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## **FDB HOLDINGS LIMITED**

**豐展控股有限公司**

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

**(Stock code: 1826)**

### **VOLUNTARY ANNOUNCEMENT FORMATION OF JOINT VENTURE COMPANY**

#### **FORMATION OF JOINT VENTURE COMPANY**

The Board is pleased to announce that on 9 November 2022 (after trading hours), FDB Investment, an indirect wholly-owned subsidiary of the Company, has entered into the Joint Venture Agreement with the Joint Venture Partners, under which the parties agreed to establish the Joint Venture Company.

The principal terms of the Joint Venture Agreement are set out below.

#### **Subject matter**

The Joint Venture Company will be a limited liability company to be established in accordance with the requirements of the laws of Dubai, UAE and the provisions of the Joint Venture Agreement.

The proposed name of the Joint Venture Company is Inobild FDB Constructions Limited.

Pursuant to the terms of the Joint Venture Agreement, the Joint Venture Company shall initially be incorporated by Mr. Ow and Mr. Dash under their respective names. Upon incorporation of the Joint Venture Company, and, among other things:

1. Mr. Dash shall transfer all its equity interest in the Joint Venture Company to Menas Global; and

2. Mr. Dash and Mr. Ow shall cause and procure the Joint Venture Company to issue and allot, and FDB Investment shall take the subscription of, 90 ordinary shares of the Joint Venture Company at the par value of USD10 (equivalent to HK\$78.80) each (the “**Subscription**”).

### **Purpose of the Joint Venture Company**

The Joint Venture Company will be primarily engaged in (i) the provision of building construction and engineering services for modular building construction projects in Israel, Saudi Arabia and UAE; and (ii) the provision of construction project management and ancillary advisory services in Israel, Saudi Arabia and UAE as it relates to modular buildings.

### **Conditions precedent**

Completion is conditional upon, among other things:

1. the Joint Venture Company having been duly incorporated in Dubai, UAE and validly existed under the laws of Dubai, UAE;
2. FDB Investment being satisfied with the results of the due diligence review on the Joint Venture Company;
3. the Company fulfilling all compliance requirements under the Listing Rules in connection with the entering of the Joint Venture Agreement, the Subscription and the transactions contemplated thereunder; and
4. all necessary authorisations of all relevant governmental or regulatory authorities, agencies or bodies, or any other third party, required for the implementation of the transactions contemplated in the Joint Venture Agreement being obtained and maintained.

If the above conditions have not been fulfilled or waived on or before the 31 December 2022 (or by such later date as FDB Investment may specify in writing), then the Joint Venture Agreement shall thereupon become null and void ab initio and the obligations on part of FDB Investment to the Subscription shall lapse.

## Capital contribution

Upon Completion, the registered capital of the Joint Venture Company will be USD2,000 (equivalent to approximately HK\$15,760). FDB Investment will contribute USD900 (equivalent to approximately HK\$7,092) and the Joint Venture Partners will contribute the remaining USD1,100 (equivalent to approximately HK\$8,668) in aggregate towards the registered capital of the Joint Venture Company. The Joint Venture Company will be owned as follows upon Completion.

Shareholder	Capital contribution (USD)	Shareholding percentage
FDB Investment	900	45%
Menas Global	900	45%
Mr. Ow	200	10%
Total	<u>2,000</u>	<u>100%</u>

The amount of capital contribution was determined after arm's length negotiations between FDB Investment and the Joint Venture Partners with reference to the initial capital requirement of the Joint Venture Company. It is expected that the business of the Joint Venture Company will be primarily financed by deposits and prepayments from its customers.

The Group intends to finance its investment in the Joint Venture Company from its internal resources.

## Composition of the board of directors

Pursuant to the terms of the Joint Venture Agreement, the board of directors of the Joint Venture Company will comprise of four (4) directors. Each of FDB Investment and Mr. Ow shall be entitled to nominate one director to the board of directors of the Joint Venture Company and Menas Global shall be entitled to nominate two directors to the board of directors of the Joint Venture Company. The chairman of the board of directors of the Joint Venture Company shall be nominated by FDB Investment and Menas Global jointly.

## **REASONS AND BENEFITS FOR ENTERING INTO THE JOINT VENTURE AGREEMENT**

The Group is principally engaged in the provision of contracting business and project management.

Following the change in control of the Company in April 2021, the Group has been looking into business and investment opportunities in different business areas and geographical locations in order to enhance the long-term growth potential of the Group.

The investment in the Joint Venture Company, which will be principally engaged in the provision of building construction and engineering services for construction projects and the provision of construction project management and ancillary advisory services both in Israel, Saudi Arabia and UAE, allows the Group to expand its construction business into the Middle East which is in line with the business development strategy of the Group.

The terms of the Joint Venture Agreement were negotiated after arm's length negotiations. The Directors are of the view that the terms of the Joint Venture Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As all of the applicable percentage ratios in respect of the Company's investment in the Joint Venture Company does not exceed 5%, the Joint Venture Agreement does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. This announcement is made on voluntary basis.

## **INFORMATION ON THE PARTIES**

### **FDB Investment**

FDB Investment is an indirect wholly-owned subsidiary of the Company. Its principal business is investment holding.

### **Menas Global**

Menas Global is a special purpose vehicle incorporated in ADGM with limited liability. It is a special purpose vehicle established for holding ownership of equity and non-equity assets, real property, intellectual property and other tangible and intangible assets, wholly and beneficially owned by Mr. Dash.

## **Mr. Ow**

Mr. Ow is an experienced corporate finance practitioner in the Asia market providing advice on corporate finance, development and investment matters.

To the best of the Directors' knowledge, information and belief and after making reasonable enquires, each of the Joint Venture Partners and their ultimate beneficial owners are independent of the Company and connected persons of the Company.

## **DEFINITIONS**

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

“ADGM”	Abu Dhabi Global Market of the Emirates of Abu Dhabi of the UAE, an international financial centre and free zone located on Al Maryah Island in the UAE's capital, Abu Dhabi
“Board”	the board of Directors
“Company”	FDB Holdings Limited (豐展控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange for trading (stock code 1826)
“Completion”	Completion of the Subscription in accordance with the terms of the Joint Venture Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company from time to time
“FDB Investment”	FDB Investment Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Joint Venture Agreement”	the joint venture agreement dated 9 November 2022 and entered into by and between FDB Investment and the Joint Venture Partners in relation to the formation and management of the Joint Venture Company
“Joint Venture Company”	the joint venture company to be established in Dubai, UAE pursuant to the terms of the Joint Venture Agreement
“Joint Venture Partners”	Menas Global, Mr. Ow and Mr. Dash
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Menas Global”	Menas Global Holdings Limited, a special purpose vehicle incorporated in ADGM with limited liability, wholly and beneficially owned by Mr. Dash
“Mr. Dash”	Mr. Bapi Dash
“Mr. Ow”	Mr. Ow Dennis Kian Jing
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Saudi Arabia”	Kingdom of Saudi Arabia
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of 90 ordinary shares in the Joint Venture Company by FDB Investment in accordance with the terms of the Joint Venture Agreement
“UAE”	United Arab Emirates
“USD”	United States dollar, the lawful currency of the United States of America
“%”	per cent

*This announcement contains translation between USD and Hong Kong dollar amounts at USD1 = HK\$7.88, being the exchange rate prevailing on 9 November 2022. The translation should not be taken as a representation that the USD could actually be converted into Hong Kong dollars at that rate or at all.*

By order of the Board  
**FDB Holdings Limited**  
**Ng Kin Siu**  
*Chairman of the Board and executive Director*

Hong Kong, 10 November 2022

*As at the date of this announcement, the Board comprises Mr. Ng Kin Siu (Chairman and chief executive officer) as executive Director; Mr. Chan Yuk Sang, Mr. Wan Chi Wai Anthony, Mr. Lau Kwok Fai Patrick and Mr. Wong Chun Wah Kelvin as independent non-executive Directors.*