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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)

DISCLOSEABLE TRANSACTION DISPOSAL OF 90% EQUITY INTEREST OF CHINA FOREST FOOD LIMITED

THE DISPOSAL

The Board announces that on 28 March 2019 (after trading hours), the Vendor (the Company) and the Purchaser entered into the SPA. Pursuant to the SPA, the Purchaser has agreed to purchase and the Vendor has agreed to sell the Sale Shares at the Consideration of HK\$8,148,232. As all of the Conditions Precedent have been fulfilled, Completion took place on the same day as the date of the SPA.

GEM LISTING RULES IMPLICATIONS

As the relevant percentage ratios (as defined in the GEM Listing Rules) in respect of the transaction(s) contemplated under the SPA exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

INTRODUCTION

The Board announces that on 28 March 2019 (after trading hours), the Vendor (the Company) and the Purchaser entered into the SPA. Pursuant to the SPA, the Purchaser has agreed to purchase and the Vendor has agreed to sell the Sale Shares at the Consideration of HK\$8,148,232. Details of the SPA are set out below:

The SPA

The principal terms of the SPA are as follows:

Date: 28 March 2019 (after trading hours)

Parties: (1) Vendor: The Company

(2) Purchaser: China ECO Tourism Investment Limited

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties. Both the Purchaser and Virtue Ever, the vendor of the Previous Acquisition, are wholly owned and controlled by the same ultimate beneficial owner. The principal business activity of the Purchaser is investment holding.

Assets disposed of

The Purchaser has agreed to purchase and the Vendor has agreed to sell the Sale Shares, representing 90% of the issued share capital of the Target Company.

Consideration

The aggregate consideration for the sale and purchase of the Sale Shares is HK\$8,148,232. Two cheques in the aggregate amount of HK\$8,148,232 have been delivered by the Purchaser to the Vendor upon Completion.

Basis of the Consideration

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to the asset position and historical performance of the Target Group, and the reasons and benefit for the Disposal as set out in the section headed "Reasons and Benefit for the Disposal" below.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Disposal are fair and reasonable and are in the interests of the Company and the Shareholders.

Conditions Precedent

Completion was conditional upon fulfilment of the following Conditions Precedent:

- (a) all requisite consents, authorisations and approvals (or, as the case may be, the relevant waiver) in connection with the entering into and performance of the terms of the SPA having been obtained by the respective parties;
- (b) none of the warranties and other provisions of the SPA having been breached in any material respect, or becoming misleading or untrue in any material respect; and
- (c) no material adverse change having occurred to the business, assets, financial position and performance of the Target Company.

Completion

As all of the Conditions Precedent have been fulfilled, Completion took place on the same day as the date of the SPA, being 28 March 2019, in accordance with the terms and conditions of the SPA.

After Completion, the Company holds 10% of the equity interest in the Target Company. Each member of the Target Group ceases to be a subsidiary of the Company and the financial results of the Target Group are no longer consolidated into the Company's

consolidated financial statements after Completion. In addition, following Completion, Virtue Ever was released and discharged from its obligation under the profit guarantee and other related liability in connection with the Previous Acquisition.

INFORMATION ON THE TARGET GROUP

The Target Company is an investment holding company incorporated in Hong Kong with limited liability. The Target Company owns the entire equity interests in Shenzhen Hengtu, a company established in the PRC with limited liability and principally engaged in health food distribution business. Shenzhen Hengtu owns the entire equity interests in Shenzhen Forest, a company established in the PRC with limited liability and principally engaged in health food distribution business.

Before Completion, the Target Company has an issued capital of HK\$10,000, which was wholly owned by the Vendor.

FINANCIAL INFORMATION ON THE TARGET GROUP

The financial information of the Target Group for the two financial years ended 31 December 2017 and 2018 based on its unaudited consolidated management accounts are as follows:

	Year ended 31 December 2017 (unaudited) HK\$'000 (approximately)	Year ended 31 December 2018 (unaudited) HK\$'000 (approximately)
Results		
Turnover	—	45,689
Net loss before taxation	(670)	(5,791)
Net loss after taxation	(670)	(5,791)
	As at 31 December 2017 HK\$'000 (approximately)	As at 31 December 2018 HK\$'000 (approximately)
Assets and liabilities		
Total assets	560	24,494
Net liabilities	(670)	(3,035)

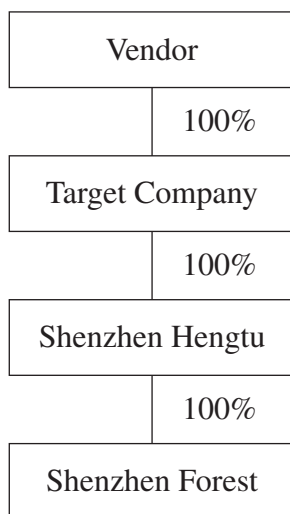
FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, the Group is expected to record an unaudited gain on the Disposal of approximately HK\$1.56 million. Such gain is estimated based on the Target Group's unaudited consolidated management account as at 31 December 2018.

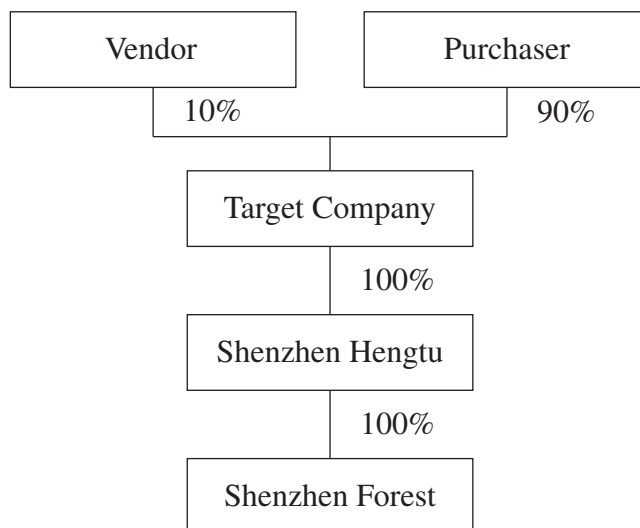
STRUCTURE OF THE TARGET GROUP

The following charts show the group structure of the Target Group (i) immediately prior to Completion; and (ii) immediately after Completion:

Immediately prior to Completion



Immediately after Completion



REASONS AND BENEFIT FOR THE DISPOSAL

The Group is principally engaged in the business of the sale and transportation of diesel oil and related products in Hong Kong.

In July 2018, the Company completed the acquisition of the entire equity interest in the Target Company from Virtue Ever (the “**Previous Acquisition**”), with a view to enhancing the overall growth of the Group and diversifying the risk and business of the Group and providing a stable return to the Group.

As disclosed in the interim report of the Company for the six months ended 30 September 2018, the Group’s purchase costs for the purchase of diesel oil and marine diesel oil have been increasing. In light of this, the Group has evaluated its investment portfolio and considered to realise some of the Group’s investments to provide additional working capital. Hence, the Board considered that the Disposal is in the interests of the Group as the net proceeds from the Disposal will be used for general working capital of the Group to support its business operations.

Based on the above, the Directors consider that the terms of the Disposal are fair and reasonable, and the Disposal is in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the relevant percentage ratios (as defined in the GEM Listing Rules) in respect of the transaction(s) contemplated under the SPA exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors;
“Business Day”	a day (other than a Saturday, Sunday or public holiday in Hong Kong) on which commercial banks are generally open for business in Hong Kong;
“Company”	F8 Enterprises (Holdings) Group Limited (F8企業(控股)集團有限公司), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM;
“Completion”	completion of the Disposal in accordance with the terms and conditions of the SPA;
“Completion Date”	the date of Completion, being 28 March 2019;

“Conditions Precedent”	the conditions precedent to the Disposal, details of which are set out in the section headed “Conditions Precedent” of this announcement;
“Connected Person(s)”	has the meaning ascribed to it in the GEM Listing Rules;
“Consideration”	the consideration for the Disposal of HK\$8,148,232 payable by the Purchaser to the Vendor in accordance with the terms of the SPA;
“Director(s)”	the director(s) of the Company;
“Disposal”	the disposal of the Sale Shares pursuant to the terms and conditions of the SPA;
“GEM”	the GEM of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong SAR;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party”	the independent third party who is, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, independent of and not connected with the Company and the Connected Person(s) of the Company;
“PRC”	The People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“Previous Acquisition”	has the meaning ascribed to it in the paragraph headed “Reasons and benefit for the Disposal” of this announcement;
“Purchaser”	China ECO Tourism Investment Limited (中國生態投資旅遊有限公司), a company incorporated in Hong Kong with limited liability;
“Sale Shares”	9,000 issued and fully paid up or credited as fully paid up ordinary shares in the capital of the Target Company, representing 90% of the issued share capital of the Target Company;

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	the shareholder(s) of the Company;
“Shenzhen Forest”	森林食品(深圳)有限公司 (Forest Food (Shenzhen) Limited*), a company established in the PRC with limited liability;
“Shenzhen Hengtu”	深圳恒途食品有限公司 (Shenzhen Hengtu Food Limited*), a company established in the PRC with limited liability;
“SPA”	the sale and purchase agreement dated 28 March 2019 entered into between the Vendor and the Purchaser in relation to the Disposal;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	China Forest Food Limited (中國森林食品有限公司), a company incorporated in Hong Kong with limited liability;
“Target Group”	the Target Company, Shenzhen Hengtu and Shenzhen Forest;
“Vendor”	the Company;
“Virtue Ever”	Virtue Ever Limited (永德有限公司), a company incorporated in the Republic of Seychelles with limited liability; and
“%”	per cent.

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

Hong Kong, 28 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 purposes of giving information with regard to 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 be published on the GEM website at www.hkgem.com on the “Latest Company Announcement” page for at least 7 days from the date of publication and on the Company’s website at www.f8.com.hk.

** For identification purpose only*