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COME SURE GROUP (HOLDINGS) LIMITED

錦勝集團（控股）有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00794)

MAJOR AND CONNECTED TRANSACTION DISPOSAL OF 60% EQUITY INTEREST IN A NON-WHOLLY OWNED SUBSIDIARY

SHARE PURCHASE AGREEMENT

The Board is pleased to announce that on 2 July 2021 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Share Purchase Agreement with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares, representing 60% of the entire issued share capital of the Target Company, at the Consideration in accordance with the terms and conditions of the Share Purchase Agreement. Upon Completion, each member of the Target Group will cease to be a subsidiary of the Company.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 25% but all of them are less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements thereunder.

* *for identification purposes only*

As at the date of this Announcement, the Purchaser holds 40% equity interest in the Target Company and is its substantial shareholder. The Purchaser is a connected person at the subsidiary level pursuant to Rule 14A.07(1) of the Listing Rules. Accordingly, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. By virtue of Rule 14A.101 of the Listing Rules, since (1) the Purchaser is a connected person at the subsidiary level, (2) the Board has approved the Disposal; and (3) the independent non-executive Directors have confirmed that the terms of the Disposal are fair and reasonable and the Disposal is on normal commercial terms or better and in the interests of the Company and its shareholders as a whole, the Disposal is subject to the reporting and announcement requirements, and is exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company has obtained written approval in accordance with Rule 14.44 of the Listing Rules from Perfect Group, the controlling shareholder of the Company, which is beneficially interested in an aggregate of 233,000,000 Shares, representing approximately 67.76% of the entire issued capital of the Company as at the date of this announcement.

To the best knowledge, information and belief of the Directors, as at the date of this announcement, after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Share Purchase Agreement and the transactions contemplated thereunder. As such, no Shareholder is required to abstain from voting on the resolution approving the Share Purchase Agreement and the transactions contemplated thereunder if the Company is to convene an extraordinary general meeting for the approval of the Share Purchase Agreement and the transactions contemplated thereunder. Accordingly, no extraordinary general meeting will be convened for the purpose of approving the Disposal as permitted under Rule 14.44 of the Listing Rules.

A circular containing, amongst others, further information of the Share Purchase Agreement and the Disposal is expected to be despatched to the Shareholders within 15 business days after the publication of this announcement, that is, on or before 23 July 2021. In the event that the Company is not able to despatch the circular within such period due to the time required to prepare the relevant financial and other information to be included in the circular under the Listing Rules, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and make further announcement(s) of the expected despatch date of the circular in due course.

As Completion is conditional upon fulfilment of the conditions precedent set out in the Share Purchase Agreement, the Disposal may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that on 2 July 2021 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Share Purchase Agreement with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares, representing 60% of the entire issued share capital of the Target Company, at the Consideration in accordance with the terms and conditions of the Share Purchase Agreement.

SHARE PURCHASE AGREEMENT

The major terms of the Share Purchase Agreement are set out below:

Date: 2 July 2021 (after trading hours)

Parties: (i) the Vendor, an indirect wholly-owned subsidiary of the Company
(ii) the Purchaser

To the best knowledge, information and belief of the Directors after making reasonable enquiries, as at the date of this Announcement, the Purchaser holds 40% equity interest in the Target Company and the Purchaser is a connected person at the subsidiary level according to Rule 14A.07(1) of the Listing Rules.

Subject matter of the Share Purchase Agreement

Pursuant to the Share Purchase Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares held by the Vendor (being 6,000 ordinary shares, equivalent to 60% issued shares of the Target Company), free from all encumbrances and together with all rights attaching thereto as from the Completion Date, including but not limited to all dividends paid, declared or made the record date for the entitlement of which falls on or after the Completion Date.

Consideration of the Sale Shares

The Consideration of the Sale Share is calculated by multiplying the Adjusted Consolidated Net Asset Value by 60%. If the Consideration of the Sale Shares is higher than HK\$100,000,000, the consideration shall be HK\$100,000,000.

The Consideration was determined on the basis of normal commercial terms after arm's length negotiations between the Vendor and the Purchaser with reference to, among other things, the Adjusted Consolidated Net Asset Value.

The Directors (including the independent non-executive Directors) consider that the Consideration is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Payment of Consideration

Pursuant to the terms of Share Purchase Agreement, the Purchaser is required to pay the Consideration to the Vendor in the following manner:

- (1) HK\$18,000,000 shall be paid upon signing of the Share Purchase Agreement;
- (2) HK\$53,000,000 shall be paid on the Completion Date; and
- (3) the remaining balance of the Consideration shall be paid within 90 days after the Completion Date.

Conditions precedent

Completion is conditional upon the satisfaction of the Vendor and the Purchaser having obtained all consents and approvals (where applicable) from their board of director(s), shareholder(s), relevant government departments, authorities (including but not limited to the Stock Exchange) or any third party (including bank, the Vendor, or other signatories of the Target Group as a party to the contract) for the implementation of the Disposal contemplated under the Share Purchase Agreement.

If the abovementioned conditions precedent has not been fulfilled (or waived by the Purchaser if applicable) on or before 31 August 2021 (or such other date as may be agreed by the Parties in writing), the Share Purchase Agreement shall be terminated, and thereafter none of the parties to the Share Purchase Agreement shall have any rights or obligations towards each other in connection with the Share Purchase Agreement except for any antecedent breach.

If the Share Purchase Agreement is terminated, the Vendor shall refund the amount of consideration paid by the Purchaser (without any interest) within five Business Days after the date of termination of the Share Purchase Agreement.

Completion

Completion shall take place on the Completion Date, within three Business days after the fulfilment of the conditions precedent set out in the Share Purchase Agreement or such other date as may be agreed by the Parties in writing.

Upon Completion, each member of the Target Group will cease to be a subsidiary of the Company and its results, assets and liabilities will no longer be consolidated into the financial statements of the Company.

INFORMATION ON THE COMPANY AND THE VENDOR

The principal activity of the Company is investment holding. The Group is principally engaged in the manufacturing and trading of corrugated paperboards and paper-based packaging products to customers which are manufacturers with production base in the PRC for approximately 20 years.

The Vendor is a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company. The Vendor is principally engaged in investment holding.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Hong Kong with limited liability. The principal activity of the Purchaser is investment holding. The Purchaser is a connected person at the subsidiary level according to Rule 14A.07(1) of the Listing Rules. To the best knowledge, information and belief of the Directors, as at the date of this announcement, after having made all reasonable enquiries, the Purchaser's ultimate beneficial owner is Nine Dragons Paper (Holdings) Limited, a company incorporated in Bermuda which is listed on the Main Board the Stock Exchange (stock code : 2689).

INFORMATION ON THE TARGET GROUP

The Target Company is a company incorporated in Hong Kong with limited liability. The Target Company principally engaged in investment holding. As at the date of the Announcement, the Target Company is owned 60% by the Vendor and 40% by the Purchaser.

Come Sure Quanzhou is a company established in the PRC with limited liability, which is wholly owned by the Target Company as at the date of this announcement. Come Sure Quanzhou is principally engaged in trading and manufacturing of corrugated paperboard.

FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below is a summary of consolidated financial information of the Target Group as prepared in accordance with Hong Kong Financial Reporting Standards for the two years ended 31 March 2021:

	For the year ended 31 March 2020 <i>HK\$'000</i> <i>approximately</i> (audited)	For the year ended 31 March 2021 <i>HK\$'000</i> <i>approximately</i> (audited)
Revenue	175,058	185,140
Profit before taxation	529	3,632
Profit after taxation	224	3,375
	As at 31 March 2020 <i>HK\$'000</i> <i>approximately</i> (audited)	As at 31 March 2021 <i>HK\$'000</i> <i>approximately</i> (audited)
Net liabilities	16,161	7,627

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors consider that the Disposal is one of the Group's restructuring strategies. Through the Disposal, the Group will be able to reallocate more financial resources to its core business and for future development.

The Directors (including all the independent non-executive Directors) consider that the terms of the Share Purchase Agreement are fair and reasonable, and the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

FINANCIAL IMPLICATIONS AND USE OF PROCEEDS FROM THE DISPOSAL

Upon Completion, the Company expects to realise a net gain of approximately HK\$28,487,773 on the Disposal, being the difference between (i) the estimated net proceeds of Disposal of approximately HK\$91,142,150 (which had not yet considered the adjustments for the operation results for the period from 1 April 2021 to the Completion Date); and (ii) 60% of the audited net assets value (excluding the current accounts of both shareholding group) of the Target Group in aggregate of approximately HK\$62,654,377 as at 31 March 2021.

The final disposal gain at the Completion Date is subject to (i) the exchange rate on the Completion Date and (ii) the amount of Adjusted Consolidated Net Assets Value at the Completion Date.

The Group intends to use the net proceeds for operating cashflow.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 25% but all of them are less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements thereunder.

As at the date of this Announcement, the Purchaser holds 40% equity interest in the Target Company and accordingly is its substantial shareholder. The Purchaser is a connected person at the subsidiary level according to Rule 14A.07(1) of the Listing Rules. Accordingly, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. By virtue of Rule 14A.101 of the Listing Rules, since (1) the Purchaser is a connected person at the subsidiary level, (2) the Board has approved the Disposal; and (3) the independent non-executive Directors have confirmed that the terms of the Disposal are fair and reasonable and the Disposal is on normal commercial terms or better and in the interests of the Company and its shareholders as a whole, the Disposal is subject to the reporting and announcement requirements, and is exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company has obtained written approval in accordance with Rule 14.44 of the Listing Rules from Perfect Group, the controlling shareholder of the Company, which is beneficially interested in an aggregate of 233,000,000 Shares, representing approximately 67.76% of the entire issued capital of the Company as at the date of this announcement.

To the best knowledge, information and belief of the Directors, as at the date of this announcement, after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Share Purchase Agreement and the transactions contemplated thereunder. As such, no Shareholder is required to abstain from voting on the resolution approving the Share Purchase Agreement and the transactions contemplated thereunder if the Company is to convene an extraordinary general meeting for the approval of the Share Purchase Agreement and the transactions contemplated thereunder. Accordingly, no extraordinary general meeting will be convened for the purpose of approving the Disposal as permitted under Rule 14.44 of the Listing Rules.

A circular containing, amongst others, further information of the Share Purchase Agreement and the Disposal is expected to be despatched to the Shareholders within 15 business days after the publication of this announcement, that is, on or before 23 July 2021. In the event that the Company is not able to despatch the circular within such period due to the time required to prepare the relevant financial and other information to be included in the circular under the Listing Rules, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and make further announcement(s) of the expected despatch date of the circular in due course.

As Completion is conditional upon fulfilment of the conditions precedent set out in the Share Purchase Agreement, the Disposal may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Adjusted Consolidated Net Asset Value”	the net asset value is based on the audited consolidated financial statements of the Target Group as of 31 March 2021, in addition with an independent third party’s assessment of the fair value of the lands and buildings held by Come Sure Quanzhou as of 31 March 2021 and the operating changes in the management accounts of the Target Group from 1 April 2021 to the Completion Date of the transaction, and excluding the current accounts between the Vendor Group and the Purchaser in the Target Group
	Renminbi accounts will be converted into Hong Kong dollars at the central parity rate reported by the People’s Bank of China on the Completion Date
“Board”	Board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which banks in Hong Kong are open for business and provide normal banking services
“Come Sure Quanzhou”	Come Sure Packing Products (Quanzhou) Company Limited* (錦勝包裝(泉州)有限公司), a company incorporated in the PRC with limited liability which is a wholly-owned subsidiary of the Target Company

* for identification purposes only

“Company”	Come Sure Group (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 794)
“Completion”	completion of the Share Purchase Agreement in accordance with its terms
“Completion Date”	3 Business Days after the conditions precedent being satisfied, or waived by the Purchaser if applicable in any event no later than 31 August 2021 (or such other date as may be agreed by the Parties in writing)
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Consideration”	the consideration of the Sale Shares calculated by multiplying the Adjusted Consolidated Net Asset Value of the Target Company on the Completion Date by 60% payable by the Purchaser to the Vendor under the Disposal in accordance with the terms of the Share Purchase Agreement
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Vendor to the Purchaser
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Vendor”	Mass Winner Holdings Limited, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company
“Perfect Group”	Perfect Group Version Limited, a company incorporated in the British Virgin Islands with limited liability and a controlling shareholder of the Company

“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan)
“Purchaser”	Wiseland International Holdings Limited, a company incorporated in Hong Kong with limited liability
“Sale Shares”	6,000 ordinary shares of the Target Company, being 60% of its entire issued share capital owned by the Vendor
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued and unissued share capital of the Company
“Shareholder(s)”	the shareholders of the Company
“Share Purchase Agreement”	the conditional sale and purchase agreement dated 2 July 2021 between the Vendor and the Purchaser in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Turbo Best Holdings Limited, a company incorporated in Hong Kong with limited liability which is owned as to 60% by the Vendor and 40% by the Purchaser
“Target Group”	Target Company and Come Sure Quanzhou
“%”	per cent

By Order of the Board
Come Sure Group (Holdings) Limited
CHONG Kam Chau
Chairman

Hong Kong, 2 July 2021

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. CHONG Kam Chau, Mr. CHONG Wa Pan and Mr. CHONG Wa Ching; and three independent non-executive Directors, namely Mr. CHAU On Ta Yuen, Ms. TSUI Pui Man and Mr. LAW Tze Lun.