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Greatwalle Holding Limited

(Incorporated in Hong Kong with limited liability)

**KING FORCE GROUP
HOLDINGS LIMITED
冠輝集團控股有限公司**

*(Incorporated in the Cayman Islands with
limited liability)*
(Stock code: 08315)

JOINT ANNOUNCEMENT

- (1) SALE AND PURCHASE OF SHARES OF
KING FORCE GROUP HOLDINGS LIMITED;
(2) POSSIBLE MANDATORY CONDITIONAL CASH OFFERS BY**



**英皇證券(香港)有限公司
Emperor Securities Limited**

**FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE
ALL THE ISSUED SHARES IN THE SHARE CAPITAL OF KING FORCE
GROUP HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED OR
AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN
CONCERT WITH IT) AND TO CANCEL ALL OUTSTANDING SHARE
OPTIONS OF KING FORCE GROUP HOLDINGS LIMITED; AND
(3) RESUMPTION OF TRADING**

Financial adviser to the Offeror



**GREAT WALL PAN ASIA
CORPORATE FINANCE**

Independent financial adviser to the Independent Board Committee



Crescendo Capital Limited

THE SALE AND PURCHASE AGREEMENT

The Company was informed by the Vendor that on 25 April 2018 (after trading hours), the Offeror and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Offeror conditionally agreed to purchase, and the Vendor conditionally agreed to sell, the Sale Shares, representing approximately 16.36% of the entire issued share capital of the Company as at the date of this joint announcement. The Consideration for the Sale Shares pursuant to the Sale and Purchase Agreement is HK\$48,248,000, equivalent to HK\$0.037 per Sale Share.

Completion is conditional upon the fulfilment (or waiver) of, among others, the conditions described in the sub-section headed “Conditions” in the section headed “THE SALE AND PURCHASE AGREEMENT” of this joint announcement.

POSSIBLE MANDATORY CONDITIONAL CASH OFFERS

As at the date of this joint announcement, the Offeror directly held 1,786,000,000 Shares, representing approximately 22.40% of the issued share capital of the Company.

Assuming no changes to the issued share capital of the Company from the date of this joint announcement to the Completion Date and subject to and upon Completion, the Offeror will be interested in a total of 3,090,000,000 Shares, representing approximately 38.76% of the entire issued share capital of the Company. Pursuant to Rule 26.1 and Rule 13 of the Takeovers Code, subject to and upon Completion, the Offeror is required to make mandatory conditional cash offers for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it), and to cancel all outstanding Share Options. As at the date of this joint announcement, other than the outstanding Share Options, there are no outstanding warrants, derivatives or convertible securities which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

Subject to and upon the Completion, Emperor Securities will, on behalf of the Offeror and in compliance with the Takeovers Code, make mandatory conditional general cash offers for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) and to cancel all outstanding Share Options on the terms to be set out in the Composite Offer Document to be issued in accordance with the Takeovers Code on the following basis:

The Share Offer

As at the date of this joint announcement, there are 7,972,194,432 Shares in issue.

For each Offer Share HK\$0.037 in cash

The Offer Price of HK\$0.037 per Offer Share under the Share Offer is equal to the purchase price per Sale Share payable by the Offeror under the Sale and Purchase Agreement.

The principal terms of the Share Offer are set out in the section headed “POSSIBLE MANDATORY CONDITIONAL CASH OFFERS” of this joint announcement.

The Option Offer

As at the date of this joint announcement, there are 256,000,000 outstanding Share Options which confer rights to the holders thereof to subscribe for 256,000,000 Shares at the exercise price of HK\$0.02 per Share.

For cancellation of each Share Option HK\$0.017 in cash

The Option Offer Price of HK\$0.017 for cancellation of each Share Option under the Option Offer represents the difference between the exercise price of HK\$0.02 per Share and the Offer Price.

GENERAL

An Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Xiong Hong, Mr. Wan Tat Wai David and Mr. Ho Yuk Ming Hugo, has been established by the Company in accordance with Rule 2.1 of the Takeovers Code to advise the Independent Shareholders in relation to the terms and conditions of the Offers.

Crescendo Capital Limited, a corporation licensed under the SFO to carry out type 6 (advising on corporate finance) regulated activity, has been appointed as the independent financial adviser to advise the Independent Board Committee in respect of the Offers and such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the offer document in relation to the Offers within twenty one (21) days of the date of this joint announcement or such later date the Executive may approve.

It is the intention of the Offeror and the Board that the offer document from the Offeror and the offeree board circular from the Company be combined into a Composite Offer Document. The Composite Offer Document containing, among other things, details of the Offers (including the expected timetable), the recommendation from the Independent Board Committee, the advice from the independent financial adviser to the Independent Board Committee in respect of the Offers and the relevant forms of acceptance will be despatched by the Offeror and the Company jointly to the Shareholders in accordance with the Takeovers Code.

Independent Shareholders and Optionholders are encouraged to read the Composite Offer Document carefully, including the advice of the independent financial adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offers, before deciding whether or not to accept the Offers.

WARNING

The Offers are possible mandatory conditional cash offers and will only be made if the Completion takes place. Completion is subject to satisfaction and/or waiver of the conditions contained in the Sale and Purchase Agreement. The Offers therefore may or may not be made.

The Offers are conditional on valid acceptances of the Share Offer being received in respect of such number of Shares which, together with the Shares acquired or agreed to be acquired before or during the Share Offer, would result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights in the Company in accordance with the Takeovers Code.

If the valid acceptances of the Share Offer being received (and not, where permitted, withdrawn), by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide), in respect of such number of Shares which, together with the Shares acquired or agreed to be acquired before or during the Share Offer, would result in the Offeror and parties acting in concert with it holding 50% or less of the voting rights of the Company, the Offers will not become unconditional and will lapse.

Shareholders and potential investors are advised to exercise extreme caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers. This joint announcement is made in compliance with the Takeovers Code for the purpose of, among other things, informing the Shareholders and potential investors of the Company of the Offers to be made. The Directors make no recommendation as to the fairness or reasonableness of the Offers or as to the acceptance of the Offers in this joint announcement.

RESUMPTION OF TRADING

At the request of the Company, trading in Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 26 April 2018 pending the publication of this joint announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 30 April 2018.

The Company has been informed by the Vendor that after trading hours on 25 April 2018 (after trading hours), the Offeror and the Vendor entered into the Sale and Purchase Agreement in relation to the sale and purchase of the Sale Shares.

Principal terms of the Sale and Purchase Agreement are set out as follows:

THE SALE AND PURCHASE AGREEMENT

Date

25 April 2018 (after trading hours)

Parties

- (i) Mr. Chen Yunchuo, as the Vendor; and
- (ii) Greatwalle Holding Limited, as the Purchaser.

Subject Matter

Pursuant to the Sale and Purchase Agreement, the Purchaser conditionally agreed to purchase and the Vendor conditionally agreed to sell the Sale Shares, being 1,304,000,000 Shares, representing approximately 16.36% of the existing issued share capital of the Company as at the date of this joint announcement, for a total consideration of HK\$48,248,000, free from all Encumbrances and with all rights attached thereto as at the Completion Date (including all rights to any dividends or other distribution which may be paid, made or declared on or after the Completion Date).

Consideration for the Sale Shares

The Consideration for the Sale Shares pursuant to the Sale and Purchase Agreement is HK\$48,248,000, equivalent to HK\$0.037 per Sale Share. The Consideration shall be settled by the Purchaser in cash in the following manner:

- (i) the deposit in the equivalence of HK\$7,495,502, paid by the Purchaser to the Vendor before the Sale and Purchase Agreement; and
- (ii) the remaining balance in the amount of HK\$40,752,498, to be paid by the Purchaser to the Vendor on the Completion Date.

Conditions

Completion is conditional upon the fulfilment (or waiver) of, among others, the following conditions on or before the Long Stop Date:

- (i) this joint announcement having been published by the Company and the Offeror as required under the Takeovers Code;
- (ii) the Vendor having deposited the Sale Shares into CCASS for credit to the securities account of the Vendor with Emperor Securities;

- (iii) the warranties given by the Vendor in the Sale and Purchase Agreement remaining true, complete, correct and not misleading in all respects on the date of the Sale and Purchase Agreement and the Completion Date, and there are no potential or actual events or circumstances the occurrence of which would cause a breach in the warranties so given at Completion;
- (iv) there shall have been no material adverse effect with respect to the business, financials, operations or assets of the Group from the date of the Sale and Purchase Agreement, and there is no change in the applicable laws to the Group from the date of the Sale and Purchase Agreement until Completion that would result in material adverse changes to the Group taken as a whole;
- (v) the Shares remain listed and trading on the Stock Exchange (excluding any suspension in the trading of the Shares in relation to the transaction contemplated under the Sale and Purchase Agreement) from the date of the Sale and Purchase Agreement to the Completion, and no notice from the SFC or the Stock Exchange has been received to the effect that the listing of the Shares will or may be withdrawn or objected to as a result of the Completion or the terms of the Sale and Purchase Agreement (and/or other matters) on or before Completion;
- (vi) there are no notice from the Stock Exchange or the SFC received to the effect that the listing of the Shares will or may be withdrawn or that the listing status of the Shares has been objected to, and there are no events the occurrence of which would cause any adverse effect to the listing status of the Shares on the Stock Exchange;
- (vii) neither the Stock Exchange nor the SFC had indicated that the trading of the Shares on the Stock Exchange would be suspended, cancelled or withdrawn by reason of the transactions contemplated under the Sale and Purchase Agreement;
- (viii) the Company or any member of the Group is not under any investigations by the governmental departments or regulators, and there are no events the occurrence of which would cause any such investigations;
- (ix) no notice, order, judgment, action or proceedings of any authority having been served, issued or made which restrains, prohibits or makes unlawful any transaction contemplated by the Sale and Purchase Agreement; and
- (x) the Vendor having performed and complied with all agreements, obligations and conditions contained in or contemplated under the Sale and Purchase Agreement that are required to be performed or complied with by it on or before Completion.

The Purchaser may waive any of the Conditions in paragraphs (iii) to (viii) and (x) above in its absolute discretion at any time on or before the Long Stop Date by specific notice in writing to the Vendor. If any of the above Conditions has not been fulfilled or waived by the Purchaser (as the case may be) on or before the Long Stop Date, the Sale and Purchase Agreement shall automatically terminate without liability to any Party, and the Vendor shall forthwith return the deposit to the Purchaser.

As at the date of this joint announcement, none of the conditions set out above have been fulfilled.

Undertakings

Subject to the terms and conditions in the Sale and Purchase Agreement, the Vendor unconditionally undertakes to the Purchaser, among other things, to cause such persons as the Purchaser may nominate to be validly appointed as Directors, subject to the approval of the Board and with effect from the later of the Completion Date or such earliest date as may be permitted under the Takeovers Code.

Completion

Conditional upon the fulfilment (or waiver) of the Conditions, the Completion shall take place on the Completion Date, being the first Business Day after the satisfaction of the Conditions in paragraphs (i) and (ii) as detailed in the sub-section headed “Conditions” in the section headed “THE SALE AND PURCHASE AGREEMENT” of this joint announcement, unless waived by the Purchaser (or such other date as may be agreed between the Parties in writing).

POSSIBLE MANDATORY CONDITIONAL CASH OFFERS

As at the date of this joint announcement, the Offeror directly held 1,786,000,000 Shares, representing approximately 22.40% of the issued share capital of the Company.

Assuming no changes to the issued share capital of the Company from the date of this joint announcement to the Completion Date and subject to and upon Completion, the Offeror will be interested in a total of 3,090,000,000 Shares, representing approximately 38.76% of the issued share capital of the Company. Pursuant to Rule 26.1 and Rule 13 of the Takeovers Code, subject to and upon Completion, the Offeror is required to make mandatory conditional cash offers for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) and to cancel all outstanding Share Options. As at the date of this joint announcement, other than the outstanding Share Options, there are no outstanding warrants, derivatives or convertible securities issued by the Company which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

Principal terms of the Offers

Subject to and upon the Completion, Emperor Securities will, on behalf of the Offeror and in compliance with the Takeovers Code, make mandatory conditional general cash offers for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) and to cancel all outstanding Share Options on the terms to be set out in the Composite Offer Document to be issued in accordance with the Takeovers Code on the following basis:

The Share Offer

As at the date of this joint announcement, there are 7,972,194,432 Shares in issue.

For each Offer Share HK\$0.037 in cash

The Offer Price of HK\$0.037 per Offer Share under the Share Offer is equal to the purchase price per Sale Share payable by the Offeror under the Sale and Purchase Agreement.

The Share Offer will be extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all Encumbrances and together with all rights attached thereto, including but not limited to the right to receive all dividends and distributions which may be paid, made or declared on or after the date on which the Share Offer is made, being the date of the posting of the Composite Offer Document.

The Option Offer

As at the date of this joint announcement, there are 256,000,000 outstanding Share Options of which confer rights to the holders thereof to subscribe for 256,000,000 Shares at the exercise price of HK\$0.02 per Share, exercisable from 30 June 2017 to 29 June 2020.

For cancellation of each Share Option HK\$0.017 in cash

The Option Offer Price of HK\$0.017 for cancellation of each Share Option under the Option Offer represents the difference between the exercise price of HK\$0.02 and the Offer Price.

The Option Offer will be extended to all Optionholders in accordance with the Takeovers Code.

The outstanding Share Options are valid and effective for a period of three years from the date of grant of share options. Pursuant to the terms of the Share Option scheme, in the event of a general offer becoming or being declared unconditional, the grantee of the Share Options shall be entitled to exercise the Share Options in full (to the extent not already lapsed or exercised) at any time within one month after the date on which the general offer becomes or is declared unconditional.

Comparison of Value

The Offer Price of HK\$0.037 per Offer Share represents:

- (i) a premium of approximately 2.78% to the closing price of HK\$0.036 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 8.82% to the average closing price of HK\$0.034 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 12.12% to the average closing price of approximately HK\$0.033 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 131.25% to the audited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.016 per Share as at 31 March 2017, based on the Company's audited consolidated net asset value attributable to the owners of the Company of approximately HK\$125,073,000 as at 31 March 2017 and 7,972,194,432 Shares in issue as at the date of this joint announcement; and
- (v) a premium of approximately 164.29% to the unaudited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.014 per Share as at 30 September 2017, based on the Company's unaudited consolidated net asset value attributable to the owners of the Company of approximately HK\$114,457,000 as at 30 September 2017 and 7,972,194,432 Shares in issue as at the date of this joint announcement.

Highest and lowest Share price

During the six-month period immediately prior to the date of this joint announcement and up to and including the Last Trading Day, the highest closing price per Share as quoted on the Stock Exchange was HK\$0.036 on 1 November 2017, 27 February 2018, 2 March 2018, 26 March 2018 and 25 April 2018, and the lowest closing price per Share as quoted on the Stock Exchange was HK\$0.022 on 19 January 2018, 23 January 2018, 26 January 2018 and 30 January 2018.

Condition of the Offers

The Share Offer is conditional on valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the rules of the Takeovers Code, decide) in respect of such number of Shares which, together with the Shares acquired or agreed to be acquired before or during the Share Offer, would result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights in the Company in accordance with the Takeovers Code.

The Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects. Following acceptance of the Option Offer, the relevant Share Options together with all rights attaching thereto will be entirely cancelled and renounced.

Completion of the Offers

The Offeror will issue an announcement in relation to the revision, extension or lapse of the Offers or the fulfilment of the conditions to the Offers in accordance with the Takeovers Code and the Listing Rules. The latest time on which the Offeror can declare the Offers unconditional as to acceptance is 7:00 p.m. on the 60th day after the posting of the Composite Offer Document (or such later date to which the Executive may consent).

Effect of accepting the Offers

Subject to the Offers becoming unconditional, by accepting the Share Offer, the Independent Shareholders will sell their Shares free from all Encumbrances and together with all rights attached thereto, including but not limited to the right to receive all dividends and distributions which may be paid, made or declared on or after the date on which the Share Offer is made, being the date of the posting of the Composite Offer Document.

Subject to the Offers becoming unconditional, by accepting the Option Offer, the Share Options relating to the relevant Optionholder will be cancelled and renounced together with all rights attaching thereto on or after the date on which the Option Offer is made, being the date of the posting of the Composite Offer Document.

Acceptance of the Offers by any Independent Shareholder and/or the Optionholder will be deemed to constitute a warranty by such person that all the Offer Shares and Share Options (as the case may be) sold by such person under the Offers are free from all Encumbrances and with all rights attached thereto, including but not limited to the right to receive all dividends and distributions which may be paid, made or declared, if any, on or after the date on which the Offers is made, being the date of the Composite Offer Document.

Acceptance of the Offers shall be irrevocable and would not be capable of being withdrawn, except as permitted under the Takeovers Code.

Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty on acceptances of the Share Offer at a rate of 0.1% of the consideration payable in respect of the relevant acceptances by the Shareholders or if higher, the market value of the Shares, will be deducted from the amount payable to the Shareholders who accept the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders accepting the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No stamp duty is payable in connection with the acceptance of the Option Offer.

Payment

Provided that the Offers have become, or have been declared, unconditional in all respects, settlement of the consideration in respect of acceptances of the Offers will be made as soon as practicable but in any event within seven (7) Business Days of the later of the date of receipt of duly completed and valid acceptances in respect of the Offers and the Unconditional Date.

Taxation advice

The Independent Shareholders and/or the Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror and the parties acting in concert with it, Emperor Securities, Great Wall Corporate Finance, the Company, and their respective directors, officers, agents or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Dealing and interests in the Company's securities

For six months immediately prior to the date of this joint announcement (the “**Period**”), save for the purchase of the Sale Shares under the Sale and Purchase Agreement and the transactions as set out below, none of the Offeror and the parties acting in concert with it had dealt in any Shares, options, derivatives, warrants, other securities convertible into Shares, or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

Date or the relevant period of transaction(s)/ date of agreement	Relevant party	Purchase/ sale	Number of Shares involved	Highest price per Share (HK\$)	Lowest price per Share (HK\$)
24 July 2017 to 27 October 2017	Bohou Investment (Note 1)	Purchase	790,260,000	0.0366	0.0223
		Sale	145,770,000	0.04	0.032
The Period					
1 November 2017 to 7 November 2017	Bohou Investment (Note 1)	Purchase	29,310,000	0.034	0.034
		Sale	6,050,000	0.036	0.035
8 November 2017 to 14 November 2017	Bohou Investment (Note 1)	Purchase	2,000,000	0.034	0.034
15 November 2017 to 21 November 2017	Bohou Investment (Note 1)	Purchase	21,250,000	0.034	0.0339
22 November 2017 to 28 November 2017	Bohou Investment (Note 1)	Purchase	3,000,000	0.031	0.031

Date or the relevant period of transaction(s)/ date of agreement	Relevant party	Purchase/ sale	Number of Shares involved	Highest price per Share (HK\$)	Lowest price per Share (HK\$)
13 December 2017 to 19 December 2017	Bohou Investment (Note 1)	Purchase	10,640,000	0.0242	0.0242
20 December 2017 to 26 December 2017	羅韜(Luo Ren*)	Purchase	2,000,000	0.027	0.027
3 January 2018 to 9 January 2018	Bohou Investment (Note 1)	Purchase	4,360,000	0.025	0.025
24 January 2018 to 30 January 2018	Offeror	Purchase	27,000,000	0.024	0.023
31 January 2018 to 6 February 2018	Offeror	Purchase	122,000,000	0.033	0.024
7 February 2018 to 13 February 2018 (Note 2)	Offeror	Purchase	429,110,000	0.033 (Note 2)	0.030 (Note 2)
	Bohou Investment (Note 1)	Sale	266,000,000	0.032 (Note 2)	0.032 (Note 2)
21 February 2018 to 27 February 2018	Offeror	Purchase	55,890,000	0.035	0.031
28 February 2018	Offeror	Purchase	7,000,000	0.035	0.034
2 March 2018	Offeror	Purchase	72,000,000	0.037	0.032
12 March 2018	Offeror	Purchase	13,000,000	0.034	0.032
13 March 2018	Offeror	Purchase	29,690,000	0.036	0.035
14 March 2018	Offeror	Purchase	15,930,000	0.035	0.034
15 March 2018	Offeror	Purchase	15,380,000	0.035	0.033
16 March 2018	Offeror	Purchase	7,460,000	0.032	0.032
19 March 2018	Offeror	Purchase	4,540,000	0.031	0.030
20 March 2018	Offeror	Purchase	52,400,000	0.031	0.028
22 March 2018 (Note 3)	Offeror	Purchase	443,000,000	0.032 (Note 3)	0.032 (Note 3)
22 March 2018	Bohou Investment (Note 1)	Purchase	15,000,000	0.031	0.031
22 March 2018 (Note 3)	Bohou Investment (Note 1)	Sale	443,000,000	0.032 (Note 3)	0.032 (Note 3)
23 March 2018	Bohou Investment (Note 1)	Purchase	13,820,000	0.0313	0.0313
26 March 2018	Bohou Investment (Note 1)	Purchase	72,180,000	0.0347	0.0347

Date or the relevant period of transaction(s)/ date of agreement	Relevant party	Purchase/ sale	Number of Shares involved	Highest price per Share (HK\$)	Lowest price per Share (HK\$)
27 March 2018	Bohou Investment (Note 1)	Purchase	177,450,000	0.034	0.034
28 March 2018	Bohou Investment (Note 1)	Purchase	4,230,000	0.0348	0.0348
29 March 2018	Bohou Investment (Note 1)	Purchase	20,180,000	0.0331	0.0331
3 April 2018	Bohou Investment (Note 1)	Purchase	71,020,000	0.033	0.033
3 April 2018	Bohou Investment (Note 1)	Purchase	22,520,000	0.034	0.034
4 April 2018	Bohou Investment (Note 1)	Purchase	7,000,000	0.033	0.033
4 April 2018	Bohou Investment (Note 1)	Purchase	14,000,000	0.034	0.034
6 April 2018	Bohou Investment (Note 1)	Purchase	4,680,000	0.033	0.033
6 April 2018	Bohou Investment (Note 1)	Purchase	9,600,000	0.034	0.034
9 April 2018	Bohou Investment (Note 1)	Purchase	25,540,000	0.033	0.033
9 April 2018	Bohou Investment (Note 1)	Purchase	10,000,000	0.034	0.034
10 April 2018	Bohou Investment (Note 1)	Purchase	11,000,000	0.034	0.034
11 April 2018	Bohou Investment (Note 1)	Purchase	820,000	0.033	0.033
11 April 2018	Bohou Investment (Note 1)	Purchase	12,560,000	0.034	0.034
11 April 2018 (Note 4)	Offeror	Purchase	491,600,000	0.033 (Note 4)	0.033 (Note 4)
11 April 2018 (Note 4)	Bohou Investment (Note 1)	Sale	491,600,000	0.033 (Note 4)	0.033 (Note 4)
13 April 2018	羅韜(Luo Ren*)	Sale	2,000,000	0.033	0.033

The full details of the dealings by the Offeror and the parties acting in concert with it will be disclosed in the Composite Offer Document in accordance with the requirements of the Takeovers Code.

Notes:

1. *Bohou Investment Limited (“Bohou Investment”) is wholly-owned by 上海則理投資有限公司 (Shanghai Zeli Investment Company Limited*), which is in turn wholly-owned by 深圳長城匯理資產管理有限公司 (Shenzhen Great Walle Capital Management Co., Ltd.) (“Great Walle Capital Management”). Great Walle Capital Management is owned as to 99.95% and 0.05% by 深圳長城匯理投資股份有限公司 (Shenzhen Great Walle Investment Corp., LTD.*) (“Great Walle Investment”) and Mr. Song, respectively. Great Walle Investment is owned as to approximately 70.9357% and 21.9995% by Mr. Song and 深圳弘德商務服務有限公司 (Shenzhen Hongde Business Services Co., Limited*)(“Hongde Business Services”), which is wholly owned by Mr. Song, respectively. The remaining equity interests of approximately 7.0647% in Great Walle Investment are owned by the Minority Shareholders whose details are set out in the section headed “INFORMATION OF THE OFFEROR” on page 18 of this joint announcement. Prior to the Period, Bohou Investment acquired 790,260,000 Shares and disposed 145,770,000 Shares during the period from 24 July 2017 to 27 October 2017.*
2. *On 14 February 2018, 266,000,000 Shares were transferred from the securities account of Bohou Investment to the securities account of the Offeror at the consideration of HK\$8,512,000, equivalent to HK\$0.032 per Share, pursuant to the sale and purchase agreement entered into between the Offeror and Bohou Investment on 9 February 2018.*
3. *On 26 March 2018, 443,000,000 Shares were transferred from the securities account of Bohou Investment to the securities account of the Offeror at the consideration of HK\$14,176,000, equivalent to HK\$0.032 per Share, pursuant to the sale and purchase agreement entered into between the Offeror and Bohou Investment on 22 March 2018.*
4. *On 13 April 2018, 491,600,000 Shares were transferred from the securities account of Bohou Investment to the securities account of the Offeror at the consideration of HK\$16,222,800, equivalent to HK\$0.033 per Share, pursuant to the sale and purchase agreement entered into between the Offeror and Bohou Investment on 11 April 2018.*

Overseas Holders

The Offeror intends to make the Offers available to all Shareholders and Optionholders (other than the Offeror and parties acting in concert with it), including those who are residents outside Hong Kong. As the Offers to persons not residing in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Holders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should obtain information about and observe any applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Offers.

It is the responsibility of the Overseas Holders who wish to accept the Share Offer and/or the Option Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Share Offer and/or the Option Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

Any acceptance by any Overseas Holder will be deemed to constitute a representation and warranty from such Overseas Holder to the Offeror that the local laws and requirements have been complied with. The Overseas Holders should consult their professional advisers if in doubt.

Other arrangements

The Offeror confirms that, save as disclosed herein, as at the date of this joint announcement:

- (i) save for its existing shareholding of 1,786,000,000 Shares and the Sale Shares upon Completion as disclosed in this joint announcement, none of the Offeror nor parties acting in concert with it owned or had control or direction over any voting rights or rights over the Shares, options, derivatives, warrants, other securities convertible into Shares, or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code);
- (ii) none of the Offeror nor parties acting in concert with it has received any irrevocable commitment to accept the Offers or any irrevocable undertaking from any Shareholders not to sell or transfer (or cause the same to be done) or otherwise dispose of (or permit any such action to occur in respect of) any interest in any Shares held by he/she/it/them;
- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offers;
- (iv) save as disclosed in the section headed “Condition of the Offers” in this joint announcement, there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers; and
- (v) none of the Offeror nor parties acting in concert with it has entered into any arrangement or contract in relation to any outstanding derivative in respect of securities in the Company nor has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

Total value of the Offers

As at the date of this joint announcement, the Company has (i) 7,972,194,432 Shares in issue; and (ii) 256,000,000 outstanding Share Options of which confer rights to the holders thereof to subscribe for 256,000,000 Shares. The Offeror will hold 3,090,000,000 Shares upon Completion. As such, 4,882,194,432 Shares will be subject to the Share Offer.

Other than the Share Options, the Company has no other outstanding shares, options, warrants, derivatives or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) that carry a right to subscribe for or which are convertible into Shares.

Assuming that there is no change in the issued share capital of the Company from the date of this joint announcement up to the Closing Date, (i) based on the Offer Price of HK\$0.037 per Offer Share, the Share Offer is valued at approximately HK\$180,641,194; and (ii) based on the Option Offer Price of HK\$0.017 per Share Option, the Option Offer is valued at HK\$4,352,000.

Assuming all the outstanding Share Options are exercised in full by the Optionholders from the date of this joint announcement up to the Closing Date, the total number of issued Shares would increase to 8,228,194,432 Shares, of which 5,138,194,432 Shares are subject to the Share Offer and the value of the Share Offer will be approximately HK\$190,113,194.

Financial resources available to the Offeror

The Offeror intends to finance the remaining consideration payable for the Sale Shares under the Sale and Purchase Agreement of HK\$40,752,498, and the Offers by the Facility granted from Emperor Securities, which is secured by a charge over (i) the Shares currently held by the Offeror and to be acquired by the Offeror under the Sale and Purchase Agreement and the Share Offer which are or will be deposited into a margin account opened with Emperor Securities; (ii) the net sum of available cash balance standing at the relevant margin account of the Offeror; (iii) the issued shares held by the sole shareholder of the Offeror and all further shares of the Offeror at any time beneficially owned by the sole shareholder of the Offeror; (iv) the indebtedness outstanding due by the Company to each of the Offeror and Mr. Song from time to time; and (v) the indebtedness outstanding due by the Offeror to each of 廣州南沙區匯銘投資業務有限公司 (Guangzhou Nansha Huiming Investment Business Company Limited*) (“**Nansha Huiming**”), the immediate shareholder of the Offeror, and Mr. Song from time to time.

Great Wall Corporate Finance has been appointed as the financial adviser to the Offeror in respect of the Offers. Great Wall Corporate Finance, as financial adviser to the Offeror, are satisfied that sufficient resources are available to the Offeror to satisfy the full acceptance of the Offers.

SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there is no change in the issued share capital of the Company, the table below sets out the shareholding structure of the Company as at the date of this joint announcement and upon Completion but before the Offers are made:

	As at the date of this joint announcement		Immediately upon Completion but before the Offers are made (Assuming none of the outstanding Share Options are exercised)		Immediately upon Completion but before the Offers are made (Assuming all of the outstanding Share Options are exercised in full) (Note 1)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Shareholders						
The Vendor	1,304,000,000	16.36	–	–	–	–
The Offeror and parties acting in concert with it	1,786,000,000	22.40	3,090,000,000	38.76	3,090,000,000	37.55
Directors						
– Ms. Li Liping	–	–	–	–	64,000,000	0.78
– Mr. Li Mingming	–	–	–	–	64,000,000	0.78
– Mr. Ho Yuk Ming Hugo	–	–	–	–	6,400,000	0.08
– Mr. Wan Tat Wai David	–	–	–	–	6,400,000	0.08
– Mr. Xiong Hong	–	–	–	–	6,400,000	0.08
Other public Shareholders	4,882,194,432	61.24	4,882,194,432	61.24	4,990,994,432	60.65
Total	7,972,194,432	100.00	7,972,194,432	100.00	8,228,194,432	100.00

Notes:

- As at the date of this joint announcement, there are 256,000,000 outstanding Share Options. Each of Ms. Li Liping and Mr. Li Mingming, being the executive Directors, holds 64,000,000 Share Options and each of Mr. Ho Yuk Ming Hugo, Mr. Wan Tat Wai David and Mr. Xiong Hong, being the independent non-executive Directors, holds 6,400,000 Share Options. The remaining 108,800,000 outstanding Share Options are held by the employees of the Group.
- The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures to two decimal places.

INFORMATION OF THE GROUP

The Company is a company incorporated in Cayman Islands with limited liability and its Shares are listed on GEM. The Group is principally engaged in the provision of manned security guarding service, mobile games through an associated company of the Group, mobile games to the overseas markets and e-Education and security services.

INFORMATION OF THE OFFEROR

The Offeror was incorporated in Hong Kong on 29 December 2017, which is principally engaged in investment consulting and business management. It is wholly-owned by Nansha Huiming which is in turn held as to 99.9995% by 深圳匯理九號投資諮詢企業(有限合夥) (Shenzhen Huili Jiu Hao Investment Consulting Enterprise Limited Partnership*) (“**Huili Jiu Hao Investment**”), and as to 0.0005% by Mr. Song. Mr. Song is the sole director of the Offeror.

Huili Jiu Hao Investment is held as to 0.20% by 龐曉莉 (Pang Xiaoli*), and as to 99.80% by Great Walle Investment which is ultimately controlled by Mr. Song (as to approximately 70.9357% directly, and as to approximately 21.9995% indirectly through a wholly-owned company, Hongde Business Services). The remaining equity interest of approximately 7.0647% in Great Walle Investment is held as to approximately 1.2185% by 龐曉莉 (Pang Xiaoli*), as to approximately 0.4950% by 深圳明鉞科技有限公司 (Shenzhen Mingyue Technology Company Limited*)(a company wholly owned by 龐曉莉 (Pang Xiaoli*), as to approximately 2.0751% by 深圳凱普隆資產管理有限公司 (Shenzhen Kai Pulong Asset Management Company Limited*) (a company wholly-owned by 李俞霖 (Li Yulin*), as to approximately 0.2725% by 何寶芸 (He Baoyun*), approximately 1.2573% by 楊興航 (Yang Xinghang*), as to approximately 0.5013% by 古開華 (Gu Kaihua*), as to approximately 0.4150% by 石朝民 (Shi Chaomin*), as to approximately 0.4150% by 羅韜 (Luo Ren*), and as to approximately 0.4150% by 房進賢 (Fang Jinxian*).

龐曉莉(Pang Xiaoli*), 深圳明鉞科技有限公司 (Shenzhen Mingyue Technology Company Limited*), 深圳凱普隆資產管理有限公司 (Shenzhen Kai Pulong Asset Management Company Limited*), 李俞霖 (Li Yulin*), 何寶芸 (He Baoyun*), 楊興航 (Yang Xinghang*), 古開華(Gu Kaihua*),石朝民(Shi Chaomin*), 羅韜 (Luo Ren*) and 房進賢 (Fang Jinxian*), are together referred to as the “**Minority Shareholders**”.

Due to their respective indirect shareholdings in the Offeror, the Minority Shareholders are deemed to be parties acting in concert with the Offeror. As at the date of this joint announcement, none of the Minority Shareholders is a Shareholder.

Great Walle Investment and its subsidiaries operates the investment businesses in the PRC. It is also principally engaged in the provision of entrusted asset management services and investment management services through its subsidiaries.

Mr. Song, aged 43, graduated from the Sun Yat-Sen University of China with a bachelor of economics degree in June 1997 and received an executive master of business administrative degree from the Tsinghua University of China in January 2014. Mr. Song is the founder of Great Walle Capital Management, which is a company incorporated in May 2013 and principally engaged in the provision of entrusted asset management services. He is the chairman of Great Walle Capital Management since May 2013 and chairman of Great Walle Investment since July 2015. Prior to joining Great Walle Capital Management, from January 2007 to May 2008, Mr. Song was the vice president of 岳陽恒立冷氣設備股份有限公司 (Yueyang Hengli Air-cooling Equipment, Inc.*), a company listed on the Shenzhen stock exchange (stock code: 000622), which is principally engaged in manufacturing, installation, maintenance and sales of car air-conditioning equipment. From May 2012 to June 2013, Mr. Song was the chairman of 杭州天目山藥業股份有限公司 (Hangzhou TianMuShan Pharmaceutical Enterprise Co., Ltd*), a company listed on the Shanghai stock exchange (stock code: 600671), which is principally engaged in the production of Chinese medicine and health food products. Save for the shareholding interest in the Company, Mr. Song is not a substantial shareholder of any other listed companies in Hong Kong as at the date of this joint announcement.

THE OFFEROR'S INTENTIONS IN RELATION TO THE GROUP

Immediately upon Completion, and assuming none of the outstanding Share Options are exercised, the Offeror and parties acting in concert with it will become the controlling shareholder of the Company and are expected to be interested in approximately 38.76% of the total issued share capital of the Company. Following Completion, the Offeror intends that the Group will continue with its existing businesses.

Leveraging on the experience of the management team and holding companies of the Offeror in the investment sector, and subject to the Completion, the Offeror will explore possible business opportunities in the investment industry for the Group. The Offeror will also conduct a review on the business operations and financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. Subject to the results of the review, the Offeror may explore other business opportunities for the Group and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. Should such corporate actions materialise, further announcement(s) will be made by the Company in accordance with the Listing Rules.

As at the date of this joint announcement, the Offeror has no intention to redeploy the fixed assets of the Company or to terminate any employment of the employees of the Group or to make significant changes to any employment (except for the proposed change of Board composition as detailed in the section headed “PROPOSED CHANGE OF BOARD COMPOSITION” in this joint announcement) other than those in the ordinary and usual course of business. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group’s businesses and operations to optimise the value of the Group.

PROPOSED CHANGE OF BOARD COMPOSITION

The Board is currently made up of seven Directors, comprising four executive Directors and three independent non-executive Directors.

It is currently expected that the Offeror will require at least five Directors (including all the executive Directors) to resign from the Board, and the Offeror will nominate new Directors to be appointed to the Board at the earliest time as allowed under the Takeovers Code. Any such resignation and appointment will be made in compliance with the Takeovers Code and the Listing Rules.

As at the date of this joint announcement, such proposed nomination of new Directors has not yet been finalised. Further announcement(s) will be made upon any changes to the composition to the Board in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing of the Shares on the Stock Exchange upon closing of the Offers. In the event that the public float of the Company falls below 25% upon completion of the Share Offer, each of the Offeror and the new Directors to be appointed to the Board will undertake to the Stock Exchange that they would take appropriate steps to restore the minimum public float as required under the Listing Rules as soon as possible upon the completion of the Share Offer to ensure that sufficient public float exists for the Shares.

The Stock Exchange had stated that if, upon closing of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) that there are insufficient Shares in public hands to maintain an orderly market, it would consider exercising its discretion to suspend dealings in the Shares until the prescribed level of public float is restored.

Therefore, upon the completion of the Share Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares.

Shareholders and potential investors are advised to exercise caution when dealing in Shares.

GENERAL

Independent Board Committee

Pursuant to Rule 2.1 of the Takeovers Code, a board which receives an offer, or is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation (i) as to whether the offer is fair and reasonable and (ii) as to the acceptance of the offer. Therefore, an Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Xiong Hong, Mr. Wan Tat Wai David and Mr. Ho Yuk Ming Hugo, has been established by the Company to advise the Independent Shareholders in relation to the terms and conditions of the Offers, in particular as to whether the Offers are fair and reasonable and as to the acceptance of the Offers.

Independent financial adviser

Crescendo Capital Limited, a corporation licensed under the SFO to carry out type 6 (advising on corporate finance) regulated activity, has been appointed as the independent financial adviser to advise the Independent Board Committee in respect of the Offers and such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

Despatch of the Composite Offer Document

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the offer document in relation to the Offers within twenty one (21) days of the date of this joint announcement or such later date the Executive may approve. It is the intention of the Offeror and the Board that the offer document from the Offeror and the offeree board circular from the Company be combined into a Composite Offer Document. The Composite Offer Document containing, among other things, details of the Offers (including the expected timetable), the recommendation from the Independent Board Committee, the advice from the independent financial adviser to the Independent Board Committee in respect of the Offers and relevant form and acceptance, will be despatched by the Offeror and the Company jointly to the Shareholders in accordance with the Takeovers Code.

Independent Shareholders and Optionholders are encouraged to read the Composite Offer Document carefully, including the advice of the independent financial adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offers, before deciding whether or not to accept the Offers.

Dealings disclosure

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company and the Offeror, including persons who own or control 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code), are hereby reminded to disclose their dealings in the relevant securities of the Company pursuant to the Takeovers Code.

For this purpose, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING

At the request of the Company, trading in Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 26 April 2018 pending the publication of this joint announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 30 April 2018.

WARNING

The Offers are possible mandatory conditional cash offers and will only be made if the Completion takes place. Completion is subject to satisfaction and/or waiver of the conditions contained in the Sale and Purchase Agreement. The Offers therefore may or may not be made.

The Offers are conditional on valid acceptances of the Share Offer being received in respect of such number of Shares which, together with the Shares acquired or agreed to be acquired before or during the Share Offer, would result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights in the Company in accordance with the Takeovers Code.

If the valid acceptances of the Share Offer being received (and not, where permitted, withdrawn), by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide), in respect of such number of Shares which, together with the Shares acquired or agreed to be acquired before or during the Share Offer, would result in the Offeror and parties acting in concert with it holding 50% or less of the voting rights of the Company in accordance with the Takeovers Code, the Offers will not become unconditional and will lapse.

Shareholders and potential investors are advised to exercise extreme caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers. This joint announcement is made in compliance with the Takeovers Code for the purpose of, among other things, informing the Shareholders and potential investors of the Company of the Offers to be made. The Directors make no recommendation as to the fairness or reasonableness of the Offers or as to the acceptance of the Offers in this joint announcement.

DEFINITIONS

In this joint announcement, the following expressions have the meaning set out below unless the context requires otherwise:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	means: <ul style="list-style-type: none">(i) a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. and is not lowered at or before 5:00 p.m. or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m. and is not discontinued at or before 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours(ii) for all other purposes, a day on which the Stock Exchange is open for the transaction of business
“CCASS”	Central Clearing and Settlement System

“Closing Date”	the date to be stated in the Composite Offer Document as the first closing date of the Share Offer or any subsequent closing date as may be announced by the Offeror in accordance with the Takeovers Code and approved by the Executive
“Company”	King Force Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM (stock code: 8315)
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the first Business Day after satisfaction of the condition set out in paragraph (i) and (ii) as detailed in the sub-section headed “Conditions” in the section headed “THE SALE AND PURCHASE AGREEMENT” or such other date as may be agreed between the Parties in writing
“Composite Offer Document”	the composite offer and response document to be jointly issued by the Offeror and the Company in accordance with the Takeovers Code containing, among other things, details of the Offers (including the expected timetable), the recommendation from the Independent Board Committee to the Independent Shareholders and the advice from the independent financial adviser to the Independent Board Committee in respect of the Offers
“Conditions”	the conditions precedent to Completion, as more particularly set out in the sub-section headed “Conditions” in the section headed “THE SALE AND PURCHASE AGREEMENT” in this joint announcement
“Consideration”	the total consideration for the sale and purchase of the Sale Shares payable by the Purchaser to the Vendor
“Directors”	the directors of the Company
“Emperor Securities”	Emperor Securities Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities

“Encumbrances”	any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), equities, hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same
“Executive”	the executive director of the Corporate Finance Division of the SFC or any of his delegates
“Facility”	a loan facility of up to HK\$239,000,000 granted by Emperor Securities Limited to the Offeror
“GEM”	the GEM of the Stock Exchange
“Group”	the Company together with the subsidiaries and the expressions “member of the Group” and “Group Company” shall be construed accordingly
“Great Wall Corporate Finance”	Great Wall Pan Asia Corporate Finance Limited, a corporation licensed under the SFO to carry out type 6 (advising on corporate finance) regulated activity, being the financial adviser to the Offeror in respect of the Offers
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee, comprising all independent non-executive Directors, namely Mr. Xiong Hong, Mr. Wan Tat Wai David and Mr. Ho Yuk Ming Hugo, which has been established by the Company to advise the Independent Shareholders in relation to the terms and conditions of the Offers
“Independent Shareholders”	in respect of the Share Offer, the holders of Shares, other than the Offeror and parties acting in concert with it
“Last Trading Day”	25 April 2018, being the last trading day for the Shares immediately prior to the suspension in the trading of the Shares on the Stock Exchange pending the publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on GEM

“Long Stop Date”	30 May 2018 or such later date as may be agreed in writing by the Vendor and the Purchaser
“Mr. Song”	Mr. Song Xiaoming
“Offers”	the Share Offer and the Option Offer
“Offer Price”	the price at which the Share Offer will be made, being HK\$0.037 per Offer Share
“Offer Share(s)”	all the issued Shares other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it when the Share Offer is made
“Offeror” or “Purchaser”	Greatwalle Holding Limited, a company incorporated in Hong Kong with limited liability and which is ultimately owned by Mr. Song
“Option Offer”	the possible mandatory conditional cash offer to be made by Emperor Securities for and on behalf of the Offeror for the cancellation of all outstanding Share Options in compliance with the Takeovers Code
“Option Offer Price”	the price at which the Option Offer will be made, being HK\$0.017 per Share Option
“Optionholder(s)”	the registered holder(s) of the Share Options
“Overseas Holders”	the independent Shareholders and Optionholders whose addresses, as shown on the register of members of the Company, are outside Hong Kong
“Parties”	the Vendor and the Offeror
“PRC”	the People’s Republic of China, which for the purpose of this joint announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 25 April 2018 entered into among the Vendor and the Purchaser in respect of the sale and purchase of the Sale Shares

“Sale Shares”	1,304,000,000 Shares, representing approximately 16.36% of the issued share capital of the Company as at the date of this joint announcement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	share(s) with a par value of HK\$0.001 each in the share capital of the Company
“Share Offer”	the possible mandatory conditional cash offer to be made by Emperor Securities for and on behalf of the Offeror for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) in compliance with the Takeovers Code
“Share Options”	the options granted or proposed to be granted to the grantees under the share option scheme which was approved and adopted by the Company on 31 July 2014
“Shareholder(s)”	the holder(s) of issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Unconditional Date”	the date on which the Offers have become or are declared unconditional in all respects
“Vendor”	Mr. Chen Yunchuo, the Chairman of the Company and an executive Director
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

By Order of the board of director of
Greatwall Holding Limited
Song Xiaoming
Director

By Order of the Board of
King Force Group Holdings Limited
Chen Yunchuo
Chairman and Executive Director

Hong Kong, 27 April 2018

As at the date of this joint announcement, the executive Directors are Mr. Li Mingming, Mr. Cheng Rui, Ms. Li Liping and Mr. Chen Yunchuo; and the independent non-executive Directors are Mr. Xiong Hong, Mr. Wan Tat Wai David and Mr. Ho Yuk Ming Hugo.

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 it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than the information relating to the Offeror, associates and parties acting in concert with it) 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 statements in this joint announcement misleading.

As at the date of this joint announcement, the sole director of the Offeror is Mr. Song Xiaoming.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group and the Vendor) 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 Group and the Vendor) 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 statements in this joint announcement misleading.

This joint announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company’s website at www.kingforce.com.hk.

** For illustration purposes only*