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KFM KINGDOM HOLDINGS LIMITED

KFM金德控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3816)

ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE AND RESUMPTION OF TRADING

Reference is made to the announcements (“**Announcements**”) of KFM Kingdom Holdings Limited (“**Company**”) dated 30 April 2015, 26 May 2015, 24 June 2015, 29 June 2015, 29 July 2015, 8 September 2015, 11 September 2015, 16 October 2015 and 17 November 2015 pursuant to Rule 3.7 of the Takeovers Code. Unless otherwise defined, terms used in this announcement shall have the same meanings as those used in the Announcements.

The Company wishes to update its shareholders the current status of the Joint Announcement. Pursuant to the Sale and Purchase Agreement, the Group will undergo an asset reorganisation, which involves the Distribution in Specie. Subject to completion of the Distribution in Specie and Completion, the Vendor will make the Privateco Offer. On 24 November 2015, the Board received a letter from the Stock Exchange in relation to their decision (“**Decision**”) to the effect that, based on the structure and the terms of the Sale and Purchase Agreement, upon completion of the Distribution in Specie, the Company would not have a sufficient level of operations or assets of sufficient value to warrant its continued listing on the Stock Exchange under Rule 13.24 of the Listing Rules.

Completion of the Sale and Purchase Agreement is subject to a number of conditions precedent, including but not limited to, neither the Stock Exchange nor the Executive having indicated that the trading of the shares of the Company on the Stock Exchange will be suspended, cancelled or withdrawn after Completion, whether or not for reasons related to or arising from the transactions contemplated under the Sale and Purchase Agreement. Pursuant to Rule 6.01(3) and paragraph 2.3 of Practice Note 17 of the Listing Rules, if the Stock Exchange considers that an issuer does not have a sufficient level of operations or sufficient assets to warrant the continued listing of the issuer’s securities and is therefore unable to comply with Rule 13.24 of the Listing Rules, the trading of the issuer’s securities on the Stock Exchange will be suspended.

In view of the Decision, the Company was informed by the Vendor and the Offeror that it was considered not feasible to proceed with the Distribution in Specie and the Privateco Offer as contemplated under the Sale and Purchase Agreement as it is envisaged that the said condition precedent would not be fulfilled as at the date of this announcement. To address the Decision, the Vendor and the Offeror are currently considering various options in relation to the transactions contemplated under the Sale and Purchase Agreement. The Vendor and the Offeror are currently under negotiation in respect of the possible restructuring of the transactions contemplated under the Sale and Purchase Agreement to alleviate the Stock Exchange's concern upon Completion. The Company will make further announcement if and when there is any material development in accordance with the Listing Rules and the Takeovers Code. For the avoidance of doubt, the offer period in respect of the Offer is still ongoing. The Directors are of the view that either the transactions contemplated under the Sale and Purchase Agreement or the possible restructuring of the transactions contemplated under the Sale and Purchase Agreement would not affect the daily operation of the Company and its subsidiaries.

As the Vendor and the Offeror are currently considering various options in relation to the transactions contemplated under the Sale and Purchase Agreement and are under negotiation in respect of the possible restructuring of the transactions contemplated under the Sale and Purchase Agreement and a number of conditions, the Offer is possibility only and may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the securities of the Company.

As at the date of this announcement, there were 600,000,000 shares of the Company in issue. Save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this announcement.

The associates of the Company (including shareholders of the Company having interests of 5% or more in the relevant securities of the Company) are hereby reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 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.”

“Executive” in the above has the meaning ascribed to it under the Takeovers Code.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:00 a.m. on 31 August 2015. In light of the (i) Decision; (ii) the Distribution in Specie and the Privateco Offer as contemplated under the Sale and Purchase Agreement are no longer feasible to be proceeded; (iii) the said condition precedent as disclosed above would not be fulfilled as at the date of this announcement; and (iv) possible restructuring of the transactions contemplated under the Sale and Purchase Agreement, the Directors are of the view that the prolonged suspension of trading in the shares of the Company is not in the interests of the Company and its shareholders as a whole, an application has been made by the Company to the Stock Exchange for resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 2 December 2015.

By order of the Board
KFM Kingdom Holdings Limited
Sun Kwok Wah Peter
Chairman

Hong Kong, 1 December 2015

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Sun Kwok Wah Peter (Chairman), Mr. Wong Chi Kwok, Mr. Lam Kin Shun and Mrs. Chow Suen Christina; and three independent non-executive Directors, namely Mr. Wan Kam To, Mr. Lam Hon Keung Keith and Mr. Yeung Chi Tat.

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.