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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)**

### **NON-FULFILLMENT OF PROFIT GUARANTEE IN RELATION TO ACQUISITION OF 51% ISSUED SHARE CAPITAL OF MEIJIA SHELL (GLOBAL) LUBRICANT TECHNOLOGY LIMITED**

Reference is made to the announcements of F8 Enterprises (Holdings) Group Limited (the “**Company**”) dated 23 March 2020, 31 March 2020 and 21 April 2020 in relation to acquisition of 51% issued share capital of Meijia Shell (Global) Lubricant Technology Limited (the “**Announcements**”).

Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

#### **PROFIT GUARANTEE**

As disclosed in the Announcements, pursuant to the Agreement, the Vendors have irrevocably warranted and guaranteed that the audited net profit after tax of the Target Group prepared in accordance with the Hong Kong generally accepted accounting principles for the period from the Completion Date to 31 March 2021 shall be not less than RMB5 million and shall be not less than RMB10 million for each of the next two years (the “**Profit Guarantee**”).

If the Target Profit is not met, the Vendors shall indemnify the Company the shortfall presented as the formula below (the “**Shortfall**”) on the 10th Business Day after the issue of the audited consolidated financial statements of the Target Company for the year ending 31 March 2021, 31 March 2022 and 31 March 2023:

$$\text{Shortfall} = (\text{Target Profit} - \text{Actual Profit})$$

#### **SHORTFALL FOR THE YEAR ENDED 31 MARCH 2021 (“FY2021”)**

According to the audited consolidated financial statements of the Target Company for FY2021 issued on 25 June 2021, the net profit after tax of the Target Group for the period from the Completion Date to 31 March 2021 was approximately HK\$765,000 and hence, based on the exchange rate of RMB1.00 to HK\$1.18, the Vendors are liable to indemnify the Company the Shortfall for FY2021 in the amount of approximately HK\$5.15 million on 12 July 2021, being the 10th Business Day after the issue of the audited consolidated financial statements of the Target Group for FY2021.

## **EXTENSION OF TIME FOR THE SETTLEMENT OF THE SHORTFALL**

Having considered the Shortfall for FY2021 was mainly due to (i) the unexpected circumstances caused by the COVID-19 pandemic resulting in the lockdown of major cities in the PRC and causing a significant drop in customer demand of lubricant in the PRC and (ii) in consideration of the established relationship with Mr. Zhu Yixiang, who is one of the Vendors and the guarantor under the deed of guarantee dated 23 March 2021 executed in favour of the Company for the Profit Guarantee (the “**Guarantor**”), on 20 August 2021, the Company has entered into a supplemental agreement with the Guarantor whereby the Company has agreed to extend the time for the settlement of the Shortfall for FY2021 in the following manner:

- (i) HK\$1 million shall be settled by the Guarantor on or before 31 August 2021;
- (ii) HK\$2 million shall be settled by the Guarantor on or before 31 October 2021; and
- (iii) approximately HK\$2.15 million shall be settled by the Guarantor on or before 31 December 2021.

As at the date of this announcement, the Guarantor has paid HK\$1 million to the Company.

## **DIRECTORS’ STATEMENT**

As the shortfall mainly resulted from the COVID-19 pandemic which was beyond the control of the Vendors, the Directors (including independent non-executive Directors) are of the opinion that the extension of time for the settlement of the Shortfall for FY2021 as described above is fair and reasonable.

The Board will regularly review the performance of the Guarantor of its obligations under the said supplemental agreement and take appropriate actions (where necessary) and further announcement(s) will be made by the Company to provide update on the development as and when appropriate.

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

Hong Kong, 6 September 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](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 [www.f8.com.hk](http://www.f8.com.hk).*