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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)

(1) BUSINESS UPDATE;
(2) CHANGE IN USE OF PROCEEDS; AND
(3) CLARIFICATION REGARDING
INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

BUSINESS UPDATE

The board of directors (the “**Board**”) of Chong Kin Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to update the shareholders of the Company (the “**Shareholders**”) that the Company has disposed of Newport Services (UK) Limited (“**Newport**”), a wholly-owned subsidiary of the Company, to a third party independent of the Company and its connected persons on 17 December 2021 (the “**Newport Disposal**”). Newport is principally engaged in the provision of cross border payment and money exchange services in the United Kingdom. The consideration of the Newport Disposal is GBP1.1 million (equivalent to approximately HK\$11.0 million). The Company intends to apply the net proceeds from the Newport Disposal (after deducting relevant expenses) as general working capital of the Group.

Following the Newport Disposal and as at the date of this announcement, the principal business of the Group includes (i) provision of concrete placing and other ancillary services as a subcontractor for both public and private projects, including building and infrastructure related projects (the “**Concrete Business**”); and (ii) provision of loan finance business (the “**Loan Finance Business**”) in Hong Kong.

CHANGE IN USE OF PROCEEDS AND CLARIFICATION

Reference is made to (i) announcements of the Company dated 22 October 2021 and 4 November 2021 respectively relating to the disposal of the new energy vehicles and logistic business and the finance leasing business (the “**Disposal of NEV and Logistics and Finance Leasing Business**”); (ii) announcement of the Company dated 29 November 2021 relating to, among other things, the termination of the sale and purchase agreement for the acquisition of a land parcel in Grenada (the “**Termination of Land Acquisition**”); and (iii) the interim results announcement (the “**Interim Results Announcement**”) and the Interim Report (the “**Interim Report**”) of the Company for the six months ended 30 September 2021 respectively.

The Company would like to clarify the use of proceeds from the previous subscription of new shares of the Company as disclosed on page 27 of the Interim Results Announcement and page 10 of the Interim Report respectively. Following the Termination of Land Acquisition, the consideration in the sum of US\$20,000,000 (equivalent to approximately HK\$156,000,000) already paid to the Government of Grenada (i.e. the vendor of the land parcel) shall be returned by the Government of Grenada to the Group, and the Group will shall not proceed further with the land project in Grenada. As the aforesaid consideration was paid by the net proceeds from the subscription of an aggregate of 109,726,000 new shares of the Company under general mandate completed in around December 2020 to February 2021 (the “**Subscription I**”, the same term as referred to in the Interim Results Announcement and the Interim Report), therefore the Company would like to update the Shareholders, upon receipt of the refund thereof, there will be a change in use of proceeds from Subscription I. Together with intended use of proceeds from the Newport Disposal and the Disposal of NEV and Logistics and Finance Leasing Business, the Company would like to update the Shareholders the overall plan about the intended use of proceeds from (i) Subscription I; (ii) another subscription of an aggregate of 7,902,000 new shares of the Company under general mandate

completed in June 2021 (the “**Subscription II**”, the same term as referred to in the Interim Results Announcement and the Interim Report); (iii) the Disposal of NEV and Logistics and Finance Leasing Business; and (iv) the Newport Disposal, which is shown as follows:

	Originally planned use of proceeds <i>HK\$'000</i>	Actual use of proceeds <i>HK\$'000</i>	Refund from Termination of Land Acquisition <i>HK\$'000</i>	Currently planned use of proceeds <i>HK\$'000</i>	Unused amount <i>HK\$'000</i>	Expected timeline for utilising the remaining net proceeds <i>(Note)</i>
Subscription I						
Land project in Grenada Concrete Business	227,000	(182,830)	156,000	(200,170)	–	–
Loan Finance business	–	–	–	120,000	120,102	End of year 2023
General working capital	–	–	–	60,000	60,000	End of year 2022
	25,220	(25,220)	–	20,017	20,017	End of year 2022
Sub-total	252,220	(208,050)	156,000	–	200,170	
Subscription II						
Potential investment and future opportunities	41,249	–	–	(41,249)	–	–
Concrete Business	–	–	–	41,249	41,249	End of year 2023
General working capital	4,583	(4,583)	–	–	–	–
Sub-total	45,832	(4,583)	–	–	41,249	
Disposal of NEV and Logistics and Finance Leasing Business						
Concrete Business	100,000	(56,114)	–	–	43,886	End of year 2022
Potential investment and future opportunities	45,000	–	–	–	45,000	End of year 2022
General working capital	30,000	–	–	–	30,000	End of year 2022
Sub-total	175,000	(56,114)	–	–	118,886	
Newport Disposal						
General working capital	11,000	–	–	–	11,000	

Note: The expected timeline for utilising the remaining net proceeds is based on the best estimation of the Company taking into account, among others, prevailing and future market conditions and business development and needs, and therefore is subject to change.

The Board is of the view that the updated overall plan of use of proceeds from various corporate exercises of the Group is more suitable and align with the current business needs of the Group and will allow the Company to deploy its financial resources more efficiently. Accordingly, the Board considers that the change in use of proceeds is in the best interest of the Company and the Shareholders as a whole.

Save as disclosed in the above, all other information and contents of the Interim Results Announcement and the Interim Report remain unchanged.

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

Hong Kong, 17 December 2021

As at the date of this announcement, the Board comprises three executive directors, namely, Mr. Zhang Jinbing, 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.