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KINGDOM
KINGDOM HOLDINGS LIMITED
金達控股有限公司

(Incorporated in the Cayman Islands with limited liability and carrying on business in Hong Kong as “Kingdom (Cayman) Limited”)

(Stock Code: 528)

**TERMINATION OF
CONNECTED TRANSACTION
IN RELATION TO AN
ACQUISITION OF PROPERTY IN ZHEJIANG**

Reference is made to the announcement of Kingdom Holdings Limited dated 29 November 2019 (the “**Announcement**”) in relation to the entering of the Sale and Purchase Agreement between Zhejiang Jinyuan, an indirectly wholly-owned subsidiary of the Company, and Kingdom Creative, pursuant to which Zhejiang Jinyuan agreed to acquire and Kingdom Creative agreed to sell the Property at a consideration of RMB50,000,000. Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

Zhejiang Jinyuan has recently been informed by Kingdom Creative that, due to the change in development plan of the land where the Property is located, the Property can no longer be constructed as a production facilities as originally planned. As informed by the relevant PRC local government, the usage of the land where the Property is located will be changed to commercial purpose, and the transfer of title of the Property from Kingdom Creative to Zhejiang Jinyuan pursuant to the Sale and Purchase Agreement will not be processed accordingly. Having considered the interests of the Company and the Shareholders and following further negotiation among the relevant parties, on 23 October 2020, Zhejiang Jinyuan and Kingdom Creative entered into a settlement agreement (the “**Settlement Agreement**”), pursuant to which the parties agreed that:

- (i) the Sale and Purchase Agreement shall be terminated and the Acquisition shall not proceed to completion; and
- (ii) an amount of RMB48,000,000, being the amount paid by Zhejiang Jinyuan to Kingdom Creative upon the signing of the Sale and Purchase Agreement shall be refunded in full to Zhejiang Jinyuan within 30 days upon the entering of the Settlement Agreement.

In light of the arrangement as contemplated under the Settlement Agreement, the Company has converted one of the workshops located in Henggang town for maintenance of production facilities purpose and to house the research and development centre, and further leased a warehouse from local government (currently free of charge) for storage. Accordingly, the Directors, including the independent non-executive Directors, believe that the term and the transactions as contemplated under the Settlement Agreement will not have any significant impact on the operations of the Group, and that the terms of the Settlement Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

By order of the Board
Kingdom Holdings Limited
Ren Weiming
Chairman

23 October 2020

Hong Kong

As at the date of this announcement, the executive Directors are Mr. Ren Weiming, Mr. Shen Yueming, Mr. Zhang Hongwen and Ms. Shen Hong; the non-executive Director is Mr. Ngan Kam Wai Albert; and the independent non-executive Directors are Mr. Lau Ying Kit, Mr. Lo Kwong Shun Wilson and Mr. Yan Jianmiao.