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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 FORMATION OF A JOINT VENTURE COMPANY

INTRODUCTION

The Board is pleased to announce that on 27 June 2019 (after trading hours), Eastern Champion, an indirect wholly-owned subsidiary of the Company, Xinyu Steel Group and Xinyu Holding entered into the JV Agreement relating to the formation of the JV Company for the purpose of engaging in, among other things, steel products processing, motor parts and finished products manufacturing and machining in the PRC. Pursuant to the JV agreement, the JV Company shall have a registered capital of RMB30,000,000, which will be owned as to 55% by Eastern Champion, 35% by Xinyu Steel Group and 10% by Xinyu Holding, respectively.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as set out in Rule 19.07 of the GEM Listing Rules) in respect of the formation of the JV Company under the JV Agreement exceed 5% but all are less than 25%, the entering into of the JV Agreement and the transactions contemplated thereunder constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

INTRODUCTION

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THE JV AGREEMENT

- Date:** 27 June 2019
- Parties:**
- (i) Eastern Champion;
 - (ii) Xinyu Steel Group; and
 - (iii) Xinyu Holding.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Xinyu Steel Group and Xinyu Holding and their ultimate beneficial owners is an Independent Third Party.

Capital Contribution

Pursuant to the JV Agreement, the registered capital of the JV Company will be RMB30,000,000, which shall be contributed by the Parties in cash as follows:

	Amount <i>(RMB)</i>	Proportion <i>(%)</i>
Eastern Champion	16,500,000	55
Xinyu Steel Group	10,500,000	35
Xinyu Holding	<u>3,000,000</u>	<u>10</u>
Total	<u><u>30,000,000</u></u>	<u><u>100</u></u>

The Parties shall pay their respective capital contribution in respect of the registered capital of the JV Company within one month from the date when the JV Company obtains the relevant approval and its business license and approval documents from the relevant PRC government authority.

The JV Company will, after its formation, be a subsidiary of the Company.

The amount of capital contribution to be made by the Parties was arrived at after arm's length negotiations between the Parties having taken into account the expected capital requirements of the JV Company. It is contemplated that the capital contribution payable by Eastern Champion will be funded by internal resources of the Group.

In the event the JV Company requires capital in addition to its registered capital, the JV Company shall obtain financing from commercial banks or other financial institutions, and if such financing cannot be obtained from them, the Parties may provide shareholders' loans to the JV Company.

Management of the JV Company

The board of directors of the JV Company shall consist of three directors, two of whom will be appointed by Eastern Champion and the remaining one director will be appointed by Xinyu Steel Group. One director nominated by Eastern Champion shall be the chairman of the board of directors of the JV Company and the remaining one director nominated by Eastern Champion shall be the legal representative of the JV Company.

Profit Distribution Arrangement

Pursuant to the JV Agreement, Eastern Champion, Xinyu Steel Group and Xinyu Holding shall share the profits of the JV Company annually in proportion to their respective equity interest in the JV Company, subject to the decision of the board of directors of the JV Company.

REASONS FOR AND BENEFITS OF THE JV AGREEMENT

The Group is principally engaged in the business of the sale and transportation of diesel oil and related products in Hong Kong. Eastern Champion is principally engaged in investment holding. Xinyu Steel Group is principally engaged in steel production with a production output capacity exceeding 10 million tons per annum. The product portfolio comprises medium plates, hot rolled sheets, cold rolled sheets, silicon steel coils, etc. Xinyu Holding is principally engaged in the investment, financing, and construction of major infrastructure construction and industrial projects in Xinyu City.

Through the formation of the JV Company, the Group, Xinyu Steel Group and Xinyu Holding will be able to complement each other's strength to build a supply chain platform for silicon steel products so as to provide one-stop service for companies engaging in motor manufacturing and to strengthen their market position in the steel processing and industrial machinery industry in the PRC.

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

PARTICULARS OF THE PARTIES

Eastern Champion, a company incorporated in Hong Kong with limited liability, is principally engaged in investment holding.

Xinyu Steel Group is a company established in the PRC with limited liability, which is a large PRC state-owned steel integrated manufacturer operating under Jiangxi State-owned Asset Supervision and Administration Commission. It is principally engaged in steel production with a production output capacity exceeding 10 million tons per annum. The product portfolio comprises medium plates, hot rolled sheets, cold rolled sheets, silicon steel coils, etc.

Xinyu Holding is a company established in the PRC with limited liability, which is a PRC state-owned enterprise under the direct control by Xinyu Municipal Government in Jiangxi Province. It is principally engaged in investment, financing, construction of major infrastructure construction and industrial projects in Xinyu City.

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DEFINITIONS

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

“Board”	the board of Directors
“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 (stock code: 8347);
“connected person”	has the meaning ascribed to it in the GEM Listing Rules;
“Directors”	the directors of the Company;
“Eastern Champion”	Eastern Champion Development Limited (冠東發展有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;
“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;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons;
“JV Agreement”	the joint venture agreement dated 27 June 2019 entered into between Eastern Champion, Xinyu Steel Group and Xinyu Holding in relation to the formation of the JV Company;

“JV Company”	a company to be established in the PRC, held as to 55% by Eastern Champion, 35% by Xinyu Steel Group and 10% by Xinyu Holding, respectively;
“Parties”	parties to the JV Agreement, being Eastern Champion, Xinyu Steel Group and Xinyu Holding;
“PRC”	the People’s Republic of China (excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan);
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company;
“Shareholder(s)”	Shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Xinyu Holding”	新余市投資控股有限公司 (Xinyu Investment Holding Group Co., Ltd.*), a company established in the PRC with limited liability;
“Xinyu Steel Group”	新余鋼鐵集團有限公司 (Xinyu Iron and Steel Group Co., Ltd.*), a company established in the PRC 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, 27 June 2019

** for identification purpose only*

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 An Yuan.

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 GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the Company’s website at www.f8.com.hk.