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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)**

## **DISCLOSEABLE TRANSACTION**

### **ACQUISITION OF PROPERTY**

Reference is made to the announcement of Kingboard Holdings Limited (the “**Company**”) dated 22 June 2022 in relation to the Acquisition of Property, which constituted a discloseable transaction of the Company (the “**Announcement**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

#### **INFORMATION OF THE SELLER**

The Board wishes to provide additional information on the identity of the beneficial owner of the Seller. The Seller is ultimately beneficially owned by Brookfield Asset Management, a Canadian multinational alternative investment management company. To the best of the Directors’ knowledge, information and beliefs having made all reasonable enquiry, the Seller, the Target Company and their ultimate beneficial owners are third parties independent from the Company and its connected persons.

#### **THE AGREEMENT**

##### **Consideration**

As disclosed in the Announcement, the Consideration is determined with reference to the NAV Estimate and the Debt. The NAV Estimate is the Seller’s best estimate, in good faith, of the completion net assets value of the Target Company (“**Completion NAV**”) as at the date of Completion, which was based on the unaudited management accounts of the Target Company, as set out in the estimated completion statement.

The Debt refers to the objective amount owed by the Target Company on the date of Completion. Debt includes the inter-company debt and bank debt owned by the Target Company.

The Board wishes to provide additional information on the standard net asset value adjustment mechanism of the Consideration.

As disclosed in the Announcement, the Consideration is subject to a standard net asset value adjustment mechanism following agreement of completion accounts. The timeline for the adjustment to be made to the Consideration (the “**Adjusted Consideration**”) is as follows:

**Within 40 business days from Completions** Draft completion statement to be delivered from the Seller to the Purchaser.

**Within 40 days from receiving the draft completion statement** The Purchaser shall notify the Seller of any disagreement with the draft completion statement, and any such disputes shall be settled within 20 business days. If the parties are unable to settle the disagreements within the aforementioned period, the matter will be referred to an independent accountant who will act as an expert of the matter. Parties shall make their initial submission within 20 business days of the appointment of such expert, and the Expert shall make its decision within 20 business days (or such longer period if the Expert so requires) of the last submission.

Shall there be no disagreement with the draft completion statement, the draft completion statement shall become final and binding (the “**Final Completion Statement**”).

The above timetable can be extended if agreed by the parties.

The adjustment to the Consideration is determined by comparing the Completion NAV (following agreement of the Final Completion Statement) to the NAV Estimate. If the Completion NAV is higher than the NAV Estimate, the payment equal to the difference between the two amounts shall be made by the Purchaser to the Seller; if the Completion NAV is lower than the NAV Estimate, the payment equal to the difference between the two amounts shall be made by the Seller to the Purchaser (i.e. a pound for pound true up). Such payment shall be made within 5 business days following agreement of the Final Completion Statement.

The Company does not expect the Adjusted Consideration (if any) to be significantly different from the Consideration, given that the valuation of the Property, which is the main asset of the Target Company in the determination of the Consideration and Adjusted Consideration, is fixed at £302,000,000. The adjustment mechanism allows for an accurate calculation of the business assets and liabilities of the Target Company. Given the nature of the business (property rental business of a commercial building that is almost fully leased), the Company considers that the nature and magnitude of the assets and liabilities would not lead to any adjustment that could lead to the Adjusted Consideration resulting in the re-classification of the transaction as a major transaction under Chapter 14 of the Listing Rules.

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

Hong Kong, 27 June 2022

*As at the date of this announcement, the Board consists of Mr. Cheung Kwok Wing, Mr. Chang Wing Yiu, Mr. Cheung Kwong Kwan, Mr. Ho Yin Sang, Mr. Cheung Ka Shing, Ms. Ho Kin Fan and Mr. Chen Maosheng, being the executive Directors and Messrs. Cheung Ming Man, Chong Kin Ki, Chan Wing Kee and Stanley Chung Wai Cheong being the independent non-executive Directors.*