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**King's Flair International (Holdings) Limited**

**科勁國際(控股)有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6822)**

**FURTHER INFORMATION ON  
THE DISCLOSEABLE TRANSACTION  
IN RELATION TO THE ACQUISITION OF  
GOLDEN WELL VENTURES LIMITED**

Reference is made to the announcement of the Company dated 13 May 2021 in relation to the acquisition by the Group of the entire issued share capital of and in, and shareholder's loans owing by, Golden Well Ventures Limited (“**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company wishes to provide further information on the Vendor and the Target Company.

As disclosed in the documents of the Target Company filed with the Hong Kong Companies Registry, the Chinese name of the Vendor, Lee Sung Yin, is 李崇賢.

Based on the management accounts of the Target Company for the financial years ended 31 March 2019 and 2020 provided by the Vendor, in which the value of the Property was stated at HK\$98 million, being the fair value thereof as recorded in the latest audited accounts of the Target Company made up to 31 March 2017 and no adjustment was made for the latest value of the Property, the Target Company has net liabilities of approximately HK\$0.5 million and HK\$1.6 million and the amount owing to the Vendor amounted to approximately HK\$27.26 million and HK\$29.35 million as at 31 March 2019 and 2020 respectively. After adding back the amount owing to the Vendor (which will be included in the Sale Loan and assigned to the Purchaser on Completion) and the outstanding bank loan (which pursuant to the terms of the Provisional Agreement shall be repaid by the Vendor on or before Completion), the Target Company would have net assets of approximately HK\$98.29 million and HK\$98.33 million as at 31 March 2019 and 2020 respectively.

Set out below is a breakdown of the income and expenditure of the Target Company based on the said management accounts:

	<b>For the year ended</b>	
	<b>31 March 2020</b>	<b>31 March 2019</b>
Rental income	HK\$3,335,800	HK\$3,335,800
Expenses		
Bank loan interest	HK\$2,279,010	HK\$1,866,582
Management and air-conditioning charge,		
Government rents and rates	HK\$251,368	HK\$236,337
Legal and professional fee	HK\$46,567	NIL
Payment to affiliate	HK\$1,743,840	HK\$1,743,840
Others	HK\$102,675	HK\$121,241

As disclosed above, the major items of expenditure comprised bank loan interest and payment to affiliate. Since the existing bank loan shall be fully repaid and all existing arrangement between the Target Company and its affiliates shall cease on or before Completion, such expenditures shall cease after Completion. The other items of expenses set out above which were primarily incidental to the holding of the Property amounted to approximately HK\$400,000 only.

Taking into account of the above, the valuation of the Property by an independent professional valuer in the amount of HK\$138 million and that the Property is intended for the Group's self use after expiry of the existing tenancies, the Directors are of the view that the Acquisition is fair and reasonable and in the interest of the Company and its shareholders as a whole.

By Order of the Board  
**KING'S FLAIR INTERNATIONAL (HOLDINGS) LIMITED**  
**Dr. Wong Siu Wah**  
*Chairman and Executive Director*

Hong Kong, 27 May 2021

*As at the date of this announcement, the Board comprises two executive Directors, namely Dr. Wong Siu Wah (Chairman and Chief Executive Officer) and Ms. Wong Fook Chi; and three independent non-executive Directors, namely Dr. Lau Kin Tak, Mr. Anthony Graeme Michaels and Ms. Leung Wai Ling, Wylie.*