

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **e-Kong Group Limited**

*(Incorporated in Bermuda with limited liability)*

*www.e-kong.com*

**(Stock Code: 524)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF ALL THE ISSUED SHARE OF DIAMOND FRONTIER INVESTMENTS LIMITED**

The Board is pleased to announce that on 24 June 2016, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Share at the Consideration of RMB80,000,000.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are independent of the Company and connected persons of the Company.

As one or more applicable percentage ratios in respect of the Acquisition exceed 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the Shareholders' approval under the Listing Rules.

#### **THE SALE AND PURCHASE AGREEMENT**

The Board is pleased to announce that on 24 June 2016, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Share at the Consideration of RMB80,000,000.

#### **Date**

24 June 2016

## **Parties**

- (a) Summer Beach International Limited, as the vendor
- (b) Stage Charm Limited, as the purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are independent of the Company and connected persons of the Company.

## **Assets to be acquired**

Pursuant to the Sale and Purchase Agreement, the Purchaser conditionally agreed to purchase and the Vendor conditionally agreed to sell the Sale Share, representing all the issued share of the Target Company as at the date of the Sale and Purchase Agreement.

## **Consideration**

The Consideration for the Acquisition amounts to RMB80,000,000, which shall be paid by the Purchaser to the Vendor in Hong Kong dollars at the Reference Exchange Rate in the following manner:

- (a) HK\$57,000,000 was paid to the Vendor on the date of execution of the Sale and Purchase Agreement; and
- (b) subject to any claim for indemnification pursuant to the terms of the Sale and Purchase Agreement, the balance of the Consideration shall be paid to the Vendor on or before 30 December 2016.

The Company will settle the Consideration by way of internally generated funds and available banking facilities of the Group.

The Consideration was agreed on normal commercial terms and after arm's length negotiation between the Vendor and the Purchaser with reference to (i) the prospects of the business of the Project Company; (ii) the fair value of the Project Company; and (iii) other factors set out in paragraph headed "Reasons for and benefits of the Acquisition" below. The Directors consider that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Completion**

Completion took place on the date of the Sale and Purchase Agreement.

After Completion, the Target Company has become a wholly-owned subsidiary of the Purchaser and the financial results of the Target Group will be consolidated with those of the Group.

## **INFORMATION ON THE GROUP**

### **The Group**

The principal activity of the Company is investment holding. The Group currently has a portfolio of business interests in the telecommunications and information technology sectors in Hong Kong and Singapore. For the existing business in Hong Kong, the Group remains mainly focused in expanding the project-based segment of business which involves design, implementation and ongoing support of integrated enterprise-grade telecom systems and IT solutions and in Singapore, it continues to grow its enterprise customer base through various unconventional marketing campaigns and product building strategies. The Group makes further progress in expanding its cloud services in Singapore and around the neighboring regions. In addition, The Group is actively pursuing other opportunities that are complementary to its existing operations, in particular, in the technology and e-commerce related business which have high growth potential, ability to generate healthy cashflows and capabilities to produce optimum return on capital.

### **Stage Charm Limited**

Stage Charm Limited is a British Virgin Islands incorporated company wholly-owned by the Company for the purpose of the Acquisition. Its principal business is investment holding.

## **INFORMATION ON THE VENDOR, THE TARGET COMPANY AND THE PROJECT COMPANY**

The Vendor is an investment holding company incorporated in the British Virgin Islands with limited liability.

The Target Company is an investment holding company incorporated in the British Virgin Islands with limited liability. It owns 90% equity interest in the registered capital of the Project Company. The Project Company, established in 2009, is a comprehensive payment support operation business partner with China Unicom, China Mobile and China UnionPay, focusing on providing integrated financial payment processing solutions. It principally engages in the business of provision of financial solution, advertising and software development services by using e-commerce platform to facilitate businesses. The Project Company owns 50% equity interests in the registered capital of Hangzhou Fusu, a company established in 2015 which conducts the business of research and development of technology information.

## FINANCIAL INFORMATION OF THE TARGET COMPANY

The Target Company was incorporated on 18 September 2015. Thus, no financial information was available for the year ended 31 December 2014. Set out below is the financial information of the Target Company for the period from the date of incorporation of the Target Company to 31 December 2015, which was prepared on a basis consistent with the Hong Kong Financial Reporting Standards:

**For the period from  
18 September 2015 to  
31 December 2015**  
*HK\$*  
(Unaudited)

Profit/(loss) before taxation	–
Profit/(loss) after taxation	–
Net assets/(liabilities)	7.8

## FINANCIAL INFORMATION OF THE PROJECT COMPANY

As at the date of this announcement, the principal asset of the Target Company was the investment of 90% equity interest of the Project Company. Set out below is the financial information of the Project Company for each of the two years ended 31 December 2014 and 2015:

	<b>For the year ended 31 December 2014</b>	<b>For the year ended 31 December 2015</b>
	<i>HK\$</i>	<i>HK\$</i>
	(Unaudited)	(Audited)
		<i>(Note 1)</i>
Profit/(loss) before taxation	(635,104)	7,649,861
Profit/(loss) after taxation	(635,104)	6,004,450
Net assets/(liabilities)	1,418,928	7,111,554

*Note 1:*

The information is extracted from the audited financial statements of the Project Company which was prepared in accordance with the Hong Kong Financial Reporting Standards. Hangzhou Fusu is classified as a joint venture of the Project Company since January 2015. Therefore, the financial information of the Project Company for the year ended 31 December 2015 has reflected the Project Company's share of result of Hangzhou Fusu for the period.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Board believes that the Acquisition would broaden the Group's revenue stream by providing comprehensive and integrated financial solutions services to customers and businesses. In addition, through the cooperation with China Unicom, China Mobile, China UnionPay as well as leading Chinese banks, the Project Company handles considerable number of transactions and has first-hand access to reliable and accurate data base on customers' spending patterns and credit reports. The Board believes that it offers great business potential opportunities for marketing uses and credit and risk assessment through big data analysis and processing to corporates and financial institutions, and it will generate significant return on investment for the Group. The Board is of the view that the terms of the Sale and Purchase Agreement are fair and reasonable and are on normal commercial terms and the Acquisition is in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one or more applicable percentage ratios in respect of the Acquisition exceed 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the Shareholders' approval under the Listing Rules.

## **DEFINITIONS**

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

“Acquisition”	the acquisition of the Sale Share pursuant to the Sale and Purchase Agreement
“Board”	the board of Directors
“Company”	e-Kong Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms of the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	consideration payable by the Purchaser to the Vendor for the Acquisition, which shall be RMB80,000,000 subject to the terms of the Sale and Purchase Agreement
“Director”	director of the Company
“Group”	the Company and its subsidiaries

“Hangzhou Fusu”	杭州芙蘇科技有限公司(Hangzhou Fusu Technology Company Limited*), a company established in Hangzhou, PRC with limited liability
“HK\$”	Hong Kong dollar, 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
“PRC”	The People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Project Company”	杭州蘇頌科技有限公司(Hangzhou Susong Technology Company Limited*), a company established in Hangzhou, PRC with limited liability
“Purchaser”	Stage Charm Limited, a company incorporated in the British Virgin Islands which is a wholly-owned subsidiary of the Company
“Reference Exchange Rate”	the medium price for exchange between HK\$ and RMB published by the Bank of China (Hong Kong) Limited on the date which is the business day immediately before each of the relevant dates of payment for any part of the Consideration
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 24 June 2016 entered into between the Vendor and the Purchaser in relation to the Acquisition
“Sale Share”	one issued ordinary share of the Target Company, representing all the issued share of the Target Company
“Shareholder”	holder of the Shares
“Shares”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	Diamond Frontier Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“Target Group”	the Target Company and its subsidiaries, and “Target Group Company” means any one of them
“Vendor”	Summer Beach International Limited, a company incorporated in the British Virgin Islands with limited liability
“%”	per cent

By Order of the Board  
**e-Kong Group Limited**  
**Yeung Chun Wai Anthony**  
*Chairman and Chief Executive Officer*

Hong Kong, 24 June 2016

*As at the date of this announcement, the Board of the Company comprises Mr. Yeung Chun Wai, Anthony, Mr. Chan Chi Yuen, Mr. Wong Xiang Hong and Mr. Yeung Chun Sing Standly as executive Directors; and Mr. Chan Chiu Hung, Alex, Mr. Fung Chan Man, Alex and Mr. Chan Fong Kong, Francis as independent non-executive Directors.*

\* *The English translation of the Chinese names of the companies established in PRC is for illustration purpose only.*