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F8 Enterprises (Holdings) Group Limited

F 8 企業 (控 股) 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8347)

PLACING OF BONDS

Placing Agent



恒明珠證券有限公司
ETERNAL PEARL SECURITIES LTD.

PLACING OF BONDS

On 26 March 2019 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Placing Agent conditionally agreed to procure, on a best effort basis, the Placees to subscribe in cash for the Bonds in an aggregate principal amount of up to HK\$40 million during the Placing Period.

Completion is subject to, among others, the fulfilment of the conditions set out in the Placing Agreement. Accordingly, the Placing may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

This announcement is made by the Company pursuant to the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the SFO and Rule 17.10 of the GEM Listing Rules. On 26 March 2019 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Placing Agent conditionally agreed to procure, on a best effort basis, the Placees to subscribe in cash for the Bonds in an aggregate principal amount of up to HK\$40 million during the Placing Period. Eternal Pearl Securities Limited will act as the Placing Agent for the Placing.

THE PLACING AGREEMENT

Principal terms of the Placing Agreement are summarised below:

Date: 26 March 2019 (after trading hours)

Issuer: The Company

Placing Agent: The Placing Agent

The Placing Agent is a company incorporated in Hong Kong with limited liability and a licensed corporation under the SFO to carry on type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities as defined under the SFO.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees: The Bonds will be placed to the Placees who and whose ultimate beneficial owners shall be independent professional, institutional or private investors not connected with the Company or its connected persons.

Aggregate principal amount: Up to HK\$40 million

Placing Period: A period of three months commencing from the date of the Placing Agreement and if that day is not a Business Day, then on the Business Day which immediately follows (both days inclusive), or such other period as the Parties may otherwise agree in writing.

Completion: Completion of the Placing may take place in tranches. Subject to the termination rights of the Placing Agent under the Placing Agreement and the fulfilment (or waiver) of the conditions set out below in the paragraph "Conditions Precedent" in this announcement, each Completion shall take place on the date set out in the relevant completion notice (or such later time and date as the Placing Agent and the Company may agree in writing).

CONDITIONS PRECEDENT

The Placing and the obligations of the Placing Agent under the Placing Agreement in respect of the issue of each tranche of the Bonds are conditional upon the following conditions being fulfilled:

- (a) completion notice having been served by the Placing Agent to the Company;
- (b) the Placing Period not having expired;
- (c) the Placing Agent having successfully procured the Placee(s) to subscribe not less than HK\$100,000 in principal amount of the Bonds (or any increment thereof, with each increment being not less than HK\$10,000) in the Placing;
- (d) all necessary approvals, consents and waivers to be obtained by the Company and the Placing Agent in respect of the Placing Agreement and the Placing having been obtained;
- (e) the Shares remain listed on the GEM and the listing status of the Company is not threatened with or subject to any revocation, cancellation or suspension; and
- (f) each of the warranties given by the Company are, and shall remain true, accurate and not misleading in any material respect.

The Placing Agent may at any time waive condition (f) above. The conditions (a) to (e) are incapable of being waived. If the above condition is not satisfied (or waived) by 4:00 p.m. on the Business Day immediately before the scheduled Completion Date set out in the relevant completion notice or such later time or date as may be agreed between the Placing Agent and the Company in writing, (i) such Completion of the tranche of the Bonds to which the completion notice relates shall be postponed to a later Business Day as may be informed by the Placing Agent; or alternatively (ii) the obligations of the Placing Agent and the Company with respect to such tranche shall forthwith cease and terminate and neither the Company nor the Placing Agent shall have any in against each other, save for any antecedent breach thereof.

TERMINATION

The Placing Agent may, by notice to the Company given during the Placing Period, terminate the Placing Agreement if there develops, occurs or comes into force:

- (a) any new law or regulation or any change in existing laws or regulations or the interpretation thereof which may in the opinion of the Placing Agent and in its absolute discretion may materially and adversely affect the business or financial condition or prospects of the Company or those of any of its subsidiaries as a whole; or
- (b) any local, regional, national or international event or change (whether or not permanent or forming part of a series of events or changes occurring or continuing, on and/or after the date hereof) of a political, military, economic or other nature (whether or not

ejusdem generis with the foregoing) which, in the sole opinion of the Placing Agent and in its absolute discretion will, or may be expected to, have a material adverse effect on the Placing or on the tranche of Bonds concerned; or

- (c) any significant change (whether or not permanent) in local, regional, national or international market conditions (or in conditions affecting a sector of the market) which in the sole opinion of the Placing Agent and in its absolute discretion has or may have a material adverse effect on the Placing or on the tranche of Bonds concerned; or
- (d) it comes to the knowledge of the Placing Agent any breach of any of the warranties given by the Company thereof or any provision of the Placing Agreement by the Company which in the sole opinion of the Placing Agent and in its absolute discretion is material in the context of the Placing or of the tranche of Bonds concerned.

PRINCIPAL TERMS OF THE BONDS

Principal terms of the Bonds are summarised below:

Principal amount:	Up to HK\$40 million
Interest:	10% per annum, payable annually in arrears
Maturity date:	On the second anniversary of the issue of the relevant Bonds or if such date is not a Business Day, the Business Day immediately following such date.
Denomination:	In denomination of HK\$100,000 each (or any increment thereof, with each increment being not less than HK\$10,000)
Status:	The Bonds shall constitute direct, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank pari passu and without any preference or priority among themselves.
Transferability:	The Bonds may be transferred in whole of the denomination of the relevant Bonds. Except with the consent of Company and/or the Stock Exchange (as the case may be) and in compliance with all applicable laws, rules and regulations, including but not limited to the GEM Listing Rules, the Bonds may not be transferred to any connected person of the Company.

Early Redemption: The Company may at any time before the maturity date redeem the Bond (in whole or in part) at the total principal amount of such Bond together with payment of interests accrued but unpaid up to the date of such early redemption. For the avoidance of doubt, no early redemption may be requested by the Bondholder.

Event of default: If any of the events of default as described in the terms and conditions of the Bonds occurs, a Bondholder may give written notice to the Company that the Bonds are immediately due and repayable, and upon any such notice being given to the Company the Bonds will immediately become due and repayable at their principal amount.

Listing: No application will be made for the listing of the Bonds.

The terms of Bonds were determined after arm's length negotiations between the Company and the Placing Agent with reference to, amongst other things, the prevailing market conditions and the financial position of the Group.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the business of the sale and transportation of diesel oil and related products in Hong Kong. As described in the Third Quarterly Report, the Group has been proactively seeking potential business opportunities that will broaden our sources of income and enhance value to the shareholders.

Assuming the Bonds are placed in full, the maximum aggregate gross proceeds from the Placing will be HK\$40 million and the net proceeds will be approximately HK\$39.6 million (after deducting the Placing commission and other expenses of the Placing). The Company intends to apply the net proceeds from the Placing as follow:

- (a) HK\$10 million will be used for further business expansion of the Group, and to finance any future investment opportunities as the Company may identify. The Company is in the course of identifying suitable investment opportunities and may make further announcements as and when appropriate and comply with other applicable requirements under the GEM Listing Rules; and
- (b) the remaining amount of net proceeds will be used as general working capital of the Group. As described in the Third Quarterly Report, the cost of the sale and transportation of diesel oil and related product business was approximately HK\$153.9 million for the nine months ended 31 December 2018, representing an increase of approximately 53.2% from approximately HK\$100.5 million for the nine months ended 31 December 2017. In light of such increase in the cost of business, the Group requires more general working capital to support its business operations to meet the cash flow mismatch resulting from the significantly shorter credit term offered by the suppliers of the Group, which is approximately three days and the credit period it generally grants to its customers, which is approximately 60 days to 120 days.

The Board considers that the Placing provides a suitable opportunity to raise capital for the Group. In addition, the Placing will not result in any dilution effect on the shareholding of the existing Shareholders.

In view of the above, the Directors are of the view that the Placing provides a good opportunity to strengthen the Company's financial position and the terms of the Placing are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Completion is subject to, among others, the fulfilment of the conditions set out in the Placing Agreement. Accordingly, the Placing may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

DEFINITION

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

“Board”	the board of Directors
“Bonds”	10% coupon unlisted Bonds to be issued by the Company to be placed pursuant to the Placing Agreement with an aggregate principal amount of up to HK\$40 million
“Bondholder(s)”	person(s) in whose name a Bond is registered in the register of Bondholders
“Business Day(s)”	means any day (excluding Saturday, Sunday or public holiday and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business
“Company”	F8 Enterprises (Holdings) Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM of the Stock Exchange (Stock code: 8347)
“Completion”	completion of each tranche of subscription of the Bonds in accordance with the terms and condition of the Placing Agreement
“Completion Date(s)”	the date(s) of a Completion
“connected person(s)”	has the meaning as defined under the GEM Listing Rules
“Director(s)”	director(s) of the Company from time to time
“GEM”	GEM operated by the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owners, to the best of the Director’s knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Placee(s)”	any independent professional, institutional or private investors selected and procured by the Placing Agent to subscribe for the Bonds pursuant to the Placing Agreement
“Placing”	the placing of the Bonds by the Placing Agent on a best effort basis during the Placing Period pursuant to the terms of the Placing Agreement
“Placing Agent”	Eternal Pearl Securities Limited, a company incorporated in Hong Kong with limited liability and a corporation licensed under the SFO to carry on type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities under the SFO
	To the best of the Directors’ knowledge, information and belief after having made all reasonable enquires, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are Independent Third Parties
“Placing Agreement”	the conditional placing agreement entered into between the Company as issuer and the Placing Agent as placing agent dated 26 March 2019 in relation to the Placing
“Placing Period”	a period of three months commencing from the date of the Placing Agreement and if that day is not a Business Day, then on the Business Day which immediately follows (both days inclusive), or such other period as the Parties may otherwise agree in writing
“PRC”	the People’s Republic of China, for the purpose of this announcement, shall exclude Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) 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
“Third Quarterly Report”	the third quarterly report of the Company for the nine months ended 31 December 2018
“%”	per cent.

By Order of the Board
F8 Enterprises (Holdings) Group Limited
Fong Chun Man
Executive Director and Chairman

Hong Kong, 26 March 2019

As at the date of this announcement, the chairman and the executive Director of the Company is Mr. FONG Chun Man, the executive Directors of the Company are Ms. LO Pui Yee, Mr CHAN Chi Fai and Mr. LI Hok Yin; and the independent non-executive Directors of the Company are Mr. CHUI Chi Yun, Robert, Mr. KWONG Yuk Lap and Mr. WANG Anyuan.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website (www.hkgem.com) on the for at least 7 days from the date of its posting. This announcement will also be published on the Company’s website at www.f8.com.hk.