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Win Hanverky Holdings Limited

永嘉集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 3322)

**DISCLOSEABLE AND CONNECTED TRANSACTION
ACQUISITION OF 27% OF
THE TOTAL ISSUED SHARES OF SHINE GOLD**

The Board is pleased to announce that on 20 December 2019, Frankton (a wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with Mr. Wong, pursuant to which Frankton agrees to acquire and Mr. Wong agrees to sell the Relevant Shares, which represent 27% of the issued shares of Shine Gold (an indirect 70% owned subsidiary of the Company immediately before Completion) at a consideration of HK\$22 million.

Completion took place immediately after the signing of the Sale and Purchase Agreement. Upon Completion, Shine Gold is owned as to 97% by the Group and the Group continues to consolidate the financial results of the Shine Gold Group.

As the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As Mr. Wong is a connected person at the subsidiary level of the Company by virtue of being a substantial shareholder and a director of Shine Gold as well as a director of certain subsidiaries of the Shine Gold Group, the Acquisition also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. The Board has approved the Acquisition and the Directors (including the Independent Non-executive Directors) have also confirmed that the terms of the Acquisition are fair and reasonable, the Acquisition is on normal commercial terms, is in the ordinary and usual course of business of the Group and is in the interests of the Company and the shareholders of the Company as a whole. Therefore, by virtue of Rule 14A.101 of the Listing Rules, the Acquisition is subject to the reporting and announcement requirements applicable to connected transactions, but is exempt from the circular, independent financial advice and shareholders' approval requirements.

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THE SALE AND PURCHASE AGREEMENT

Details of the Sale and Purchase Agreement are set out below.

- Date : 20 December 2019
- Parties : (1) Frankton (a wholly-owned subsidiary of the Company) as the purchaser
(2) Mr. Wong as the seller
- Assets to be acquired : The Relevant Shares, representing 27% of the issued shares of Shine Gold, shall be acquired free from all encumbrances and third party rights together with all dividends and distributions declared made or paid or agreed to be made or paid thereon or in respect thereof on or after the completion date of the Sale and Purchase Agreement.
- Consideration : The consideration of the Acquisition is HK\$22 million which shall be paid by Frankton to Mr. Wong by cheques drawn on a licensed bank in Hong Kong in favour of Mr. Wong (or in such other manner as Frankton and Mr. Wong may agree) in the following manner:
- (a) HK\$11 million, being 50% of the consideration, shall be paid within 15 days after Completion; and
 - (b) HK\$11 million, representing the remaining balance of the consideration, shall be paid on or before the expiry of the six-month period after Completion.

The consideration of the Acquisition was arrived at after arm's length negotiations between the parties having taken into account of various factors, including among others, the unaudited consolidated net assets value of the Shine Gold Group. The Acquisition will be funded by the internal resources of the Group.

Completion : Completion took place immediately after the signing of the Sale and Purchase Agreement. Upon Completion, Shine Gold is owned as to 97% by the Group and the Group continues to consolidate the financial results of the Shine Gold Group.

INFORMATION OF THE SHINE GOLD GROUP

Shine Gold is an investment holding company which, through its subsidiaries, is principally engaged in the retailing of high-end fashion products in the People's Republic of China, Hong Kong, Macau, Taiwan and Singapore.

Mr. Wong was the founder of Shine Gold. The original subscription price for the Relevant Shares paid by Mr. Wong was US\$108 (equivalent to approximately HK\$840). Based on the audited consolidated financial statements of the Shine Gold Group, the consolidated net asset values of the Shine Gold Group as at 31 December 2017 and 31 December 2018 were approximately HK\$65.2 million and HK\$155.5 million, respectively. Based on the unaudited consolidated management accounts of the Shine Gold Group, the consolidated net asset value of the Shine Gold Group as at 30 June 2019 was approximately HK\$215.8 million. Some of the financial data of the Shine Gold Group are set out as follows:

	Year ended 31 December	
	2017	2018
	<i>HK\$' million</i>	<i>HK\$' million</i>
Consolidated net profit before taxation	62.7	135.2
Consolidated net profit after taxation	69.1	101.0

REASONS AND BENEFITS FOR ENTERING INTO THE SALE AND PURCHASE AGREEMENT

Shine Gold was owned as to 70% by Frankton (a wholly-owned subsidiary of the Company) and 30% by Mr. Wong, the founder of Shine Gold, immediately before Completion. The Shine Gold Group is the operation arm of the high-end fashion retailing business of the Group. Taking into account of the remarkable business development and financial performance of the Shine Gold Group which contributed considerable profits to the Group, the Directors consider that it would be beneficial for the Group to acquire more shareholding interests in Shine Gold from Mr. Wong to gain more control of the Shine Gold Group. Upon Completion, Mr. Wong resigned as a director of Shine Gold.

The Directors (including the independent non-executive Directors) consider the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole. None of the Directors has any material interest in the Acquisition and all the Directors vote in favour for the relevant board resolutions approving the Acquisition.

INFORMATION OF THE PARTIES

The Group is an integrated manufacturer, distributor and retailer for internationally renowned sports, fashion and outdoor brands.

Frankton is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the date of this announcement, Frankton is wholly-owned by the Company.

Mr. Wong is the holder of 30% of the total issued shares of Shine Gold prior to Completion. Immediately after Completion, Mr. Wong remains the holder of 3% of the total issued shares of Shine Gold.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As Mr. Wong is a connected person at the subsidiary level of the Company by virtue of being a substantial shareholder and a director of Shine Gold and as well as a director of certain subsidiaries of the Shine Gold Group, the Acquisition also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. The Board has approved the Acquisition and the Directors (including the Independent Non-executive Directors) have also confirmed that the terms of the Acquisition are fair and reasonable, the Acquisition is on normal commercial terms, is in the ordinary and usual course of business of the Group and is in the interests of the Company and the shareholders of the Company as a whole. Therefore, by virtue of Rule 14A.101 of the Listing Rules, the Acquisition is subject to the reporting and announcement requirements applicable to connected transactions, but is exempt from the circular, independent financial advice and shareholders' approval requirements.

DEFINITIONS

Unless otherwise stated, the capitalised terms used in this announcement shall have the meanings ascribed to them as follows:

“Acquisition”	the transactions contemplated under the Sale and Purchase Agreement
“Board”	the board of Directors
“Company”	Win Hanverky Holdings Limited (Stock Code: 3322), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition which took place immediately after signing of the Sale and Purchase Agreement
“Directors”	the directors of the Company
“Frankton”	Frankton International Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“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

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wong”	Mr. Wong Yiu Sun, the other shareholder of Shine Gold prior to Completion
“Relevant Shares”	108 ordinary shares of Shine Gold, representing 27% of the total issued shares of Shine Gold
“Shine Gold”	Shine Gold Limited (金耀有限公司), a company incorporated in the British Virgin Islands with limited liability
“Shine Gold Group”	Shine Gold and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	US dollars, the lawful currency of the United States

By order of the Board
Win Hanverky Holdings Limited
Li Kwok Tung Roy
Chairman

Hong Kong, 20 December 2019

As at the date of this announcement, the Board comprises Mr. Li Kwok Tung Roy, Mr. Lai Ching Ping, Mr. Lee Kwok Leung and Mr. Wong Chi Keung being the executive Directors, and Dr. Chan Kwong Fai, Mr. Ma Ka Chun, Mr. Kwan Kai Cheong and Mr. Chan Ka Kui being the independent non-executive Directors.