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KB

KINGBOARD HOLDINGS LIMITED

建滔集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 148)

CONNECTED TRANSACTION

SALE OF PROPERTY

On the date of this announcement, the Vendor entered into a preliminary sale and purchase agreement with the Purchaser for the sale of the Property under The Cavaridge Project. As the Purchaser is an associate of a connected person of the Company, the Sale constitutes a connected transaction of the Company.

As one or more of the applicable percentage ratios in respect of the Sale is more than 0.1% but less than 5%, the Sale is subject to the reporting and announcement requirements but is exempted from independent Shareholders' approval requirement under the Listing Rules.

SALE OF PROPERTY

On the date of this announcement, the Vendor entered into a preliminary sale and purchase agreement with the Purchaser for the sale of the Property under The Cavaridge Project. The major terms of the Sale under the preliminary sale and purchase agreement are set out below:

Date : 3 January 2020

Subject Matter : the sale of the Property under The Cavaridge Project, further details of which are set out in the paragraph headed "The Property" in this announcement

- Payment Terms : The purchase price of the Property is payable in the following manner:
- (a) an initial deposit of 5% of the purchase price was payable upon the signing of the preliminary sale and purchase agreement;
 - (b) 55% of the purchase price is payable on or before 9 January 2020; and
 - (c) the balance is payable on or before 31 March 2020.
- Formal Agreement : A formal sale and purchase agreement is expected to be executed by the Purchaser within five business days after the signing of the preliminary sale and purchase agreement and by the Vendor within eight business days after the signing of the preliminary sale and purchase agreement.
- Completion : Completion shall take place around late March 2020, subject to adjustment.

THE PROPERTY

The following table sets out the Property to be sold under the Sale:

Name	Major connected relationship with the Company	Saleable Size (sq.ft.)	Consideration (HK\$)
Mr. Zhang Guanghui	Brother of Mr. Cheung Kwong Kwan, an executive Director	2,233	44,716,000 (note)

Note: The sale of the apartment under The Cavendish Project includes also residential car parking space.

The purchase price for the Sale was agreed after arm's length negotiations with the Purchaser with reference to, among other things, the current market value of comparable properties and prevailing market conditions.

INFORMATION OF THE CAVARIDGE PROJECT

The Cavaridge Project is a luxury residential property development project located in Kau To, Shatin, New Territories consisting of 48 apartments and 56 houses. The project has launched its sales in November 2019.

The Cavaridge Project is a property project developed by the Group and is recorded as properties held for development in the financial statements of the Group.

REASONS FOR AND BENEFITS OF THE SALE

Upon completion of the Sale, the Group is expected to record from the Sale a gain of approximately HK\$13,600,000 (before tax and subject to audit) included in the gross profit. The expected gain is calculated based on the purchase price under the Sale after deducting the estimated development cost and estimated selling expenses of The Cavaridge Project attributable to the Property to be sold under the Sale. The net sales proceeds from the Sale will be recorded as profit of the Group. The Group currently intends to use the net sales proceeds as general working capital.

The Cavaridge Project offers apartments and houses for sale, and the Sale took place as revenue and in the ordinary course of business of the Group.

The Directors, including the independent non-executive Directors, consider that the terms of the Sale are fair and reasonable and are on normal commercial terms and in the ordinary and usual course of business of the Group and that the Sale is in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP AND THE VENDOR

The Group is an investment holding company and the principal activities of its subsidiaries are the manufacture and sales of laminates, printed circuit boards, chemicals, magnetic products, property development and investments and investment business.

The Vendor, being a 68% non-wholly owned subsidiary of the Company, is principally engaged in property development in Hong Kong.

IMPLICATIONS UNDER THE LISTING RULES

By virtue of the relationships as set out in the paragraph headed "The Property" in this announcement, the Purchaser is an associate of a connected person of the Company. Hence, the Sale constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Sale is more than 0.1% but less than 5%, the Sale is subject to the reporting and a

Mr. Cheung Kwong Kwan is considered to have material interests in the Sale because the Purchaser is an associate thereof. As such, he has abstained from voting on the relevant Board resolutions to approve the Sale. Save as disclosed, none of the Directors has a material interest in the Sale, and none of them is required to abstain from voting on the relevant Board resolutions.

DEFINITIONS

“sq. ft.”	square feet
“Shareholders”	the holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“The Cavendish Project”	the luxury residential property development located at 38 La J P ng Road, Kau To, Shatin, New Territories, Hong Kong
“Vendor”	Golden Concept Development Limited, a 68% non-wholly owned subsidiary of the Company
“%”	per cent

In this announcement, the terms “associate”, “connected person”, “connected transaction” and “subsidiary” have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

By Order of the Board
Kingboard Holdings Limited
Lo Ka Leong
Company Secretary

Hong Kong, 3 January 2020

As at the date of this announcement, the board of directors of Company consists of Messrs. Cheung Kwok Wing, Chang Wing Yiu, Cheung Kwong Kwan, Ho Yin Sang, Cheung Wai Lin, Stephanie, Cheung Ka Shing and Chen Maosheng, being the executive directors, and Messrs. Cheung Ming Man, Chong Kin Ki, Leung Tai Chiu and Chan Wing Kee, being the independent non-executive directors.