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PRESTIGE RICH HOLDINGS LIMITED

(Incorporated in the BVI with limited liability)

CHONG KIN GROUP HOLDINGS LIMITED

創建集團(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1609)

JOINT ANNOUNCEMENT

**(1) ACQUISITION OF CONTROLLING INTEREST IN
CHONG KIN GROUP HOLDINGS LIMITED
BY PRESTIGE RICH HOLDINGS LIMITED;**

**(2) UNCONDITIONAL MANDATORY CASH GENERAL OFFER BY
OPTIMA CAPITAL LIMITED
ON BEHALF OF PRESTIGE RICH HOLDINGS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
CHONG KIN GROUP HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY
PRESTIGE RICH HOLDINGS LIMITED AND
PARTIES ACTING IN CONCERT WITH IT);**

AND

(3) RESUMPTION OF TRADING

**Financial adviser to
Prestige Rich Holdings Limited**



**Joint financial advisers to
Chong Kin Group Holdings Limited**



THE AGREEMENT

The Board was informed by the Vendor that after the Stock Exchange trading hours on 29 November 2017, the Vendor (being seller), Mr. Chan and Mr. Cheung (both being guarantors of the Vendor, on a joint and several basis), the Offeror (being purchaser) and Mr. Zhang (being guarantor of the Offeror) entered into the Agreement, pursuant to which the Offeror agreed to acquire from the Vendor the Sale Shares (being 573,600,000 Shares representing 75% of the entire issued share capital of the Company as at the date of the Agreement and the date of this joint announcement) for a consideration of HK\$660,000,000 (equivalent to approximately HK\$1.15062 per Sale Share). Completion took place immediately after signing of the Agreement.

UNCONDITIONAL MANDATORY CASH OFFER

Immediately prior to Completion, the Offeror and parties acting in concert with it were not interested in any of the issued share capital of the Company. Upon Completion and as at the date of this joint announcement, the Offeror is interested in 573,600,000 Shares, representing 75% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory general offer in cash for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

Optima Capital will make the Offer for and on behalf of the Offeror in compliance with the Takeovers Code on the following terms:

For every Offer Share HK\$1.1507 in cash

The Offer will be unconditional in all respects when made.

As at the date of this joint announcement, there are 764,800,000 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares or other types of equity interest, and has not entered into any agreement for the issue of such options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) convertible into Shares as at the date of this joint announcement. Taking into account the 573,600,000 Shares that are already owned or agreed to be acquired by the Offeror and parties acting in concert with it, a total of 191,200,000 Shares will be subject to the Offer.

Based on the Offer Price of HK\$1.1507 per Offer Share and a total of 191,200,000 Offer Shares (assuming there is no change in the total number of issued Shares from the date of this joint announcement up to the making of the Offer), the value of the Offer will amount to approximately HK\$220 million. The Offeror intends to finance the Offer by its internal resources.

Optima Capital, being the financial adviser to the Offeror, is satisfied that there are sufficient financial resources available to the Offeror to satisfy the amount of funds required for full acceptance of the Offer.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Miu Hon Kit, Mr. Leung Chi Wai and Mr. Seid Ka Him, who have no direct or indirect interest in the Offer, has been established by the Company in accordance with Rule 2.1 and Rule 2.8 of the Takeovers Code to make a recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer. An Independent Financial Adviser will be appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offer. Further announcement will be made by the Company in respect of the appointment of the Independent Financial Adviser as soon as practicable after the appointment thereof.

DESPATCH OF THE COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Offeror and the Company are required to despatch the Composite Document containing, among other things, (i) details of the Offer and its terms and conditions (including the expected timetable); (ii) a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the Offer; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer; and (iv) the form of acceptance and transfer for the Offer Shares, to the Shareholders within 21 days after the date of this joint announcement. It is expected that the Composite Document will be despatched on or before 22 December 2017.

WARNING

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their own professional advisers.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on Thursday, 30 November 2017 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 with effect from 9:00 a.m. on Monday, 4 December 2017.

THE AGREEMENT

The Board was informed by the Vendor that after the Stock Exchange trading hours on 29 November 2017, the Vendor (being seller), Mr. Chan and Mr. Cheung (both being guarantors of the Vendor, on a joint and several basis), the Offeror (being purchaser) and Mr. Zhang (being guarantor of the Offeror) entered into the Agreement, pursuant to which the Offeror agreed to acquire from the Vendor the Sale Shares for a consideration of HK\$660,000,000 (equivalent to approximately HK\$1.15062 per Sale Share).

Principal terms of the Agreement are set out below:

Date

29 November 2017

Parties

- (i) The Vendor, being the seller;
- (ii) Mr. Chan, being one of the guarantors of the Vendor;
- (iii) Mr. Cheung, being one of the guarantors of the Vendor;
- (iv) the Offeror, being the purchaser; and
- (v) Mr. Zhang, being the guarantor of the Offeror.

Immediately prior to the entering into of the Agreement, the Offeror and parties acting in concert with it were not interested in any of the issued share capital of the Company, and the Offeror and its ultimate beneficial owner were third parties independent of and not connected with the Company or its connected persons (as defined in the Listing Rules). The Offeror became a controlling shareholder of the Company immediately following Completion which took place on 29 November 2017. Further information of the Offeror is set out in the section headed “Information on the Offeror” below in this joint announcement.

The Sale Shares

Pursuant to the Agreement, the Offeror agreed to acquire and the Vendor agreed to sell the Sale Shares, being 573,600,000 Shares, representing 75% of the entire issued share capital of the Company as at the date of the Agreement. The Sale Shares shall be acquired free from all encumbrances and 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 of Completion.

Consideration

The consideration for the Sale Shares is HK\$660,000,000 (equivalent to approximately HK\$1.15062 per Sale Share), which has been fully paid by the Offeror to the Vendor in cash upon Completion.

The consideration was determined after arm’s length negotiations between the Offeror and the Vendor taking into account (i) the unaudited consolidated net assets of the Group as at 30 September 2017; and (ii) the control premium attributable to the Sale Shares.

Warranties and indemnity

The Vendor has warranted to the Offeror that, among other things, the Group shall have a net cash and bank balances (calculated by reference to the total cash and bank balance less bank overdrafts, bank loans, finance leases or any other banking facilities of the Group (either due or undue) (if any)) of not less than HK\$90 million at Completion. Subject to the terms and limitations under the Agreement, the Vendor agreed to indemnify and keep the Offeror indemnified from and against all substantiated losses which the Offeror shall have incurred or sustained from or in consequence of any breach of the warranties given by the Vendor in the Agreement to the extent of, among others, the aggregate amount of liability not exceeding HK\$660,000,000 and receipt of the written notice of the claim relating to the warranties not later than the expiry of the period of one year from the date of Completion.

Completion

Completion took place immediately after signing of the Agreement on 29 November 2017.

UNCONDITIONAL MANDATORY CASH OFFER

Immediately prior to Completion, the Offeror and parties acting in concert with it were not interested in any of the issued share capital of the Company. Upon Completion and as at the date of this joint announcement, the Offeror is interested in 573,600,000 Shares, representing 75% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory general offer in cash for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

Principal terms of the Offer

Optima Capital will make the Offer on behalf of the Offeror in compliance with the Takeovers Code on the following terms:

For every Offer Share HK\$1.1507 in cash

The Offer Price of HK\$1.1507 per Offer Share is determined at a price of no less than the consideration of approximately HK\$1.15062 per Sale Share paid by the Offeror under the Agreement.

As at the date of this joint announcement, the Company has 764,800,000 Shares in issue. The Company has no outstanding securities, options, derivatives or warrants which are convertible or exchangeable into the Shares or other types of equity interest, and has not entered into any agreement for the issue of such securities, options, derivatives or warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) convertible into Shares as at the date of this joint announcement.

The Offer will be unconditional in all respects when made.

The Offer Price

The Offer Price of HK\$1.1507 per Offer Share represents:

- (i) a discount of approximately 50.8% to the closing price of HK\$2.34 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 45.5% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to and including the Last Trading Day of approximately HK\$2.11 per Share;
- (iii) a discount of approximately 42.5% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to and including the Last Trading Day of HK\$2.00 per Share;
- (iv) a discount of approximately 22.4% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 30 consecutive trading days immediately prior to and including the Last Trading Day of approximately HK\$1.48 per Share; and
- (v) a premium of approximately 307.8% over the unaudited consolidated net asset value of the Group of approximately HK\$0.2822 per Share as at 30 September 2017 (calculated by dividing the unaudited consolidated net asset of the Group of approximately HK\$215.8 million as at 30 September 2017 as disclosed in the interim report of the Company dated 8 November 2017 by 764,800,000 issued Shares as at that date).

Highest and lowest Share prices

During the six-month period immediately preceding and up to the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$2.34 per Share on 29 November 2017, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.50 per Share on 1 August 2017, 2 August 2017, 10 August 2017, 11 August 2017 and 16 August 2017 respectively.

Value of the Offer

As at the date of this joint announcement, there are 764,800,000 Shares in issue. Based on the Offer Price of HK\$1.1507 per Offer Share, the entire issued share capital of the Company is valued at approximately HK\$880.1 million. Taking into account the 573,600,000 Shares that are already owned or agreed to be acquired by the Offeror and parties acting in concert with it, a total of 191,200,000 Shares will be subject to the Offer.

Based on the Offer Price of HK\$1.1507 per Offer Share and a total of 191,200,000 Offer Shares (assuming there is no change in the total number of issued Shares from the date of this joint announcement up to the making of the Offer), the value of the Offer will amount to approximately HK\$220 million.

Confirmation of financial resources available for the Offer

The Offeror intends to finance the maximum cash consideration payable under the Offer of approximately HK\$220 million by its internal resources.

Optima Capital, being the financial adviser to the Offeror, is satisfied that there are sufficient financial resources available to the Offeror to satisfy the amount of funds required for full acceptance of the Offer.

Effect of accepting the Offer

The acceptance of the Offer by the Shareholders will constitute warranties by such Shareholders to the Offeror that the Shares acquired under the Offer are fully paid, free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of posting of the Composite Document.

The Offer will be made in compliance with the Takeovers Code which is administered by the Executive. Acceptance of the Offer shall be irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code.

Independent Shareholders are reminded to read the letter from the Independent Board Committee containing its recommendations to the Independent Shareholders in respect of the Offer and the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offer which will be included in the Composite Document before making decision as regards the Offer.

Dealing and interest in the Company's securities

During the six-month period prior to the date of this joint announcement, the Offeror has dealt in the Shares as follows:

Date	Nature of dealing	Number of Shares involved	Price per Share <i>HK\$</i>
<i>2017</i>			
4 September	Purchase	6,660,000	0.8420
5 September	Purchase	560,000	0.8507
6 September	Purchase	2,480,000	0.9186
7 September	Purchase	650,000	0.9200
8 September	Purchase	300,000	0.9000
11 September	Purchase	3,760,000	0.9544
13 September	Purchase	100,000	0.9400
06 October	Sale	(3,500,000)	1.0900
09 October	Sale	(11,010,000)	1.1486

Save for the above and the Agreement, none of the Offeror, its ultimate beneficial owner and parties acting in concert with any of them has dealt in the Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period prior to the date of this joint announcement.

Stamp duty

In Hong Kong, the seller's ad valorem stamp duty arising in connection with acceptance of the Offer will be payable by the relevant Independent Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptance of the Offer, whichever is the higher, which will be deducted from the cash amount payable by the Offeror to such Independent Shareholders on acceptance of the Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty would be rounded-up to the nearest HK\$1). The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Payment

Payment in cash in respect of acceptance of the Offer will be made as soon as possible but in any event within seven (7) Business Days of the date on which the duly completed form of acceptance and transfer for the Offer Shares and the relevant documents of title of the Offer Shares in respect of such acceptance are received by the Offeror or its agent acting on behalf of it to render each of such acceptance complete and valid pursuant to the Takeovers Code.

Taxation advice

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror and parties acting in concert with it, the Company, and their respective ultimate beneficial owners, directors, officers, 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.

Overseas Shareholders

The availability of the Offer to persons who are not residents in Hong Kong or who have registered addresses outside Hong Kong may be affected by the applicable laws of the relevant jurisdiction in which they reside. Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements in their own jurisdictions and, where necessary, seek their own legal advice. It is the 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 by such Overseas Shareholders in respect of such jurisdictions).

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

Offeror's confirmations

The Offeror confirms that as at the date of this joint announcement:

- (i) the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them have not received any irrevocable commitment to accept or reject the Offer;
- (ii) there are no outstanding derivatives in respect of the securities in the Company which is owned, controlled or directed by, or have been entered into by the Offeror, its ultimate beneficial owner and/or any person acting in concert with any of them;
- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Shares and which may be material to the Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (iv) save for the Sale Shares, none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (v) there is no agreement or arrangement to which the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (vi) none of the Offeror, its ultimate beneficial owner, and/or parties 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;
- (vii) there are no conditions (including normal conditions relating to acceptance, listing and increase of capital) to which the Offer is subject;
- (viii) other than the consideration for the Sale Shares, there are no other considerations, compensations or benefits in whatever form provided by the Offeror and parties acting in concert with it to the Vendor and parties acting in concert with it; and
- (ix) there are no special deals (as defined under Rule 25 of the Takeovers Code) between the Offeror and parties acting in concert with it on one hand and the Vendor and parties acting in concert with it on the other hand.

INFORMATION ON THE OFFEROR

The Offeror was incorporated in the BVI with limited liability and the ultimate beneficial owner is Mr. Zhang, who is also the sole director of the Offeror. The Offeror is principally engaged in investment holding.

Mr. Zhang graduated from Guangzhou Foreign Language Institute (廣州外國語學院) with a Bachelor's Degree of Arts in 1994. From 2004 to 2006, he worked as a general manager for Guangdong Copper Alloy Material Company Limited (廣東銅合金屬材料有限公司). He founded China Golden Holdings Limited in 2006, which is principally engaged in trading of coppers, car parts and stationeries. He has extensive experience in corporate management and has private investments in property development projects in the PRC. Mr. Zhang was an executive director of Synertone Communication Corporation (stock code: 1613), a company listed on the Stock Exchange, for the period from August 2012 to April 2014. Mr. Zhang has served on the board of directors of O Luxe Holdings Limited ("O Luxe") (stock code: 860), a company listed on the Stock Exchange, since January 2015. As at the date of this joint announcement, Mr. Zhang is a non-executive director and the co-chairman of O Luxe. O Luxe and its subsidiaries are principally engaged in a wide range of business including exports and domestic trading, retail and wholesale of jewellery products and watches, money lending, securities investments, property investment, mining, manufacturing of electronic vehicles and the provision of related engineering solutions.

INTENTION OF THE OFFEROR ON THE COMPANY

As detailed in the section headed "Information on the Group" below, the Group is principally engaged in providing concrete placing services and other ancillary services.

The Offeror intends to continue the existing principal businesses of the Group. After the close of the Offer, the Offeror will conduct a detailed review of the existing principal business operations and financial position of the Group for the purpose of formulating a sustainable business plan or strategy for the Group's future development. Subject to the results of the review, the Offeror may explore other business opportunities and consider whether any asset disposals, asset acquisitions, fund raising, business rationalisation, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Company. Should such corporate actions materialise, further announcement(s) will be made by the Company in accordance with the Listing Rules as and when appropriate.

Notwithstanding the above, as at the date of this joint announcement, no investment or business opportunity has been identified, nor has the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group. The Offeror has no intention to discontinue the employment of the employees (save for the proposed changes to the Board as described in the section headed "Proposed change of the Board composition" below) or to dispose of or re-deploy the fixed assets of the Group other than those in its ordinary and usual course of business.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror has no intention to privatise the Company and intends that the Company will remain listed on the Main Board of the Stock Exchange after the close of the Offer. The sole director of the Offeror will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that sufficient public float of not less than 25% of the issued Shares will be held by the public after the close of the Offer.

The Stock Exchange has stated that if, at the close of the Offer, less than 25% of the issued 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, then the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares.

PROPOSED CHANGE OF THE BOARD COMPOSITION

As at the date of this joint announcement, the Board comprises three executive Directors, namely Mr. Cheung Yuk Kei, Mr. Cheung Man Tim and Mr. Fung Chi Chung, and three independent non-executive Directors, namely Mr. Miu Hon Kit, Mr. Leung Chi Wai and Mr. Seid Ka Him.

The Offeror intends to nominate director(s) (including Mr. Zhang) to the Board for appointment with effect from a date which is no earlier than such date as permitted for resignation and appointment of Directors under Rule 26.4 of the Takeovers Code. All the existing Directors intend to resign from the Board with effect from the earliest date as permitted under the Takeovers Code or other applicable laws, whichever is the later, but Mr. Cheung Yuk Kei will remain as a director of certain operating subsidiaries of the Group. As at the date of this joint announcement, the Offeror has not decided on the future composition of the Board. Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement for the details of the change of the Board composition and biographies of Directors will be made by the Company as and when appropriate.

As disclosed in the section headed “Information on the Offeror” above, Mr. Zhang possesses rich experience in corporate and business management of a wide range of industry. The Offeror believes that Mr. Zhang has the experience and skill sets to oversee the business of the Group which will continue to be operated by the existing directors and senior management of the operating subsidiaries under the supervision of the Board.

INFORMATION ON THE GROUP

Principal business

The Group is principally engaged in provision of concrete placing services and other ancillary services.

Financial information

Set out below is a summary of the audited consolidated results of the Group for the two financial years ended 31 March 2016 and 31 March 2017, and the unaudited consolidated results of the Group for the six months ended 30 September 2017, as extracted from the annual report of the Company for the year ended 31 March 2017 and the interim report of the Company for the six months ended 30 September 2017, respectively.

	For the six months ended 30 September 2017 (Unaudited) HK\$'000	For the year ended 31 March 2017 (Audited) HK\$'000	For the year ended 31 March 2016 (Audited) HK\$'000
Turnover	218,231	485,646	378,479
Profit before income tax	20,902	52,022	37,708
Profit and total comprehensive income for the period/year attributable to owners of the Company	17,228	44,425	30,207

The audited consolidated net assets of the Group as at 31 March 2016 and 31 March 2017 were approximately HK\$84,837,000 and HK\$198,559,000, respectively. The unaudited consolidated net assets of the Group as at 30 September 2017 were approximately HK\$215,787,000.

Shareholding structure

Set out below are the shareholding structures of the Company (i) immediately prior to Completion; and (ii) immediately after Completion but before the Offer:

	Immediately prior to Completion		Immediately after Completion but before the Offer	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
The Vendor and parties acting in concert with it (<i>Note</i>)	573,600,000	75.0	–	–
The Offeror and parties acting in concert with it	–	–	573,600,000	75.0
Public Shareholders	191,200,000	25.0	191,200,000	25.0
Total	764,800,000	100.0	764,800,000	100.0

Note: Immediately prior to Completion, these Shares were held by the Vendor, the entire issued share capital of which is owned as to 70% by Mr. Cheung, being the executive Director and the chairman of the Board, and 30% by Mr. Chan.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Miu Hon Kit, Mr. Leung Chi Wai and Mr. Seid Ka Him, who have no direct or indirect interest in the Offer, has been established by the Company in accordance with Rule 2.1 and Rule 2.8 of the Takeovers Code to make a recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer. An Independent Financial Adviser will be appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offer. Further announcement will be made by the Company in respect of the appointment of the Independent Financial Adviser as soon as practicable after the appointment thereof.

DESPATCH OF COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Offeror and the Company are required to despatch the Composite Document containing, among other things, (i) details of the Offer and its terms and conditions (including the expected timetable); (ii) a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the Offer; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer; and (iv) the form of acceptance and transfer for the Offer Shares, to the Shareholders within 21 days after the date of this joint announcement. It is expected that the Composite Document will be despatched on or before 22 December 2017.

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

DEALING DISCLOSURES

In accordance with Rule 3.8 of the Takeovers Code, the respective associates of the Company and the Offeror (including but not limited to a person who owns or controls 5% or more of any class of relevant securities of the Company or the Offeror or any person who as a result of any transaction owns or controls 5% or more of any class of relevant securities of the Company or the Offeror) are reminded to disclose their dealings in the relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

Reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code in accordance with Rule 3.8 of the Takeovers Code:

“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 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.”

WARNING

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their own professional advisers.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on Thursday, 30 November 2017 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 with effect from 9:00 a.m. on Monday, 4 December 2017.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this joint announcement:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associates”	has the meaning ascribed to it under the Takeovers Code
“Agreement”	the sale and purchase agreement dated 29 November 2017 entered into among the Offeror, Mr. Zhang (being guarantor of the Offeror), the Vendor, Mr. Chan and Mr. Cheung (both being guarantors of the Vendor, on a joint and several basis) in relation to the acquisition of the Sale Shares by the Offeror from the Vendor

“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“Company”	Chong Kin 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: 1609)
“Completion”	completion of the sale and purchase of the Sale Shares under the Agreement
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company to the Shareholders in connection with the Offer in compliance with the Takeovers Code
“Director(s)”	director(s) of the Company from time to time
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegates of the Executive Director
“Group”	the Company and its subsidiaries (from time to time)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors who have no direct or indirect interest in the Offer, which has been formed for the purpose of advising the Independent Shareholders in respect of the Offer
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offer
“Independent Shareholders”	Shareholders other than the Offeror and parties acting in concert with it
“Last Trading Day”	29 November 2017, being the last trading day on which the Shares were traded on the Stock Exchange immediately before the publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Mr. Chan”	Mr. Chan Yiu Hung, the beneficial owner of 30% of the issued share capital of the Vendor

“Mr. Cheung”	Mr. Cheung Yuk Kei, an executive Director and the Chairman of the Board, and the beneficial owner of 70% of the issued share capital of the Vendor
“Mr. Zhang”	Mr. Zhang Jinbing, the ultimate and sole beneficial owner of the entire issued share capital of the Offeror and the sole director of the Offeror
“Offer”	the unconditional mandatory cash offer to be made by Optima Capital on behalf of the Offeror to acquire the Offer Shares on the terms and conditions set out in this joint announcement and in compliance with the Takeovers Code
“Offer Price”	HK\$1.1507 for each Offer Share payable by the Offeror to the Independent Shareholders accepting the Offer
“Offer Share(s)”	the Share(s) subject to the Offer, being the Share(s) other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it
“Offeror”	Prestige Rich Holdings Limited, a company incorporated in the BVI with limited liability, being the purchaser of the Sale Shares under the Agreement and the offeror in respect of the Offer
“Optima Capital”	Optima Capital Limited, a corporation licensed under the SFO to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities, being the financial adviser to the Offeror in relation 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
“PRC”	the People’s Republic of China
“Sale Share(s)”	an aggregate of 573,600,000 Shares, representing 75% of the entire issued share capital of the Company as at the date of this joint announcement, acquired by the Offeror from the Vendor pursuant to the terms and conditions of the Agreement
“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)”	ordinary share(s) with par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Vendor”	Pioneer Investment Limited, a company incorporated in the BVI with limited liability, being the vendor of the Sale Shares under the Agreement and the controlling shareholder of the Company interested in 75% of the entire issued share capital of the Company immediately prior to Completion, which is ultimately owned as to 70% by Mr. Cheung, being the executive Director and the chairman of the Board, and 30% by Mr. Chan, as at the date of this joint announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the sole director
Prestige Rich Holdings Limited
Zhang Jinbing
Sole Director

By order of the Board
Chong Kin Group Holdings Limited
Cheung Yuk Kei
Chairman

Hong Kong, 1 December 2017

As at the date of this joint announcement, the sole director of the Offeror is Mr. Zhang.

Mr. Zhang accepts full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to 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 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.

As at the date of this joint announcement, the Board comprises three executive Directors, namely Mr. Cheung Yuk Kei, Mr. Cheung Man Tim and Mr. Fung Chi Chung, and three independent non-executive Directors, namely Mr. Miu Hon Kit, Mr. Leung Chi Wai and Mr. Seid Ka Him.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than any 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, opinion 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.