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China Yuen Capital Limited

(Incorporated in the British Virgin Islands with limited liability)



建福集團控股有限公司
KENFORD GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00464)

JOINT ANNOUNCEMENT

(1) COMPLETION OF ACQUISITION OF SHARES IN KENFORD GROUP HOLDINGS LIMITED BY CHINA YUEN CAPITAL LIMITED

AND

(2) MANDATORY UNCONDITIONAL CASH OFFER BY OCTAL CAPITAL LIMITED FOR AND ON BEHALF OF CHINA YUEN CAPITAL LIMITED TO ACQUIRE ALL THE ISSUED SHARES IN THE SHARE CAPITAL OF KENFORD GROUP HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY CHINA YUEN CAPITAL LIMITED AND/OR PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

Reference is made to the joint announcements (the “**Joint Announcements**”) issued by Kenford Group Holdings Limited (the “**Company**”) and China Yuen Capital Limited (the “**Offeror**”) dated 18 July 2017 and 8 August 2017 in relation to, among other things, (i) the acquisition of shares in the Company; and (ii) possible mandatory unconditional cash offer by Octal Capital Limited for and on behalf of the Offeror to acquire all the issued shares in the share capital of the Company (other than those already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it) (the “**Offer**”). Unless otherwise specified, capitalised terms used in this joint announcement shall have the same meanings as those defined in the Joint Announcements.

COMPLETION OF THE SHARE PURCHASE AGREEMENT

The Offeror and the Company (as informed by the Vendors) are pleased to announce that all the conditions precedent under the Share Purchase Agreement were satisfied, the Completion took place on 15 August 2017 in accordance with the Share Purchase Agreement. Pursuant to the terms of the Share Purchase Agreement, the Offeror acquired the Sale Shares, being 286,390,000 Shares, representing approximately 64.26% of the entire issued share capital of the Company as at the date of this joint announcement, for a total consideration of HK\$458,224,000, equivalent to HK\$1.6 per Sale Share.

MANDATORY UNCONDITIONAL CASH OFFER

Following the Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it (as defined under the Takeovers Code) own a total of 286,390,000 Shares, representing approximately 64.26% of the entire issued share capital of the Company. As a result, the Offeror is required to make a mandatory cash offer under Rule 26.1 of the Takeovers Code for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it).

Octal Capital, for and on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offer on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code.

As at the date of this joint announcement, there are 445,646,000 Shares in issue. Based on the Offer Price of HK\$1.6 per Offer Share, the entire issued share capital of the Company is valued at HK\$713,033,600 and the Offer Shares are valued at HK\$254,809,600. Assuming the Offer is accepted in full by the Independent Shareholders and based on 159,256,000 Offer Shares, the total amount of cash required to effect the Offer will be HK\$254,809,600.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately before Completion; and (ii) immediately after Completion:

	(i) Immediately before Completion		(ii) Immediately after Completion	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
The Vendors				
Mr. Lam Wai Ming (<i>Note 1</i>)	395,000	0.09	-	-
Mr. Tam Chi Sang (<i>Note 2</i>)	395,000	0.09	-	-
Achieve Best Limited (<i>Note 3</i>)	40,800,000	9.15	-	-
Realchamp International Inc (<i>Note 4</i>)	40,800,000	9.15	-	-
Beaute Inc (<i>Note 5</i>)	204,000,000	45.78	-	-
Sub-total	286,390,000	64.26	-	-
The Offeror and parties acting in concert with it	-	-	286,390,000	64.26
Other Shareholders	159,256,000	35.74	159,256,000	35.74
Total	445,646,000	100.00	445,646,000	100.00

Notes:

1. Mr. Lam Wai Ming, being the executive director and chairman of the Company.
2. Mr. Tam Chi Sang, being the executive director and managing director of the Company.
3. Achieve Best Limited was wholly-owned by Mr. Lam Wai Ming.
4. Realchamp International Inc was wholly-owned by Mr. Tam Chi Sang.
5. Beaute Inc was owned as to 50% by Apex Prima Limited and 50% by Potentasia Holdings Inc. Apex Prima Limited was wholly-owned by Mr. Lam Wai Ming, and Potentasia Holdings Inc was wholly-owned by Mr. Tam Chi Sang.

DESPATCH OF THE COMPOSITE DOCUMENT

As disclosed in the joint announcement dated 8 August 2017, the Composite Document containing, among other things, (i) details of the Offer (including the expected timetable); (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from Goldin Financial Limited to the Independent Board Committee in relation to the Offer, together with the Form of Acceptance, will be despatched to the Independent Shareholders on or before 22 August 2017, which the Executive has granted its consent for such date.

Further announcement(s) will be made jointly by the Company and the Offeror when the Composite Document together with the Form of Acceptance are despatched.

By Order of the Board of
China Yuen Capital Limited
Lee Yuk Ying
Director

By Order of the Board
Kenford Group Holdings Limited
Lam Wai Ming
Chairman

Hong Kong, 15 August 2017

As at the date of this joint announcement, the Board of the Company comprises two executive Directors, namely Mr. Lam Wai Ming (Chairman), Mr. Tam Chi Sang (Managing Director) and three independent non-executive Directors, namely Mr. Chiu Fan Wa, Mr. Choi Hon Keung and Mr. Li Chi Chung.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror, its associates and parties acting in concert with any of them), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than the opinion expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.

As at the date of this joint announcement, the directors of the Offeror are Mr. Liu Xuezhong, Ms. Lee Yuk Ying and Mr. Hao Yiming.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, and confirms, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than the opinion expressed by the directors of the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.

In case of any inconsistency, the English text of this joint announcement shall prevail over the Chinese text.