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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

**(1) COMPLETION OF THE CONDITIONAL AGREEMENT IN RELATION TO
THE SALE AND PURCHASE OF THE SHARES IN KHOON GROUP LIMITED;**

AND

**(2) 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



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 (the “**R3.5 Announcement**”); and (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 (the “**Delay in Despatch Announcement**”). Unless the context requires otherwise, terms defined in the R3.5 Announcement shall have the same meanings when used herein.

COMPLETION OF THE SHARE PURCHASE AGREEMENT

The Offeror and the Company (as informed by the Vendor and the Offeror) are pleased to announce that all the conditions under the Share Purchase Agreement have been fulfilled and the Completion took place on 27 January 2023. The Offeror acquired 550,000,000 Shares (representing 55.0% of the total issued share capital of the Company) from the Vendor at the Consideration of HK\$152,500,000 (equivalent to approximately HK\$0.277 per Sale Share). Thus, immediately after the Completion and as at the date of this joint announcement, the Offeror and parties acting, and presumed to be acting, in concert with it hold 550,000,000 Shares, representing 55.0% of the total issued share capital of the Company.

MANDATORY UNCONDITIONAL CASH OFFER

As the Completion has taken place, the Offeror is required to make the Offer in accordance with Rule 26.1 of the Takeovers Code. Mighty Divine will make the Offer for and on behalf of the Offeror 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.

DESPATCH OF THE COMPOSITE DOCUMENT

As stated in the R3.5 Announcement, it is the intention of the Offeror and the Company to combine the offer document and the offeree's board circular in the Composite Document to be posted.

As disclosed in the Delay in Despatch Announcement, an application has been made to the Executive pursuant to Note 2 to Rule 8.2 of the Takeovers Code for the Executive's consent to extend the deadline for the despatch of the Composite Document. Pursuant to the consent granted by the Executive under Note 2 to Rule 8.2 of the Takeovers Code on 11 January 2023, the Composite Document setting out, among others, (i) further details of the Offer; (ii) the recommendation from the Independent Board Committee; (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; and (iv) the relevant form(s) of acceptance and transfer, should be despatched to the Shareholders not later than a date falling within seven (7) days after the Completion Date or 7 February 2023 (being seven (7) days after the Long Stop Date of 31 January 2023), whichever is earlier. As the Completion took place on 27 January 2023, the Composite Document is expected to be despatched to the Shareholders on or before 3 February 2023 or such later date as the Executive may approve.

Further announcement(s) regarding the despatch of the Composite Document will be made jointly by the Offeror and the Company as and when appropriate.

WARNING

The Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If the Shareholders and potential investors of the Company are in any doubt about their position or as to the action they should take, they should consult their stockbroker, bank manager, solicitor or other professional advisers.

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, 27 January 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.