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UKF

UKF (HOLDINGS) LIMITED

英裘(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01468)

**MAJOR TRANSACTION
IN RELATION TO
THE ACQUISITION OF THE TARGET COMPANY
INVOLVING ISSUE OF CONSIDERATION SHARES
UNDER SPECIFIC MANDATE**

AND

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

Placing Agent



SUN INTERNATIONAL SECURITIES LIMITED

THE TRANSACTION

The Board is pleased to announce that, the Purchaser entered into the SPA on 30 July 2016 with the Vendor and the Vendor's Guarantor in respect of the acquisition of the Target Company, which is principally engaged in the dealing of securities (Type 1 regulated activity under the SFO).

Completion of the SPA is subject to and conditional upon fulfilment (or waiver, where applicable) of certain conditions precedent as more particularly set out in the sub-section headed “Conditions Precedent” below. Upon completion of the Transaction, the Target Company will become an indirect wholly owned subsidiary of the Company. Accordingly, the consolidated financial results of the Target Company will be consolidated into the financial statements of the Company.

THE PLACING

On 29 July 2016 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, 210,000,000 Placing Shares. The Placing Shares are expected to be placed by the Placing Agent to not less than six Placees, who and whose ultimate beneficial owner(s) shall be Independent Third Parties, at a price of HK\$0.18 per Placing Share.

The 210,000,000 Placing Shares represent (i) approximately 7.28% of the existing issued share capital of the Company as at the date of this announcement; (ii) approximately 6.79% of the existing issued share capital of the Company as enlarged by the Placing Shares (assuming the Placing is completed in full). The aggregate nominal value of the Placing Shares will be HK\$2,100,000.

Assuming the Placing Shares are placed in full under the Placing Agreement, the gross proceeds from the Placing will be HK\$37,800,000 and the net proceeds from the Placing will be approximately HK\$37,000,000 (after deduction of commission and other expenses of the Placing). The net proceeds are intended to be applied to the business development of the Target Company. If the Transaction is not materialized, the net proceeds are intended to be applied for funding and developing its money lending business.

The allotment and issue of the Placing Shares will be made under the Specific Mandate to be sought from the Shareholders at the EGM.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Transaction exceeds 25% but is less than 100%, the Transaction constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and Shareholders’ approval requirements under the Listing Rules.

GENERAL

The EGM will be convened for the purpose of considering and, if thought fit, approving, (i) the SPA and the transactions contemplated thereunder; (ii) the Placing Agreement and the transaction contemplated thereunder; and (iii) the issue of the Consideration Shares and the Placing Shares under the Specific Mandate. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Shareholders has a material interest in the SPA and the Placing Agreement that will be required to abstain from voting at the EGM in respect of the resolution(s) relating to the SPA and the Placing Agreement and the transactions contemplated thereunder.

The Company will despatch a circular containing, among other things, (i) further information on the Target Company, the SPA and the transactions contemplated thereunder, including the issue of the Consideration Shares under the Specific Mandate; (ii) the financial information of the Target Company; (iii) the unaudited pro forma financial information of the Enlarged Group; (iv) further details of the Placing Agreement and the proposed grant of the Specific Mandate; and (v) the notice of the EGM, in accordance with the requirements under the Listing Rules. As the Company requires more time for compiling the financial information of the Enlarged Group for inclusion in the circular pursuant to the Listing Rules, the circular is expected to be despatched to the Shareholders on or before 26 August 2016.

Completion of the Transaction and the Placing are subject to the fulfilment (or waiver) of the conditions precedent under the SPA and the Placing Agreement. As the Transaction and the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE TRANSACTION

The Board is pleased to announce that, the Purchaser entered into the SPA on 30 July 2016 with the Vendor and the Vendor's Guarantor in respect of the acquisition of the Target Company, which is principally engaged in the dealing of securities (Type 1 regulated activity under the SFO).

THE SPA

The principal terms of the SPA are set out below:

Date:	30 July 2016
Parties:	The Purchaser
	The Vendor
	The Vendor's Guarantor

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

Assets to be acquired

90,000,000 Sale Shares in the Target Company, representing 100% of the total issued share capital of the Target Company and HK\$25,000,000 interest free Shareholder's Loan indebted by the Company to the Vendor.

Consideration

The consideration for the Sale Shares and the Shareholder's Loan shall be HK\$264,300,000 (the "**Consideration**"), which the Purchaser shall procure the Company to pay the Consideration to the Vendor in the following manner:

- (a) HK\$118,800,000 (equivalent to approximately 44.95% of the Consideration) shall be satisfied by the issue of 660,000,000 Consideration Shares at the price of HK\$0.18 per Consideration Share to the Vendor; and
- (b) HK\$145,500,000 (equivalent to approximately 55.05% of the Consideration) shall be satisfied by the Promissory Note to be issued by the Company to the Vendor.

The Consideration was determined on an arm's length basis and normal commercial terms with reference to (i) the audited net asset value of the Target Company as at 29 February 2016; (ii) the Shareholder's Loan; (iii) the historical financial performance of the Target Company; and (iv) the business prospect of the Target Company.

Conditions Precedent

Completion shall be subject to and conditional upon the fulfilment (or waiver, if applicable) of the following conditions (the “**Condition(s)**”):

- (a) the result of a due diligence exercise to be carried out by the Purchaser on the Target Company being satisfactory to the Purchaser (in its absolute discretion) in all respects;
- (b) all necessary consents, confirmations, permits, approvals, licences and authorisations having been obtained from all relevant governmental, regulatory and other authorities, agencies and departments in Hong Kong (including but not limited to the SFC and the Stock Exchange) or otherwise required from any third parties (including from any banks which have granted banking facilities to the Target Company) in connection with the transactions contemplated under the SPA (including but not limited to the necessary consent obtained from the SFC for the Purchaser to become the substantial shareholder of the Target Company), the implementation of and all other matters incidental to the SPA (including the non-revocation of the Trading Right and the Exchange Participanship held by the Target Company) as a result of the transactions contemplated under the SPA and all the conditions and requirements as the SFC and the Stock Exchange shall stipulate in relation to the Trading Right and the Exchange Participanship held by the Target Company respectively having been duly complied with;
- (c) all other necessary waivers, consents and approvals (if required) in relation to the Purchaser, its holding company(ies) and its (their) shareholders and directors from the relevant governmental or regulatory authorities in Hong Kong and other applicable jurisdictions required for the SPA and the transactions contemplated therein being obtained;
- (d) the Employees having entered into new employment contracts with the Target Company (to come into effect upon Completion) on such terms as are satisfactory to the Purchaser;
- (e) the Responsible Officers remaining as the responsible officers (as defined in the SFO) of the Target Company and having entered into new service contracts with the Target Company (to come into effect upon Completion) on such terms as are satisfactory to the Purchaser;
- (f) no legal or disciplinary proceedings being instituted against the Target Company or any of its directors or officers by any regulatory authority prior to Completion;

- (g) all warranties of the SPA remaining true and accurate as at Completion and the Vendor having performed or complied, in all material respects, with its covenants and agreements contained therein and required to be performed or complied with by the Vendor at or prior to the Completion Date; and
- (h) the Target Company's Type 1 licence not having been revoked or made conditional.

The Purchaser shall have the discretion to waive all or any part of the conditions set out above (other than Conditions (b) and (c)) and any waiver so granted may be subject to such conditions as the Purchaser may deem fit. Save as so waived, the parties shall use their respective best endeavours to ensure that the Conditions shall be fulfilled as soon as possible after execution of the SPA, and in any event no later than the Long Stop Date.

Completion

Completion shall take place within 5 Business Days after all Conditions have been fulfilled or waived (or such other date as the Purchaser and the Vendor may agree in writing prior to the Completion).

CONSIDERATION SHARES

The Consideration Shares will be allotted and issued at the Issue Price, credited as fully paid, in the manner as set out in the sub-section headed "Consideration" of this announcement. The Consideration Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Consideration Shares, including the right to all dividends, distributions and other payments made or to be made on the record date which falls on or after the date of such allotment and issue.

The Issue Price of HK\$0.18 per Consideration Share represents:

- (a) a discount of approximately 7.69% to the latest closing price of HK\$0.195 per Share as quoted on the Stock Exchange on the date of the SPA;
- (b) a discount of approximately 9.27% to the average closing price of HK\$0.1984 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the SPA; and

- (c) a premium of approximately 181.82% over the audited net assets value per Share of approximately HK\$0.099, which was calculated based on the audited net asset value of the Company of approximately HK\$286,125,629 as at 31 March 2016 and divided by the total number of issued Shares of 2,884,254,400 as at the date of this announcement.

The issue price was determined by the Board after arm's length negotiation between the parties with reference to the prevailing market price of the Shares and the current market conditions. The Directors consider the issue price is fair and reasonable and in the interest of the Company and the Shareholders as a whole. The 660,000,000 Consideration Shares represent (i) approximately 22.88% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 18.62% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares. Based on the closing price of the Shares of HK\$0.195 per Share on 29 July 2016, the business day immediately preceding to the date of the SPA, the Consideration Shares have a market value of HK\$128,700,000 and the aggregate nominal value of the Consideration Shares is HK\$6,600,000.

INFORMATION ABOUT THE VENDOR AND THE TARGET COMPANY

The Vendor is an investment holding company which is wholly owned by the Vendor's Guarantor. The Target Company was incorporated in Hong Kong and is a wholly owned subsidiary of the Vendor. It is engaged principally in the dealing of securities (Type 1 regulated activity under the SFO).

The audited total assets and net assets of the Target Company as at 29 February 2016 were approximately HK\$327,238,000 and HK\$119,651,000 respectively. Set out below is the audited financial information of the Target Company for the two financial years ended 28 February 2015 and 29 February 2016:

	For the year ended	
	28 February	29 February
	2015	2016
	<i>HK\$ ('000)</i>	<i>HK\$ ('000)</i>
Revenue	27,577	45,154
Net profit before taxation	17,974	32,365
Net profit after taxation	15,020	27,047

Upon completion of the Transaction, the Target Company will become an indirect wholly owned subsidiary of the Company. Accordingly, the financial results of the Target Company will be consolidated into the financial statements of the Company.

REASONS AND BENEFITS OF THE TRANSACTION

The Group is principally engaged in the trading of fur skins, fur skin brokerage and mink farming.

As disclosed in the annual report of the Company for the year ended 31 March 2016, the fur industry experienced a very difficult time, the revenue of the Group for the year ended 31 March 2016 was decreased by approximately 27.14%, which was mainly attributable to a substantial drop of approximately 50% (compared to the figure in 2015) in average fur skin price recorded in the first round of auctions held at 4 major auction houses during the season. The Group recorded loss for the year ended 31 March 2016.

The Group's fur skin brokerage and finance business is expected to be difficult as the Group's commission income will be adversely affected by the extremely low fur skin price, and more importantly, amid the intense price competition, other fur skin brokers has reduced their brokerage fee by half in order to fight for customers.

In view of the above, the Group has been exploring other business opportunities to generate additional income. In this connection, the Group has recently obtained a money lender's licence under Money Lenders Ordinance (Cap 163 Laws of Hong Kong) to conduct money lending business with a view to diversifying its business into the financial services industry.

The Directors consider that the Transaction will enable the Group to further expand its business in the financial services industry and further broaden revenue sources of the Group promptly under an established financial institution.

The Directors are optimistic on the growth opportunities in the financial services industry given the increasing demand for financial services in Hong Kong with the increasing cooperation between the stock markets in Hong Kong and the PRC such as the launch of the Stock Connect program. With the potential development of the Shenzhen-Hong Kong Stock Connect, Hong Kong's securities market, in particular, licensed corporation which is carrying on Type 1 (dealing in securities) regulated activity under the SFO, is expected to benefit from this in which more capital will flow into the securities market of Hong Kong which in turn drive the demand for securities brokerage, margin financing, share placements and underwriting services of the Target Company. In addition, the Target Company has recently submitted an application to the SFC for approval of the addition of Type 4 (advising on securities). The Company's intention is to develop the Target Company to offer integrated sales and trading and investment advisory services.

As such, the Directors consider that the terms of the SPA have been entered into on normal commercial terms, and that such terms are fair and reasonable, and is in the interests of the Company and the Shareholders as a whole.

THE PLACING

Set out below are the principal terms of the Placing Agreement:

Date: 29 July 2016

Issuer: The Company

Placing Agent: Sun International Securities Limited

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placing

The Company and the Placing Agent entered into the Placing Agreement whereby the Company agreed to place, through the Placing Agent, on a best effort basis, up to 210,000,000 new Shares to not less than six independent Placees at the Placing Price of HK\$0.18 per Placing Share. The placing period for the Placing will commence upon the execution of the Placing Agreement and terminating at 5:00 p.m. on the third business day prior to the Placing Completion Date, unless terminated earlier pursuant to the terms of the Placing Agreement.

Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of the Placing Agreement and completion of the Placing, the maximum of 210,000,000 Placing Shares to be allotted and issued pursuant to the Placing represent:

- (a) approximately 7.28% of the total number of issued Shares as at the date of this announcement; and
- (b) approximately 6.79% of the total number of issued Shares as enlarged by the issue and allotment of all the Placing Shares.

Based on the closing price of the Shares of HK\$0.195 per Share on 29 July 2016, the date of the Placing Agreement, the Placing Shares have a market value of HK\$40,950,000. The Placing Shares have an aggregate nominal value of HK\$2,100,000.

The Placing Shares, when allotted and issued, will rank pari passu in all respects among themselves, and with the existing Shares then in issue.

Placing Price

The Placing Price of HK\$0.18 per Placing Share represents:

- (a) a discount of approximately 7.69% to the closing price of HK\$0.195 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 9.55% to the average closing price of approximately HK\$0.199 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Day; and
- (c) a discount of approximately 10.00% to the average closing price of approximately HK\$0.200 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the Last Trading Day.

The net Placing price is approximately HK\$0.176. The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to (i) the prevailing market price of the Shares and the current market conditions; and (ii) the Company's funding needs for the business development of the Target Company.

The Directors consider that the Placing Price will enable the Company to raise necessary fund for its future development and hence is fair and reasonable and in the interest of the Company and the Shareholders as a whole under the current market conditions.

Placing Commission

The Placing Agent will receive a placing commission of 0.5% of the amount equal to the Placing Price multiplied by the number of Placing Shares subscribed by each Placee.

The placing commission was determined after arm's length negotiation between the Company and the Placing Agent with reference to the market rate and after taking into account the size of the Placing and the current capital market performance and sentiment. The Directors (including the independent non-executive Directors) consider that the commission for the Placing is fair and reasonable.

Placee(s)

The Placing Shares shall be offered by the Placing Agent to not less than six Placee(s), who, and its (their) ultimate beneficial owner(s), will be Independent Third Party(ies). It is expected that none of the Placee(s) will become a substantial Shareholder (as defined in the Listing Rules) immediately after completion of the Placing. In the event any of the Placees becomes a substantial Shareholder (as defined in the Listing Rules) after completion of the Placing, further announcement will be made by the Company.

Conditions of the Placing

Completion of the Placing is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Placing Shares and the Shareholders approving the Specific Mandate in respect of the Placing Shares. If these conditions are not fulfilled on or prior to 28 September 2016 (or such later date as may be agreed between the Company and the Placing Agent) the Placing Agreement shall be terminated and none of the parties to the Placing Agreement shall have any claim against the other for any costs or losses (save for any prior breach of the Placing Agreement).

Completion of the Placing

Completion of the Placing shall take place not later than third business day following the satisfaction of the condition specified in the paragraph headed “Conditions of the Placing” above or such other date as the Company and the Placing Agent shall agree.

Application for Listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Termination of the Placing Agreement

Notwithstanding that anything contained in the Placing Agreement, if, at any time prior to 10:00 a.m. on the Placing Completion Date, in the reasonable opinion of the Placing Agent the success of the Placing or the business or financial prospects of the Group would or might be adversely affected by:

- (i) any material breach of any of the representations, warranties and undertakings set out in Placing Agreement; or

- (ii) any of the following events:
- (a) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
 - (b) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date hereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
 - (c) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (d) a change or development involving a prospective change in taxation in Hong Kong, the Cayman Islands or the implementation of exchange controls which shall or might materially and adversely affect the Group (as a whole) or its present or prospective shareholders in their capacity as such; or
 - (e) any change or deterioration in the conditions of local, national or international securities markets occurs,

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 10:00 a.m. on the Placing Completion Date.

In the event that the Placing Agent terminates the Placing Agreement, all obligations of each of the parties under the Placing Agreement, shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any breach arising prior to such termination.

REASONS FOR AND BENEFITS IN THE PLACING AND USE OF PROCEEDS

It is the intention of the Group to source additional funding on the Placing Shares and to capture any business opportunity which may arise in the future upon its review and adjustment (if any) to the Group's future plan in light of the changing business environment.

Assuming all the Placing Shares were allotted and issued, the gross proceeds from the Placing will amount to HK\$37,800,000 and the net proceeds from the Placing after deducting the placing fee and other related expenses payable by the Company will amount to approximately HK\$37,000,000. The net proceeds raised per Placing Share is approximately HK\$0.176.

The net proceeds are intended to be applied to the business development of the Target Company. If the Transaction is not materialized, the net proceeds are intended to be applied for funding and developing its money lending business.

The Directors consider that the Placing would strengthen the Group's cash position for business development without incurring additional interest burden and is therefore an effective manner to raise additional capital for the Group. The Placing will also provide an opportunity for the Company to broaden its shareholder base.

The Directors also consider that the Placing Agreement was entered into on normal commercial terms after arm's length negotiations between the Company and the Placing Agent and that the terms of the Placing Agreement (including the Placing Price) are fair and reasonable so far as the interests of the Company and its Shareholders as a whole are concerned.

ISSUE OF CONSIDERATION SHARES AND PLACING SHARES UNDER SPECIFIC MANDATE AND APPLICATION FOR LISTING

The Consideration Shares and the Placing Shares will be issued under the Specific Mandate to be sought at the EGM. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares and the Placing Shares.

EFFECT OF THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the Consideration Shares having been issued, assuming in all cases that there are no other changes in the share capital of the Company from the date of this announcement up to the issue of the Consideration Shares; (iii) immediately after the Placing Shares having been issued, assuming in all cases that there are no other changes in the share capital of the Company from the date of this announcement up to the issue of the Placing Shares; and (iv) immediately after the Consideration Shares and Placing Shares having been issued, assuming in all cases that there are no other changes in the share capital of the Company from the date of this announcement up to the issue of the Consideration Shares and Placing Shares.

	As at the date of this announcement		Immediately after the Consideration Shares having been issued		Immediately after the Placing Shares having been issued		Immediately after the Consideration Shares and the Placing Shares having been issued	
	<i>Approximate % of the total issued share capital of the Company</i>		<i>Approximate % of the total issued share capital of the Company</i>		<i>Approximate % of the total issued share capital of the Company</i>		<i>Approximate % of the total issued share capital of the Company</i>	
	<i>No. of Shares</i>	<i>capital of the Company</i>	<i>No. of Shares</i>	<i>capital of the Company</i>	<i>No. of Shares</i>	<i>capital of the Company</i>	<i>No. of Shares</i>	<i>capital of the Company</i>
Trader Global Investments Limited ⁽¹⁾	653,232,000	22.65	653,232,000	18.43	653,232,000	21.11	653,232,000	17.40
Zhuo Kun	282,480,000	9.79	282,480,000	7.97	282,480,000	9.13	282,480,000	7.52
Mr. Wong Chun Chau ⁽¹⁾	28,339,000	0.98	28,339,000	0.80	28,339,000	0.92	28,339,000	0.75
Ms. Kwok, Yin Ning ⁽²⁾	18,662,400	0.65	18,662,400	0.53	18,662,400	0.60	18,662,400	0.50
Aglades Investment Pte Limited ⁽³⁾	2,332,800	0.08	2,332,800	0.07	2,332,800	0.08	2,332,800	0.06
Mr. Jean-pierre Philippe ⁽⁴⁾	5,900,000	0.20	5,900,000	0.17	5,900,000	0.19	5,900,000	0.16
Vendor	—	—	660,000,000	18.62	—	—	660,000,000	17.58
Placee(s)	—	—	—	—	210,000,000	6.79	210,000,000	5.59
Other public Shareholders	1,893,308,200	65.64	1,893,308,200	53.42	1,893,308,200	61.19	1,893,308,200	50.43
Total	2,884,254,400	100.00	3,544,254,400	100.00	3,094,254,400	100.0	3,754,254,400	100.0

Note:

- (1) Trader Global Investments Limited is wholly owned by Mr. Wong Chun Chau, the executive Director.
- (2) Ms. Kwok, Yin Ning is the executive Director.
- (3) Aglades Investment Pte Limited is wholly owned by Mr. Jean-pierre Philippe, the independent non-executive Director.
- (4) Among which 2,480,000 Shares are held jointly by Mr. Jean-pierre Philippe with another person.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save for the following fund raising activities, the Company had not carried out any other fund raising activities on any issue of equity securities in the past twelve months prior to the date of this announcement:

Date of announcement	Fund raising activity	Net proceeds raised	Intended and actual use of the net proceeds
14 August 2015	Top-up placing of existing shares and top-up subscription of new shares	Approximately HK\$76.9 million	For the potential acquisition of new mink farms by the Group in Denmark and general working capital for its principal activities

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Transaction exceeds 25% but is less than 100%, the Transaction constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

GENERAL

The EGM will be convened for the purpose of considering and, if thought fit, approving, (i) the SPA and the transactions contemplated thereunder; (ii) the Placing Agreement and the transaction contemplated thereunder; (iii) the issue of the Consideration Shares and the Placing Shares under the Specific Mandate. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Shareholders has a material interest in the SPA and the Placing Agreement that will be required to abstain from voting at the EGM in respect of the resolution(s) relating to the SPA and the Placing Agreement and the transactions contemplated thereunder.

The Company will despatch a circular containing, among other things, (i) further information on the Target Company, the SPA and the transactions contemplated thereunder, including the issue of the Consideration Shares under the Specific Mandate; (ii) the financial information of the Target Company; (iii) the unaudited pro forma financial information of the Enlarged Group; (iv) further details of the Placing Agreement and the proposed grant of the Specific Mandate; and (v) the notice of the EGM, in accordance with the requirements under the Listing Rules. As the Company requires more time for compiling the financial information of the Enlarged Group for inclusion in the circular pursuant to the Listing Rules, the circular is expected to be despatched to the Shareholders on or before 26 August 2016.

Completion of the Transaction and the Placing are subject to the fulfilment (or waiver) of the conditions precedent under the SPA and the Placing Agreement. As the Transaction and the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	a day (other than Saturday and days on which a tropical cyclone warning No.8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general banking business

“Company”	UKF (Holdings) Limited, a limited company incorporated in the Cayman Islands whose shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares
“Completion Date”	within 5 Business Days after all the Conditions have been fulfilled or waived (or such other date as the Vendor and the Purchaser may agree in writing prior to Completion)
“Consideration Share(s)”	the Shares to be allotted and issued by the Company under the Specific Mandate to the Vendor at the Issue Price in satisfaction of part of the Consideration payable by the Company to the Vendor under the SPA
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held for the purpose of considering and, if thought fit, approving the SPA and the Placing Agreement and the transactions contemplated thereunder, including the issue of the Consideration Shares and the Placing Shares under the Specific Mandate
“Employees”	the existing employees of the Target Company, a complete list of whom has been delivered to the Purchaser on or prior to the signing of the SPA
“Enlarged Group”	the Company and its subsidiaries immediately after Completion
“Exchange Participant”	has the meaning given to it under the rules of the Stock Exchange and “Exchange Participantship” shall be construed accordingly
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) not connected to any Director, chief executive or substantial shareholder of the Company or any of its subsidiaries or an associate of any of them as defined in the Listing Rules
“Issue Price”	HK\$0.18 per Consideration Share
“Last Trading Day”	29 July 2016, being the last trading day for the Shares before the date of the Placing Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	27 January 2017 (or such later date as the parties may agree)
“Placee(s)”	any person(s) procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing of the Placing Shares by or on behalf of the Placing Agent, on a best effort basis, to the Placee(s) pursuant to the Placing Agreement
“Placing Agent”	Sun International Securities Limited, a licensed corporation to carry on regulated activities Type 1 (dealing in securities), Type 2 (dealing in future contracts) and Type 4 (advising on securities) under the SFO, and the placing agent of the Company under the Placing
“Placing Agreement”	the placing agreement dated 29 July 2016 entered into between the Company and the Placing Agent in respect of the Placing

“Placing Completion Date”	the date of completion of the Placing Agreement which shall not be later than the third business day following the satisfaction of the conditions specified in the Placing Agreement or such other date as the Company and the Placing Agent shall agree
“Placing Price”	HK\$0.18 per Placing Share
“Placing Shares”	Up to 210,000,000 new Shares to be issued by the Company pursuant to the Placing Agreement
“Promissory Note”	promissory note to be executed by the Company
“Purchaser”	Pearl Bay Investments Limited, a limited company incorporated under the laws of British Virgin Islands, and a wholly owned subsidiary of the Company
“Responsible Officers”	Mr. Ko Wai Chun and Mr. Ng Siu Hong, being the responsible officers (as defined in the SFO) of the Target Company
“Sale Shares”	a total of 90,000,000 Shares, which represents 100% of the issued share capital of the Target Company
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“SPA”	the conditional sale and purchase agreement dated 30 July 2016 entered into between the Purchaser, the Vendor and the Vendor’s Guarantor in respect of the Target Company

“Specific Mandate”	the specific mandate required to be granted to the Directors by the Shareholders at EGM for the allotment and issue of Consideration Shares and the Placing Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Great Roc Capital Securities Limited 鴻鵬資本證券有限公司, a limited liability company incorporated under the Laws of Hong Kong, and is engaged principally in the dealing of securities (Type 1 regulated activity under the SFO)
“Trading Right”	the one exchange trading right of the Stock Exchange legally and beneficially owned by the Target Company
“Transaction”	transactions contemplated under the SPA
“Vendor”	Excel Blaze Limited, a limited liability company incorporated in the British Virgin Islands
“Vendor’s Guarantor”	Mr. Yan Kam Cheong
“%”	per cent

On behalf of the Board
UKF (Holdings) Limited
Wong Chun Chau
Chairman

Hong Kong, 31 July 2016

As at the date of this announcement, the Directors are as follows:

Executive Directors:

Mr. Wong Chun Chau (*Chairman*)

Ms. Kwok Yin Ning

Independent non-executive Directors:

Ms. Mak Yun Chu

Mr. Tang Tat Chi

Mr. Jean-pierre Philippe