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**HONG KONG
YUFENGCHANG CO., LIMITED**

*(Incorporated in Hong Kong
with limited liability)*

**SUN KONG HOLDINGS LIMITED
申港控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8631)*

JOINT ANNOUNCEMENT

**(1) AGREEMENT IN RELATION TO THE SALE AND
PURCHASE OF APPROXIMATELY 57.79% OF ISSUED SHARE CAPITAL OF
SUN KONG HOLDINGS LIMITED;**

**(2) MANDATORY UNCONDITIONAL CASH OFFER BY SHENWAN HONGYUAN
CAPITAL (H.K.) LIMITED FOR AND ON BEHALF OF
HONG KONG YUFENGCHANG CO., LIMITED TO ACQUIRE ALL
THE ISSUED SHARES IN SUN KONG HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE
ACQUIRED BY HONG KONG YUFENGCHANG CO., LIMITED
AND PARTIES ACTING IN CONCERT WITH IT);**

(3) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE;

(4) APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER; AND

(5) RESUMPTION OF TRADING

Joint Financial Advisers to the Offeror



Shenwan Hongyuan Capital (H.K.) Limited



Get Nice Securities Limited

Independent Financial Adviser to the Independent Board Committee



Alpha Financial Group Limited

THE SALE AND PURCHASE AGREEMENT

The Company was informed by the Vendor that on 4 September 2024 (after trading hours), the Offeror, the Vendor and Mr. Law entered into the Sale and Purchase Agreement, pursuant to which the Vendor had agreed to sell, and the Offeror had agreed to purchase, a total of 23,115,000 Sale Shares, free from Encumbrances, at an aggregate consideration of HK\$14,446,875, which is equivalent to HK\$0.625 per Sale Share. The Sale Shares represent approximately 57.79% of the total issued share capital of the Company as at the date of this joint announcement.

The Acquisition was completed on 13 September 2024. The consideration of HK\$14,446,875 for the Sale Shares has been fully settled in cash by the Offeror to the Vendor on Completion on 13 September 2024, which was satisfied by the Offeror's own financial resources.

As at the date of this joint announcement, the Company has 40,000,000 Shares in issue. Immediately prior to Completion, none of the Offeror and the parties acting in concert with it were interested in any Shares. Immediately upon Completion, the Offeror and parties acting in concert with it were interested in 23,115,000 Shares, representing approximately 57.79% of the total issued share capital of the Company.

Accordingly, pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it).

MANDATORY UNCONDITIONAL CASH OFFER

Shenwan Hongyuan will, for and on behalf of the Offeror, make the Offer to acquire all the Offer Shares on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For each Offer Share HK\$0.625 in cash

The Offer Price of HK\$0.625 per Offer Share is equal to the price per Sale Share payable by the Offeror under the Sale and Purchase Agreement.

The Offer will be unconditional in all respects. It will be extended to all Independent Shareholders in accordance with the Takeovers Code.

The Vendor and Mr. Law have given the Irrevocable Undertaking not to accept the Offer in respect of the 1,996,000 Remaining Shares, which represents in aggregate approximately 4.99% of the total issued share capital of the Company.

The Offer Shares to be acquired under the Offer shall be fully paid and free from any Encumbrances together with all rights attaching to them, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of the Composite Document. The Company confirms that as at the date of this joint announcement, (i) it has not declared any dividend or any other distributions which is outstanding and not yet paid; and (ii) it does not have any intention to make, declare or pay any future dividend or make other distributions prior to the close of the Offer.

Irrevocable Undertaking not to accept the Offer

Immediately after Completion, the Vendor will continue to be the beneficial owner of the 1,996,000 Remaining Shares, representing approximately 4.99% of the total number of Shares in issue. In this respect, the Vendor and Mr. Law have given the Irrevocable Undertaking in favour of the Offeror, pursuant to which, the Vendor has undertaken that it shall, and Mr. Law has undertaken to procure the Vendor that the Vendor shall during the Offer Period (a) not accept the Offer in respect of the Remaining Shares, and (b) not offer, sell, give, transfer, pledge, charge, dispose of, or create or agree to create any encumbrance of or otherwise create any interests on the Remaining Shares.

Value of the Offer

As at the date of this joint announcement, the Company has 40,000,000 Shares in issue. On the basis of the Offer Price of HK\$0.625 per Offer Share, the entire issued share capital of the Company would be valued at approximately HK\$25,000,000.

Assuming that there is no change in the issued share capital of the Company from the date of this joint announcement and up to the close of the Offer, and excluding (i) the 1,996,000 Remaining Shares subject to the Irrevocable Undertaking and (ii) the 23,115,000 Shares held by the Offeror and the parties acting in concert with it immediately upon Completion and as at the date of this joint announcement, 14,889,000 Shares will be subject to the Offer. If the Offer is accepted in full, the maximum consideration payable by the Offeror for the Offer is valued at approximately HK\$9,305,625.

Financial resources available to the Offeror and listing status

The Offeror intends to finance the consideration payable under the Offer in full by the Facility.

The Facility is secured by (i) the Share Charge; (ii) the Personal Guarantee; and (iii) a Subordination Agreement.

Shenwan Hongyuan and Get Nice, being the Joint Financial Advisers to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum payment obligations upon full acceptance of the Offer.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Mr. Fenn David, Mr. Wong Ka Chun Matthew and Mr. Chan Ting Fung, being all the independent non-executive Directors, has been established by the Company pursuant to Rule 2.1 of the Takeovers Code to make a recommendation to the Independent Shareholders in respect of the Offer, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

With the approval of the Independent Board Committee, Alpha Financial Group Limited has been appointed by the Company to act as the Independent Financial Adviser pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in respect of the Offer, and in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

DESPATCH OF COMPOSITE DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch an offer document containing the terms of the Offer, together with the Form of Acceptance, to the Independent Shareholders no later than twenty-one (21) days after the date of this joint announcement, or such later date as the Executive may approve in accordance with the Takeovers Code.

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Accordingly, the Composite Document containing, among other things, (i) the details of the Offer (including the expected timetable and terms of the Offer); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholder in respect of the Offer; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and Independent Shareholder in respect of the Offer, together with the Form of Acceptance, will be jointly issued and despatched by the Offeror and the Company to the Shareholders in accordance with the Takeovers Code.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9 a.m. on Thursday, 5 September 2024 pending the publication of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9 a.m. on Tuesday, 17 September 2024.

WARNING

Shareholders and potential investors of the Company should note that the Independent Board Committee has yet to consider and evaluate the Offer. The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement.

Shareholders should read the Composite Document carefully, including the recommendation of the Independent Board Committee in respect of the Offer and a letter of advice from the Independent Financial Adviser, before forming a view on the Offer. Shareholders and potential investors of the Company are advised to monitor the announcements to be made by the Company or jointly by the Offeror and the Company in respect of the progress of the Offer and exercise caution when dealing in the securities of the Company. If Shareholders and potential investors of the Company are in any doubt about their position, they should consult their professional advisers.

INTRODUCTION

The Company was informed by the Vendor that on 4 September 2024 (after trading hours), the Offeror, the Vendor and Mr. Law entered into the Sale and Purchase Agreement, pursuant to which the Vendor had agreed to sell, and the Offeror had agreed to purchase, a total of 23,115,000 Sale Shares, free from Encumbrances, at an aggregate consideration of HK\$14,446,875, which is equivalent to HK\$0.625 per Sale Share. The Sale Shares represent approximately 57.79% of the total issued share capital of the Company as at the date of this joint announcement.

The Acquisition was completed on 13 September 2024.

As at the date of this joint announcement, the Company has 40,000,000 Shares in issue. Immediately prior to Completion, none of the Offeror and the parties acting in concert with it were interested in any Shares. Immediately upon Completion, the Offeror and parties acting in concert with it were interested in 23,115,000 Shares, representing approximately 57.79% of the total issued share capital of the Company.

Accordingly, pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it).

THE SALE AND PURCHASE AGREEMENT

Set out below are the principal terms of the Sale and Purchase Agreement.

Date

4 September 2024

Parties

- (i) the Vendor;
- (ii) Mr. Law; and
- (iii) the Offeror

Subject of the Sale and Purchase Agreement

The Vendor had agreed to sell, and the Offeror had agreed to purchase, a total of 23,115,000 Sale Shares. The Sale Shares represent approximately 57.79% of the total issued share capital of the Company immediately prior to the entering into of the Sale and Purchase Agreement and as at the date of this joint announcement, for an aggregate consideration of HK\$14,446,875.

The Sale Shares shall be sold by the Vendor free from Encumbrances and from all other rights exercisable by or claims by third parties and together with all rights or accruing to them at Completion.

Consideration for the Sale Shares

The aggregate consideration for the sale and purchase of the Sale Shares under the Sale and Purchase Agreement is HK\$14,446,875, representing HK\$0.625 per Sale Share, which was agreed between the Vendor and the Offeror after arm's length negotiations, taking into account (i) the prevailing closing prices of the Shares; (ii) the historical price trend and low liquidity of the Shares; and (iii) the existing financial position and operation prospects of the Group's business.

Other than the consideration for the Sale Shares under Sale and Purchase Agreement, there is no other consideration, compensation or benefits in whatever form provided by the Offeror and its parties acting in concert to the Vendor or its parties acting in concert.

The consideration of HK\$14,446,875 for the Sale Shares has been fully settled in cash by the Offeror to the Vendor on Completion on 13 September 2024, which was satisfied by the Offeror's own financial resources.

Completion

The Acquisition was completed on 13 September 2024.

As at the date of this joint announcement, the Company has 40,000,000 Shares in issue. Immediately prior to Completion, none of the Offeror and the parties acting in concert with it were interested in any Shares. Immediately upon Completion, the Offeror and parties acting in concert with it were interested in 23,115,000 Shares, representing approximately 57.79% of the total issued share capital of the Company.

Accordingly, pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it).

MANDATORY UNCONDITIONAL CASH OFFER

Shenwan Hongyuan will, for and on behalf of the Offeror, make the Offer to acquire all the Offer Shares on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For each Offer ShareHK\$0.625 in cash

The Offer Price of HK\$0.625 per Offer Share is equal to the price per Sale Share payable by the Offeror under the Sale and Purchase Agreement.

As at the date of this joint announcement, the Company has 40,000,000 Shares in issue and the Company does not have any outstanding options, warrants, securities or derivatives which are convertible or exchangeable into Shares.

The Offer will be extended to all Independent Shareholders in accordance with the Takeovers Code.

The Offer Shares to be acquired under the Offer shall be fully paid and free from any Encumbrances together with all rights attaching to them, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of the Composite Document. The Company confirms that as at the date of this joint announcement, (i) it has not declared any dividend or any other distributions which is outstanding and not yet paid; and (ii) it does not have any intention to make, declare or pay any future dividend or make other distributions prior to the close of the Offer.

The Offer Price of HK\$0.625 per Offer Share represents:

- (i) a discount of approximately 21.88% to the closing price of HK\$0.800 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (ii) a discount of approximately 21.48% to the average closing price of approximately HK\$0.796 per Share based on the daily closing prices as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a discount of approximately 5.45% to the average closing price of approximately HK\$0.661 per Share based on the daily closing prices as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 8.70% over the average closing price of approximately HK\$0.575 per Share based on the daily closing prices as quoted on the Stock Exchange for the thirty (30) consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a premium of approximately 20.19% over the average closing price of approximately HK\$0.520 per Share based on the daily closing prices as quoted on the Stock Exchange for the sixty (60) consecutive trading days immediately prior to and including the Last Trading Day; and
- (vi) a discount of approximately 14.66% to the audited consolidated net assets attributable to owners of the Company per Share of approximately HK\$0.732 as at 31 March 2024, which was calculated based on the Group's latest published audited consolidated net assets attributable to owners of the Company of approximately HK\$29,296,000 as at 31 March 2024 and a total of 40,000,000 Shares in issue as at the date of this joint announcement.

The Offer will be unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions.

Highest and lowest prices of the Shares

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six (6) month period immediately prior to the commencement of the Offer Period and up to and including the date of this joint announcement were HK\$0.3 per Share on 20 June 2024 and HK\$0.83 per Share on 2 September 2024 and 3 September 2024, respectively.

Irrevocable Undertaking not to accept the Offer

Immediately after Completion, the Vendor will continue to be the beneficial owner of the 1,996,000 Remaining Shares, representing approximately 4.99% of the total number of Shares in issue. The Vendor and its sole shareholder, Mr. Law, wish for the Vendor to remain as a non-substantial shareholder of the Company in the foreseeable future in view of their confidence in the future development of the Company, and therefore the Vendor did not offer to sell the Remaining Shares in the Company. Taking into account the Vendor and Mr. Law's intention, the Offeror did not request to purchase the Remaining Shares as the minority stake in the Company will also incentivize the Vendor and Mr. Law to facilitate a smooth transition of the business operation of the Company after completion of the Acquisition.

In this respect, the Vendor and Mr. Law have given the Irrevocable Undertaking in favour of the Offeror, pursuant to which, the Vendor has undertaken that it shall, and Mr. Law has undertaken to procure the Vendor that the Vendor shall during the Offer Period (a) not accept the Offer in respect of the Remaining Shares, and (b) not offer, sell, give, transfer, pledge, charge, dispose of, or create or agree to create any encumbrance of or otherwise create any interests on the Remaining Shares. The Irrevocable Undertaking will terminate immediately and cease to be binding upon the closure of the Offer.

Value of the Offer

As at the date of this joint announcement, the Company has 40,000,000 Shares in issue and the Company does not have any outstanding options, warrants, securities or derivatives which are convertible or exchangeable into Shares. On the basis of the Offer Price of HK\$0.625 per Offer Share, the entire issued share capital of the Company would be valued at approximately HK\$25,000,000.

Assuming that there is no change in the issued share capital of the Company from the date of this joint announcement and up to the close of the Offer, and excluding (i) the 1,996,000 Remaining Shares subject to the Irrevocable Undertaking and (ii) the 23,115,000 Shares held by the Offeror and parties acting in concert with it immediately upon Completion and as at the date of this joint announcement, 14,889,000 Shares will be subject to the Offer. If the Offer is accepted in full, the maximum consideration payable by the Offeror for the Offer is valued at approximately HK\$9,305,625.

Financial resources available to the Offeror

The Offeror intends to finance the consideration payable under the Offer in full by the Facility.

The Facility is secured by (i) a Share Charge; (ii) a Personal Guarantee; and (iii) a Subordination Agreement.

Shenwan Hongyuan and Get Nice, being the Joint Financial Advisers to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum payment obligations upon full acceptance of the Offer.

Effect of Accepting the Offer

Acceptance of the Offer by any Independent Shareholders will constitute a warranty by such person that all Offer Shares to be sold by such person under the Offer are fully paid and free from all Encumbrances whatsoever together with all rights and interests attaching thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date of the Composite Document.

Acceptance of the Offer would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

Payment

Payment in cash in respect of acceptance of the Offer will be made as soon as possible but in any event no later than seven (7) business days (as defined in the Takeovers Code) after the date of receipt of a duly completed acceptance of the Offer. Relevant documents evidencing title must be received by the Offeror (or its agent) to render such acceptance of the Offer complete and valid.

No fractions of a cent will be payable and the amount of the consideration payable to any Independent Shareholder who accepts the Offer will be rounded up to the nearest cent.

Overseas Shareholders

The Offeror intends to make the Offer available to all Independent Shareholders, including the Overseas Shareholders. However, the Offer to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they reside. The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek independent legal advice. It is the sole responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from the accepting Overseas Shareholders in respect of such jurisdictions).

In the event that the despatch of the Composite Document to the Overseas Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the Directors regard as unduly onerous or burdensome (or otherwise not in the best interests of the Company or Shareholders), the Composite Document may not be despatched to such Overseas Shareholders. In such circumstances, the Offeror will apply for waiver as may be required regarding the issue of the Composite Document to particular Overseas Shareholders pursuant to Note 3 to Rule 8 of the Takeovers Code at such time (where appropriate).

As at the date of this joint announcement, based on the register of members of the Company, other than the Vendor, there are no Overseas Shareholders.

Any acceptance of the Offer by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that the local laws and regulations have been complied with. Overseas Shareholders should consult their professional advisers if in doubt.

Hong Kong Stamp Duty

The seller's Hong Kong ad valorem stamp duty payable by the Independent Shareholders who accept the Offer and calculated at a rate of 0.1% of the higher of (i) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer; or (ii) the value of the Offer Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), will be deducted from the amount payable by the Offeror to the Independent Shareholders who accept the Offer. The Offeror will then arrange for payment of the seller's stamp duty on behalf of those Independent Shareholders who accept the Offer. The Offeror will bear the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares.

Taxation Advice

Independent Shareholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offer. It is emphasised that none of the Company, the Offeror or the parties acting in concert with it or any of their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

DEALING AND INTEREST IN THE SECURITIES OF THE COMPANY

As at the date of this joint announcement:

- (i) save for the 23,115,000 Shares held by the Offeror, Yufengchang International and parties acting in concert with any of them, neither the Offeror, Yufengchang International nor any person acting in concert with any of them owns or has control or direction over any voting rights or rights over the Shares or any convertible securities, warrants, options or derivatives of the Company;
- (ii) save for the Sale and Purchase Agreement, the Facility, the Share Charge, the Personal Guarantee and the Subordination Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer;
- (iii) save for the Irrevocable Undertaking, (i) neither the Offeror, Yufengchang International nor any person acting in concert with any of them has received any irrevocable commitment to accept the Offer and (ii) neither the Offeror, Yufengchang International nor any person acting in concert with any of them has received any irrevocable commitment not to accept the Offer;
- (iv) there is no agreement or arrangement to which the Offeror, Yufengchang International or any person acting in concert with any of them, is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;

- (v) neither the Offeror, Yufengchang International nor any person acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (vi) there is no outstanding derivative in respect of the securities in the Company entered into by the Offeror, Yufengchang International or any person acting in concert with any of them;
- (vii) save for the consideration of HK\$14,446,875 pursuant to the Sale and Purchase Agreement, there is no other consideration, compensation or benefits in whatever form paid or to be paid by the Offeror. Yufengchang International and any parties acting in concert with any of them to the Vendor and any parties acting in concert with it in connection with the Acquisition;
- (viii) save for the Sale and Purchase Agreement and the Irrevocable Undertaking, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror, Yufengchang International and/or any parties acting concert with any of them on the one hand, and the Vendor and any parties acting in concert with it on the other hand;
- (ix) save for the Sale and Purchase Agreement and the Irrevocable Undertaking, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2)(a) the Offeror, Yufengchang International and any party acting in concert with any of them, or (b) the Company, its subsidiaries or associated companies; and
- (x) save for the Acquisition, neither the Offeror, Yufengchang International and any party acting in concert with any of them has dealt for value in any Shares, warrants, options or derivatives of the Company or other securities convertible into Shares during the period commencing six (6) months prior to the date of the Sale and Purchase Agreement and up to and including the date of this joint announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) immediately prior to Completion; and (ii) immediately upon Completion and as at the date of this joint announcement:

Shareholders	Immediately prior to Completion		Immediately upon Completion and as at the date of this joint announcement	
	Number of Shares	Approximate % (Note 1)	Number of Shares	Approximate % (Note 1)
Offeror <i>(Note 2)</i>	0	0	23,115,000	57.79
Offeror and parties acting in concert with it	0	0	23,115,000	57.79
Vendor <i>(Note 3)</i>	25,111,000	62.78	1,996,000	4.99
Sub-total	25,111,000	62.78	25,111,000	62.78
Public Shareholders	14,889,000	37.22	14,889,000	37.22
Total	40,000,000	100	40,000,000	100

Notes:

1. The percentage figures are calculated on the basis of 40,000,000 issued Shares, which represents the entire issued share capital of the Company, as at the date of this joint announcement.
2. The Offeror is directly and wholly owned by Yufengchang International, which in turn is directly, wholly owned and beneficially by Mr. Wang.
3. The Vendor is directly, wholly and beneficially owned by Mr. Law.

Save for the 1,996,000 Shares which is indirectly owned by Mr. Law through the Vendor, none of the Directors hold any Shares as at the date of this Announcement.

INFORMATION ON THE GROUP

The Group is principally engaged in the sale of diesel oil and related products in Hong Kong. The services of the Group include sourcing and transportation of diesel oil and related products in Hong Kong.

Set out below is a summary of the audited financial information of the Group for each of the two financial years ended 31 March 2024:

	For the financial year ended 31 March	
	2023	2024
	(audited)	(audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	67,722	69,032
Loss before taxation	(12,066)	(10,662)
Loss and total comprehensive loss for the year	<u>(12,066)</u>	<u>(10,662)</u>

The audited net assets of the Group as at 31 March 2023 and 31 March 2024 were approximately HK\$39,958,000 and HK\$29,296,000, respectively.

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in Hong Kong with limited liability and is directly and wholly owned by Yufengchang International. Yufengchang International, which is an investment holding company incorporated in the Cayman Islands, is in turn directly and wholly owned by Mr. Wang. As at the date of this joint announcement, Mr. Wang is the sole director of the Offeror and Yufengchang International.

Mr. Wang, aged 34, has over 7 years of experience in fund and securities management. He is the executive director and supervisor of Xi'an Cai Bang Fund Management Company Limited* (西安財幫基金管理有限公司), a fund management company which the Offeror has minority interests in, and the general manager and executive director of Xi'an Lexiang Xingtou Film and Television Culture Company Limited* (西安樂享星途影視文化有限公司), a company which is principally engaged in video and short video production and operation services. Mr. Wang is a member of the 14th Fuping County Committee of the Chinese People's Political Consultative Conference and a special supervisor of the County Civil Affairs Bureau in September 2022. He was appointed as the vice chairman of the Fuping County New Social Stratification Association* (富平縣新的社會階層人士聯誼會) in December 2023.

Mr. Wang obtained a bachelor's degree in finance from The National Open University* (國家開放大學) in July 2019 and a college diploma in accounting and auditing from Shaanxi Police College* (陝西警察學院) in July 2011. Mr. Wang was certified as a financial market analyst in September 2023 by the Institute of Vocational Education Training Centre of the China Academy of Management Science* (中國管理科學研究院職業教育培訓中心).

FUTURE INTENTIONS OF THE OFFEROR REGARDING THE GROUP

The Offeror considers and confirms that (i) it is intended that the Group will continue with the existing business of the Group; and (ii) it has no current intention to (a) introduce any major changes to the existing business of the Group or (b) discontinue the employment of any of the Group's employees or (c) redeploy the fixed assets of the Group other than in its ordinary course of business. Nonetheless, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's business and operations to optimise the value of the Group.

As at the date of this joint announcement, no investment or business opportunity has been identified nor has the Offeror entered into any agreements, arrangements, understandings or negotiations in relation to the injection of any assets or business into the Group.

COMPOSITION OF THE BOARD

As at the date of this joint announcement, the Board comprises Mr. Law Ming Yik and Mr. Li Isaiah as executive Directors and Mr. Fenn David, Mr. Wong Ka Chun Matthew and Mr. Chan Ting Fung as independent non-executive Directors.

The Offeror intends to change the composition of the board of directors of the Company and nominate new directors to the board of directors of the Company no earlier than the earliest time permitted under the Takeovers Code. Any changes to the board of directors of the Company will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made as and when appropriate.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, as at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares), are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealing in the Shares.

The Offeror intends the Company to remain listed on the Stock Exchange after the close of the Offer. The director of the Offeror and the new directors to be appointed to the Board of the Company, if any, will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. No such arrangements have been confirmed or put in place as at the date of this joint announcement. Further announcement(s) will be made in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Mr. Fenn David, Mr. Wong Ka Chun Matthew and Mr. Chan Ting Fung, being all the independent non-executive Directors, has been established by the Company pursuant to Rule 2.1 of the Takeovers Code to make a recommendation to the Independent Shareholders in respect of the Offer, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

With the approval of the Independent Board Committee, Alpha Financial Group Limited has been appointed by the Company to act as the Independent Financial Adviser pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in respect of the Offer, and in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

DESPATCH OF COMPOSITE DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch an offer document containing the terms of the Offer, together with the Form of Acceptance, to the Independent Shareholders no later than twenty-one (21) days after the date of this joint announcement, or such later date as the Executive may approve in accordance with the Takeovers Code.

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Accordingly, the Composite Document containing, among other things, (i) the details of the Offer (including the expected timetable and terms of the Offer); (ii) a letter of recommendation from the Independent Board Committee in relation to the Offer; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Offer, together with the Form of Acceptance, will be jointly issued and despatched by the Offeror and the Company to the Independent Shareholders in accordance with the Takeovers Code.

DISCLOSURE OF DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company and the Offeror (including persons holding 5% or more of a class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror) are hereby reminded to disclose their dealings in any securities of the Company pursuant to Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9 a.m. on Thursday, 5 September 2024 pending the publication of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9 a.m. on Tuesday, 17 September 2024.

WARNING

Shareholders and potential investors of the Company should note that the Independent Board Committee has yet to consider and evaluate the Offer. The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement.

Shareholders should read the Composite Document carefully, including the recommendation of the Independent Board Committee in respect of the Offer and a letter of advice from the Independent Financial Adviser, before forming a view on the Offer. Shareholders and potential investors of the Company are advised to monitor the announcements to be made by the Company or jointly by the Offeror and the Company in respect of the progress of the Offer and exercise caution when dealing in the securities of the Company. If Shareholders and potential investors of the Company are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

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

“Acquisition”	the acquisition of a total of 23,115,000 Sale Shares by the Offeror from the Vendor pursuant to the terms and conditions of the Sale and Purchase Agreement
“acting in concert”	has the same meaning as ascribed to it under the Takeovers Code
“associate(s)”	has the same meaning as ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Company”	Sun Kong Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM of the Stock Exchange (stock code: 8631)
“Completion”	the completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement
“Composite Document”	the composite document to be issued jointly by the Offeror and the Company in relation to the Offer in accordance with the Takeovers Code
“Director(s)”	the director(s) of the Company from time to time
“Encumbrances”	any mortgage, charge, pledge, lien, assignment, option, restriction, retention of title, negative pledge, right of pre-emption, right of first refusal, third party right or interest, other encumbrance or security interest of any kind or other preferential arrangement having similar effect together with any obligation (including any conditional obligation) to create the same
“Executive”	the executive director of the Corporate Finance Division of the SFC from time to time and any delegate of such executive director
“Facility”	a loan facility in the sum of HK\$10,000,000 granted by Get Nice in favour of the Offeror for the purpose of financing the Offer pursuant to a loan agreement entered into between Get Nice as the lender and the Offeror as the borrower dated 4 September 2024 and supplemented by a supplemental agreement dated 11 September 2024 for the amendment and clarification of certain undertakings of the Offeror under the loan agreement

“Form of Acceptance”	the form of acceptance and transfer of Shares in respect of the Offer
“Get Nice”	Get Nice Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being one of the Joint Financial Advisers and the lender of the Facility
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Irrevocable Undertaking”	the irrevocable undertaking dated 13 September 2024 given by the Vendor and Mr. Law to the Offeror relating to, <i>inter alia</i> , the Vendor’s undertaking not to accept the Offer with respect to the Remaining Shares held by the Vendor
“Independent Board Committee”	the independent committee of the Board, comprising all three (3) independent non-executive Directors (namely Mr. Fenn David, Mr. Wong Ka Chun Matthew and Mr. Chan Ting Fung), which has been established to advise the Independent Shareholders in respect of the Offer
“Independent Financial Adviser”	Alpha Financial Group Limited, the independent financial adviser appointed by the Company, with the approval of the Independent Board Committee, for the purpose of advising the Independent Board Committee in respect of the Offer, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Independent Shareholders”	the Shareholders other than the Offeror, Yufengchang International and the parties acting in concert with any of them, including, among others, Mr. Wang
“Joint Financial Advisers”	Shenwan Hongyuan and Get Nice, the joint financial advisers to the Offeror
“Last Trading Day”	4 September 2024, being the last trading day of the Shares on the Stock Exchange immediately prior to the trading suspension in the Shares pending the release of this joint announcement

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Law”	Mr. Law Ming Yik, the Chairman and executive Director
“Mr. Wang”	Mr. Wang Xinlong, the sole director of and the indirect sole beneficial owner of the Offeror through Yufengchang International
“Offer”	the mandatory unconditional cash offer to be made by Shenwan Hongyuan for and on behalf of the Offeror to acquire all of the Offer Shares in accordance with the terms and conditions to be set out in the Composite Document in accordance with the Takeovers Code
“Offeror”	Hong Kong Yufengchang Co., Limited, being a company incorporated in Hong Kong with limited liability and directly and wholly owned by Yufengchang International, which in turn is directly and wholly owned by Mr. Wang
“Offer Period”	the period commencing on 16 September 2024, being the date of this joint announcement, and ending on the date when the Offer closes
“Offer Price”	the price at which the Offer will be made, being HK\$0.625 per Offer Share
“Offer Share(s)”	all the Share(s) in issue, other than those Shares already owned and/or agreed to be acquired by the Offeror and the parties acting in concert with it, that are subject to the Offer
“Overseas Shareholder(s)”	Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“Personal Guarantee”	the deed of guarantee provided by Mr. Wang to Get Nice in respect of the performance of the Offeror’s obligations in connection with the Facility
“Remaining Shares”	the 1,996,000 Shares to be held by the Vendor immediately upon Completion, representing approximately 4.99% of the issued share capital of the Company as at the date of this joint announcement
“Sale and Purchase Agreement”	the sale and purchase agreement dated 4 September 2024 and entered into between the Vendor, as vendor, Mr. Law, as warrantor, and the Offeror, as purchaser, in relation to the Acquisition, as supplemented by a supplemental agreement on 13 September 2024 to confirm that completion of the Acquisition shall take place on 13 September 2024

“Sale Share(s)”	23,115,000 Shares sold by the Vendor under the Sale and Purchase Agreement, representing approximately 57.79% of the total issued share capital of the Company as at the date of this joint announcement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Share Charge”	the share charge granted by the Offeror in favour of Get Nice in respect of the charge over the Sale Shares and the intended charge of any Offer Shares which are acquired by the Offeror under the Offer as security for the Facility
“Shareholder(s)”	the holder(s) of the Share(s)
“Shenwan Hongyuan”	Shenwan Hongyuan Capital (H.K.) Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being one of the Joint Financial Advisers to the Offeror and the agent making the Offer for and on behalf of the Offeror
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subordination Agreement”	the subordination agreement executed by the Offeror, Mr. Wang and Yufengchang International which primarily provides that the Offeror is obliged to first repay all outstanding amount due to Get Nice as lender under the Facility before any repayment of loans due from the Offeror to its shareholder from time to time (if any)
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vendor”	Fully Fort Group Limited, being a company incorporated in the British Virgin Islands with limited liability and wholly and beneficially owned by Mr. Law Ming Yik

“Yufengchang International” Yufengchang International Holdings Company Limited, a company incorporated in the Cayman Islands with limited liabilities and wholly owns the Offeror

“%” per cent

* For identification purposes only

By order of the sole director of
Hong Kong Yufengchang Co., Limited
Wang Xinlong
Sole Director

By order of the Board
Sun Kong Holdings Limited
Law Ming Yik
Chairman and executive Director

Hong Kong, 16 September 2024

As at the date of this joint announcement, the executive Directors of the Company are Mr. Law Ming Yik (Chairman and executive Director) and Mr. Li Isaiah (Chief Executive Officer); and the independent non-executive Directors are Mr. Fenn David, Mr. Wong Ka Chun Matthew and Mr. Chan Ting Fung.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror, its ultimate beneficial owner and the parties acting in concert with each of them) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those 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. Wang Xinlong is the sole director of each of Hong Kong Yufengchang Co., Limited, being the Offeror, and Yufengchang International. As the sole director of the Offeror and Yufengchang International, Mr. Wang Xinlong accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Vendor, the Directors and the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by Mr. Law (in his capacity as the sole director and shareholder of the Vendor) 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.