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## **F8 ENTERPRISES (HOLDINGS) GROUP LIMITED**

**F8 企業(控股)集團有限公司**

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

**(Stock Code: 8347)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF PROPERTY INVOLVING THE ISSUE OF NEW SHARES UNDER GENERAL MANDATE**

#### **THE ACQUISITION**

The Board is pleased to announce that on 16 June 2021 (after trading hours), the Purchaser, a wholly owned subsidiary of the Company and the Vendor entered into the Agreement pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Property at the consideration of HK\$21,000,000.

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements.

**Shareholders and potential investors shall note that Completion of the Acquisition is subject to the conditions precedent and may or may not materialize. Shareholders and potential investor are advised to exercise caution when dealing in the securities of the Company.**

#### **INTRODUCTION**

On 11 June 2021 (after trading hours), the Purchaser, a wholly owned subsidiary of the Company, and the Vendor entered into the Agreement pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Property, at an aggregate consideration of HK\$21,000,000. A summary of the key terms of the Agreement are set out below.

## **THE AGREEMENT**

### **Date**

11 June 2021 (after trading hours)

### **Parties**

- (i) Eastern Champion Investment Limited, a wholly owned subsidiary of the Company, as the Purchaser; and
- (ii) Li Loretta Shui Wah, as the Vendor

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor and the Nominated Shareholder are independent of the Company and its connected persons as defined under the Listing Rules.

### **Property to be Acquired**

Pursuant to the Agreement, the Vendor has agreed to sell, and the Purchaser has agreed to acquire the Property, which are located at Office 4, 6/F, Nam Wo Hong Building, 148 Wing Lok Street, Hong Kong.

### **Consideration**

Pursuant to the Agreement, the Consideration shall be HK\$21,000,000.

Pursuant to the Agreement, the Consideration shall be paid by the Company by way of (i) the cash of HK\$9,820,000 which shall be paid in full on Completion to the Vendor; and (ii) the allotment and issuance of the Consideration Shares at the Issue Price of HK\$0.086 per Share, being 130,000,000 new Shares (equivalent to approximately HK\$11,180,000) to the Nominated Shareholder.

### **Basis of the Consideration**

The Consideration was determined between the parties after arm's length negotiations and on normal commercial terms, taking into account (i) the valuation of the Property conducted by an independent third party property valuer of approximately HKD21.6 million as at 31 March 2021, (ii) the current market conditions, (iii) the location and condition of the Property, and (iv) the expected rental income and the potential appreciation of rental and value of the Property. The Directors considered that the Consideration is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

### **Consideration Shares**

The Consideration Shares represent (i) approximately 14.8% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 12.9% of the issued share capital of the Company as enlarged by the allotment and issuance of the Consideration Shares immediately after Completion. The Consideration Shares will be allotted and issued under the General Mandate.

The Consideration Shares to be allotted and issued upon Completion shall be credited as fully paid and rank pari passu with all other Shares in issue in the share capital of the Company. Application will be made by the Company to the Stock Exchange for the approval for the listing of, and permission to deal in, the Consideration Shares.

The Consideration Shares will be allotted and issued at the Issue Price, which represents:

- (a) a discount of approximately 18.1% to the closing price of HK\$0.105 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (b) a discount of approximately 18.4% to the average closing price of HK\$0.1054 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Day.

### **Condition Precedent**

The Agreement shall be conditional upon the following conditions being fulfilled and satisfied on or before the Long Stop Date:

- (a) the Stock Exchange having granted the approval for the listing of, and the permission to deal in, the Consideration Shares; and
- (b) the Purchaser having entrusted a qualified valuer to verify and appraise the fair value of the Property and being reasonably satisfied with the report of the valuation;
- (c) there being no breach of any of the representations, warranties and undertakings given under the Agreement prior to the Completion; and
- (d) there being no breach of any of the terms and conditions set out in the Agreement by the vendor prior to the Completion.

### **Completion**

The Completion shall take on the Completion Date.

### **REASONS FOR THE ACQUISITION**

The Group is principally engaged in the business of the sale and transportation of diesel oil and related products in Hong Kong. The Group also supplies marine diesel oil used for construction vessels and lubricant oil used for construction machinery and vehicles.

The Group has been actively exploring opportunities to enhance and diversify its revenue stream. Taking into account various factors such as the location, condition and potential appreciation in value of the Property, the Acquisition provides an opportunity for the Group to (i) expand our investment portfolio, which will allow the Group to benefit from any future capital appreciation and (ii) generate a new source of rental income which can serve as the Group's stable source of cash flow and revenue. The Board considered that the Acquisition will strengthen the Group's income base and is beneficial to the Group's financial position in the long run.

The Directors consider that the Acquisition Agreement was entered into after arm's length negotiation between the Company and the Vendor and the terms therein are on normal commercial terms and the Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately following the Completion and the allotment and issuance of the Consideration Shares:

	<b>(i) as at the date of this announcement</b>		<b>(ii) immediately following the Completion and the allotment and issuance of the Consideration Shares</b>	
	<i>Approximate Shares</i>	<i>%</i>	<i>Approximate Shares</i>	<i>%</i>
Grand Tycoon Limited ( <i>Note</i> )	480,264,000	54.7	480,264,000	47.7
Vendor	—	—	130,000,000	12.9
Other public shareholder	333,776,000	45.3	333,776,000	39.4
Total	<u>878,000,000</u>	<u>100.0</u>	<u>1,008,000,000</u>	<u>100.0</u>

*Note:* All the issued shares of Grand Tycoon Limited are legal and beneficially owned as to 100% by Mr. Fong Chun Man.

## GENERAL MANDATE

The Consideration Shares will be issued under the General Mandate. Under the General Mandate, the Directors are allowed to allot, issue and deal with the unissued Shares for an aggregate number not exceeding 20% of the then issued shares of the Company, which are up to 175,600,000 Shares, on the Company's annual general meeting on 6 August 2020 and the issue of the Consideration Shares, which are 130,000,000 Shares, will not fully utilise the General Mandate. Up to the date of this announcement, no Share has been allotted or issued pursuant to the General Mandate. Accordingly, the issue of the Consideration Shares is not subject to any further approval of the Shareholders.

## APPLICATION FOR LISTING OF THE CONSIDERATION SHARES

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares to be allotted and issued shall rank pari passu among themselves and with all Shares in issue on the Completion Date.

## LISTING RULES IMPLICATIONS ON THE ACQUISITION

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements.

**Shareholders and potential investors shall note that Completion of the Acquisition is subject to the conditions precedent and may or may not materialize. Shareholders and potential investor are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

Unless otherwise stated, the terms in this announcement have the following meanings:

“Acquisition”	the acquisition of the Property by the Company pursuant to the Agreement
“Agreement”	the agreement for sale and purchase dated 11 June 2021 entered into between the Purchaser and the Vendor in respect of the Acquisition
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday, public holiday or any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning is hoisted between 9:00 a.m. and 5:00 p.m. in Hong Kong) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	F8 Enterprises (Holdings) Group Limited, a company incorporated in Cayman Islands with limited liability, the shares of which are listed on GEM
“Completion”	Completion of the Acquisition pursuant to the terms and conditions of the Agreement
“Completion Date”	Completion shall take place on the 5th business day after the Long Stop Date or such later date as the Purchaser and the Vendor may agree in writing
“Consideration”	HKD\$21,000,000, being the total consideration for the Acquisition
“Consideration Share(s)”	the 130,000,000 new Shares to be allotted and issued to the Vendors at the Issue Price, credited as fully paid, for the purpose of settling the Consideration

“Directors”	the directors of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate which was granted to the Directors pursuant to an ordinary resolution passed at the Company’s annual general meeting on 6 August 2020 to issue and allot up to 175,600,000 Shares, representing 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing such resolution
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a third party independent of and not connected with the Company and its connected persons
“Issue Price”	HK\$0.086, being the issue price per Consideration Share
“Last Trading Day”	11 June 2021, being the last trading day immediately before the entering into the Agreement
“Long Stop Date”	23 July 2021 or such other date as the parties to the Agreement may agree
“Nominated Shareholder”	Mr. Li Fat Sang
“Property”	Office 4, 6/F, Nam Wo Hong Building, 148 Wing Lok Street, Hong Kong
“Purchaser”	Eastern Champion Investment Limited, a company incorporated in Hong Kong with limited liability and an wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Ms. Li Loretta Shui Wah

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent

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

Hong Kong, 16 June 2021

*As at the date of this announcement, the executive Directors are Mr. Fong Chun Man, Ms. Lo Pui Yee and Mr. Chan Chi Fai; and the independent non-executive Directors 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 GEM website at [www.hkgem.com](http://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 <http://www.f8.com.hk>.*