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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)**

### **DISCLOSEABLE AND CONNECTED TRANSACTION – NON-EXERCISE OF PRE-EMPTIVE RIGHTS AND THE ENTERING INTO OF THE DEED OF ADHERENCE**

#### **NON-EXERCISE OF PRE-EMPTIVE RIGHTS AND THE ENTERING INTO OF THE DEED OF ADHERENCE**

Turbo Best is a joint venture company established by Mass Winner and Crown Gold pursuant to the Joint Venture Agreement.

Under the Joint Venture Agreement, each Joint Venture Party may, subject to having given notice to and the consent of the other party, transfer its/his equity interest to a third party provided that the other Joint Venture Party shall be entitled to the Pre-emptive Rights of such transfer. On 13 September 2019, Mass Winner received a notice from Crown Gold in respect of the Proposed Transfer of the Relevant Interests held by Crown Gold to Wiseland International.

By a resolution dated 20 September 2019, the Board approved that Mass Winner would not exercise the Pre-emptive Rights to acquire the Relevant Interest under the Proposed Transfer. As none of the Directors has a material interest in the non-exercise of the Pre-emptive Rights, no Director is required to abstain from voting at the relevant board resolution(s) pursuant to the Listing Rules.

As a result of the non-exercise of the Pre-emptive Rights and by a resolution dated 20 September 2019, the Board approved that Mass Winner to enter into the Deed of Adherence with Turbo Best, Crown Gold and Wiseland International, pursuant to which Wiseland International covenants to be bound by all the terms of the Joint Venture Agreement. Upon execution of the Deed of Adherence, Wiseland International would have the same rights and obligations that Crown Gold has under the Joint Venture Agreement.

No consideration would be payable or received by the Group pursuant to the non-exercise of the Pre-emptive Rights and the entering into of the Deed of Adherence.

#### **IMPLICATION UNDER THE LISTING RULES**

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the non-exercise of Pre-emptive Rights and the entering into of the Deed of Adherence exceed 5% but are less than 25%, the non-exercise of the Pre-emptive Rights and the entering into of the Deed of Adherence constitute a discloseable transaction for the Company and are subject to the announcement requirement under Chapter 14 of the Listing Rules.

As Mr. Zhang Cheng Fei (being the controlling shareholder of Nine Dragons) is interested in 40% of the issued share capital of Turbo Best through Crown Gold prior to the completion of the Proposed Transfer, both Nine Dragons and Wiseland International (being an indirect wholly-owned subsidiary of Nine Dragons) are connected persons of the Company pursuant to Chapter 14A of the Listing Rules.

Accordingly, the non-exercise of the Pre-emptive Rights and the entering into of the Deed of Adherence constitute a connected transaction for the Company under Chapter 14A of the Listing Rules. As all applicable percentage ratios under the Listing Rules (as defined under the Listing Rules) are less than 25% and the total consideration is less than HK\$10,000,000, the non-exercise of the Pre-emptive Rights and the entering into of the Deed of Adherence are subject to the reporting and announcement requirements but is exempt from the independent shareholder's approval requirement under Rule 14A.76(2)(b) of the Listing Rules.

Reference is made to (a) the announcement (the “**JV Announcement**”) of the Company dated 29 July 2010 in respect of, inter alia, the formation of a joint venture company pursuant to the Joint Venture Agreement; and (b) the voluntary announcement (the “**Voluntary Announcement**”) of the Company dated 29 July 2019 in respect of the possible disposal of equity interests of Turbo Best (being the joint venture company) by the joint venture partner, Crown Gold. Unless context otherwise requires, the capitalised terms used in this announcement shall have the same meanings as defined in the JV Announcement and the Voluntary Announcement.

As disclosed in the Voluntary Announcement, the Board was informed that Crown Gold was under negotiations with a subsidiary of Nine Dragons in respect of a possible transfer of 40% of the issued share capital of Turbo Best held by Crown Gold (the “**Relevant Interest**”).

#### **NON-EXERCISE OF PRE-EMPTIVE RIGHTS AND THE ENTERING INTO OF THE DEED OF ADHERENCE**

Turbo Best is a joint venture company established by Mass Winner and Crown Gold pursuant to the Joint Venture Agreement.

Under the Joint Venture Agreement, each Joint Venture Party may, subject to having given notice to and the consent of the other party, transfer its/his equity interest to a third party provided that the other Joint Venture Party shall be entitled to pre-emptive rights (“**Pre-emptive Rights**”) of such transfer. On 13 September 2019, Mass Winner received a notice from Crown Gold in respect of the proposed transfer (the “**Proposed Transfer**”) of the Relevant Interest held by Crown Gold to Wiseland International, an indirect wholly-owned subsidiary of Nine Dragons.

By a resolution dated 20 September 2019, the Board approved that Mass Winner would not exercise the Pre-emptive Rights to acquire the Relevant Interest under the Proposed Transfer. As none of the Directors has a material interest in the non-exercise of the Pre-emptive Rights, no Director is required to abstain from voting at the relevant board resolution(s) pursuant to the Listing Rules.

As a result of the non-exercise of the Pre-emptive Rights and by a resolution dated 20 September 2019, the Board approved that Mass Winner to enter into the Deed of Adherence with Turbo Best, Crown Gold and Wiseland International, pursuant to which Wiseland International covenants to be bound by all the terms of the Joint Venture Agreement. Upon execution of the Deed of Adherence, Wiseland International would have the same rights and obligations that Crown Gold has under the Joint Venture Agreement.

No consideration would be payable or received by the Group pursuant to the non-exercise of the Pre-emptive Rights and the entering into of the Deed of Adherence.

## **REASONS FOR AND BENEFITS OF NON-EXERCISE OF PRE-EMPTIVE RIGHTS AND THE ENTERING INTO OF THE DEED OF ADHERENCE**

Having taken into account:

1. The Proposed Transfer of the Relevant Interest from Crown Gold to Wiseland International is to accommodate the request of Nine Dragons, who is a supplier of raw paper materials pursuant to the Master Materials Purchase Agreement, to continue to maintain the good customer-supplier relationship between the Company and Nine Dragons and a steady supply of raw paper materials to the Company; and
2. Upon the non-exercise of the Pre-emptive Rights and the entering into of the Deed of Adherence, Turbo Best continue to remain as the controlled subsidiary of the Company, and such non-exercise of the Pre-emptive Rights and the entering into of the Deed of Adherence will not have any adverse effect on the ordinary course of business and the financial condition of the Company,

the Directors (including the independent non-executive Directors) are of the view that the non-exercise of the Pre-emptive Rights and the entering into of the Deed of Adherence are fair and reasonable, and is in the interest of the Company and the Shareholders as a whole.

## INFORMATION OF THE PARTIES

### The Company

The Company is an investment holding company, with its subsidiaries principally engaged in the trading and manufacturing of corrugated paperboards.

As at the date of this announcement, Turbo Best Group comprises Turbo Best and Come Sure Packing.

### Turbo Best

Turbo Best is a joint venture company incorporated in Hong Kong with limited liability. As at the date of this announcement, the entire issued share capital of Turbo Best are owned as to 60% by Mass Winner and 40% by Crown Gold.

### Come Sure Packing

Come Sure Packing is a company incorporated in the PRC with limited liability, which is principally engaged in the trading and manufacturing of corrugated paperboards. As at the date of this announcement, the entire issued share capital of Come Sure Packing is held by Turbo Best.

The unaudited consolidated net profit/(loss) attributable to Turbo Best Group for the two years immediately preceding the date of this announcement are as follows:

	<b>For the year ended 31 March</b>	
	<b>2018</b>	<b>2019</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net profit/(loss) before taxation	4,172	(2,028)
Net profit/(loss) after taxation	2,449	(2,164)

After completion of the Proposed Transfer, Turbo Best will continue to be a subsidiary of the Company.

### Crown Gold

Based on the information provided by Crown Gold, Crown Gold is an investment holding company incorporated in Hong Kong with limited liability and wholly owned by Mr. Zhang Cheng Fei, an executive director and controlling shareholder of Nine Dragons. Mass Winner was informed by Crown Gold that the Relevant Interest was transferred from Crown Gold to Wiseland International on 20 September 2019.

### Wiseland International

Based on the information provided by Crown Gold, Wiseland International is an investment holding company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Nine Dragons.

## **IMPLICATION UNDER THE LISTING RULES**

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the non-exercise of Pre-emptive Rights and the entering into of the Deed of Adherence exceed 5% but are less than 25%, the non-exercise of the Pre-emptive Rights and the entering into of the Deed of Adherence constitute a discloseable transaction for the Company and are subject to the announcement requirement under Chapter 14 of the Listing Rules.

As Mr. Zhang Cheng Fei (being the controlling shareholder of Nine Dragons) is interested in 40% of the issued share capital of Turbo Best through Crown Gold prior to the completion of the Proposed Transfer, both Nine Dragons and Wiseland International (being an indirect wholly-owned subsidiary of Nine Dragons) are connected persons of the Company pursuant to Chapter 14A of the Listing Rules.

Accordingly, the non-exercise of the Pre-emptive Rights and the entering into of the Deed of Adherence constitute a connected transaction for the Company under Chapter 14A of the Listing Rules. As all applicable percentage ratios under the Listing Rules (as defined under the Listing Rules) are less than 25% and the total consideration is less than HK\$10,000,000, the non-exercise of the Pre-emptive Rights and the entering into of the Deed of Adherence are subject to the reporting and announcement requirements but is exempt from the independent shareholder's approval requirement under Rule 14A.76(2)(b) of the Listing Rules.

## **DEFINITIONS**

The following terms have the following meanings in the announcement, unless the context otherwise requires:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than Saturdays, Sundays and public holidays in Hong Kong and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted or in effect between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are open for business
“Crown Gold”	Crown Gold Limited, a company incorporated in Hong Kong with limited liability which is wholly-owned by Mr. Zhang Cheng Fei, and a joint venture partner holding 40% of the entire issued share capital of Turbo Best pursuant to the Joint Venture Agreement

“Come Sure Packing”	錦勝包裝(泉州)有限公司(Come Sure Packing Products (Quanzhou) Co., Ltd.*), a company incorporated in the PRC with limited liability
“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 with stock code: 794
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Deed of Adherence”	the deed of adherence dated 20 September 2019 entered into between Turbo Best, Mass Winner, Crown Gold and Wiseland International, pursuant to which Wiseland International covenants to be bound by all the terms of the Joint Venture Agreement
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Venture Agreement”	the joint venture agreement dated 29 July 2010 between Mass Winner and Crown Gold in respect of the formation of a joint venture company
“Joint Venture Party”	either Mass Winner or Crown Gold, being the original parties to the Joint Venture Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mass Winner”	Mass Winner Holdings Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Master Materials Purchase Agreement”	the master materials purchase agreement dated 29 July 2010 between the Company and Nine Dragons in respect of the purchase of raw paper materials by the Group from Nine Dragons

“Nine Dragons”	Nine Dragons Paper (Holdings) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange of Hong Kong Limited with stock code: 2689
“Nine Dragons Group”	Nine Dragons and its subsidiaries
“PRC”	The People’s Republic of China
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Turbo Best”	a joint venture company established by Mass Winner and Crown Gold pursuant to the Joint Venture Agreement.
“Turbo Best Group”	Turbo Best and its subsidiaries
“Wiseland International”	Wiseland International Holdings Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Nine Dragons

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

Hong Kong, 20 September 2019

*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.*

\* *for identification purpose only*