Properties Rights and Fixed Assets as at 31 December 2021, being approximately RMB84.3 million, as recorded in the management accounts of the Transferors; and (iv) the valuation by an independent valuer appointed by the Company.

The Company will finance the Acquisitions from internal resources of the Group.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Group is principally engaged in the design, sourcing, manufacturing and sales of its branded menswear in the PRC. The Group has been actively looking for new business opportunities to diversify its business and enhance the long-term growth and shareholder value.

The Group believes that the energy storage segment is of huge potential to be developed as the PRC government has devoted significant effort in promoting the development of clean energy, new energy and renewable energy. Energy storage is a key component of the renewable-energy-based power system. With the implementation of the new national policy, the energy storage industry is expected to enter a new stage of development with a promising future. With the advantages of being safe, having a long battery life and low cost, zinc-bromine flow battery (鋅溴液流電池) has become a popular choice for customers when constructing new energy power plants with long-term energy storage applications. As disclosed in the announcement made by the Company dated 1 December 2021, the Group has been planning to construct a zinc-bromine flow battery research and development production base in Nanjing Jiangning Economic and Technological Development Zone* (南京江寧經濟技術開發區) (“**Nanjing Jiangning Development Zone**”) and entered into a framework cooperation agreement with Nanjing Jiangning Economic and Technological Development Corporation* (南京江寧經濟技術開發區管理委員會). Nanjing Jiangning Development Zone is a national economic and technological development zone, which the Directors believed to be a fast-growing, well-developed and competitive industrial development zone in Nanjing, the PRC. Through the acquisition of the zinc-bromine flow battery production facilities and the associated intellectual properties rights, the Group could save the time and cost in research and development and capture the market opportunities presented in the energy storage segment in the PRC.

Having considered the above, the Board is of the view that the Acquisitions will be a major step taken by the Company to expand and diversify its business and activities to share the results of development of China’s energy storage segment, with a view to create new sources of income stream and to maximise the return to the Company and the Shareholders in the long run.

LISTING RULES IMPLICATIONS

As (i) the Transferors of the Intellectual Property Rights Transfer Agreement and the Fixed Assets Transfer Agreement are the same; and (ii) the Intellectual Property Rights Transfer Agreement and the Fixed Assets Transfer Agreement were entered into within a 12-month period, the transactions contemplated under the Intellectual Property Rights Transfer Agreement and the Fixed Assets Transfer Agreement are required to be aggregated pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transactions contemplated under the Intellectual Property Rights Transfer Agreement and Fixed Assets Transfer Agreement exceeds 5% but all of the percentage ratios are less than 25%, the Acquisitions constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors should be aware that the FA Transfer Completion and the IP Transfer Completion are subject to the satisfaction of various conditions and therefore the FA Transfer Completion and the IP Transfer Completion may or may not take place. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Acquisition(s)”	the acquisitions of (a) Intellectual Property Rights under the Intellectual Property Rights Transfer Agreement; and (b) Fixed Assets under the Fixed Assets Transfer Agreement
“Board”	the board of Directors
“Company”	China Fordoo Holdings Limited (中國虎都控股有限公司), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2399)
“Core Employees”	the core employees named in the Intellectual Property Rights Transfer Agreement and Fixed Assets Transfer Agreement, who are some of the members of the senior management of the Transferors
“Directors”	the directors of the Company
“FA Transfer Completion”	the completion of the Acquisition of Fixed Assets in accordance with the terms and conditions of the Fixed Assets Transfer Agreement
“Fixed Assets”	those fixed assets, which form a zinc-bromine flow battery production line, as set out in paragraph headed “The Fixed Assets Transfer Agreement — Fixed Assets” in this announcement
“Fixed Assets Transfer Agreement”	the fixed assets transfer agreement dated 10 January 2022 entered into between Jiangsu HengAn and the Transferors in relation to the Acquisition of Fixed Assets
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Part(ies)”	a person or company who or which is, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, not a connected person (as defined in the Listing Rules) of the Company
“Intellectual Property Rights”	those intellectual property rights as set out in the paragraph headed “The Intellectual Property Rights Transfer Agreement — Intellectual Property Rights” in this announcement
“Intellectual Property Rights Transfer Agreement”	the intellectual property rights transfer agreement dated 10 January 2022 entered into between Jiangsu HengAn and the Transferors in relation to the acquisition of Intellectual Property Rights
“IP Transfer Completion”	completion of the Acquisition of Intellectual Property Rights in accordance with the terms and conditions of the Intellectual Property Rights Transfer Agreement
“Jiangsu HengAn”	江蘇恒安儲能科技有限公司 (Jiangsu HengAn Energy Technology Co., Ltd*), a wholly owned foreign enterprise established in the PRC, the entire issued share capital of which is held by an indirectly wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Transferor A”	北京百能匯通科技有限責任公司 (Beijing Baineng Huitong Technology Co., Ltd.*), a company established in the PRC with limited liability
“Transferor B”	保定百能匯通新能源科技有限公司 (Baoding Baineng Huitong New Energy Technology Co., Ltd.*), a company established in the PRC with limited liability, and is a wholly-owned subsidiary of Transferor A

“Transferor C”	青海百能匯通新能源科技有限公司 (Qinghai Baineng Huitong New Energy Technology Co., Ltd.*), a company established in the PRC with limited liability, and is a wholly-owned subsidiary of Transferor A
“Transferors”	Transferor A, Transferor B and Transferor C
“%”	per cent.

* *For reference purpose only, the English names of these companies, persons or documents are only a translation of their respective Chinese names. In the event of any discrepancies between the Chinese names and their respective English translations, the Chinese version shall prevail.*

By order of the Board
China Fordoo Holdings Limited
Kwok Kin Sun
Chairman and Executive Director

Hong Kong, 10 January 2022

As at the date of this announcement, the executive Directors are Mr. Kwok Kin Sun, Mr. Kwok Hon Fung, and Mr. Peng Zuncheng; and the independent non-executive Directors are Mr. Cheung Chiu Tung and Mr. Poon Yick Pang Philip.

Website: www.fordoo.cn