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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)

INSIDE INFORMATION
MEMORANDUM OF UNDERSTANDING
IN RELATION TO THE POSSIBLE ACQUISITION

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

THE MOU

The Board announces that on 25 April 2019 (after trading hours), the Purchaser and the Vendor entered into the MOU in relation to the Possible Acquisition of a majority equity interest in the Target Company.

The Possible Acquisition is subject to, among others, further negotiation concerning the entering into of a Formal Agreement. As at the date of this announcement, the terms and conditions of the Formal Agreement are yet to be finalized or agreed between the Purchaser and the Vendor. As such, the Possible Acquisition may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company. The Company will make further announcement in respect of the Possible Acquisition as and when appropriate in accordance with the Listing Rules.

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

THE MOU

On 25 April 2019 (after trading hours), the Purchaser and the Vendor entered into the MOU in relation to the Possible Acquisition of a majority equity interest in the Target Company. Details of the MOU are set out below.

Date: 25 April 2019

Parties: (i) the Purchaser; and

(ii) the Vendor

As at the date of this announcement, the Vendor beneficially and collectively own 90% equity interest in the Target Company.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor is an Independent Third Party.

Subject matter to be acquired

Subject to the parties entering into the Formal Agreement, the Vendor intended to sell and the Purchaser intended to acquire a majority equity interest in the Target Company.

Consideration

The exact amount of the consideration, the manner and the method of payment of the consideration for the Possible Acquisition will be negotiated between the parties to the MOU based on the results of the due diligence investigation to be conducted by the Purchaser on the Target Company and shall be subject to the terms and conditions of the Formal Agreement which may or may not be entered into by the parties to the MOU in relation to the Possible Acquisition.

Exclusivity Period

Pursuant to the terms of the MOU, the Vendor agreed that they will not and will procure that the Target Company and its directors, officers, employees, representatives agents and its shareholders not to, directly or indirectly, for a period of 180 days from the date of the MOU or such other date as agreed between the Purchaser and the Vendor, (i) solicit, initiate or encourage enquiries or offers from; or (ii) initiate or continue negotiations or discussions with or furnish any information to; or (iii) enter into any agreement or statement of intent or understanding with, any person or entity other than the Purchaser with respect to the sale or other disposition of the equity interest in or the sale, subscription, or allotment of any part thereof or any other shares of the Target Company. In the event that the Target Company (and each of its existing shareholders) or the Vendor receive any respective inquiries or invitation, the Purchaser shall be informed immediately.

Due diligence

The Purchaser shall conduct due diligence in respect of the Possible Acquisition and the Vendor shall undertake to assist and procure the Target Company to assist in ensuring smooth proceeding of the due diligence within the Exclusivity Period.

Binding effect

Save for the provisions relating to exclusivity, confidentiality, and governing law and jurisdiction, the provisions of the MOU are not legally binding.

INFORMATION ON THE TARGET COMPANY

As advised by the Vendor, the Target Company is a limited liability company established in Hong Kong in 2015. The Target Company is an investment holding company with three subsidiaries operating in the following business area:

1. Dealing in securities, holder of a Type 1 licence under the SFO;
2. Advising on securities and asset management, holder of a Type 4 and Type 9 licences under the SFO;
3. Money lending, holder of a money lender license

REASONS AND BENEFITS FOR ENTERING INTO THE MOU

As at the date of this announcement, the Group is principally engaged in the design, manufacturing and sale of electrical haircare appliances.

The Group has been exploring opportunities, to expand and diversify its business and activities, with a view to create new sources of income and to maximize the return to the Company and the Shareholders in the long run. The Group will continue to explore other possible investment opportunities with a view to enhance its value to Shareholders.

The Board consider that the terms of the MOU are fair and reasonable and that the Possible Acquisition is in the interest of the Company and shareholders of the Company as a whole.

The Possible Acquisition is subject to, among others, further negotiation concerning the entering into of formal agreements. As at the date of this announcement, the terms and conditions of the formal agreements are yet to be finalized or agreed between the parties. As such, the Possible Acquisition may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company. The Company will make further announcement(s) in respect of the Possible Acquisition as and when appropriate in accordance with the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday, public holiday or any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning is hoisted between 9:00 a.m. and 5:00 p.m. in Hong Kong) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours

“Company”	Kenford Group Holdings Limited (建福集團控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board (Stock Code: 464)
“Director(s)”	the director(s) of the Company
“Exclusive Period”	the exclusivity period of 180 days from the date of the MOU or such other date agreed by the Company and the Vendor
“Formal Agreement”	the formal sale and purchase agreement for the Possible Acquisition which may or may not be entered into by the Company and the Vendor
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	independent third party who is not connected person of the Company and is independent of and not connected with the Company and Directors, chief executives, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	Main Board of the Stock Exchange
“MOU”	the Memorandum of Understanding dated 25 April 2019 entered into by the Purchaser and the Vendor setting out the preliminary understanding for the Possible Acquisition
“Possible Acquisition”	the possible acquisition of a majority equity interest in the Target Company by the Purchaser from the Vendor

“Purchaser”	Emerald Power Ventures Limited (翠豐創投有限公司), a limited liability company which established in the BVI and a directly wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, Macau and Taiwan
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Target Company”	CF Capital Limited (長復資本有限公司), a limited liability company which established in Hong Kong and is owned as to 90% by the Vendor
“Vendor”	Xiao Yiwen (肖懿雯)
“%”	Per cent

By order of the Board of
Kenford Group Holdings Limited
Zhang Huijun
Executive Director

Hong Kong, 25 April 2019

As at the date of this announcement, the Board of the Company comprises five executive Directors, namely Mr. Gao Jianbo, Ms. Cai Dongyan, Mr. Zhang Huijun, Ms. Pauline Lam, and Mr. Lin Liangyong, and three independent non-executive Directors, namely Mr. Han Dengpan, Mr. Huang Zhiwei and Mr. Lam Yick Man.

Website: www.kenford.com.hk