



Kresta Holdings Limited

ABN 26 008 675 803

380 Victoria Road
MALAGA WA 6090

PO Box 3036
Malaga DC WA 6945

Telephone: (08) 9249 0777
Facsimile: (08) 9249 7923

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ASX ANNOUNCEMENT

SALE OF CURTAIN WONDERLAND

Kresta Holdings Limited (**Company**) (ASX:KRS) has entered into an agreement with Hong Kong based company, Champ Profit Industrial Limited (**CPI**), for the sale of all the shares in its wholly owned subsidiary, Curtain Wonderland Pty Ltd ACN 009 940 783 (**Curtain Wonderland**). This transaction was completed on 31 December 2019.

CPI is not a related party of the Company or a substantial shareholder of the Company.

The sale of Curtain Wonderland will allow the Company to focus on its remaining sales, distribution and manufacturing divisions.

The consideration for the sale is AUD\$1.00, in recognition of the net liabilities of Curtain Wonderland as at 1 December 2019 of approx. AUD\$5,903,817.60 and is being conducted on an "as is; where is" basis. The financial impact for the Company will be reduction in net liabilities of approx. \$5.9 million.

ASX has advised that the sale does not require shareholder approval.

During the period between the pricing benchmark date of 1 December 2019 and the completion date, the Company will be entitled to any profits generated by Curtain Wonderland and CPI will be required to bear the losses incurred by Curtain Wonderland. The Company is however, obliged to maintain the ordinary operation of Curtain Wonderland during this period.

It has also been agreed separately that the Company's finance and payroll team will provide support to CPI for a period of 6 months following completion of the sale for no additional consideration.

This announcement is authorised for release by Mr Xianfeng Lu, Chairman, Kresta Holdings Limited.

For further information please contact:

Xianfeng Lu
Chairman
Kresta Holdings Limited
T: 08 9249 0789