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MAINLAND HEADWEAR HOLDINGS LIMITED

飛達帽業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 1100)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF SUPPLY OF PRODUCTS

On 22 November 2019, Wintax and the Company of one part and NEC and NEHK of the other part entered into Manufacturing Agreement, pursuant to which NEC appoints the Manufacturer as approved manufacturer for the production and manufacture of Products to the Purchasers (including NEC, affiliates of NEC and purchasers designated by NEC) for the five financial years ending 31 December 2024.

As NEHK is a substantial shareholder of the Company, the Transactions (the supply of Products by the Group under the Manufacturing Agreement) constitute continuing connected transactions of the Company under the Listing Rules.

As the proposed New Caps of Transactions will exceed the thresholds set out in Rule 14A.76(2) of the Listing Rules, the Transactions (including the New Caps) will be subject to the reporting, announcement and Independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

Independent Board Committee comprising the independent non-executive Directors has been formed to advise the Independent Shareholders on the terms of Manufacturing Agreement and the transactions contemplated thereunder and Alliance Capital has been appointed to advise the Independent Board Committee in respect of the Manufacturing Agreement and transactions contemplated thereunder and the New Cap amounts.

* *For identification purpose only*

A circular containing, among other things, further information about Manufacturing Agreement, and the New Caps, the letter from Alliance Capital to the Independent Board Committee and the Independent Shareholders and the recommendation from the Independent Board Committee together with the notice of the SGM will be dispatched to the Shareholders in accordance with the Listing Rules on or before 13 December 2019.

INTRODUCTION

Reference is made to the Company's announcement and circular dated 10 October 2017 and 17 November 2017 respectively in relation to continuing connected transactions under the Previous Manufacturing Agreement. On 8 December 2017, the Company obtained the approval of Independent Shareholders of the extension of the Previous Manufacturing Agreement and the annual caps for the continuing connected transactions for the two years ending 31 December 2019. The Previous Manufacturing Agreement will be expired on 31 December 2019.

MANUFACTURING AGREEMENT

On 22 November 2019, Wintax and the Company of one part (where Wintax and the Company are together referred to hereinafter as "**Manufacturer**") and NEC and NEHK of the other part entered into Manufacturing Agreement, pursuant to which NEC appoints the Manufacturer as approved manufacturer for the production and manufacture of Products to the Purchasers (including NEC, affiliates of NEC and purchasers designated by NEC, collectively referred to hereinafter as "**Purchasers**") with minimum purchase commitments for the five financial years ending 31 December 2024.

Summary of principal terms of the Manufacturing Agreement

Date:	22 November 2019
Parties:	the Company and Wintax (manufacturers) NEC and NEHK (purchasers)
Term:	1 January 2020 to 31 December 2022, which could be extendable for the Extended Term (i.e. an additional term of two years from 1 January 2023 through 31 December 2024). For details on the Extended Term, please refer to the paragraph headed "Extended Term".

Consideration:

Minimum Annual Consideration

1 January 2020 — 31 December 2020 US\$47,000,000

1 January 2021 — 31 December 2024 Based on KSAP Rating
(as explained below)

For details on the minimum annual consideration, please refer to the paragraph headed “Minimum Annual Consideration”

Transactions:*Supply of Products by the Manufacturer to the Purchasers*

The Purchasers agreed to purchase Products (comprising headwear products) which are supplied and manufactured by the Manufacturer for the three financial years from 1 January 2020 to 31 December 2022, which could be extendable for another two years subject to the Independent Shareholders’ approval in SGM by the end of 2022, with the related particulars (such as specifications, quantity, pricing and delivery schedule of the Products) set forth in the purchase orders as agreed in writing by the respective Purchaser and the Manufacturer from time to time.

Payment schedule:

The Manufacturer issues to the respective Purchaser an invoice on the Products upon the delivery of the Products. The Purchaser makes payment to the Manufacturer within 60 days from the date of issue of invoice. In accordance with the usual practice adopted by the Group, there is no requirement on initial deposit to be paid by the Purchasers given the reputation of the Purchasers and the other terms of the supply of the Products under the Manufacturing Agreement.

Pricing:

The price of the Products is determined by the parties on normal commercial terms and by arm's length's negotiation, which shall be determined by reference to:

- (a) Complexity — the more complicated the specification is, the higher the production cost and price of the Products are.
- (b) Volume — the price of the Products may be reduced with the increase of the quantity of the Products.
- (c) Market price — the price of the Products is determined with reference to similar products, being comparable prices offered by independent third party for similar products having taken into account the technology and quality of the products.

For details on the pricing policy, please refer to the paragraph headed "Pricing Policy".

Termination:

The Purchasers shall have the right to terminate the Manufacturing Agreement immediately upon the occurrence of any one or more of the following events:

- (i) If any governmental agency or court of competent jurisdiction finds that the Products are harmful or defective in material respect and the damage to be suffered by the Purchasers from the aforesaid finding is more than US\$1,000,000 which is not directly caused by gross negligence of the Purchasers or designated fabric/component suppliers;
- (ii) If any governmental agency or court of competent jurisdiction finds that the Products are harmful or defective in any way, manner or form in contravention of application laws and regulations which is not directly caused by gross negligence of the Purchasers or designated fabric/component suppliers;
- (iii) If Manufacturer manufactures, diverts, sells, ships or transfers any counterfeit product or fails to report any stolen goods;

- (iv) If Manufacturer manufactures any Product without prior written approval of the Purchasers;
- (v) If the Company, Wintax, Mr. Ngan, Madam Ngan or any third party or affiliate owned by, related to, or associated with the Company, Wintax, Mr. Ngan or Madam Ngan, engages in any activity which results in any communication transmitted by any means to media, the general public, the Fair Labor Association, the Workers Right Consortium, the United Students Against Sweatshops, any organized labor association, any governmental agency, any legal body or any Purchasers' licensor or affiliate of said licensor, alleging any violation or wrongdoing either by the Purchasers as a result of the Purchasers association with the Company, Wintax, Mr. Ngan, Madam Ngan;
- (vi) If the Company undergoes a change in majority or controlling ownership without first obtaining the consent of NEC;
- (vii) If the license agreement between NEC and Major League Baseball Properties, Inc. is terminated or if Major League Baseball Properties, Inc. no longer approves of the Company as a designated manufacturer of licensed products;
- (viii) If the license agreement between NEC and National Football League Properties, LLC is terminated or if National Football League Properties, LLC no longer approves of the Company as a designated manufacturer of licensed products; or
- (ix) If a petition under any bankruptcy or insolvency law is filed by or against a party to the Manufacturing Agreement, or if either party suspends business or commits any act amounting to a business failure.

Any party to the Manufacturing Agreement shall have the right to terminate the Manufacturing Agreement:

- (i) upon a material breach by the other party that is not completely cured within thirty (30) business days of the receipt of notice by the breaching party from the non-breaching party; or
- (ii) when the parties cannot agree on the pricing of the Products after negotiation in good faith during a period of forty five (45) days.

Others:

Board Representation

So long as NEC and/or its affiliate is holding at least 10% of the issued share capital of the Company, NEC is entitled to maintain representation and a seat as a Director on the Board subject to compliance with Listing Rules and approval of nominating committee (the “**Right**”). If NEC’s (including its affiliate) holding of the Shares is less than 10% of the issued share capital of the Company and a representative of NEC has been appointed as director of the Company, NEC shall procure such director to resign from directorship of the Company without compensation as soon as possible, failing which the Company is entitled to remove such director from directorship of the Company immediately.

The Right has been granted to NEC, among other terms, upon arm’s length negotiation of terms of the Manufacturing Agreement between the parties. When NEC and/or its affiliates hold at least 10% of the issued shares of the Company, NEC is entitled to nominate a candidate to act as a Director of the Board. NEC is required to provide personal information, background, academic and professional qualification, business experience, expertise, knowledge and other relevant information relating to the requirements of the Listing Rules to the Company and the Nomination Committee of the Company to consider whether the candidate is suitable to join the Board.

After receipt of the recommendation of the Nomination Committee, the Board will review the background, qualification and experience of the candidate and other matters to ensure the compliance with the applicable Listing Rules and the appointment of the candidate of NEC is in the interests of the Company and the Shareholders as a whole so as to discharge the fiduciary duties of the members of the Board. The arrangement of the Right is not uncommonly found in similar commercial transactions.

Under the Bye-laws of the Company, a Director appointed to fill a casual vacancy or as an addition by the Board is subject to election by the Shareholders at the first general meeting after appointment of the Director.

The Board is of the view that NEC's Right under the Manufacturing Agreement is not different from the nomination right empowered to other Shareholders under the Bye-laws of the Company because the appointment of person nominated by NEC as Director is subject to the same approval procedures as applicable to other Directors (including compliance with applicable provisions of the Listing Rules and the approvals by the Board and the Shareholders).

Dispute on invoices

In case of any dispute on the particulars of the invoices issued by the Manufacturer (including the payment amount), the Purchasers should lodge the dispute to the Manufacturer together with reasons and evidence of the basis in writing as soon as possible and in any event should be within fifteen (15) days after receipt, both the Purchasers and the Manufacturer should discuss and resolve the dispute in good faith at their best endeavours in the next fifteen (15) days. If the dispute is resolved with the result that the Manufacturer can issue another invoice (whether with or without changes as compared with the original invoice) and the Manufacturer is entitled to charge service charge of 1.5 percent per month on the new invoiced amount from the sixtieth (60) day of the original invoice date until paid. There was no significant disagreement regarding the pricing of the Products since the effective date of the Manufacturing Agreement.

Condition Precedent

The term of the Manufacturing Agreement will commence on 1 January 2020 (“**Initial Start Date**”) and shall terminate on 31 December 2022 (“**Initial End Date**”) and the period between the Initial Start Date and Initial End Date is the “**Initial Term**”. The Manufacturing Agreement may be extended for an additional term (“**Extended Term**”) from 1 January 2023 (“**Extended Start Date**”) through 31 December 2024 (“**Extended End Date**”).

Initial Term

The Initial Term of the Manufacturing Agreement is effective and conditional on the fulfilment of the following condition on or before the Initial Start Date:

“the passing of an ordinary resolution by the independent shareholders of the Company (who are permitted to vote under the Listing Rules) at a special general meeting of the Company approving, among other matters, the Manufacturing Agreement and the transactions contemplated herein (including the continuing connected transactions together with the annual caps in relation to supply of the Products under the Manufacturing Agreement) for the period of the Initial Term.”

If the above condition is not fulfilled on or before the Initial Start Date, the Manufacturing Agreement and everything herein contained shall be null and void and of no effect and every party to the Manufacturing Agreement shall be released from any liability and obligations contained thereof.

Extended Term

The Extended Term of the Manufacturing Agreement is effective and conditional on the fulfilment of the following condition on or before the Extended Start Date:

“the passing of an ordinary resolution by the independent shareholders of the Company (who are permitted to vote under the Listing Rules) at a special general meeting of the Company approving, among other matters, the Manufacturing Agreement and the transactions contemplated herein (including the continuing connected transactions together with the annual caps in relation to supply of the Products under the Manufacturing Agreement) for the period of the Extended Term.”

If the above condition is not fulfilled on or before the Extended Start Date, the Manufacturing Agreement and everything herein contained shall be terminated on the Initial End Date and every party to the Manufacturing Agreement shall be released from any liability and obligations contained thereof.

Minimum Annual Consideration

The Purchasers agreed to purchase the Products from the Manufacturer during the Annual Periods with consideration not less than the minimum amounts (“**Minimum Annual Consideration**”) based on KSAP Rating (as explained below). NEC has established a knowledge, skills, abilities and performance rating (“**KSAP Rating**”) for its manufacturers and suppliers and NEC will evaluate and measure Manufacturer according to New Era’s KSAP Rating evaluation process which takes account of the following criteria: quality, logistics, production, compliance and sourcing. At the end of each Annual Period (“**Prior**

Annual Period”), the Minimum Annual Consideration for the immediate subsequent Annual Period (“**Next Annual Period Minimum Annual Consideration**”) shall be calculated based upon the following formula:

Prior Annual Period’s Minimum Annual Consideration + KSAP Rating Adjustment (as defined below) for the Prior Annual Period.

Grading of KSAP Rating Adjustment	Adjustment Amount
Role Model	+US\$2,000,000
Proficient	+US\$1,000,000
Average	0
Needs Improvement	-US\$3,000,000

In case the actual aggregate purchases of Products by the Purchasers in the relevant Annual Period is less than 75% of the Minimum Annual Consideration for any of the Annual Periods, the Purchasers shall have a further 60 business days (“**Extended Period**”) to place additional purchase orders to meet the Minimum Annual Consideration for the preceding Annual Period. Should the Purchasers not place adequate purchase orders on the Products during the Extended Period, the Purchasers shall have obligation to make a cash payment to the Manufacturer or its designated party equal to 10% of such deficiency within 30 days after the Extended Period. In case the actual aggregate purchases of Products by the Purchasers in any of the Annual Periods is not less than 75% of the Minimum Annual Consideration for the relevant Annual Period, the Purchasers do not have obligation to make the above cash payment to the Manufacturer for that Annual Period.

Pricing Policy

The price of the Products can only be determined in the purchase orders as issued by the Purchasers and accepted by the Manufacturer later (not on the date of Manufacturing Agreement) as the price of the Products will depend on other variables (such as specification, quantity of the Products, and the prevailing market price of similar products and each step in the manufacture of the similar products) to be determined at the stage of issuing of purchase orders. The price of the Products is determined by the parties on normal commercial terms and by arm’s length’s negotiation. The more complicated the specification is, the higher the production cost and price of the Products are. While the price of the Products may be reduced with the increase in the quantity of the Products, the price of the Products is also determined between the Purchasers and the Manufacturer with reference to the prevailing market price of similar products, being comparable prices offered by independent third party for similar products having taken into account the technology and quality of the products. The management of the Manufacturer would regularly conduct market research and gather relevant information to ascertain the prevailing market price of similar products, and would review the comparable prices for the similar products in each case to ensure there are sufficient comparable prices to which it could refer to. In

the event that there are no sufficient comparable prices for similar products or there are no similar products in the market, the Manufacturer has to substantially rely on other factors (such as cost for supply and manufacture of the Products and mark-up rate) for the determination of the prices of the Products.

The Manufacturer adopts a cost-plus pricing system to determine the Products' price. When the Manufacturer receives particulars of a purchase order, it will estimate (i) the costs for the supply and manufacture of the ordered Products and (ii) the mark-up rate after taking into account of specifications, cost of materials, quantity and delivery schedule for the ordered Products, market supply and demand, the prevailing market price of similar products, and the gross profit margin of the Manufacturer's similar products. With the estimated costs and mark-up rate of the ordered Products, the Manufacturer arrives at a preliminary price for such Products. The Sales & Marketing Director in the Sales & Marketing Department of the Manufacturer reviews and finalizes the price for the ordered Products in every new order and reviews the prices of the Products for repeated orders at least once every year to ensure that the Products' price is consistent with the prevailing market price of similar products and is no less favourable to the price of similar products offered to the independent customers. In addition, a committee ("Committee") consisting of the executive Directors and chief financial officer of the Company are set up to conduct a monthly review on the gross profit margin by customer to ensure that the price offered to the Purchasers is in line with the price offered to the independent customers and to provide guidance to the pricing of the Products. The Finance Department of the Manufacturer checks the ageing report of account receivables every month to review customers' settlement status. If the Purchasers fail to pay in accordance with the payment term, the Finance Department reports to the Committee for closely monitoring of the payment and consideration of further appropriate action.

After taking account of the above price setting and reviewing process, the Directors are of the view that the Manufacturer has an adequate internal control system to safeguard that the price of the Products is determined by the parties on normal commercial terms and by arm's length's negotiation, and no less favourable than those offered to independent customers.

ANNUAL CAPS

Historical amounts of Annual Caps in recent years

Set out below are the historical amounts of the Transactions for the year ended 31 December 2018 and 9 months ended 30 September 2019:

Value of Transactions (All amounts in HK\$)	9 months ended 30 September 2019	Year ended 31 December 2018
Historical amounts	311,981,000	447,405,000
Approved Caps	661,300,000	545,761,000

Proposed Annual Caps for the coming three years

The amounts of the proposed New Caps in respect of the Transactions, subject to the approval of the Independent Shareholders, for the three years ending 31 December 2022 are set out as below:

Value of Transactions (All amounts in HK\$)	Year ending 31 December		
	2020	2021	2022
Proposed New Caps	583,500,000	641,850,000	706,035,000

The above New Caps are proposed based on: (i) Minimum Annual Consideration as agreed by the parties and set out in the Manufacturing Agreement; (ii) the historical growth of the sales amount with NEC; (iii) the internal budget plan relating to indication of estimated order from NEC based on discussions with customers; (iv) the expansion plan of production capacity; and (v) general buffer.

The following table sets out the Minimum Annual Consideration in the years from 2017 to 2019 and the maximum amount of Minimum Annual Consideration in the years from 2020 to 2022 as compared to the proposed New Caps in the respective years:

(All amounts in HK\$)	Years ended/ending 31 December					
	2017	2018	2019	2020	2021	2022
Minimum Annual Consideration	350,100,000	357,880,000	365,660,000	N/A	N/A	N/A
Maximum amount of Minimum Annual Consideration	N/A	N/A	N/A	365,660,000	381,220,000	396,780,000
Historical amounts	385,072,000	447,405,000	311,981,000*	N/A	N/A	N/A
Proposed New Caps	586,492,000	545,761,000	661,300,000	583,500,000	641,850,000	706,035,000

* Up to 9 months ended 30 September 2019

REASONS FOR AND BENEFITS OF ENTERING INTO THE MANUFACTURING AGREEMENT

The Group is principally engaged in the design, manufacturing and retail of quality casual headwear worldwide.

New Era is an international lifestyle brand with an authentic sports heritage that dates back over 90 years. Best known for being the official on-field cap for Major League Baseball, New Era is the brand of choice not only for its headwear collection, but also for its accessories and apparel for men, women and youth. NEC has a myriad of licensed entities from various sport, entertainment and fashion properties. The fourth generation family-owned business is headquartered in Buffalo, N.Y. and operates facilities in Canada, Europe, Brazil, Japan and Hong Kong.

NEC is a leading manufacturer and marketer of sports and fashion headwear and apparel in the United States. It is one of the most well-established and important customers of the Group. The supply of Products to NEC Group has generated significant profitable business to the Group in recent years. The Previous Manufacturing Agreement will be expired by 31 December 2019. By entering into the Manufacturing Agreement, the Company is able to continue to derive benefit from supply of products to NEC. The transactions contemplated under the Manufacturing Agreement can also promote the synergies and benefits for both the Company and NEC.

The terms of the Manufacturing Agreement were negotiated between the parties at arm's length. In view of the benefits derived from the transaction, the Directors (excluding the independent non-executive Directors) are of the view that the Manufacturing Agreement is on normal commercial terms, is fair and reasonable and in the interest of the Company and its Shareholders as a whole. The independent non-executive Directors would not be able to form the view whether the said terms are fair and reasonable and in the interest of the Company and the Shareholders as a whole until they have discussed with Alliance Capital and have reviewed its letter of advice. As Mr. James S. Patterson is an executive Director appointed by NEC and has material interest in the Manufacturing Agreement, he has abstained from voting on the board resolution approving the Manufacturing Agreement.

IMPLICATION UNDER THE LISTING RULES

As NEHK owns 79,601,000 Shares (representing about 19.64% of the issued share capital of the Company) as at the date of this announcement, it is a connected person of the Company under the Listing Rules. As the Transactions (the supply of Products by the Group under the Manufacturing Agreement) involve provision of goods on a continuing or recurring business and in the ordinary and usual course of business of the Group, the Transactions constitute continuing connected transactions of the Company under the Listing Rules. NEHK, its ultimate beneficial owners and their respective associates are required to abstain from voting in a general meeting in respect of resolution proposed for approval of the above continuing connected transactions.

As the proposed New Caps of Transactions will exceed the thresholds set out in Rule 14A.76(2) of the Listing Rules, the Manufacturing Agreement and the Transactions (including the New Caps) will be subject to the reporting, announcement and Independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

GENERAL

The Company will seek in the SGM the approval by the Independent Shareholders by way of poll of the Manufacturing Agreement and transactions contemplated thereunder (including proposed New Caps). NEHK, its ultimate beneficial owners and their respective associates are required to abstain from voting in the SGM in respect of resolution proposed for approval of the above continuing connected transactions.

Independent Board Committee comprising the independent non-executive Directors has been formed to advise the Independent Shareholders on the Manufacturing Agreement and the transactions contemplated thereunder and Alliance Capital has been appointed as independent financial adviser to advise the Independent Board Committee and Independent Shareholders in respect of the Manufacturing Agreement and transactions contemplated thereunder and the New Cap amounts.

A circular containing, among other things, further information about Manufacturing Agreement, and the New Caps, the letter from Alliance Capital to the Independent Board Committee and the Independent Shareholders and the recommendation from the Independent Board Committee will be dispatched to the Shareholders in accordance with the Listing Rules on or before 13 December 2019.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions having the following meanings:

“Alliance Capital”	Alliance Capital Partners Limited, the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the Manufacturing Agreement
“Annual Period(s)”	the annual periods during the term of the Manufacturing Agreement (five years ending 31 December 2024)
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Mainland Headwear Holdings Limited (飛達帽業控股有限公司), a company incorporated under the laws of Bermuda, the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Extended Term”	the period from 1 January 2023 to 31 December 2024 (both dates inclusive)
“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

“Independent Board Committee”	an independent board committee of the Board, comprising Mr. Leung Shu Yin, William, Mr. Liu Tieh Ching, Brandon, JP and Mr. Gordon Ng, all being independent non-executive Directors, to advise the Independent Shareholders as to the fairness and reasonableness of the Manufacturing Agreement
“Independent Shareholders”	Shareholders other than NEHK, its ultimate beneficial owners and their respective associates
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	Macau Special Administrative Region of the People’s Republic of China
“Madam Ngan”	Ngan Po Ling, Pauline, Director and spouse of Mr. Ngan
“Manufacturer”	the Company and Wintax
“Manufacturing Agreement”	the agreement dated 22 November 2019 between Wintax and the Company of one part and NEC and NEHK of the other part in relation to the supply of Products
“Minimum Annual Consideration”	the minimum commitment of the Purchasers in respect of the consideration of purchase of Products for the Annual Periods under the Previous Manufacturing Agreement and the Manufacturing Agreement
“Mr. Ngan”	Ngan Hei Keung, Chairman and executive Director of the Company
“NEC”	New Era Cap Co., Inc., a New York State corporation
“NEC Group”	NEC and its subsidiaries (including without limitation NEHK)
“NEHK”	New Era Cap Hong Kong, LLC, a New York State corporation and an affiliate of NEC
“New Caps”	the annual caps of the Transactions to be entered into by the parties for the three financial years ending 31 December 2022, to be approved in the SGM
“Previous Manufacturing Agreement”	the agreement dated 30 September 2014 between United Crown International Macao Commercial Offshore Limited (released as a party to the agreement on 10 September 2015), Wintax and the Company of one part and NEC and NEHK of the other part in relation to the supply of Products

“Products”	any headwear, accessories and/or apparel products as set out in the purchase orders to be supplied by the Manufacturer to the Purchasers which may use, display or incorporate intellectual property (such as graphic design, trademark etc) of NEC
“Purchasers”	NEC, affiliates of NEC and purchasers designated by NEC
“SGM”	the special general meeting of the Company to be convened for the Independent Shareholders to approve the Manufacturing Agreement
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the supply of the Products by the Manufacturer to the Purchasers under the Manufacturing Agreement
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“US”	the United States of America
“US\$”	United States dollars, the lawful currency of the United States of America
“Wintax”	Wintax Trading Limited, a company incorporated in Macau and a wholly owned subsidiary of the Company
“%”	per cent

Unless otherwise stated, the conversion of US dollars into Hong Kong dollars are based on the exchange rate of US\$1 = HK\$7.78 for illustration purpose only.

By Order of the Board
Ngan Hei Keung
Chairman

Hong Kong, 22 November 2019

As at the date hereof, the Board of Directors of the Company comprises eight directors, of which five are Executive Directors, namely Mr. Ngan Hei Keung, Madam Ngan Po Ling, Pauline, BBS, JP, Mr. James S. Patterson, Ms. Maggie Gu and Mr. Ngan Siu Hon, Alexander; and three are Independent Non-executive Directors, namely Mr. Leung Shu Yin, William, Mr. Liu Tieh Ching, Brandon, JP and Mr. Gordon Ng.