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CHONG KIN GROUP HOLDINGS LIMITED

創建集團（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1609)

NON-FULFILLMENT OF PROFIT GUARANTEE

References are made to the announcement Chong Kin Group Holdings Limited (the “**Company**”) dated 12 June 2018, 15 October 2018 and 22 October 2018 in relation to, among other things, the acquisition of the entire issued share capital and shareholder’s Loan of Stand East Investments Limited (collectively, the “**Previous Announcements**”). Unless otherwise defined, capitalised terms herein shall have the same meanings as those defined in the Previous Announcements.

NON-FULFILLMENT OF PROFIT GUARANTEE

As disclosed in the Previous Announcements, subject that the Target Group shall meet the Total Net Profits in the sum of HK\$20,000,000 (the “**Yearly Guarantee**”) for each financial year ending 31 December 2019, 2020 and 2021, the Company shall release the Consideration Shares to the Vendor or the Investor(s) in the following manner:

- (i) 50,986,666 Shares be released to the Vendor or the Investor(s) on the Payment Date following the publication of the audited financial statement of the Target Group prepared in accordance with the HKFRS for the financial year ended 31 December 2019;
- (ii) 50,986,666 Shares be released to the Vendor or the Investor(s) on the Payment Date following the publication of the audited financial statement of the Target Group prepared in accordance with the HKFRS for the financial year ended 31 December 2020; and
- (iii) 50,986,668 Shares be released to the Vendor or the Investor(s) on the Payment Date following the publication of the audited financial statement of the Target Group prepared in accordance with the HKFRS for the financial year ending 31 December 2021.

According to the audited financial statements of the Target Group, the Target Group recorded a net loss for the financial year ended 31 December 2020. The Company shall not release any of the Consideration Shares of 50,986,666 Shares for the financial year ended 31 December 2020 to the Vendor or the Investor(s) and that such Consideration Shares will either be sold with sale proceeds paying back to the Company or be repurchased by the Company and cancelled, in such way(s) as permissible by the applicable laws, the Listing Rules and The Codes on Takeovers and Mergers and Share Buy-backs with no cash or other distribution made to the Vendor or the Investors.

The Company shall make further announcement(s) when necessary in accordance with the Listing Rules.

By Order of the Board
Chong Kin Group Holdings Limited
Zhang Jinbing
Chairman

Hong Kong, 27 August 2021

As at the date of this announcement, the Board comprises, four the executive Directors, namely, Mr. Zhang Jinbing, Mr. Ma Chao, Mr. Qiu Peiyuan and Mr. Leung Chi Kwong, Joe; and three independent non-executive Directors, namely, Mr. Tam Ping Kuen, Daniel, Dr. Li Yifei and Ms. Chen Weijie.