

# King's Stone Holdings Group Limited

金石控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1943)

*Executive Directors:*

Mr. Wang Jianfeng

(Chief Executive Officer and Chairman)

*Non-executive Directors*

Mr. Cai Huihui

Ms. Liu Jingna

Mr. Ruan Dongdong

*Independent non-executive Directors:*

Mr. Wang Wenxing

Mr. An Wen Long

Ms. Florence Ng

*Registered Office in the Cayman Islands:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Principal Place of Business in Hong Kong:*

Room 2701B, 27/F,

Tower 1, Admiralty Center,

18 Harcourt Road,

Admiralty,

Hong Kong

10 July 2025

*To the Independent Shareholders*

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER  
BY SILVERBRICKS SECURITIES COMPANY LIMITED FOR AND  
ON BEHALF OF JIANENG ERA INTERNATIONAL TRADING CO., LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF KING'S STONE HOLDINGS  
GROUP LIMITED (OTHER THAN THOSE ALREADY OWNED OR  
AGREED TO BE ACQUIRED BY THE OFFEROR AND/OR  
PARTIES ACTING IN CONCERT WITH IT)**

## INTRODUCTION

References are made to (i) the Rule 3.5 Announcement in relation to, among other things, the Sale and Purchase Agreement and the Offer; (ii) the joint announcement dated 23 April 2025 jointly issued by the Offeror and the Company in relation to the delay in despatch of the Composite Document and (iii) the joint announcements dated 23 May 2025, 16 June 2025 and 26 June 2025 jointly issued by the Offeror and the Company in relation to the further delay in despatch of the Composite Document.

As disclosed in the Rule 3.5 Announcement, the Vendor, the Vendor's Guarantor and the Offeror entered into the Sale and Purchase Agreement, pursuant to which the Vendor has agreed to sell to the Offeror or its nominee, and the Offeror has agreed to acquire, the Sale Shares (representing 75% of the issued share capital of the Company as at the Latest Practicable Date), at the Consideration of HK\$60,000,000 (equivalent to HK\$0.08 per Sale Share). The Closing took place on 20 March 2025 immediately upon the entering into of the Sale and Purchase Agreement.

Immediately prior to the Closing, the Offeror and parties acting in concert with it did not hold, own, control or have direction over any Shares or voting rights of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Immediately following the Closing and as at the Latest Practicable Date, the Offeror, its ultimate beneficial owners and parties acting in concert with any of them own and control a total of 750,000,000 Shares, representing 75% of the total issued share capital of the Company.

Accordingly, immediately after the Closing, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and/or parties acting in concert with it) under Rule 26.1 of the Takeovers Code. Silverbricks Securities is making the Offer for and on behalf of the Offeror and in compliance with the Takeovers Code.

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things, (i) information relating to the Group and the Offeror; (ii) further details of the Offer; (iii) a letter from the Independent Board Committee containing the Independent Board Committee's recommendation to the Independent Shareholders in respect of the terms of the Offer and as to acceptance; (iv) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the Offer; and (v) procedures for acceptance of the Offer.

#### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee comprising all the non-executive Directors, namely Mr. Cai Huihui, Ms. Liu Jingna, Mr. Ruan Dongdong, Mr. Wang Wenxing, Mr. An Wen Long and Ms. Florence Ng, has been established in accordance with Rules 2.1 and 2.8 of the Takeovers Code to make a recommendation to the Independent Shareholders in respect of the Offer as to whether the Offer is fair and reasonable and as to acceptance of the Offer.

As announced on 14 April 2025, Capital 9 Limited has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

The full text of the letter from the Independent Board Committee and the letter from the Independent Financial Adviser are set out in this Composite Document. You are urged to read these letters and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offer.

## THE OFFER

Silverbricks Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, is making the Offer on the following basis:

**For each Offer Share ..... HK\$0.08 in cash**

The Offer Price of HK\$0.08 per Offer Share is equal to the price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

The Offer is unconditional in all respects and extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code.

The Offer Shares to be acquired under the Offer shall be fully paid and free from any Encumbrances 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 on which the Offer is made, being the date of the despatch of this Composite Document.

As at the Latest Practicable Date, there are 1,000,000,000 Shares in issue. Save as disclosed above, as at the Latest Practicable Date, there were no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company in issue.

The Company confirms that as at the Latest Practicable Date, (i) it does not have any dividend or distribution recommended, declared or made but unpaid; and (ii) it does not have any intention to make, declare or pay any future dividend/make other distributions until the close of the Offer.

### Further details of the Offer

Further details of the terms of the Offer and the procedures for acceptances are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

## INFORMATION ON THE GROUP

The Company is incorporated in the Cayman Islands with limited liability and the Shares are listed on the Main Board of the Stock Exchange. The Company acts as an investment holding company and its subsidiaries are principally engaged in providing construction services including traditional formwork using timber and plywood, system formwork using aluminium and steel, and ancillary works such as concrete works and reinforcement works for the public and private sectors in Hong Kong. Due to poor market condition of the brokerage business and the change of business strategy of the Group, the Company disposed of its interest in a subsidiary engaged in brokerage business in December 2024, and ceased its business of dealing in securities.

Further details of financial and general information of the Group are set out in Appendix II “Financial Information of the Group” and Appendix IV “General Information relating to the Company” to this Composite Document.

## Shareholding Structure of the Company

The shareholding structure of the Company immediately before the Closing and after the Closing and as at the Latest Practicable Date is:

	Immediately before the Closing		Immediately after the Closing and as at the Latest Practicable Date	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
<b>Offeror, its ultimate beneficial owners and their respective concert parties</b>	—	—	750,000,000 <i>Note 1</i>	75.00
<b>Vendor</b> <i>Note 2</i>	750,000,000	75.00	—	—
<b>Public Shareholders</b>	250,000,000	25.00	250,000,000	25.00
<b>Total</b>	<u>1,000,000,000</u>	<u>100.00</u>	<u>1,000,000,000</u>	<u>100.00</u>

### Notes:

1. These Shares are directly held by Huayu Holdings, which is a party acting in concert with the Offeror under the Takeovers Code. For further details, please see the paragraph headed “INFORMATION ON THE OFFEROR AND HUAYU HOLDINGS” in the “Letter from Silverbricks Securities”.
2. These Shares were held by the Vendor, which is wholly owned by Regal Loyalty Limited and Regal Loyalty Limited is in turn wholly owned by Mr. Wang, the chairman of the Board, chief executive officer and an executive Director of the Company. Mr. Wang was deemed to be interested in all the Shares held by the Vendor for the purpose of Part XV of the SFO before the Closing.

As at the Latest Practicable Date, save as disclosed above, none of the Directors holds any Shares and any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

## INFORMATION ON THE OFFEROR AND HUAYU HOLDINGS

Details of the information on the Offeror are set out in the paragraph headed “INFORMATION ON THE OFFEROR AND HUAYU HOLDINGS” in the “Letter from Silverbricks Securities” and Appendix III “General Information relating to the Offeror” in this Composite Document.

## INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

Your attention is drawn to the section headed “INTENTIONS OF THE OFFEROR REGARDING THE GROUP” in the “Letter from Silverbricks Securities” in this Composite Document.

The Board is aware of the Offeror's intention in relation to the Group and is willing to render reasonable co-operation with the Offeror and continue to act in the best interests of the Company and the Shareholders as a whole.

#### **Proposed change of Board composition of the Company**

The Board is aware that as at the Latest Practicable Date, the Offeror intended to nominate new Director(s) to the Board on the day following the publication of the Composite Document in compliance with Rule 26.4 of the Takeovers Code. For the biographies of the proposed new Directors, please refer to the section headed "Biographies of Proposed New Directors Nominated by the Offeror" in the "Letter from Silverbricks Securities". It is intended that all seven Directors will resign from a date which is no earlier than such date as permitted under Rule 7 of the Takeovers Code (i.e. after the publication of the closing announcement on the first closing date of the Offer). Any changes to the members of the Board will be made in compliance with the Takeovers Code and/or the Listing Rules and further announcement(s) will be made as and when appropriate.

#### **PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY**

As mentioned in the paragraph headed "PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY" in the "Letter from Silverbricks Securities" of this Composite Document, the Offeror has no intention to privatize the Company and intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares), are held by the public at all times 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, it will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is restored.

Therefore, it should be noted that upon close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares. The sole director of the Offeror, the Directors and any new Director(s) to be proposed by the Offeror will jointly and severally undertake to the Stock Exchange to take appropriate steps following the close of the Offer to ensure that sufficient public float exists in the Shares, which may include (i) placing down or selling sufficient number of accepted Shares it acquired from the Offer to selected independent third parties or in the market; and/or (ii) issue of additional Shares by the Company for this purpose. Further announcement(s) will be made in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.

## **RECOMMENDATION**

Your attention is drawn to (i) the “Letter from the Independent Board Committee” and (ii) the “Letter from the Independent Financial Adviser” in this Composite Document, which contains, among other things, their advice in relation to the Offer and the principal factors considered by them in arriving at their recommendation.

You are urged to read these letters and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offer.

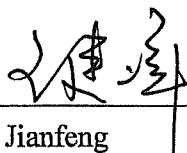
## **ADDITIONAL INFORMATION**

Your attention is drawn to the additional information contained in the appendices to this Composite Document. Further details on the terms and the procedures for acceptance of the Offer are set out in Appendix I “Further Terms and Procedures for Acceptance of the Offer” to this Composite Document and the accompanying Form of Acceptance.

In considering what action to take in connection with the Offer, you should consider your own tax positions, if any, and, in case of any doubt, consult your professional advisers.

Yours faithfully,

By order of the Board of  
**King's Stone Holdings Group Limited**

A handwritten signature in black ink, appearing to be 'Wang Jianfeng', written over a horizontal line.

Wang Jianfeng  
Chairman