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JOY TOWN INC.

*(Incorporated in the British Virgin Islands
with limited liability)*

Heng Fai Enterprises Limited

恒輝企業控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 185)

JOINT ANNOUNCEMENT

- (1) CLOSE OF UNCONDITIONAL MANDATORY CASH OFFER BY ALLIANCE CAPITAL PARTNERS LIMITED FOR AND ON BEHALF OF JOY TOWN INC. TO ACQUIRE ALL THE ISSUED SHARES OF HENG FAI ENTERPRISES LIMITED (OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED TO BE ACQUIRED BY JOY TOWN INC. AND PARTIES ACTING IN CONCERT WITH IT);**
(2) RESULTS OF THE SHARE OFFER;
(3) RESIGNATION OF DIRECTORS AND ALTERNATE DIRECTOR, CHAIRMEN AND MEMBERS OF AUDIT, REMUNERATION, NOMINATION AND INVESTMENT COMMITTEES;
(4) APPOINTMENT OF DIRECTORS, CHAIRMEN AND MEMBERS OF AUDIT, REMUNERATION AND NOMINATION COMMITTEES;
(5) ABOLISHMENT OF THE INVESTMENT COMMITTEE;
(6) CHANGE OF COMPANY SECRETARY; AND
(7) CHANGE OF AUTHORIZED REPRESENTATIVES

Financial Advisor to Joy Town Inc.



Alliance Capital Partners Limited
同人融資有限公司

CLOSE OF THE SHARE OFFER

The Company and the Offeror jointly announce that the Share Offer was closed at 4:00 p.m. on Monday, 27 July 2015 and was not revised or extended.

RESULTS OF THE SHARE OFFER

As at 4:00 p.m. on Monday, 27 July 2015, being the latest time and date for acceptance of the Share Offer as set out in the Composite Document, the Offeror had received valid acceptance in respect of a total of 1,664,433 Shares (among those are 4,000 shares which have been reported lost and are currently undergoing share certificate replacement process) under the Share Offer, representing approximately 0.041% of the entire issued share capital of the Company as at the date of this joint announcement.

RESIGNATION OF DIRECTORS AND ALTERNATE DIRECTOR, CHAIRMEN AND MEMBERS OF AUDIT, REMUNERATION, NOMINATION AND INVESTMENT COMMITTEES

The Board announces that with effect from the close of the Share Offer at 4:00 p.m. on 27 July 2015, (i) Mr Chan Heng Fai resigned from his office of executive Director, executive chairman, chairman of the Nomination Committee and member of the Investment Committee; (ii) Ms. Chan Yoke Keow resigned from her office of executive Director and member of the Remuneration Committee; (iii) Mr Chan Tong Wan resigned from his office of executive Director, managing Director and member of the Investment Committee; (iv) Dr Lam Lee G. resigned from his office of non-executive Director and chairman of the Investment Committee; (v) Mr. Fong Kwok Jen resigned from his office of non-executive Director and member of the Investment Committee; (vi) Mr. Wong Tat Keung resigned from his office of independent non-executive Director, chairman of the Audit Committee and Remuneration Committee and member of the Nomination Committee; (vii) Mr. Wong Dor Luk, Peter resigned from his office of independent non-executive Director and member of the Audit Committee, Remuneration Committee and Nomination Committee; and (viii) Mr. Chan King Fai resigned from his office of independent non-executive Director and member of the Audit Committee.

APPOINTMENT OF DIRECTORS, CHAIRMEN AND MEMBERS OF AUDIT, REMUNERATION AND NOMINATION COMMITTEES

The Board hereby announces the following appointment of Directors all with effect from the close of the Share Offer at 4:00 p.m. on 27 July 2015:

1. Mr. Zhang Guoqiang has been appointed as an executive Director;
2. Mr. Eric Jackson Chang has been appointed as an executive Director;
3. Ms. Huang Yanping has been appointed as a non-executive Director;
4. Mr. Liu Da has been appointed as an independent non-executive Director, chairman of the Audit Committee and member of the Nomination Committee;

5. Dr. Liu Qiao has been appointed as an independent non-executive Director, chairman of the Nomination Committee and member of the Audit Committee and Remuneration Committee; and
6. Mr. Ma Yuntao has been appointed as an independent non-executive Director, chairman of the Remuneration Committee and member of the Audit Committee.

The Board also announces that Mr. Zhang Jingguo, the chairman of the Board, executive Director and chief executive officer of the Company, has been appointed as member of the Remuneration Committee and Nomination Committee.

ABOLISHMENT OF THE INVESTMENT COMMITTEE

The Board announces that the Investment Committee be abolished with effect from the close of the Share Offer at 4:00 p.m. on 27 July 2015.

CHANGE OF COMPANY SECRETARY

The Board announces that with effect from the close of the Share Offer at 4:00 p.m. on 27 July 2015, Ms. Chan Suk King resigned as the joint company secretary of the Company and Mr. Eric Jackson Chang has been appointed as the joint company secretary of the Company.

CHANGE OF AUTHORIZED REPRESENTATIVES

The Board announces that with effect from the close of the Share Offer at 4:00 p.m. on 27 July 2015, Mr Chan Tong Wan and Ms Chan Yoke Keow ceased to be the authorized representatives of the Company under Rule 3.05 of the Listing Rules. Mr. Zhang Jingguo and Mr. Eric Jackson Chang have been appointed as the authorized representatives of the Company under Rule 3.05 of the Listing Rules.

Reference is made to the composite offer and response document dated 6 July 2015 jointly issued by the Company and the Offeror (the “Composite Document”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Composite Document.

CLOSE OF THE SHARE OFFER

The Company and the Offeror jointly announce that the Share Offer was closed at 4:00 p.m. on Monday, 27 July 2015 and was not revised or extended.

RESULTS OF THE SHARE OFFER

As at 4:00 p.m. on Monday, 27 July 2015, being the latest time and date for acceptance of the Share Offer as set out in the Composite Document, the Offeror had received valid acceptance in respect of a total of 1,664,433 Shares (among those are 4,000 shares which have been reported lost and are currently undergoing share certificate replacement process) under the Share Offer, representing approximately 0.041% of the entire issued share capital of the Company as at the date of this joint announcement.

Shareholding structure of the Company

Immediately before the commencement of the Offer Period, the Offeror and parties acting in concert with it were not interested in, did not hold, control or direct any Share or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Immediately following the Completion and before the commencement of the Offers (i.e. 6 July 2015), the Offeror and parties acting in concert with it were interested in, held, controlled or directed 2,214,212,209 Shares, representing approximately 54.92% of the entire issued share capital of the Company and did not hold, control or direct any other rights over Shares.

As at the close of the Share Offer, there were valid acceptances in respect of a total of 1,664,433 Shares (among those are 4,000 shares which have been reported lost and are currently undergoing share certificate replacement process), representing approximately 0.041% of the entire issued share capital of the Company. Accordingly, upon the close of the Share Offer, taking into account the 1,664,433 Shares (among those are 4,000 shares which have been reported lost and are currently undergoing share certificate replacement process) received from valid acceptances under the Share Offer, the Offeror and parties acting in concert with it are interested in, hold, control or direct an aggregate of 2,214,212,209 Shares, representing approximately 54.92% of the entire issued share capital of the Company as at the date of this joint announcement. Save for the acquisition of the Sale Shares by the Offeror pursuant to the Share Purchase Agreement and the 1,664,433 (among those are 4,000 shares which have been reported lost and are currently undergoing share certificate replacement process) Shares received from valid acceptances under the Share Offer, none of the Offeror or parties acting in concert with it had acquired or agreed to acquire any Shares or rights over the Shares during the Offer Period.

The following table sets out the shareholding structure of the Company (i) immediately following Completion and before the commencement of the Share Offer; and (ii) immediately after the close of the Share Offer and as at the date of this joint announcement:–

	Immediately following Completion and before the commencement of the Share Offer		Immediately after the close of the Share Offer and as at the date of this joint announcement	
	<i>No. of shares</i>	<i>approx. %</i>	<i>No. of shares</i>	<i>approx. %</i>
The Offeror and its concerted parties	2,212,547,776	54.88%	2,214,212,209	54.92%
Chan Heng Fai (Guarantor)	71,042,730	1.76%	71,042,730	1.76%
First Vendor (<i>Note 1</i>)	180,677,436	4.48%	180,677,436	4.48%
Second Vendor (<i>Note 2</i>)	–	–	–	–
Third Vendor	150,000,000	3.72%	150,000,000	3.72%
Chan Tong Wan	35,027,873	0.87%	–	–
Chan Sook Jin	7,400,674	0.18%	1,600,674	0.04%
Chan Tung Moe	23,290,300	0.58%	300	0.00%
Fong Kwok Jen	23,324,523	0.58%	4,523	0.00%
Wong Dor Luk	308,000	0.01%	308,000	0.01%
Public	1,327,800,657	32.94%	1,413,574,097	35.06%
Total	4,031,419,969	100.00%	4,031,419,969	100.00%

Notes:

1. The First Vendor is a company incorporated in the Commonwealth of The Bahamas with limited liability, which are ultimately owned by a discretionary trust established by Mr. Chan Heng Fai as settlor. Mr. Chan Heng Fai is deemed to be interested in all the Shares in which the First Vendor is interested by virtue of the SFO. Mr. Chan Heng Fai is the sole director of the First Vendor. Mr. Chan Heng Fai is the spouse of Ms. Chan Yoke Keow.
2. The Second Vendor is a company incorporated in the British Virgin Islands with limited liability, which are ultimately owned by a discretionary trust established by Ms. Chan Yoke Keow as settlor. Ms. Chan Yoke Keow is deemed to be interested in all the Shares in which the Second Vendor is interested by virtue of the SFO. Ms. Chan Yoke Keow is the sole director of the Second Vendor. Ms. Chan Yoke Keow is the spouse of Mr. Chan Heng Fai.

The Offeror and parties acting in concert with it had not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period.

RESIGNATION OF DIRECTORS AND ALTERNATE DIRECTOR, CHAIRMEN AND MEMBERS OF AUDIT, REMUNERATION, NOMINATION AND INVESTMENT COMMITTEES

The Board announces that with effect from the close of the Share Offer at 4:00 p.m. on 27 July 2015, (i) Mr. Chan Heng Fai resigned from his office of executive Director, executive chairman, chairman of the Nomination Committee and member of the Investment Committee; (ii) Ms. Chan Yoke Keow resigned from her office of executive Director and member of the Remuneration Committee; (iii) Mr. Chan Tong Wan resigned from his office of executive Director, managing Director and member of the Investment Committee; (iv) Dr. Lam Lee G. resigned from his office of non-executive Director and chairman of the Investment Committee; (v) Mr. Fong Kwok Jen resigned from his office of non-executive Director and member of the Investment Committee; (vi) Mr. Wong Tat Keung resigned from his office of independent non-executive Director, chairman of the Audit Committee and Remuneration Committee and member of the Nomination Committee; (vii) Mr. Wong Dor Luk, Peter resigned from his office of independent non-executive Director and member of the Audit Committee, Remuneration Committee and Nomination Committee; and (viii) Mr. Chan King Fai resigned from his office of independent non-executive Director and member of the Audit Committee.

Each of Mr. Chan Heng Fai, Ms. Chan Yoke Keow, Mr. Chan Tong Wan, Dr. Lam Lee G., Mr. Fong Kwok Jen, Mr. Wong Tat Keung, Mr. Wong Dor Luk, Peter and Mr. Chan King Fai has respectively confirmed that (i) he/she has no disagreement with the Board; and (ii) there is no matter relating to his/her resignation that needs to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to express its appreciation for the valuable contribution of Mr. Chan Heng Fai, Ms. Chan Yoke Keow, Mr. Chan Tong Wan, Dr. Lam Lee G., Mr. Fong Kwok Jen, Mr. Wong Tat Keung, Mr. Wong Dor Luk, Peter and Mr. Chan King Fai to the Company during their respective terms of service.

APPOINTMENT OF DIRECTORS, CHAIRMEN AND MEMBERS OF AUDIT, REMUNERATION AND NOMINATION COMMITTEES

The Board hereby announces the following appointment of Directors (together, the “Appointed Directors”) all with effect from the close of the Share Offer at 4:00 p.m. on 27 July 2015:

1. Mr. Zhang Guoqiang has been appointed as an executive Director;
2. Mr. Eric Jackson Chang has been appointed as an executive Director;
3. Ms. Huang Yanping has been appointed as a non-executive Director;
4. Mr. Liu Da has been appointed as an independent non-executive Director, chairman of the Audit Committee and member of the Nomination Committee;
5. Dr. Liu Qiao has been appointed as an independent non-executive Director, chairman of the Nomination Committee and member of the Audit Committee and Remuneration Committee; and
6. Mr. Ma Yuntao has been appointed as an independent non-executive Director, chairman of the Remuneration Committee and member of the Audit Committee; and

The Board also announces that Mr. Zhang Jingguo, the chairman of the Board, executive Director and chief executive officer of the Company, has been appointed as member of the Remuneration Committee and Nomination Committee.

The biographical details of Mr. Zhang Guoqiang, Mr. Eric Jackson Chang and Ms. Huang Yanping are set out in the Composite Document and the biographical details of Mr. Liu Da, Dr. Liu Qiao and Mr. Ma Yuntao are set out as follows:

Mr. Liu Da, age 39, graduated from the University of International Business and Economics with a major in international business administration and obtained a bachelor’s degree in economics. Mr. Liu is also a Certified Public Accountant (CPA) in China. Mr. Liu served as an audit manager and a senior audit manager of PricewaterhouseCoopers (“PwC”) Guangzhou Office from 1998 to 2009 and Chicago Office from 2005 to 2007. Mr. Liu provided audit and consulting services to a number of global top 500 enterprises and overseas listed Chinese companies during his tenure of office in PwC. Mr. Liu was appointed as an executive director and the chief financial officer of the Landsea Green Properties Co., Ltd., a listed company on the Main Board of the Stock Exchange (Stock Code: 106) from 31 July 2013 to 5 January 2015. Currently, Mr. Liu is the managing partner of Key Wealth Capital Co., Ltd, providing financing and overseas mergers and acquisition services to Chinese enterprises. Mr. Liu also serves as an independent non-executive director of Long Ji Tai He Holding Limited (Stock Code: 1281).

Dr. Liu Qiao, age 45, is Professor of Finance and Associate Dean for Executive Master of Business Administration (EMBA) at the Guanghua School of Management. He is a leading authority in the area of finance in China, and is recognized for his academic works in corporate finance, financial markets, and the Chinese economy.

Dr. Liu is the winner of Outstanding Youth Award of the National Science Foundation (2013), and was awarded “Li Yining Outstanding Service Award”, the highest award in the Guanghua School of Management in 2013. He is also the Ministry of Education “ChangJiang Scholar” Special Term Professor. Before he joined Guanghua in late 2010, Dr. Liu taught in the Faculty of Business and Economics, University of Hong Kong, and was tenured at University of Hong Kong. Dr. Liu also worked at McKinsey & Company’s Asia-Pacific Corporate Finance and Strategy Practice from 2001 to 2003, where he advised various multinational corporations (MNCs) and leading Asian companies on issues related to corporate finance and strategies. Dr. Liu holds a Doctor of Philosophy Degree in economics from University of California at Los Angeles (UCLA) (2000), an Master of Arts in international finance from the Graduate School of People’s Bank of China (1993), and a Bachelor of Science in Economics and Mathematics from the Renmin University of China (1991).

Dr. Liu’s primary academic research interests are in corporate finance, empirical asset pricing models, financial markets, and Chinese economy. He has published dozens of articles at leading academic journals including Journal of Financial Economics, Journal of Financial and Quantitative Analysis, Journal of Accounting Research, Management Science, Economic Journal, Journal of Corporate Finance, Journal of Accounting, Auditing, and Finance, Financial Analysts Journal, etc. He has co-edited a book on the Asian debt capital markets – “Asia’s debt capital markets: prospects and strategies for development” (Springer, 2006). His co-authored book titled “Finance in Asia: Institutions, Markets, and Regulation,” (with Paul Lejot and Douglas Arner) was released by Routledge in March 2013. Dr. Liu is the author of the Chinese bestseller “Big to Brilliant: the Second Long March of Corporate China.” Besides academic research, Dr. Liu also writes articles for leading business newspapers and magazines. His articles and views appear in the The Economist, Financial Times, CFO Magazine, 21st Century Business Herald, Caijing Magazine, New Fortune, The Asian Wall Street Journal, and South China Morning Post.

Dr. Liu has extensive business experiences. Over the past ten years, he has conducted numerous consulting projects for leading Chinese firms and MNCs including PetroChina, Minsheng Bank, Mercedes Benz (China), Shenzhen Stock Exchange, among many others. Dr. Liu is the founder of Huaxinhui, a platform focusing on advising China’s local governments on financing issues. He pioneers the practice of compiling balance sheets of local governments, and providing China’s local governments with market-based credit ratings. He is a strong advocate of including local government credit rating as one major key performance indicator to cope with China’s fast growing local government debts.

Mr. Ma Yuntao, age 35. Mr. Ma served at Commerce & Finance Law Offices from July 2002 to June 2010, engaging in securities business as to PRC laws. He acquired qualification as a practicing lawyer in China in 2006 and registered as a partner at Commerce & Finance Law Offices in early 2010. He has been serving at Jia Yuan Law Offices as a registered partner from July 2010 up to now, and became the managing partner and senior partner of the firm's China Overseas Financing Department in early 2014.

Mr. Ma ran projects including the privatization and delisting project of Hunan Nonferrous Metals Company Limited, a company formerly listed in Hong Kong Stock Exchange (Stock Code: 2626) which was principally engaged in nonferrous metallic mineral resources mining business, IPO project of Guorui Properties Limited, a company listed in Hong Kong Stock Exchange (Stock Code: 2329) which is principally engaged in real estate development, IPO project of Tianhe Chemicals Group Limited, a company listed in Hong Kong Stock Exchange (Stock Code: 1619) which is principally engaged in fluorochemical and chemical products production, IPO project of Poly Culture Group Corporation Limited, a company listed in Hong Kong Stock Exchange (Stock Code: 3636) which is principally engaged in culture industry involving theatre management, artwork auction and investment, IPO project of Kerry Logistics Network Limited, a company listed in Hong Kong Stock Exchange (Stock Code: 0636) which is principally engaged in logistics, IPO project of eprint Group Limited, a company listed in Hong Kong Stock Exchange (Stock Code: 1884) which is principally engaged in internet printing, spin-off listing in respect of Tonly Electronics Holdings Limited, a company listed in Hong Kong Stock Exchange (Stock Code: 1249) which is principally engaged in production of electronics products of TCL Multimedia Technology.

Save as disclosed above, each of the Appointed Directors has not held any other directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas for the last three years.

As at the date of this joint announcement and within the meaning of Part XV of the SFO, Ms. Huang Yanping is deemed to be interested in 2,214,212,209 Shares being held by the Offeror, which is wholly owned by Ms. Huang.

Save as disclosed in the above paragraph, as at the date of this joint announcement, each of the Appointed Directors does not have any interest in the Shares (within the meaning of Part XV of the SFO).

As at the date of this joint announcement, save as disclosed above and in the Composite Document and that Ms. Huang Yanping and Mr. Eric Jackson Chang are directors of several subsidiaries of the Company and Ms. Huang Yanping is the mother of Ms. Zhang Huiqi who is a director of several subsidiaries of the Company, each of the Appointed Directors (i) did not hold any other positions in the Company or its subsidiaries; and (ii) did not have any other relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

Each of the Appointed Directors will enter into a service contract with the Company after his/her appointment. Their directorships will be subject to retirement by rotation and re-election pursuant to the provisions of the Listing Rules and Articles of Association of the Company. The remuneration of each of the Appointed Directors will be determined and recommended by the Remuneration Committee of the Company (the "Remuneration Committee") and approved by the Board based on their qualifications, experience, level of responsibilities undertaken and prevailing market conditions. The remuneration of each of the Appointed Directors will be subject to annual review by the Remuneration Committee and the Board.

In relation to the appointment of the Appointed Directors, there is no information which is required to be disclosed nor are/were they involved in any of the matters required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there is no other matter that needs to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to welcome the Appointed Directors for joining the Board.

ABOLISHMENT OF THE INVESTMENT COMMITTEE

After the resignations of Mr. Chan Heng Fai, Mr. Chan Tong Wan, Dr. Lam Lee G. and Mr. Fong Kwok Jen, the investment committee of the Company (“Investment Committee”) had no remaining member. After having regard to the main functions of the Investment Committee, which are advisory and non-binding, to oversee the investment transactions of the Group, including the review and assessment of existing and/or future investment projects and to advise the Board when it decides on an investment, the Board considered that it would be in a position to assume effectively without the Investment Committee with respect to the investments of the Group. Accordingly, the Board has decided to abolish the Investment Committee with effect from the close of the Share Offer at 4:00 p.m. on 27 July 2015.

CHANGE OF COMPANY SECRETARY

The Board announces that with effect from the close of the Share Offer at 4:00 p.m. on 27 July 2015, Ms. Chan Suk King resigned as the joint company secretary of the Company and Mr. Eric Jackson Chang has been appointed as the joint company secretary of the Company.

The Board would like to take this opportunity to express its appreciation for the valuable contribution of Ms. Chan and to welcome Mr. Chang on his new appointment.

CHANGE OF AUTHORIZED REPRESENTATIVES

The Board announces that with effect from the close of the Share Offer at 4:00 p.m. on 27 July 2015, Mr. Chan Tong Wan and Ms Chan Yoke Keow ceased to be the authorized representatives of the Company under Rule 3.05 of the Listing Rules. Mr. Zhang Jingguo and Mr. Eric Jackson Chang have been appointed as the authorized representatives of the Company under Rule 3.05 of the Listing Rules.

By Order of the Sole Director
Joy Town Inc.
Huang Yanping
Director

By Order of the Board
Heng Fai Enterprises Limited
Zhang Jingguo
*Chairman, Executive Director and
Chief Executive Officer*

Hong Kong, 27 July 2015

As at the date of this joint announcement, the sole director of the Offeror is Ms. Huang Yanping, who solely accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group) and confirms, having made all reasonable enquiries, that to the best of her knowledge, opinions expressed in this joint announcement (other than those expressed by the Group) 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 existing executive Directors are Mr. Zhang Jingguo, Mr. Zhang Guoqiang, Mr. Eric Jackson Chang, Mr. Chan Heng Fai, Ms. Chan Yoke Keow and Mr. Chan Tong Wan; the non-executive Director are Ms. Huang Yanping, Dr. Lam Lee G., Mr. Fong Kwok Jen; the independent non-executive Directors are Mr. Liu Da, Dr. Liu Qiao, Mr. Ma Yuntao, Mr. Wong Tat Keung, Mr. Wong Dor Luk, Peter and Mr. Chan King Fai.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement relating to the Group and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement 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.