

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.

This joint announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

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) CLOSE OF MANDATORY UNCONDITIONAL CASH OFFER BY



**金融有限公司
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)**

(2) RESULTS OF THE OFFER

**(3) WAIVER OF RESTORATION OF PUBLIC FLOAT AND
SUSPENSION OF TRADING**

(4) RESIGNATION OF DIRECTORS

**(5) CHANGE OF CHAIRMAN OF THE BOARD AND
CHIEF EXECUTIVE OFFICER**

AND

**(6) CHANGE OF COMPOSITION OF THE BOARD
COMMITTEES**

**Financial adviser to
China Yuen Capital Limited**



**金融有限公司
OCTAL Capital Limited**

**Financial adviser to
Kenford Group Holdings Limited**



**Lego Corporate
Finance Limited
力高企業融資有限公司**

CLOSE OF THE OFFER

The Offeror and the Company jointly announce that the Offer was closed at 4:00 p.m. on 12 September 2017 and was not revised or extended by the Offeror.

RESULTS OF THE OFFER

As at 4:00 p.m. on 12 September 2017, being the latest time and date for acceptance of the Offer, the Offeror received valid acceptances in respect of the Offer for a total of 124,830,500 Offer Shares, representing approximately 28.01% of the entire issued share capital of the Company as at the date of this joint announcement.

SETTLEMENT OF THE OFFER

Remittances in respect of the cash consideration (after deducting seller's ad valorem stamp duty) payable for the Offer Shares tendered under the Offer have been or will be despatched to the Independent Shareholders validly accepting the Offer by ordinary post at his/her/its own risk as soon as possible but in any event within seven (7) Business Days following the date of receipt by the Registrar of the duly completed and signed Forms of Acceptance and all the relevant documents to render the acceptances under the Offer complete and valid.

The latest date for posting of remittances of the cash consideration (after deducting the seller's ad valorem stamp duty) due in respect of valid acceptances received under the Offer is 21 September 2017.

WAIVER OF RESTORATION OF PUBLIC FLOAT AND SUSPENSION OF TRADING

Immediately following the close of the Offer and subject to the due registration by the Registrar of the transfer of the Offer Shares in respect of which valid acceptances have been received, 34,425,500 Shares, representing approximately 7.72% of the entire issued share capital of the Company as at the date of this joint announcement, are held by the public (within the meaning of the Listing Rules). Accordingly, as at the date of this joint announcement, the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules was not satisfied.

The Offeror has undertaken to the Stock Exchange to take appropriate steps (which may include placing down part of its interest in the Company to independent third parties not connected with or acting in concert with the Offeror, its ultimate beneficial owners and associates, the Directors, chief executive or substantial Shareholders of the Company or any of their respective subsidiaries or any of their respective associates) following the close of the Offer, to ensure that not less than 25% of the Shares will be held by the public under Rule 8.08(1)(a) of the Listing Rules. An application has been made to the Stock Exchange for a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules for a period of three months.

The Offeror and the Company will take appropriate steps as soon as practicable to restore the required minimum public float. Further announcement(s) will be made by the Company regarding restoration of public float in the Shares as soon as possible.

Pursuant to Note 1 to Rule 8.08(1)(b) of the Listing Rules, trading in the Shares will be suspended since the percentage of public float falls below 15% following the close of the Offer. At the request of the Company, trading in the Shares on the Stock Exchange will be suspended with effect from 9:00 a.m. on 13 September 2017, being the trading day immediately after the close of the Offer, until the public float of the Company is restored. Further announcement(s) will be made by the Company regarding restoration of public float and resumption of trading in the Shares as soon as possible.

RESIGNATION OF DIRECTORS

The Board announces that effective immediately after the close of the Offer on 12 September 2017:

- (a) Mr. Lam and Mr. Tam have resigned as executive Directors; and
- (b) Mr. Chiu Fan Wa, Mr. Choi Hon Keung and Mr. Li Chi Chung have resigned as independent non-executive Directors.

CHANGE OF CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

Mr. Lam ceased to be the chairman of the Board upon his resignation as an executive Director and Mr. Zhang Huijun has been appointed in his stead effective immediately after the close of the Offer on 12 September 2017.

Mr. Tam ceased to be the managing director of the Company upon his resignation as an executive Director and Ms. Cai Dongyan has been appointed as the chief executive officer of the Company immediately after the close of the Offer on 12 September 2017.

CHANGE OF COMPOSITION OF THE BOARD COMMITTEES

The Board announces that effective immediately after the close of the Offer on 12 September 2017:

- (a) Mr. Lam ceased to be a member of the Remuneration Committee;
- (b) Mr. Tam ceased to be a member of the Remuneration Committee;
- (c) Mr. Chiu Fan Wa ceased to be the chairman of each of the Audit Committee and the Nomination Committee and a member of the Remuneration Committee;
- (d) Mr. Choi Hon Keung ceased to be the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee;
- (e) Mr. Li Chi Chung ceased to be a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee;
- (f) Mr. Zhang Huijun has been appointed as a member of the Remuneration Committee;
- (g) Mr. Han Dengpan has been appointed as the chairman of the Audit Committee and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee;
- (h) Mr. Fung Chi Kin has been appointed as the chairman of the Remuneration Committee and the Nomination Committee and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee; and
- (i) Mr. Huang Zhiwei has been appointed as a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee.

Reference is made to the composite offer and response document dated 22 August 2017 (the “**Composite Document**”) jointly issued by Kenford Group Holdings Limited (the “**Company**”) and China Yuen Capital Limited (the “**Offeror**”) in respect of the mandatory unconditional cash offer by Octal Capital Limited for and on behalf of the Offeror to acquire 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) (the “**Offer**”). Unless otherwise the context requires, capitalised terms used in this joint announcement shall have the same meanings as those defined in the Composite Document.

CLOSE OF THE OFFER

The Offeror and the Company jointly announce that the Offer was closed at 4:00 p.m. on 12 September 2017 and was not revised or extended by the Offeror.

RESULTS OF THE OFFER

As at 4:00 p.m. on 12 September 2017, being the latest time and date for acceptance of the Offer, the Offeror received valid acceptances in respect of the Offer for a total of 124,830,500 Offer Shares, representing approximately 28.01% of the entire issued share capital of the Company as at the date of this joint announcement.

SETTLEMENT OF THE OFFER

Remittances in respect of the cash consideration (after deducting seller’s ad valorem stamp duty) payable for the Offer Shares tendered under the Offer have been or will be despatched to the Independent Shareholders validly accepting the Offer by ordinary post at his/her/its own risk as soon as possible but in any event within seven (7) Business Days following the date of receipt by the Registrar of the duly completed and signed Forms of Acceptance and all the relevant documents to render the acceptances under the Offer complete and valid.

The latest date for posting of remittances of the cash consideration (after deducting the seller’s ad valorem stamp duty) due in respect of valid acceptances received under the Offer is 21 September 2017.

SHAREHOLDING STRUCTURE OF THE COMPANY

Immediately before the commencement of the Offer Period (i.e. 28 April 2017), none of the Offeror and parties acting in concert with it were interested in, held, controlled or directed any Shares or rights over any Shares or securities of the Company.

Immediately before the commencement of the Offer (i.e. 22 August 2017), the Offeror and parties acting in concert with it were interested in, held, controlled or directed 286,390,000 Shares, representing 64.26% of the then entire issued share capital of the Company and did not hold, control or direct any other rights over other Shares.

Upon the close of the Offer, taking into account 124,830,500 Offer Shares received from valid acceptances under the Offer, the Offeror and parties acting in concert with it were interested in an aggregate of 411,220,500 Shares, representing approximately 92.28% of the entire issued share capital of the Company as at the date of this joint announcement.

Save for (a) 286,390,000 Shares acquired by the Offeror pursuant to the Share Purchase Agreement; and (b) 124,830,500 Offer Shares received from the valid acceptances under the Offer, neither the Offeror nor parties acting in concert with it had (a) acquired or agreed to acquire any relevant securities of the Company or rights over the relevant securities of the Company; and (b) borrowed or lent any relevant securities of the Company during the Offer Period.

The following table sets out the shareholding structure of the Company (based on information received by the Company and notified pursuant to Part XV of the SFO as at the date of this joint announcement) (a) immediately before the Completion; (b) immediately after the Completion and before the commencement of the Offer; and (c) immediately after the close of the Offer and as at the date of this joint announcement:

Shareholders	Immediately before Completion		Immediately after Completion and before the commencement of the Offer		Immediately after the close of the Offer and as at the date of this joint announcement	
	<i>Approximate % of</i>		<i>Approximate % of</i>		<i>Approximate % of</i>	
	<i>Number of Shares</i>	<i>total number of issued Shares</i>	<i>Number of Shares</i>	<i>total number of issued Shares</i>	<i>Number of Shares</i>	<i>total number of issued Shares</i>
The Vendors						
Mr. Lam Wai Ming (“ Mr. Lam ”) (<i>Note 1</i>)	395,000	0.09	-	-	-	-
Mr. Tam Chi Sang (“ Mr. Tam ”) (<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	411,220,500	92.28
Other public Shareholders	159,256,000	35.74	159,256,000	35.74	34,425,500	7.72
Total	<u>445,646,000</u>	<u>100.00</u>	<u>445,646,000</u>	<u>100.00</u>	<u>445,646,000</u>	<u>100.00</u>

Notes:

1. Mr. Lam was the executive director and chairman of the Company before the close of the Offer.
2. Mr. Tam was the executive director and managing director of the Company before the close of the Offer.
3. Achieve Best Limited was wholly-owned by Mr. Lam.
4. Realchamp International Inc was wholly-owned by Mr. Tam.
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, and Potentasia Holdings Inc was wholly-owned by Mr. Tam.

WAIVER OF RESTORATION OF PUBLIC FLOAT AND SUSPENSION OF TRADING

Immediately following the close of the Offer and subject to the due registration by the Registrar of the transfer of the Offer Shares in respect of which valid acceptances have been received, 34,425,500 Shares, representing approximately 7.72% of the entire issued share capital of the Company as at the date of this joint announcement, are held by the public (within the meaning of the Listing Rules). Accordingly, as at the date of this joint announcement, the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules was not satisfied.

The Offeror has undertaken to the Stock Exchange to take appropriate steps (which may include placing down part of its interest in the Company to independent third parties not connected with or acting in concert with the Offeror, its ultimate beneficial owners and associates, the Directors, chief executive or substantial Shareholders of the Company or any of their respective subsidiaries or any of their respective associates) following the close of the Offer, to ensure that not less than 25% of the Shares will be held by the public under Rule 8.08(1)(a) of the Listing Rules. An application has been made to the Stock Exchange for a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules for a period of three months.

The Offeror and the Company will take appropriate steps as soon as practicable to restore the required minimum public float. Further announcement(s) will be made by the Company regarding restoration of public float in the Shares as soon as possible.

Pursuant to Note 1 to Rule 8.08(1)(b) of the Listing Rules, trading in the Shares will be suspended since the percentage of public float falls below 15% following the close of the Offer. At the request of the Company, trading in the Shares on the Stock Exchange will be suspended with effect from 9:00 a.m. on 13 September 2017, being the trading day immediately after the close of the Offer, until the public float of the Company is restored. Further announcement(s) will be made by the Company regarding restoration of public float and resumption of trading in the Shares as soon as possible.

RESIGNATION OF DIRECTORS

The Board announces that effective immediately after the close of the Offer on 12 September 2017:

- (a) Mr. Lam and Mr. Tam have resigned as the executive Directors; and
- (b) Mr. Chiu Fan Wa, Mr. Choi Hon Keung and Mr. Li Chi Chung have resigned as the independent non-executive Directors.

(collectively, the “**Former Directors**”)

The abovementioned resignations of Directors are due to the change in control of the Company and each of the resigning Directors has confirmed to the Board that he has no disagreement with the Board and that there are no other matters in relation to his resignation that need to be brought to the attention of the Shareholders.

The Board would like to extend its sincere gratitude and appreciation to each of them for their valuable contributions towards the Company during their tenure of office.

CHANGE OF CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

Mr. Lam ceased to be the chairman of the Board upon his resignation as an executive Director and Mr. Zhang Huijun (“**Mr. Zhang**”) has been appointed in his stead effective immediately after the close of the Offer on 12 September 2017.

Mr. Tam ceased to be the managing director of the Company upon his resignation as an executive Director and Ms. Cai Dongyan has been appointed as the chief executive officer of the Company immediately after the close of the Offer on 12 September 2017.

CHANGE OF COMPOSITION OF THE BOARD COMMITTEES

The Board announces that effective immediately after the close of the Offer on 12 September 2017:

- (a) Mr. Lam ceased to be a member of the remuneration committee of the Company (the “**Remuneration Committee**”);
- (b) Mr. Tam ceased to be a member of the Remuneration Committee;
- (c) Mr. Chiu Fan Wa ceased to be the chairman of each of the audit committee of the Company (the “**Audit Committee**”) and the nomination committee of the Company (the “**Nomination Committee**”), and a member of the Remuneration Committee;
- (d) Mr. Choi Hon Keung ceased to be the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee;
- (e) Mr. Li Chi Chung ceased to be a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee;
- (f) Mr. Zhang has be appointed as a member of the Remuneration Committee;
- (g) Mr. Han Dengpan has been appointed as the chairman of the Audit Committee and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee;
- (h) Mr. Fung Chi Kin has been appointed as the chairman of the Remuneration Committee and the Nomination Committee, and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee; and
- (i) Mr. Huang Zhiwei has been appointed as a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee.

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

By Order of the Board
Kenford Group Holdings Limited
Zhang Huijun
Chairman

Hong Kong, 12 September 2017

As at the date of this joint announcement, the Board of the Company comprises three executive Directors, namely Mr. Zhang Huijun (Chairman), Ms. Cai Dongyan and Ms. Pauline Lam, one non-executive Director, namely Mr. Kwok Kai Hing Daniel, and three independent non-executive Directors, namely Mr. Han Dengpan, Mr. Fung Chi Kin and Mr. Huang Zhiwei.

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.

The Former 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.