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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)

PROPOSED DECLARATION AND PAYMENT OF SPECIAL DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT

PROPOSED DECLARATION AND PAYMENT OF SPECIAL DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT

The Board is pleased to announce that it has resolved to recommend the declaration and payment of a special dividend of HK6 cents per Share out of the Share Premium Account.

The payment of the Special Dividend out of the Share Premium Account is conditional upon the satisfaction of the conditions set out in the section headed “Conditions of the payment of the Special Dividend out of the Share Premium Account” in this announcement.

The conditions cannot be waived. If the conditions are not satisfied, the Special Dividend will not be paid.

EGM

The EGM will be convened on Tuesday, 1 December 2020 to consider and, if thought fit, to approve the declaration and payment of the Special Dividend out of the Share Premium Account. No Shareholder is required to abstain from voting in respect of the ordinary resolution to be proposed at the EGM to approve the declaration and payment of the Special Dividend out of the Share Premium Account.

A circular containing further information about the Special Dividend and the notice of the EGM will be despatched to the Shareholders as soon as practicable.

PROPOSED DECLARATION AND PAYMENT OF THE SPECIAL DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT

The Board is pleased to announce that at a meeting of the Board held on 6 November 2020, the Board has resolved to recommend the declaration and payment of a special dividend of HK6 cents per Share out of the Share Premium Account.

As at the date of this announcement, the Company has 405,042,000 Shares in issue. Based on the number of issued Shares as at the date of this announcement, the Special Dividend, if declared and paid, will amount to HK\$24,302,520 (approximately RMB21,076,000). Subject to the fulfilment of the conditions set out in the section headed “Conditions of the payment of the Special Dividend out of the Share Premium Account” below, the Special Dividend is intended to be paid out of the Share Premium Account pursuant to Article 154 of the Articles.

CONDITIONS OF THE PAYMENT OF THE SPECIAL DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT

The payment of the Special Dividend out of the Share Premium Account is conditional upon the satisfaction of the following conditions:

- (a) the passing of an ordinary resolution by the Shareholders declaring and approving the payment of the Special Dividend out of the Share Premium Account pursuant to Article 154 of the Articles at the EGM; and
- (b) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, immediately following the date on which the Special Dividend is paid, unable to pay its debts as they fall due in the ordinary course of business.

Subject to the fulfilment of the above conditions, it is expected that the Special Dividend will be paid in cash no later than Wednesday, 23 December 2020 to those Shareholders whose names appear on the register of members of the Company at close of business on Thursday, 10 December 2020, being the record date for determination of entitlement to the Special Dividend.

The conditions set out above cannot be waived. If the conditions set out above are not satisfied, the Special Dividend will not be paid.

REASONS FOR AND EFFECT OF THE PAYMENT OF THE SPECIAL DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT

The Board considers it appropriate to distribute the Special Dividend in recognition of the continuous support from the Shareholders.

After taking into consideration of the existing cash flows of the Group, the Board considers that the Company has sufficient cash flows to pay the Special Dividend. Save for the immaterial expenses incurred as a result of the payment of the Special Dividend, the Board believes that the payment of the Special Dividend out of the Share Premium Account will not have any material adverse effect on the financial position of the Group and does not involve any reduction in the authorised or issued share capital of the Company or any reduction in the nominal value of the Shares or result in any change in the trading arrangements in respect of the Shares. The Directors consider that the declaration and proposed payment of the Special Dividend out of the Share Premium Account is in the interests of the Company and the Shareholders as a whole.

CLOSURE OF REGISTER OF MEMBERS

(i) For determining the Shareholders who are entitled to attend the EGM

For the purpose of determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 26 November 2020 to Tuesday, 1 December 2020 (both dates inclusive), during which period no transfer of shares will be registered.

In order to qualify for attending and voting at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 25 November 2020.

(ii) For determining the Shareholders who qualify for the Special Dividend

If the proposed declaration and payment of the Special Dividend is approved by the Shareholders at the EGM, for the purpose of determining the entitlement to the Special Dividend, the register of members of the Company will be closed from Tuesday, 8 December 2020 to Thursday, 10 December 2020 (both dates inclusive), during which period no transfer of shares will be registered.

In order to qualify for the proposed Special Dividend (subject to the approval by Shareholders at the forthcoming EGM), all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 7 December 2020.

EGM

The EGM will be convened on Tuesday, 1 December 2020 to consider and, if thought fit, to approve the declaration and payment of the Special Dividend out of the Share Premium Account. No Shareholder is required to abstain from voting in respect of the ordinary resolution to be proposed at the EGM to approve the declaration and payment of the Special Dividend out of the Share Premium Account.

A circular containing further information about the Special Dividend and the notice of the EGM will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set out below:

“Articles”	the articles of association adopted by the Company on 16 December 2019, and as amended from time to time
“Board”	the board of Directors
“Company”	Kwung’s Holdings Limited (曠世控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1925)
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened on Tuesday, 1 December 2020 for the purpose of considering and approving the declaration and payment of the Special Dividend out of the Share Premium Account
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“RMB”	Renminbi Yuan, the lawful currency of the People’s Republic of China

“Share Premium Account”	the share premium account of the Company, the amount standing to the credit of which was approximately RMB270,278,000 (approximately HK\$311,660,000) as at 30 June 2020 based on the unaudited interim condensed consolidated financial statements of the Group as at that date
“Share(s)”	the ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	the registered holder(s) of the Share(s)
“Special Dividend”	the proposed special dividend of HK6 cents per Share as recommended by the Board
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

* *References to time and dates in this announcement are to Hong Kong time and dates.*

By order of the Board
Kwung’s Holdings Limited
JIN Jianxin
Chairman and executive Director

Hong Kong, 6 November 2020

As at the date of this announcement, the executive Directors are Mr. JIN Jianxin, Mr. RU Liming and Mr. TIAN Dong; the non-executive Director is Mr. SHAO Patrick; and the independent non-executive Directors are Mr. LAI Chun Yu, Mr. YANG Herong and Mr. ZHOU Kai.