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*Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the prospectus dated 30 December 2019 (the “**Prospectus**”) issued by Kwung’s Holdings Limited (the “**Company**”).*

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KWUNG’S HOLDINGS LIMITED

曠世控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1925)

PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION, STABILISATION ACTIONS AND END OF STABILISATION PERIOD

PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus was partially exercised by the Sole Global Coordinator (on behalf of the International Placing Underwriters) on 5 February 2020 in respect of an aggregate of 5,042,000 Shares (the “**Over-allotment Shares**”), representing approximately 5.04% of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, to cover the over-allocation in the Global Offering.

The Over-allotment Shares will be issued and allotted by the Company at HK\$1.28 per Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), being the Offer Price per Offer Share under the Global Offering.

STABILISATION ACTIONS AND END OF STABILISATION PERIOD

The Company further announces that, pursuant to Section 9(2) of the Securities and Futures (Price Stabilizing) Rule (Chapter 571W of the Laws of Hong Kong), the stabilisation period in connection with the Global Offering ended on 5 February 2020, being the 30th day after the last day for lodging of applications under the Hong Kong Public Offer.

The stabilising actions undertaken by Sole Global Coordinator, the Stabilising Manager, its affiliates or any person acting for it during the stabilisation period are set out below:

- (i) over-allocation of an aggregate of 15,000,000 Shares in the International Placing, representing 15% of the total number of Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option;
- (ii) borrowing of an aggregate of 15,000,000 Shares, representing 15% of the Offer Shares initially available under the Global Offering, by the Stabilising Manager from King Harmony, being one of the Controlling Shareholders, pursuant to the Stock Borrowing Agreement dated 10 January 2020 to cover the over-allocations in the Global Offering;
- (iii) successive purchases of an aggregate of 9,958,000 Shares in the price range of HK\$0.900 to HK\$1.280 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) on the market during the stabilisation period. The last purchase made by the Stabilising Manager on the market during the stabilisation period was on 4 February 2020 at the price of HK\$1.26 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%);
- (iv) partial exercise of the Over-allotment Option by the Sole Global Coordinator (on behalf of the International Placing Underwriters) on 5 February 2020 in respect of an aggregate of approximately 5.04% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, at the Offer Price, to cover the over-allocation in the Global Offering; and
- (v) the portion of the Over-allotment Option which has not been exercised by the Sole Global Coordinator (on behalf of the International Placing Underwriters) lapsed on 5 February 2020.

PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus was partially exercised by the Sole Global Coordinator (on behalf of the International Placing Underwriters) on 5 February 2020 in respect of an aggregate of 5,042,000 Shares, representing approximately 5.04% of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, to cover the over-allocation in the Global Offering.

The Over-allotment Shares will be issued and allotted by the Company at HK\$1.28 per Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), being the Offer Price per Offer Share under the Global Offering.

Approval of Listing

Approval for the listing of and permission to deal in the Over-allotment Shares has already been granted by the Listing Committee of the Stock Exchange. Listing of and dealing in such Over-allotment Shares are expected to commence on the Main Board of the Stock Exchange at 9:00 a.m. on 6 February 2020.

Share Capital upon the Completion of the Partial Exercise of the Over-allotment Option

The shareholding structure of the Company immediately before and immediately after the completion of the partial exercise of the Over-allotment Option is as follows:

Shareholders	Immediately before the partial exercise of the Over-allotment Option		Immediately after the partial exercise of the Over-allotment Option	
	Number of Shares	Approximate percentage of the Company's issued share capital	Number of Shares	Approximate percentage of the Company's issued share capital
King Harmony	216,540,000 <i>(Note 1)</i>	54.14	216,540,000 <i>(Note 1)</i>	53.46
DMA	54,102,857	13.52	54,102,857	13.36
Unione	23,357,143	5.84	23,357,143	5.77
Public Shareholders <i>(Note 2)</i>	106,000,000	26.50	111,042,000	27.41
Total	400,000,000	100.00	405,042,000	100.00

Notes:

- (1) Inclusive of the 15,000,000 Shares borrowed and to be returned to King Harmony by the Stabilising Manager.
- (2) The 6,000,000 Shares held by Well Happiness are counted towards the public float.

Use of Proceeds

The additional net proceeds of approximately HK\$6.5 million to be received by the Company from the allotment and issue of the Over-allotment Shares after deducting the underwriting commissions and other estimated expenses in connection with the partial exercise of the Over-allotment Option, will be used by the Company for the purposes as set out in the section headed “Future Plans and Use of Proceeds – Use of Proceeds” in the Prospectus.

STABILISATION ACTIONS AND END OF STABILISATION PERIOD

The Company further announces that, pursuant to Section 9(2) of the Securities and Futures (Price Stabilizing) Rule (Chapter 571W of the Laws of Hong Kong), the stabilisation period in connection with the Global Offering ended on 5 February 2020, being the 30th day after the last day for lodging of applications under the Hong Kong Public Offer.

The stabilising actions undertaken by Sole Global Coordinator, the Stabilising Manager, its affiliates or any person acting for it during the stabilisation period are set out below:

- (i) over-allocation of an aggregate of 15,000,000 Shares in the International Placing, representing 15% of the total number of Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option;
- (ii) borrowing of an aggregate of 15,000,000 Shares, representing 15% of the Offer Shares initially available under the Global Offering, by the Stabilising Manager from King Harmony, being one of the Controlling Shareholders, pursuant to the Stock Borrowing Agreement dated 10 January 2020 to cover the over-allocations in the Global Offering;
- (iii) successive purchases of an aggregate of 9,958,000 Shares in the price range of HK\$0.900 to HK\$1.280 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) on the market during the stabilisation period. The last purchase made by the Stabilising Manager on the market during the stabilisation period was on 4 February 2020 at the price of HK\$1.260 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%);
- (iv) partial exercise of the Over-allotment Option by the Sole Global Coordinator (on behalf of the International Placing Underwriters) on 5 February 2020 in respect of an aggregate of approximately 5.04% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, at the Offer Price per Offer Share, to cover the over-allocation in the Global Offering; and
- (v) the portion of the Over-allotment Option which has not been exercised by the Sole Global Coordinator (on behalf of the International Placing Underwriters) lapsed on 5 February 2020.

PUBLIC FLOAT

The Directors confirm that the Company continues to comply with the public float requirement under Rule 8.08(1)(a) of the Listing Rules whereby at least 25% of the Company's total number of issued shares must at all times be held by the public.

On behalf of the Board
Kwung's Holdings Limited
Jin Jianxin
Chairman

Hong Kong, 6 February 2020

As of the date of this announcement, the board of directors of the Company comprises Mr. Jin Jianxin, Mr. Ru Liming and Mr. Tian Dong as executive Directors; Mr. Shao Patrick as non-executive Director; and Mr. Zhou Kai, Mr. Yang Herong and Mr. Lai Chun Yu as independent non-executive Directors.