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Cocoon Holdings Limited **中國天弓控股有限公司**

(Incorporated in the Cayman Islands with limited liability and continued in Bermuda with limited liability)
(Stock Code: 428)

VOLUNTARY ANNOUNCEMENT **BUSINESS UPDATE**

This voluntary announcement is made by Cocoon Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) to keep the shareholders (the “**Shareholders**”) of the Company and potential investors informed of the latest business development of the Group.

MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that the Company has recently entered into a memorandum of understanding (the “**MOU**”) with an asset manager (“**Asset Manager**”). Pursuant to the MOU, the Company and the Asset Manager wish to explore the feasibility of a strategic collaboration in relation to the proposed strategic collaboration whereby the Asset Manager will assume the investment management of the Company as well as any proposed framework and operating arrangements (the “**Collaboration**”).

Pursuant to the MOU, the Company shall not, and shall not permit any of its respective subsidiaries or affiliates, and will cause its respective officer(s), director(s), employee(s), agent(s) and representative(s) not to, at any time from the date of the MOU to 31 March 2023 (or such later date as the parties to the MOU may agree in writing) (the “**Exclusivity Period**”), directly or indirectly (through any of its consultants or advisors or otherwise) to: (i) solicit, initiate or encourage submissions of proposals or offers from any competitors of the Asset Manager for such purposes that are similar to the Collaboration; (ii) enter into any heads of terms, agreements, arrangement or understanding (whether or not legally binding) for such purposes that are similar to the Collaboration; or (iii) participate in any negotiations regarding, or furnish to any competitor of the Asset Manager any additional non-public information with respect to, or otherwise further co-operate in any way with, or assist or participate in or facilitate or encourage, any effort or attempt by any competitor of the Asset Manager to do or seek any of the foregoing. Unless otherwise extended or terminated by mutual agreement of the parties to the MOU in writing, the MOU will terminate upon expiry of the Exclusivity Period (as extended from time to time), if applicable.

The MOU is not intended to be legally binding on the parties thereto, save for the provisions relating to exclusivity, confidentiality and certain miscellaneous matters.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Asset Manager and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

INFORMATION ON THE ASSET MANAGER

The Asset Manager is an indirect wholly owned subsidiary of one of the biggest of a global investment management organisation. The Asset Manager holds asset management license in Hong Kong.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MOU

In recent years, the world has begun to pay attention to green and climate issues. Many countries have introduced policies one after another, and private companies have begun to invest resources in development and cooperate with relevant policies to improve this urgent problem. In 2021, China has passed the White Paper on China’s Policies and Actions to Address Climate Change which shows China’s initiatives to follow the path of green and low-carbon development firmly. As the world and/or China emerges from the epidemic and the economy is fully recovering, it is also believed that the world and/or China will step up the development of green economy.

The Board is of the view that the background of the Asset Manager will bring new insights to the Group and expand the diversity of its capital investments. The Company expects the Collaboration size to be approximately US\$50 million and preliminary focus on the fields including but not limited to environmental projects, sustainability green projects and electric vehicle battery development and applications. It is expected that the Collaboration will enhance the returns on investment and therefore the entering into of the MOU is in the interests of the Company and its shareholders as a whole.

The Board wishes to emphasise that the MOU may not necessarily result in the entering into of the definitive agreement and the transactions contemplated thereunder may not necessarily materialise, and the Company will make further announcements (if necessary) in compliance with the Listing Rules in a timely manner if the definitive agreement is entered into.

By order of the Board
Cocoon Holdings Limited
Chau Wai Hing
Chairman

Hong Kong, 11 January, 2023

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Chau Wai Hing and Mr. Wu Ming Gai; one non-executive Director, namely Mr. William Keith Jacobsen; and three independent non-executive Directors, namely Ms. Chan Man Yi, Ms. Leung Yin Ting, and Mr. Wong Sze Lok.