

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 appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of KFM Kingdom Holdings Limited.



KIG Real Estate Holdings Limited KFM KINGDOM HOLDINGS LIMITED

(Incorporated in the British Virgin Islands with limited liability)

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 3816)

JOINT ANNOUNCEMENT

- (1) CLOSE OF MANDATORY UNCONDITIONAL CASH OFFER BY HEAD & SHOULDERS SECURITIES LIMITED FOR AND ON BEHALF OF KIG REAL ESTATE HOLDINGS LIMITED TO ACQUIRE ALL THE ISSUED SHARES IN KFM KINGDOM HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY KIG REAL ESTATE HOLDINGS LIMITED AND PARTIES ACTING IN CONCERT WITH IT);**
(2) RESULTS OF THE OFFER;
(3) SETTLEMENT OF THE OFFER;
(4) PUBLIC FLOAT;
(5) RESIGNATION OF DIRECTOR AND THE CHAIRMAN; AND
(6) APPOINTMENT OF THE CHAIRMAN AND CHANGE OF COMPOSITION OF BOARD COMMITTEES

Offer agent to the Offeror



Financial adviser to the Offeror



**Independent Financial Adviser
to the Independent Board Committee and the Offer Shareholders**

ALTUS CAPITAL LIMITED

References are made to the (i) joint announcement of the Company and KIG Real Estate dated 1 December 2023 in respect of, among other things, the KPST Acquisition, the MF Share Sale and the Offer; (ii) joint announcement of the Company and KIG Real Estate dated 5 February 2024 in respect of, among other things, completion of each of the KPST Acquisition and the MF Share Sale; and (iii) composite offer and response document jointly issued by the Company and KIG Real Estate dated 9 February 2024 (the “**Composite Document**”). Unless otherwise stated, capitalised terms used in this joint announcement have the same meanings defined in the Composite Document.

CLOSE OF THE OFFER

KIG Real Estate and the Company jointly announce that the Offer was closed at 4:00 p.m. on Friday, 1 March 2024, and was not revised or extended by KIG Real Estate.

RESULTS OF THE OFFER

As at 4:00 p.m. on Friday, 1 March 2024, being the latest time and date for acceptance of the Offer as set out in the Composite Document, KIG Real Estate had received five valid acceptances in respect of a total of 38,260,000 Offer Shares under the Offer, representing approximately 6.38% of the entire issued share capital of the Company as at the date of this joint announcement.

SETTLEMENT OF THE OFFER

Based on the five valid acceptances in respect of 38,260,000 Offer Shares and the Offer Price of HK\$0.30 per Offer Share, the total consideration of the Offer is HK\$11,478,000.

Remittances in respect of the cash consideration (after deduction of seller’s ad valorem stamp duty) payable for the Offer Shares tendered under the Offer has been/will be despatched to the Offer Shareholders accepting the Offer by ordinary post at his/her/its own risk as soon as possible, but in any event no later than seven (7) Business Days after the date of receipt by the Registrar of all relevant documents required to render such acceptance complete and valid, in accordance with the Takeovers Code.

The latest date for posting of remittances in respect of valid acceptance received under the Offer is Tuesday, 12 March 2024.

INTEREST OF THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT IN THE SHARES

Immediately before the commencement of the Offer Period, KIG Real Estate, its ultimate beneficial owners and parties acting in concert with any of them did not hold, control or have direction over any Shares, any voting rights or any rights over the Shares.

Immediately following completion of the MF Share Sale, KIG Real Estate, its ultimate beneficial owners and parties acting in concert with any of them held, controlled or directed an aggregate of 449,999,012 Shares, representing approximately 75.0% of the entire issued share capital of the Company.

Taking into account of the five valid acceptances in respect of the 38,260,000 Offer Shares (the “**Acceptance Shares**”) under the Offer (subject to completion of the transfer to KIG Real Estate of such Acceptance Shares acquired by it under the Offer), immediately after the close of the Offer, KIG Real Estate, its ultimate beneficial owners and parties acting in concert with any of them are interested in an aggregate of 488,259,012 Shares, representing approximately 81.38% of the issued share capital of the Company as at the date of this joint announcement.

Save as disclosed above, none of KIG Real Estate, its ultimate beneficial owners or parties acting in concert with any of them (i) held, controlled or directed any Shares or rights over Shares immediately before commencement of the Offer Period; (ii) had acquired or agreed to acquire any Shares or rights over Shares during the Offer Period; or (iii) had borrowed or lent any Shares or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period and up to the date of this joint announcement.

SHAREHOLDING AND PUBLIC FLOAT OF THE COMPANY

Set out below is the shareholding structure of the Company (i) immediately prior to the commencement of the Offer Period and completion of the MF Share Sale; (ii) immediately after completion of the MF Share Sale and before the making of the Offer; and (iii) immediately upon the close of the Offer and as at the date of this joint announcement (subject to completion of the transfer to KIG Real Estate of such Acceptance Shares acquired by it under the Offer):

	Immediately prior to the commencement of the Offer Period and completion of the MF Share Sale		Immediately after completion of the MF Share Sale and before the making of the Offer		Immediately upon the close of the Offer (assuming that the transfer to KIG Real Estate of those Acceptance Shares acquired by KIG Real Estate under the Offer has been completed) and as at the date of this joint announcement	
	<i>Approximate percentage of shareholding in the issued share capital</i>	<i>Approximate percentage of shareholding in the issued share capital</i>	<i>Approximate percentage of shareholding in the issued share capital</i>	<i>Approximate percentage of shareholding in the issued share capital</i>	<i>Approximate percentage of shareholding in the issued share capital</i>	<i>Approximate percentage of shareholding in the issued share capital</i>
	<i>Number of Shares</i>	<i>of the Company</i>	<i>Number of Shares</i>	<i>of the Company</i>	<i>Number of Shares</i>	<i>of the Company</i>
Massive Force ⁽¹⁾	449,999,012	75.00	—	—	—	—
KIG Real Estate ⁽²⁾ and KIG Concert Parties	—	—	449,999,012	75.00	488,259,012	81.38
Public Shareholders	<u>150,000,988</u>	<u>25.00</u>	<u>150,000,988</u>	<u>25.00</u>	<u>111,740,988</u>	<u>18.62</u>
TOTAL	<u><u>600,000,000</u></u>	<u><u>100.00</u></u>	<u><u>600,000,000</u></u>	<u><u>100.00</u></u>	<u><u>600,000,000</u></u>	<u><u>100.00</u></u>

Notes:

- As at the date of this joint announcement, Massive Force was beneficially owned by Ms. Pan Tihui, Ms. Yu Hsuan-jung and Mr. Cheung Yuen Tung as to approximately 30%, 30% and 40%, respectively.
- As at the date of this joint announcement, KIG Real Estate was beneficially owned by Mr. Peter Sun, Mr. Wong, Mr. Yau, Mr. Yung, Mr. Lam Kin Shun, Mr. Chan Lin On, Mr. Yeung Man Chiu, Mr. Suen Fai Chuen Alan and Sunny Nova Limited (which is beneficially wholly-owned by Mr. He Lin) as to approximately 45.4%, 12.6%, 12.6%, 9.2%, 5.4%, 6.2%, 3.2%, 1.4% and 4.0%, respectively.

PUBLIC FLOAT

Immediately upon the close of the Offer and as at the date of this joint announcement, 111,740,988 Shares, representing approximately 18.62% of the entire issued share capital of the Company, are held by the public (as defined in the Listing Rules).

Accordingly, the Company does not satisfy the minimum public float requirement set out under Rule 8.08(1)(a) of the Listing Rules. As such, the Company has made an application to the Stock Exchange for a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules. Appropriate steps will be taken by the Company and KIG Real Estate to ensure public float of the Company will be restored as soon as practicable. Further announcement(s) will be made by the Company regarding restoration of public float in the Shares as and when appropriate in accordance with the Listing Rules.

RESIGNATION OF DIRECTOR AND THE CHAIRMAN

As disclosed in the Composite Document, Mr. Zhang Haifeng (“**Mr. Zhang**”) will resign as a non-executive Director with effect from a date which is no earlier than such date as permitted under the Takeovers Code (i.e. after the close of Offer) as he was a Director appointed as a representative of Massive Force. As such, Mr. Zhang has resigned as a non-executive Director, the Chairman of the Board, the chairman of the nomination committee of the Board (the “**Nomination Committee**”) and a member of the remuneration committee of the Board (the “**Remuneration Committee**”), all with effect from immediately after the publication of this joint announcement on 1 March 2024.

Mr. Zhang has confirmed he has no disagreement with the Board and there is no matter relating to his resignation that needs to be brought to the attention of the Shareholders and the Stock Exchange.

The Board would like to take this opportunity to express its sincere gratitude to Mr. Zhang for his valuable contribution to the Company during his tenure of office.

APPOINTMENT OF THE CHAIRMAN AND CHANGE OF COMPOSITION OF BOARD COMMITTEES

Following resignation of Mr. Zhang, the Board announces that with effect from immediately after the publication of this joint announcement on 1 March 2024:

- (a) Mr. Peter Sun, an executive Director, has been appointed as the Chairman of the Board and the chairman of the Nomination Committee; and
- (b) Mr. Shen Zheqing, an independent non-executive Director, has been appointed as a member of the Remuneration Committee.

For the biographical details of each of Mr. Peter Sun and Mr. Shen Zheqing, please refer to the annual report of the Company for the year ended 31 March 2023 published on 21 July 2023. As of the date of this joint announcement, Mr. Peter Sun was interested in 488,259,012 Shares, representing approximately 81.38% of the total issued share capital of the Company, within the meaning of Part XV of the SFO.

As of the date of this joint announcement, save as disclosed above, there has been no change in the biographical information of each of Mr. Peter Sun and Mr. Shen Zheqing.

DEVIATION FROM THE CORPORATE GOVERNANCE CODE

Pursuant to code provision C.2.1 of the Corporate Governance Code in Appendix C1 to the Listing Rules (“**CG Code**”), the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Peter Sun, will serve as both the chief executive officer of the Company and the Chairman of the Board. Although such practice deviates from code provision C.2.1 of the CG Code, the Board believes that vesting the roles of both the Chairman of the Board and the chief executive officer in the same person has the benefit of ensuring consistent leadership to advance long-term strategy, and allowing for further deepening the monetization capabilities and optimizing operating efficiency. In particular, Mr. Peter Sun, being a founder of the Group and the chief executive officer of the Company, is familiar with the Company’s business operation and has superior knowledge and experience of the Company’s business.

In addition, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively, given that (i) decisions to be made by the Board require approval by at least a majority of the Directors; (ii) all the Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among others, that he/she acts for the benefits and in the best interests of the Company as a whole and will make decisions for the Company accordingly; (iii) the balance of power and authority is ensured by the operations of the Board, which consisting of two executive Directors and three independent non-executive Directors and has a fairly strong independence element; and (iv) the overall strategic and other key business, financial, and operational policies of the Company are made collectively after thorough discussions at both the Board and senior management levels.

Therefore, the Board considers that the deviation from the code provision of C.2.1 of the CG Code is appropriate in such circumstances. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time.

By order of the sole director of
KIG Real Estate Holdings Limited
Mr. Sun Kwok Wah Peter
Sole Director

By order of the Board of
KFM KINGDOM HOLDINGS LIMITED
Mr. Wong Chi Kwok
Executive Director

Hong Kong, 1 March 2024

As at the date of this joint announcement, the executive Directors are Mr. Sun Kwok Wah Peter (Chairman) and Mr. Wong Chi Kwok; the non-executive Director is Mr. Zhang Haifeng (whose resignation shall take effect immediately after the publication of this joint announcement); and the independent non-executive Directors are Mr. Wan Kam To, Ms. Zhao Yue and Mr. Shen Zheqing.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to KIG Real Estate and KIG Concert Parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of KIG Real Estate in his capacity as the sole director of KIG Real Estate) 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 in this joint announcement misleading.

As at the date of this joint announcement, the sole director of KIG Real Estate is Mr. Sun Kwok Wah Peter.

The sole director of KIG Real Estate accepts full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors in their capacity as the Directors) 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 in this joint announcement misleading.