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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)**

**DISCLOSEABLE TRANSACTION**  
**DISPOSAL OF PROPERTY**

On 8 March 2017 (after trading hours), the Vendor (a wholly - owned subsidiary of the Company) entered into the Preliminary Agreement with the Purchaser for the sale and purchase of the Property at a consideration of HK\$53,080,000. Pursuant to the terms of the Preliminary Agreement, the Vendor and the Purchaser will enter into a formal agreement for the sale and purchase of the Property on or before 23 March 2017. Completion is scheduled to take place on 8 June 2017 with the option for the Vendor to defer the date of completion to a later date but in any event no later than 8 September 2017 subject to the relocation arrangement of the Vendor.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) of the Disposal exceed 5% but are less than 25%, the Disposal therefore constitutes a discloseable transaction for the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

**THE PRELIMINARY AGREEMENT**

On 8 March 2017 (after trading hours), the Vendor (a wholly - owned subsidiary of the Company) entered into the Preliminary Agreement with the Purchaser for the sale and purchase of the Property at a consideration of HK\$53,080,000.

The key terms of the Preliminary Agreement are as follows:

Date of agreement: 8 March 2017

Vendor: Kenford Industrial Company Limited, a wholly-owned subsidiary of the Company

Purchaser: Castle Capital Limited

Property: Room 1106-08, 11/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong

Consideration: HK\$53,080,000, which shall be paid by the Purchaser to the Vendor in the following manner:

- (i) HK\$2,650,000, being the initial deposit, has been paid by the Purchaser to the Vendor upon the signing of the Preliminary Agreement;
- (ii) HK\$2,658,000, being further deposit, will be paid by the Purchaser to the Vendor on or before 23 March 2017; and
- (iii) the balance of the Consideration in the sum of HK\$47,772,000 will be paid by the Purchaser to the Vendor upon completion, that is, on or before 8 June 2017 or the deferred completion date which will be no later than 8 September 2017.

Completion Date: 8 June 2017 with the option for the Vendor to defer the date of completion to a later date but in any event no later than 8 September 2017 subject to the relocation arrangement of the Vendor

Pursuant to the Preliminary Agreement, the Vendor agreed to bear the costs for repairs due to structural defects of the Property subject to a cap of HK\$80,000.

Should the Purchaser fail to complete the sale and purchase of the Property, the Vendor shall forfeit the deposit and the Purchaser shall bear the total commission payable to the property agent in respect of the Disposal.

Should the Vendor fail to complete the sale and purchase of the Property, the Vendor shall compensate the Purchaser with a sum equivalent to the deposit and refund the deposit to the Purchaser and shall bear the total commission payable to the property agent in respect of the Disposal.

Pursuant to the Preliminary Agreement, the Vendor and the Purchaser will enter into a formal agreement for the sale and purchase of the Property on or before 23 March 2017. The formal agreement, which will set out the detailed terms of the Disposal, is expected to supersede the Preliminary Agreement.

## **INFORMATION ABOUT THE PROPERTY**

The Property is located at Room 1106-08, 11/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong, which is for industrial uses. The office of the Vendor and the principal office of the Company in Hong Kong are currently located at the property.

As at 31 March 2016, the audited carrying value of the Property was approximately HK\$51,100,000.

## **INFORMATION ABOUT THE GROUP AND THE VENDOR AND REASONS FOR THE DISPOSAL**

The Group is principally engaged in the design, manufacture and sale of electrical haircare appliances. The Vendor is a wholly-owned subsidiary of the Company which is principally engaged in the design, manufacture and sale of electrical haircare appliances.

The Property has been held by the Group for long term purpose for self-use since 1992. The Directors consider that the Consideration for the Disposal has substantially reflected the long term investment potential of the Property.

The Consideration was arrived at after arm's length negotiation between the Vendor and the Purchaser having considered the market value of the industrial properties nearby. The Board is of the view that the terms of the Disposal, including the Consideration, are on normal commercial terms, and are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Disposal is expected to enable the Company to recognise a gain of approximately HK\$1,980,000 before expenses, being the premium of the Consideration over the carrying value of the Property.

The proceeds of the Disposal will be applied as general working capital of the Group.

## **INFORMATION ABOUT THE PURCHASER**

To the best of knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser is principally engaged in trading business, and the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in the Listing Rules) of the Disposal exceed 5% but are less than 25%, the Disposal therefore constitutes a discloseable transaction for the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Board” the board of Directors;

“Company” Kenford Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed and traded on the Stock Exchange;

“Consideration”	HK\$53,080,000, being the total consideration payable by the Purchaser to the Vendor for the Disposal;
“Directors”	the directors of the Company;
“Disposal”	the disposal of the Property by the Vendor to the Purchaser;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	party(ies) who is/are third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Property”	Room 1106-08, 11/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong,
“Purchaser”	Castle Capital Limited, a company incorporated in Hong Kong with limited liability, an Independent Third Party;
“Preliminary Agreement”	the preliminary sale & purchase agreement dated 8 March 2017 and entered into between the Vendor and the Purchaser in respect of the Disposal;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Kenford Industrial Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

By order of the Board  
**KENFORD GROUP HOLDINGS LIMITED**  
**Lam Wai Ming**  
*Chairman*

Hong Kong, 8 March 2017

*As at the date of this 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.*

Website: [www.kenford.com.hk](http://www.kenford.com.hk)