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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)

MAJOR AND CONNECTED TRANSACTION TRANSFER OF 22.96% EQUITY INTEREST IN JIANGXI XINJI AND RESUMPTION OF TRADING

THE DISPOSAL

The Board announces that, on 7 February 2021, the Vendors (including Eastern Champion, an indirect wholly-owned subsidiary of the Company), the Purchaser and the Target Company, entered into the Equity Transfer Agreement, pursuant to which the Vendors agreed to sell and the Purchaser agreed to purchase the Sale Equity, representing 41.75% of the equity interest in the Target Company, at nil consideration subject to the terms and conditions of the Equity Transfer Agreement. Pursuant to the Equity Transfer Agreement, Eastern Champion, Xinyu Steel Group and Xinyu Holding, being the Vendors, agreed to sell approximately 22.96%, 14.61% and 4.18% of the equity interest in the Target Company, respectively, to the Purchaser. Completion has taken place on 15 April 2021.

Prior to Completion, the Target Company was held as to 55%, 35% and 10% by Eastern Champion, Xinyu Steel Group and Xinyu Holding, respectively. Upon Completion, the Target Company is held as to approximately 41.75%, 32.04%, 20.39% and 5.82% by the Purchaser, Eastern Champion, Xinyu Steel Group and Xinyu Holding, respectively and such shareholding structure of the Target Company upon Completion was determined with reference to the net asset value of the Target Company as at 31 October 2020 as shown in its audited accounts. As such, the Target Company ceased to be a subsidiary of the Company for the purpose of the GEM Listing Rules and the results of the Target Company will no longer be consolidated into the financial statements of the Group and will be accounted for as an associate using equity accounting in the Group's consolidated financial statements.

IMPLICATIONS UNDER THE GEM LISTING RULES

As at the date of the Equity Transfer Agreement, the Purchaser was held as to 70% by Xinyu Iron and Steel which in turn was held as to approximately 38.17% by Xinyu Steel Group. Therefore, the Purchaser was an associate of Xinyu Steel Group by virtue of Rule 20.11(3) of the GEM Listing Rules. Since Xinyu Steel Group was a substantial shareholder of the Target Company, which was an indirect non-wholly owned subsidiary of the Company prior to Completion, the Purchaser was regarded as a connected person of the Company at subsidiary level under the GEM Listing Rules. Accordingly, the Disposal constituted a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

Pursuant to Rule 20.99 of the GEM Listing Rules, a connected transaction between the listed issuer's group and a connected person at the subsidiary level on normal commercial terms or better is exempt from circular, independent financial advice and shareholders' approval requirements if: (1) the listed issuer's board of directors has approved the transactions; and (2) the independent non-executive directors have confirmed that the terms of the transaction are fair and reasonable, the transaction is on normal commercial terms or better and in the interests of the listed issuer and its shareholders as a whole.

The Company has obtained the approval from the Board (including the independent non-executive Directors) regarding the Disposal, and the Directors (including the independent non-executive Directors) have confirmed that the terms of the Disposal are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole. As such, pursuant to Rule 20.99 of the GEM Listing Rules, the Disposal is only subject to reporting and announcement requirements, and is exempt from the circular, independent financial advice and independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Nonetheless, as one of the applicable percentage ratios (as defined under the GEM Listing Rules) calculated under Chapter 19 of the GEM Listing Rules exceeds 25% but all are less than 75%, the Disposal constituted a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the notification, announcement, circular and Shareholders' approval requirements under the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder or any of its close associates has any material interest in the Disposal, and therefore no Shareholder is required to abstain from voting under the GEM Listing Rules if the Company were to convene a general meeting for the approval of the Disposal. As such, pursuant to Rule 19.44 of the GEM Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, the Company has obtained an irrevocable and unconditional written approval to approve, ratify and confirm the Disposal from Grand Tycoon, a controlling Shareholder holding 504,576,000 Shares, representing approximately 50.06% of the issued share capital of the Company as at the date of this announcement. Therefore, no general meeting of the Company for the approval of the Disposal will be held. Grand Tycoon has also confirmed that neither it nor any of its associates have any material interest in the Disposal.

A circular containing, among other things, further details of the Disposal will be despatched to the Shareholders on or before 31 August 2021 in accordance with the GEM Listing Rules.

Due to inadvertent mistake, the Company failed to make timely disclosure on the Disposal. Such failure was unintentional and was due to a misunderstanding and misinterpretation of the GEM Listing Rules on the part of the management of the Company. Accordingly, the Company did not previously consider that the Disposal would constitute a major and connected transaction under the GEM Listing Rules and therefore was unaware that the requirements under Chapter 19 and Chapter 20 of the GEM Listing Rules are applicable.

RESUMPTION OF TRADING

At the request of the Company, trading of shares of the Company was halted with effect from 9:09 a.m. on Monday, 9 August 2021 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading of the Shares of the Company with effect from 9:00 a.m. on Wednesday, 11 August 2021.

The Board announces that, on 7 February 2021, the Vendors (including Eastern Champion, an indirect wholly-owned subsidiary of the Company), the Purchaser and the Target Company, entered into the Equity Transfer Agreement, pursuant to which the Vendors agreed to sell and the Purchaser agreed to purchase the Sale Equity, representing 41.75% of the equity interest in the Target Company, at nil consideration subject to the terms and conditions of the Equity Transfer Agreement. Pursuant to the Equity Transfer Agreement, Eastern Champion, Xinyu Steel Group and Xinyu Holding, being the Vendors, agreed to sell approximately 22.96%, 14.61% and 4.18% of the equity interest in the Target Company, respectively, to the Purchaser. Completion has taken place on 15 April 2021.

Prior to Completion, the Target Company was held as to 55%, 35% and 10% by Eastern Champion, Xinyu Steel Group and Xinyu Holding, respectively. Upon Completion, the Target Company is held as to approximately 41.75%, 32.04%, 20.39% and 5.82% by the Purchaser, Eastern Champion, Xinyu Steel Group and Xinyu Holding, respectively and such shareholding structure of the Target Company upon Completion was determined with reference to the net asset value of the Target Company as at 31 October 2020 as shown in its audited accounts. As such, the Target Company ceased to be a subsidiary of the Company for the purpose of the GEM Listing Rules and the results of the Target Company will no longer be consolidated into the financial statements of the Group and will be accounted for as an associate using equity accounting in the Group's consolidated financial statements.

THE EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are set out as follows:

Date

7 February 2021

Parties

- (1) Eastern Champion, as one of the Vendors;
- (2) Xinyu Steel Group, as one of the Vendors;
- (3) Xinyu Holding, as one of the Vendors;
- (4) Jiangxi Xingang (formerly known as WISDRI (Xinyu) Cold Processing Engineering Company Limited), as the Purchaser; and
- (5) Jiangxi Xinji, as the Target Company.

Subject matter

The Vendors agreed to sell and the Purchaser agreed to purchase the Sale Equity, representing 41.75% of the equity interest in the Target Company, of which approximately 22.96%, 14.61% and 4.18% of the equity interest in the Target Company were sold by Eastern Champion, Xinyu Steel Group and Xinyu Holding, respectively, to the Purchaser.

Consideration

It was agreed that no consideration was payable by the Purchaser for the purchase of the Sale Equity given that the Vendors had not made any actual capital contribution corresponding to the Sale Equity as at the date of the Equity Transfer Agreement. For further details, please refer to the paragraph headed “Reasons for and Benefits of the Disposal and Information on the Group and Eastern Champion” of this announcement.

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 for the reasons set out in the paragraph headed “Reasons for and Benefits of the Disposal and Information on the Group and Eastern Champion” below.

Completion

Completion has taken place on 15 April 2021 upon the completion of registration of the transfer of the Sale Equity in the relevant authority of administration of industry and commerce in the PRC.

Upon Completion, the Target Company is held as to approximately 41.75%, 32.04%, 20.39% and 5.82% by the Purchaser, Eastern Champion, Xinyu Steel Group and Xinyu Holding, respectively, and such shareholding structure of the Target Company upon Completion was determined with reference to the net asset value of the Target Company as at 31 October 2020 as shown in its audited accounts. Upon Completion, the Target Company ceased to be a subsidiary of the Company for the purpose of the GEM Listing Rules and the results of the Target Company will no longer be consolidated into the financial statements of the Group and will be accounted for as an associate using equity accounting in the Group’s consolidated financial statements.

INFORMATION ON THE TARGET COMPANY

The Target Company was established in the PRC on 10 July 2019 and was held as to 55%, 35% and 10% by Eastern Champion, Xinyu Steel Group and Xinyu Holding, respectively, prior to Completion. The Target Company is principally engaged in steel products processing and motor parts manufacturing in the PRC.

Upon Completion, the Target Company is held as to approximately 41.75%, 32.04%, 20.39% and 5.82% by the Purchaser, Eastern Champion, Xinyu Steel Group and Xinyu Holding, respectively and such shareholding structure of the Target Company upon Completion was determined with reference to the net asset value of the Target Company as at 31 October 2020 as shown in its audited accounts. Therefore, the Target Company ceased to be a subsidiary of the Company for the purpose of the GEM Listing Rules and was accounted as an associated company of the Company. As such, the results of the Target Company will no longer be consolidated into the financial statements of the Group and will be accounted for as an associate using equity accounting in the Group’s consolidated financial statements.

Set out below is the shareholding structure of the Target Company before and after Completion:

Shareholders:	Before Completion Percentage of the Target Company's equity interest held	After Completion Approximate percentage of the Target Company's equity interest held
Eastern Champion	55%	32.04%
Xinyu Steel Group	35%	20.39%
Xinyu Holding	10%	5.82%
Purchaser	nil	41.75%

The audited financial information of the Target Company prepared in accordance with the PRC generally accepted accounting principles for the years ended 31 December 2020 and 2019 is as follows:

	For the year ended 31 December	
	2020	2019
	<i>HK\$000</i>	<i>HK\$000</i>
	<i>(Audited)</i>	<i>(Audited)</i>
Loss before tax	2,622	38.9
Loss for the year	2,622	38.9

Based on the audited financial information of the Target Company, the net assets of the Target Company were approximately HK\$34.84 million and HK\$37.46 million as at 31 December 2020 and 2019 respectively.

REASONS FOR AND BENEFITS OF THE DISPOSAL AND INFORMATION ON THE GROUP AND EASTERN CHAMPION

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

Eastern Champion is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

Based on the audited financial information of the Target Company as set out in the section headed “Information on the Target Company” above, the Target Company recorded a loss of approximately HK\$2.62 million for the year ended 31 December 2020, as compared to a loss of approximately HK\$38,900 for the year ended 31 December 2019.

Pursuant to the resolution of the shareholders of the Target Company passed on 14 November 2019, the registered capital of the Target Company has been increased from RMB30.00 million to RMB50.00 million with effect on 17 January 2020 and the additional registered capital of RMB20.00 million shall be fully paid up by Eastern Champion, Xinyu Steel Group and Xinyu Holding, based on their respective proportion of equity interest in the Target Company, in cash, on or before 28 June 2024. The additional capital was expected to finance the Target Company’s general working requirement.

However, since January 2020, the global outbreak of COVID-19 epidemic has devastated the local economy in the PRC where the Target Company operates. Due to the shortage of capital from the Vendors, and in view of the Target Company’s working capital requirements, the Vendors intended to speed up the capital injection schedule, strengthen the Target Company’s capital base and enhance its financial condition. As such, the Vendors agreed to transfer and the Purchaser agreed to acquire, the Sale Equity, representing 41.75% of the equity interest in the Target Company, at nil consideration and the Purchaser agreed to inject capital of RMB20.00 million (equivalent to approximately HK\$24.04 million) to the Target Company by way of cash contribution within 30 business days after Completion. The Purchaser has injected the said sum of RMB20.00 million to the Target Company on 15 April 2021 upon Completion.

In view of the above, the Directors (including the independent non-executive Directors) considered that the terms of the Disposal are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole. To the best of the Directors’ knowledge, no Director has any material interest or perceived conflict in the transactions which requires him/her to disclose his/her interest and/or to abstain from voting on Board level regarding the Disposal.

INFORMATION ON XINYU HOLDING AND XINYU STEEL GROUP

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.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the date of the Equity Transfer Agreement, Xinyu Holding and its ultimate beneficial owners are Independent Third Parties.

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 product portfolio comprising medium plates, hot rolled sheets, cold rolled sheets, silicon steel coils, etc.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, prior to Completion, Xinyu Steel Group was a substantial shareholder of the Target Company, which was an indirect non-wholly owned subsidiary of the Company, and hence was regarded as a connected person of the Company at subsidiary level under the GEM Listing Rules.

INFORMATION ON THE PURCHASER

The Purchaser is a company established in the PRC with limited liability. It is principally engaged in the trading of iron and steel materials and a supplier to the Target Company. As at the date of this announcement, the Purchaser is held as to 70% by Xinyu Iron and Steel which in turn is held as to approximately 38.17% by Xinyu Steel Group. Xinyu Iron and Steel is principally engaged in the manufacture and sales of steel products.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, prior to Completion, the Purchaser was an associate of Xinyu Steel Group by virtue of Rule 20.11(3) of the GEM Listing Rules. Since Xinyu Steel Group was a substantial shareholder of the Target Company, which was an indirect non-wholly owned subsidiary of the Company prior to Completion, the Purchaser was regarded as a connected person of the Company at subsidiary level under the GEM Listing Rules.

FINANCIAL EFFECT TO THE GROUP

Upon Completion, Eastern Champion's equity interest in the Target Company has been reduced from 55% to approximately 32.04%, whereby the Target Company ceased to be a subsidiary of the Company for the purpose of the GEM Listing Rules and was accounted as an associated company of the Company. As such, the results of the Target Company will no longer be consolidated into the financial statements of the Group and will be accounted for as an associate using equity accounting in the Group's consolidated financial statements.

The Company is expected to record an unaudited estimated gain of approximately HK\$0.97 million calculated with reference to (i) no consideration was payable by the Purchaser for the purchase of the Sale Equity; (ii) the unaudited carrying amount of the Target Company of approximately HK\$33.29 million as at the date of Completion; (iii) reclassification of exchange reserve held by the Group of approximately HK\$1.21 million as at the date of Completion; and (iv) estimated related transaction expenses of approximately HK\$350,000 payable by the Group in connection with the Disposal. The estimated gain on the Disposal is subject to the actual balances of relevant items (ii) & (iii) above held by the Group and the Target Company as at the date of Completion.

REASONS FOR THE NON-COMPLIANCE OF THE GEM LISTING RULES

Based upon the Group's internal investigation, it is discovered that in February 2021, the chief operation officer of the Group (the "**Chief Operation Officer**") entered into the Equity Transfer Agreement on behalf of Eastern Champion. Due to his misunderstanding and misinterpretation of the GEM Listing Rules, the Chief Operation Officer mistakenly believed that the entering into the Equity Transfer Agreement did not constitute a notifiable transaction for the Company under the GEM Listing Rules. At the material time, the transactions under the Equity Transfer Agreement were not reported to the Board and no

Board meeting was held nor had any written resolutions been adopted by the Board for entering into the Equity Transfer Agreement. Hence, the Company did not make timely disclosure on the Disposal as required under the GEM Listing Rules.

In June 2021, during the preparation of the annual results of the Company for the year ended 31 March 2021, the auditors of the Company noted the Equity Transfer Agreement and took the view that the Disposal might constitute a discloseable and connected transaction for the Company under the GEM Listing Rules. The Disposal was classified as a discloseable transaction as the applicable percentage ratios were computed with reference to the unaudited financial information of the Target Company as shown in its unaudited management accounts for the year ended 31 December 2020 available to the Company at that time. On 25 June 2021, the management of the Company first notified the Board of the transactions under the Equity Transfer Agreement. To further investigate the matters, the management of the Group reviewed the terms and conditions of the Equity Transfer Agreement and gathered supporting documents concerning the transactions under the Equity Transfer Agreement. The Company was then provided with the audited accounts of the Target Company for the year ended 31 December 2020. Based on the audited financial information of the Target Company as shown in its audited accounts, the assets ratio exceeds 25% but all ratios are less than 75%. Having consulted professional advisers on the implications under the GEM Listing Rules and considered the applicable percentage ratios for the Disposal, the Disposal would constitute a major transaction for the Company. On 10 August 2021, a Board meeting was held and the independent non-executive Directors were informed of further details of the transactions under the Equity Transfer Agreement and the details of the non-compliance under the GEM Listing Rules and discussed how it should be resolved and remedied. It was resolved that an announcement must be made immediately and other remedial actions should be implemented to avoid the non-compliance with the GEM Listing Rules going forward.

REMEDIAL ACTIONS

The Board, having been fully informed of the facts of the Equity Transfer Agreement and the Disposal, considers that the failure to comply with the GEM Listing Rules was inadvertent and can be avoided going forward. The Company takes the incident very seriously and shall take the following actions to prevent similar events from re-occurring and to ensure the applicable GEM Listing Rules requirements will be complied with going forward.

- (a) the Company has published this announcement to inform the details of the Disposal;
- (b) the Company has obtained an irrevocable and unconditional written approval pursuant to Rule 19.44 of the GEM Listing Rules from Grand Tycoon on 10 August 2021 to approve, ratify and confirm the Disposal;
- (c) with immediate effect, all acquisition and/or disposal documents with value over RMB200,000 to which any member of the Group is expressed as a party are required to be approved by the Board before they may be entered into and a notice regarding the approval procedure will be circulated to all Directors, senior management, accounting and financial personnel of the Group (including the legal representatives and directors of all PRC subsidiaries) and a monthly checklist is required to be completed by the relevant handling staff to ensure compliance with the relevant procedures;

- (d) the Company will arrange for regular trainings for its employees, including the Directors, the senior management, the business operation and finance departments, to strengthen their familiarity of the GEM Listing Rules and enhance their awareness of the compliance with the relevant internal control procedures relating to the Group's notifiable transactions;
- (e) the Group will endeavor to recruit suitable and experienced personnel and establish a dedicated team responsible for leading the Company's internal audit department and external internal audit consultant to monitor the effectiveness and adequacy, and to review, formulate, where necessary, enhance the internal control measures (in particular, the transactions with connected parties), and will make recommendation and report to the audit committee of the Company on a quarterly basis;
- (f) the Company will provide detailed guidelines relating to notifiable and connected transactions under the GEM Listing Rules for all the Directors as well as its senior management in order to strengthen and reinforce their existing knowledge relating to notifiable and connected transactions as well as their ability to identify potential issues at early stage;
- (g) the Company will set up a reporting guideline such that the staff should evaluate the proposed transactions and report to the financial manager if the proposed transactions may constitute notifiable transactions or connected transactions and in case they are in doubt prior to the entering into of those transactions. The financial manager shall further assess the proposed transactions and ensure its reporting obligations as well as submit to the Board for approval;
- (h) all future business with any connected person, shall be subject to the prior approval of both the audit committee and the Board, which will be jointly responsible with various internal departments of the Company (including the business operation, finance, accounting and internal audit departments) for the compliance of the terms under the relevant agreements;
- (i) the Company will seek advice of external professional advisers from time to time with respect to the continual compliance with the GEM Listing Rules prior to entering into any notifiable transactions and connected transactions;
- (j) the audit committee of the Company will appoint a professional firm to conduct a regular review on all the transactions with each connected party, and report the results and findings, if any, to the audit committee on a quarterly basis. The scope of the regular review will include financial reporting cycle and rules and regulations compliance cycle of the Company. The Company also agrees with such appointment of a professional firm and will make recommendation, if necessary. The Company will modify its existing procedures in monitoring connected transactions and notifiable transactions of the Group under Chapters 19 and 20 of the GEM Listing Rules in accordance with the recommendations of the professional firm;
- (k) the Company will also implement the above measures at the subsidiary level to ensure prompt reporting of any proposed transaction(s) or event(s) where the transactions may constitute notifiable transactions or connected transactions; and

- (1) the Company will take disciplinary actions against those involved in the breaches of procedures.

Going forward, the Company shall continue to comply with the compliance requirements under the GEM Listing Rules and make such disclosure in a timely manner to ensure compliance with the GEM Listing Rules.

IMPLICATIONS UNDER THE GEM LISTING RULES

As at the date of the Equity Transfer Agreement, the Purchaser was held as to 70% by Xinyu Iron and Steel which in turn was held as to approximately 38.17% by Xinyu Steel Group. Therefore, the Purchaser was an associate of Xinyu Steel Group by virtue of Rule 20.11(3) of the GEM Listing Rules. Since Xinyu Steel Group was a substantial shareholder of the Target Company, which was an indirect non-wholly owned subsidiary of the Company prior to Completion, the Purchaser was regarded as a connected person of the Company at subsidiary level under the GEM Listing Rules. Accordingly, the Disposal constituted a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

Pursuant to Rule 20.99 of the GEM Listing Rules, a connected transaction between the listed issuer's group and a connected person at the subsidiary level on normal commercial terms or better is exempt from circular, independent financial advice and shareholders' approval requirements if: (1) the listed issuer's board of directors has approved the transactions; and (2) the independent non-executive directors have confirmed that the terms of the transaction are fair and reasonable, the transaction is on normal commercial terms or better and in the interests of the listed issuer and its shareholders as a whole.

The Company has obtained the approval from the Board (including the independent non-executive Directors) regarding the Disposal, and the Directors (including the independent non-executive Directors) have confirmed that the terms of the Disposal are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole. As such, pursuant to Rule 20.99 of the GEM Listing Rules, the Disposal is only subject to reporting and announcement requirements, and is exempt from the circular, independent financial advice and independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Nonetheless, as one of the applicable percentage ratios (as defined under the GEM Listing Rules) calculated under Chapter 19 of the GEM Listing Rules exceeds 25% but all are less than 75%, the Disposal constituted a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the notification, announcement, circular and Shareholders' approval requirements under the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder or any of its close associates has any material interest in the Disposal, and therefore no Shareholder is required to abstain from voting under the GEM Listing Rules if the Company were to convene a general meeting for the approval of the Disposal. As such, pursuant to Rule 19.44 of the GEM Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, the Company has obtained an irrevocable and unconditional written approval to approve, ratify and confirm the Disposal from Grand Tycoon, a controlling Shareholder holding 504,576,000 Shares, representing approximately 50.06% of the issued share capital of the Company as at the date of this announcement. Therefore, no general meeting of the Company for the approval of the Disposal will be held. Grand Tycoon has also confirmed that neither it nor any of its associates have any material interest in the Disposal.

A circular containing, among other things, further details of the Disposal will be despatched to the Shareholders on or before 31 August 2021 in accordance with the GEM Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading of shares of the Company was halted with effect from 9:09 a.m. on Monday, 9 August 2021 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading of the Shares of the Company with effect from 9:00 a.m. on Wednesday, 11 August 2021.

DEFINITIONS

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

“Board”	the board of Directors;
“China” or “PRC”	the People's Republic of China (for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan);
“Company”	F8 Enterprises (Holdings) Group Limited, a company incorporated in Cayman Islands with limited liability, the shares of which are listed on GEM;
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Completion”	the completion of the Equity Transfer Agreement;
“Director(s)”	the director(s) of the Company;
“Disposal”	the disposal of approximately 22.96% of the equity interest in the Target Company by Eastern Champion to the Purchaser pursuant to the Equity Transfer Agreement;

“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, details of which are set out in the paragraph headed “Reasons for and Benefits of the Disposal and Information on the Group and Eastern Champion” of this announcement;
“Equity Transfer Agreement”	the equity transfer agreement dated 7 February 2021 entered into between the Vendors, the Purchaser and the Target Company in relation to the disposal of the Sale Equity;
“GEM”	GEM of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Grand Tycoon”	Grand Tycoon Limited (宏亨有限公司), a company incorporated in the British Virgin Islands with limited liability and a controlling Shareholder holding 504,576,000 Shares, representing approximately 50.06% of the issue share capital of the Company as at the date of this announcement;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons and are not connected persons of the Company;
“Purchaser” or “Jiangxi Xingang”	Jiangxi Xingang Southern New Material Company Limited (江西新鋼南方新材料有限公司) (formerly known as WISDRI (Xinyu) Cold Processing Engineering Company Limited* (中冶南方(新余)冷軋新材料技術有限公司)), a company established in the PRC with limited liability, details of which are set out in the paragraph headed “Information on the Purchaser” of this announcement;
“Sale Equity”	41.75% of the equity interest in the Target Company, beneficially held as to approximately 22.96%, 14.61% and 4.18% by Eastern Champion, Xinyu Steel Group and Xinyu Holding, respectively, prior to Completion;
“Share(s)”	ordinary share(s) of USD0.02 each in the share capital of the Company;

“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company” or “Jiangxi Xinji”	Jiangxi Xinji Power Technology Company Limited* (江西新冀動力科技有限公司), a company established in the PRC, an indirect non-wholly owned subsidiary of the Company prior to Completion, and an associated company of the Company immediately upon Completion and as at the date of this announcement, details of which are set out in the paragraph headed “Information on the Target Company” of this announcement;
“Vendors”	Eastern Champion, Xinyu Holding and Xinyu Steel Group, being the vendors of the Sale Equity pursuant to the Equity Transfer Agreement;
“Xinyu Holding”	Xinyu Investment Holding Group Company Limited* (新余市投資控股有限公司), a company established in the PRC with limited liability, details of which are set out in the paragraph headed “Information on Xinyu Holding and Xinyu Steel Group” of this announcement;
“Xinyu Iron and Steel”	Xinyu Iron and Steel Company Limited* (新余鋼鐵股份有限公司), a company established in the PRC with limited liability and owned as to approximately 38.17% by Xinyu Steel Group;
“Xinyu Steel Group”	Xinyu Iron and Steel Group Company Limited* (新余鋼鐵集團有限公司), a company established in the PRC with limited liability, details of which are set out in the paragraph headed “Information on Xinyu Holding and Xinyu Steel Group” of this announcement; and
“%”	per cent.

* For identification purposes only

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

Hong Kong, 10 August 2021

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 and Mr. CHAN Chi Fai; 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 of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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.