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Khoon Group Limited

坤集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 924)

Southern Heritage Limited

*(incorporated in the British Virgin Islands
with limited liability)*

JOINT ANNOUNCEMENT

**DESPATCH OF COMPOSITE DOCUMENT
RELATING TO
MANDATORY UNCONDITIONAL CASH OFFER BY
MIGHTY DIVINE SECURITIES LIMITED
FOR AND ON BEHALF OF SOUTHERN HERITAGE LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
KHOON GROUP LIMITED
(OTHER THAN THOSE ALREADY OWNED
OR AGREED TO BE ACQUIRED BY SOUTHERN HERITAGE LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

Offer agent to the Offeror



Financial adviser to the Offeror



Financial adviser to the Company



**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



References are made to (i) the joint announcement issued by the Offeror and the Company dated 19 December 2022 in relation to, among other things, the Share Purchase Agreement and the Offer pursuant to Rule 3.5 of the Takeovers Code; (ii) the joint announcement issued by the Offeror and the Company dated 9 January 2023 in relation to the delay in despatch of the Composite Document; (iii) the joint announcement issued by the Offeror and the Company dated 27 January 2023 in relation to, among others, the Completion and the Offer; and (iv) the Composite Document dated 3 February 2023. Unless otherwise defined, capitalised terms herein shall have the same meanings as those defined in the Composite Document.

DESPATCH OF THE COMPOSITE DOCUMENT

The Composite Document (accompanied by the Form of Acceptance) containing, among others, (i) the terms and conditions of the Offer; (ii) the recommendation from the Independent Board Committee; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Offer and as to the acceptance of the Offer, have been despatched to the Shareholders on 3 February 2023 in accordance with the Takeovers Code.

EXPECTED TIMETABLE

The timetable set out below, as reproduced from the Composite Document, is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company as and when appropriate. Unless otherwise specified, all dates and times contained in this joint announcement refer to Hong Kong dates and times.

2023

Despatch date of the Composite Document and the accompanying Form of Acceptance and commencement date of the Offer (<i>Note 1</i>)	Friday, 3 February
Latest time and date for acceptance of the Offer (<i>Notes 2 and 3</i>)	4:00 p.m. on Friday, 24 February
Closing Date (<i>Notes 2 and 3</i>)	Friday, 24 February
Announcement of the results of the Offer, to be posted on the website of the Stock Exchange (<i>Note 2</i>)	no later than 7:00 p.m. on Friday, 24 February
Latest date for posting of remittances in respect of valid acceptances received under the Offer (<i>Note 4</i>)	Tuesday, 7 March

Notes:

- (1) The Offer, which is unconditional in all respect, is made on the date of posting of the Composite Document, and is capable of acceptance on and from that date until 4:00 p.m. on the Closing Date.
- (2) In accordance with the Takeovers Code, the Offer must remain open for acceptance for at least 21 days following the date on which the Composite Document is posted. The latest time and date for acceptance will be at 4:00 p.m. on Friday, 24 February 2023 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror and the Company will jointly issue an announcement through the websites of the Stock Exchange and the Company no later than 7:00 p.m. on Friday, 24 February 2023 stating the results of the Offer and whether the Offer has been extended, revised or expired. In the event that the Offeror decides to extend the Offer, and the announcement regarding the extension of the Offer does not specify the next closing date, at least 14 days' notice by way of an announcement will be given before the Offer is closed to those Independent Shareholders who have not accepted the Offer.
- (3) Beneficial owners of the Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (set out in Appendix I to the Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.

- (4) Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares tendered under the Offer will be despatched to the Independent Shareholders accepting the Offer by ordinary post at their own risk as soon as possible, but in any event within seven (7) Business Days following the date of receipt by the Registrar of all relevant documents (receipt of which renders such acceptance complete and valid), in accordance with the Takeovers Code. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code. Please refer to the paragraph headed "4. Right of Withdrawal" in Appendix I to the Composite Document for further information on the circumstances where acceptances may be withdrawn.
- (5) If there is a tropical cyclone warning signal number 8 or above, or a black rainstorm warning:
- (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Offer and the latest date for despatch of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer will remain at 4:00 p.m. on the same Business Day and the latest date for despatch of remittances will remain on the same Business Day; or
 - (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offer and the latest date for despatch of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m. and the latest date for despatch of remittances will be rescheduled to the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

Save as mentioned above, if the latest time for acceptance of the Offer and the posting of remittances do not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will notify the Independent Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

WARNING

Shareholders are encouraged to read the Composite Document and the accompanying Form of Acceptance carefully, in particular (i) the Letter from the Independent Financial Adviser; and (ii) the Letter from the Independent Board Committee therein, before deciding whether or not to accept the Offer. The Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers. The Offeror and the Company remind their respective associates of the dealing restrictions under the Takeovers Code and to disclose their permitted dealings, if any, in any securities of the Company.

By order of the board of director of
Southern Heritage Limited
Chen Zhi
Sole Director

By order of the Board of
Khoon Group Limited
Ang Jui Khoon
Chairman and Executive Director

Hong Kong, 3 February 2023

As at the date of this joint announcement, the Board comprises three executive Directors, namely Mr. Ang Jui Khoon, Mr. Ang Kok Kwang (Hong Guoguang) and Mr. Ang Yong Kwang (Hong Yongquan); and three independent non-executive Directors, namely Ms. Leung Wing Chi Kylie, Mr. Yeo Kwang Maccann and Mr. Hon Chin Kheong (Han Zhenqiang).

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, Mr. Chen Zhi is the sole director of the Offeror. The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Vendor, the Guarantors and the Group) and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Guarantors and the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.