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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Win Hanverky Holdings Limited**, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**MAJOR TRANSACTION
IN RELATION TO
DISPOSAL OF ASSETS**

Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 3 to 10 of this circular.

The Disposal has been approved by a written Shareholder’s approval pursuant to Rule 14.44 of the Listing Rules in lieu of holding a general meeting of the Company. This circular is being despatched to the Shareholders for information only.

30 November 2023

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Announcement”	the announcement of the Company dated 10 October 2023 in relation to the Disposal
“Board”	the board of Directors
“Company”	Win Hanverky Holdings Limited (Stock Code: 3322), a company incorporated under the laws of Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Disposal in accordance with the terms and conditions of the Disposal Agreement
“Completion Date”	the date of Completion
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder” or “Quinta”	Quinta Asia Limited, a limited liability company incorporated in the British Virgin Islands and the controlling shareholder of the Company as defined under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the transactions contemplated under the Disposal Agreement for the disposal of the Target Assets from the Vendor to the Purchaser
“Disposal Agreement”	the agreement dated 10 October 2023 entered into between the Vendor and the Purchaser relating to the sale and purchase of the Target Assets
“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
“Inventories”	has the meaning ascribed to it in the paragraph headed “Subject matter” under the section “DISPOSAL AGREEMENT” in this circular
“Latest Book Close Date”	31 August 2023

DEFINITIONS

“Latest Practicable Date”	24 November 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Licensed Stores Assets”	has the meaning ascribed to it in the paragraph headed “Subject matter” under the section “DISPOSAL AGREEMENT” in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers
“PRC”	the People’s Republic of China
“Purchaser”	凡尚服飾(上海)有限公司 (Fanshang Apparel (Shanghai) Company Limited*), a company established in the PRC with limited liability and a wholly-owned subsidiary of Belle Fashion Group
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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
“Target Assets”	has the meaning ascribed to it in the paragraph headed “Subject Matter” under the section “DISPOSAL AGREEMENT” in this circular
“Vendor”	皆柏貿易(杭州)有限公司 (Kepac Trading (Hangzhou) Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent.

* *The relevant English name is only a transliteration of the Chinese name for reference only.*

For the purpose of this circular, the exchange rate of RMB1.00 = HK\$1.07 has been used for currency translation. Such exchange rate is for illustration purpose only and does not constitute a representation that any amount in RMB has been, could have been or may be converted at such rate or any other rate.



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)

Executive Directors:

Mr. LI Kwok Tung Roy *(Chairman)*

Mr. LAI Ching Ping *(Deputy Chairman)*

Mr. LEE Kwok Leung *(Chief Executive Officer)*

Mr. WONG Chi Keung *(Chief Financial Officer)*

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Independent Non-executive Directors:

Mr. KWAN Kai Cheong

Mr. MA Ka Chun

Ms. CHAN Ka Kit Fun Fanny

Head Office and Principal Place of

Business in Hong Kong:

6th Floor, Phase 6

Hong Kong Spinners Industrial Building

481-483 Castle Peak Road

Kowloon

Hong Kong

30 November 2023

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
IN RELATION TO
DISPOSAL OF ASSETS**

1. INTRODUCTION

Reference is made to the Announcement.

On 10 October 2023, the Vendor, an indirect wholly-owned subsidiary of the Company, and the Purchaser entered into the Disposal Agreement, pursuant to which the Vendor conditionally agreed to dispose of, and the Purchaser conditionally agreed to purchase the Target Assets at a total consideration of approximately RMB104,000,000 (equivalent to approximately HK\$111,280,000) (exclusive of value-added tax and subject to a downward adjustment).

The purpose of this circular is to provide you with, among other things, further details of the Disposal and other information as required to be disclosed under the Listing Rules.

LETTER FROM THE BOARD

2. DISPOSAL AGREEMENT

A summary of the principal terms and conditions of the Disposal Agreement is set out below:

- Date: 10 October 2023
- Vendor: 皆柏貿易(杭州)有限公司 (Kepac Trading (Hangzhou) Limited*), an indirect wholly-owned subsidiary of the Company
- Purchaser: 凡尚服飾(上海)有限公司 (Fanshang Apparel (Shanghai) Company Limited*)
- Subject matter: The Vendor conditionally agreed to sell, assign and novate, and the Purchaser conditionally agreed to acquire and accept the following Target Assets:
- (1) **Inventories:** the apparel products for the fashion brand “Champion” procured by the Vendor or its associated companies which have not been sold to or reserved by the customers as at the Completion Date; and
 - (2) **Licensed Stores Assets:** the tenancies of 69 licensed stores for “Champion” operated by the Vendor or its associated companies together with the interior renovations, decorations, furniture and equipment therein (not including the staff and inventories of the stores).
- Consideration: The total consideration is approximately RMB104,000,000 (equivalent to approximately HK\$111,280,000) (exclusive of value-added tax and subject to a downward adjustment) which comprises:
- (1) the consideration for the Inventories of approximately RMB89,000,000 (equivalent to approximately HK\$95,230,000) (inclusive of handling fees and tariff); and
 - (2) the consideration for the Licensed Stores Assets of approximately RMB8,000,000 (equivalent to approximately HK\$8,560,000), plus a mark-up of approximately RMB7,000,000 (equivalent to approximately HK\$7,490,000).

LETTER FROM THE BOARD

The total consideration was determined after arm's length negotiations between the parties on normal commercial terms with reference to the net book amount of the Target Assets of approximately RMB133,000,000 (equivalent to approximately HK\$142,310,000) as at the Latest Book Close Date.

The Target Assets comprise Licensed Store Assets with 69 licensed stores and over 800,000 pieces of apparel products of "*Champion*", majority being out of season products. Therefore, it is difficult for the Group to find a willing buyer to acquire the Target Assets in bulk without providing a substantial discount. The Group has sold some out of season products in smaller batches recently and it also required to offer comparable discount to the purchaser in order to sell those products. The Group suffered huge operating loss from the operation of "*Champion*" in the PRC. The Disposal would represent a good opportunity for the Group to cut losses and clear aged inventories. Therefore, the Board considers that the discount offered is fair and reasonable to the Group.

As the Licensed Stores Assets could be used by the Purchaser immediately without further renovation and disruption in business operation, the Purchaser agreed to pay a mark-up to the Vendor and the mark-up was determined after arm-length negotiations between the parties with reference to the location and the number of the Licensed Stores Assets to be transferred.

The final amount of the total consideration will be adjusted downward based on (i) the amount of Inventories after stock-taking of the Inventories (taking into account the amount of Inventories to be sold during the period from the Latest Book Close Date until Completion); and (ii) the amount of Licensed Stores Assets (transfers of which could be completed). If the transfers of certain licensed stores could not be completed, the amount of Licensed Stores Assets of such licensed stores together with the proportionate mark-up shall be deducted from the total consideration accordingly.

LETTER FROM THE BOARD

Payment Schedule: The total consideration shall be payable by the Purchaser to a bank account designated by the Vendor in the following manner:

- (1) RMB10,000,000 (equivalent to approximately HK\$10,700,000) shall be payable within 5 business days after signing the Disposal Agreement, which shall be applied as partial payment of the consideration at Completion; and
- (2) the balance of the total consideration shall be paid in the following manner:
 - (a) in respect of the Inventories,
 - (i) 30% of the consideration for the Inventories shall be paid within 7 days after Completion;
 - (ii) 50% of the consideration for the Inventories (after deducting the prepayment of RMB10,000,000 as set out in (1) above) shall be paid on the last day of the month which Completion takes place;
 - (iii) if there are any licensed stores that could not be transferred by 31 December 2023, an amount equivalent to 20% of the consideration for the Inventories times the proportionate number of licensed stores that could not be transferred by 31 December 2023 will be withheld and deducted from the 20% of the consideration for the Inventories, and the remaining balance of the 20% of the consideration for the Inventories shall be paid by 31 December 2023;
 - (iv) on the last day of the months which the transfers of any remaining licensed stores have been completed, the Purchaser shall pay the Vendor the corresponding withheld amount for such licensed stores; and

LETTER FROM THE BOARD

- (b) in respect of the Licensed Stores Assets, on the last day of the months which the transfers of any licensed stores have been completed, including completing the changes of relevant business registration (if required), the novation of existing tenancies or entering into new tenancies and other relevant completion logistics and completion of renovation (if required), the amount of Licensed Stores Assets of such licensed stores being transferred and the corresponding mark-up shall be paid by the Purchaser to the Vendor.

As at the Latest Practicable Date, the Vendor has received the prepayment of RMB10,000,000 as set out in (1) above.

Conditions precedent: The Disposal is conditional upon the fulfilment or waiver of the following conditions precedent:

- (1) the Company having obtained the shareholders' approval for the Disposal in accordance with the Listing Rules;
- (2) the Vendor and the Purchaser having obtained all necessary third-party approvals for the Disposal, including but not limited to, the written approval from the brand owner for the Disposal and the transfer of rights and obligations under the distributorship agreement entered into with the brand owner, and such approvals and the conditions of such approvals (if any) having been fulfilled or waived and remaining in full force and effect at the time of Completion.

The parties may negotiate in good faith to waive condition precedent (2) above in part or in full.

As at the date of the Announcement, condition precedent (1) above has been satisfied.

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Completion: Subject to the conditions precedent having been fulfilled or waived, the Vendor having obtained written confirmations from the landlords on the novation of the tenancies of 60 licensed stores on the same terms or such other terms as agreed by the Purchaser (which could be waived by the parties in whole or in part), Completion shall take place on 1 November 2023. The parties may at any time negotiate in good faith to extend the Completion Date, but in any event no later than 31 December 2023.

As condition precedent (2) has not yet been fulfilled or waived as at the Latest Practicable Date, Completion has not yet taken place.

3. INFORMATION ON THE PARTIES

The Group is an integrated manufacturer and retailer for international sports, fashion and outdoor brands.

The Vendor is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is an authorised distributor of the fashion brand “*Champion*” in the PRC and is principally engaged in the retailing of fashion products.

The Purchaser is a company established in the PRC with limited liability. It is an authorised distributor of “*Champion*” in the PRC and is principally engaged in the trading of apparel and accessories products.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, (i) the Purchaser is a wholly-owned subsidiary of Belle Fashion Group which is principally engaged in the sale of fashion footwear and apparel in the PRC; (ii) Belle Fashion Group is ultimately owned and/or controlled as to 46.36% by Wisdom Man Ventures Limited (a limited liability company incorporated in the British Virgin Islands and indirectly owned by certain directors and senior management of Belle Fashion Group), 44.48% by Hillhouse Fund III, L.P., and 9.16% by CDH Fund V, L.P.; (iii) none of the individual beneficial owner of Belle Fashion Group effectively holds 50% or more of the interests in Belle Fashion Group; and (iv) the Purchaser and its ultimate beneficial owners are third parties independent of the Group and its connected persons.

4. REASONS FOR AND BENEFIT OF THE DISPOSAL

Both the Vendor and the Purchaser are the authorised distributors of the fashion brand “*Champion*” in the PRC. As the distributorship of “*Champion*” in the PRC is non-exclusive and the Vendor is not the operator of the online stores of such brand in the PRC, it is particularly unfavourable to the Vendor during the head-to-head competition with other distributor. In addition, the recovery of customer demand was not as strong as expected despite the cessation of all COVID-19 related control measures in the PRC market in the first half of 2023. As a result, the performance of the licensed stores of “*Champion*” in the

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PRC was not satisfactory and significantly lower than other brands operated by the Vendor. The Group suffered huge operating losses from the operation of “*Champion*” in the PRC of approximately HK\$52,000,000 for the year ended 31 December 2022 and approximately HK\$34,000,000 for the six months ended 30 June 2023. Pursuant to the Disposal Agreement, the Vendor shall transfer the Target Assets to the Purchaser. The Vendor will cease to operate licensed stores of “*Champion*” after the Completion.

The Board considers that the Disposal would represent an opportunity for the Group to cut losses of its operation of “*Champion*” in the PRC and to clear aged inventories. Furthermore, the net proceeds from the Disposal will provide the Group with cash inflow which will improve and strengthen the financial position of the Group.

The terms of the Disposal Agreement were determined after arm’s length negotiations between the Vendor and the Purchaser and the Board is of the view that the terms of the Disposal Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

5. FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

The Group is expected to recognise a loss of approximately HK\$16,000,000 as a result of the Disposal, mainly being the difference between the estimated amount of the consideration (after downward adjustment taking into account the estimated amount of Inventories to be sold during the period from the Latest Book Close Date until Completion) of approximately HK\$100,000,000 and the estimated amount of net book value of the Target Assets of approximately HK\$116,000,000 upon Completion. The Group is also expected to recognise a loss of approximately HK\$14,000,000 being the goodwill associated with the ceasing operation. As a result, it is expected that an overall loss (before taxation) of approximately HK\$30,000,000 will be recognised in the Group’s consolidated income statement for the Disposal. The expected losses have not yet been audited or reviewed by the auditor of the Company and the expected losses to be recognised in the consolidated income statement of the Company may be different subject to the amount of Inventories to be transferred at Completion and the amount of Licensed Stores Assets which could be transferred. Although the Group is expected to recognise an overall loss from the Disposal, the Board is of the view that the Disposal is in the interest of the Company and the Shareholders as a whole for the reasons and benefits mentioned in the section headed “REASONS AND BENEFITS OF THE DISPOSAL” above.

It is estimated that the net proceeds from the Disposal (after deducting the expenses directly attributable thereto) would be approximately HK\$99,000,000. The Group intends to use (i) approximately HK\$40,000,000 (representing approximately 40.4% of the net proceeds) for repayment of bank loans of the Group within the next 12 months; and (ii) the remaining balance for general working capital for the daily operations of the Group’s Manufacturing Business and High-end Fashion Retailing Business in the next 12 months.

LETTER FROM THE BOARD

6. LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceed 25%, but are all less than 75%, the Disposal constitutes a major transaction of the Company and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposal. The Company has received a written approval of the Disposal by the Controlling Shareholder, which holds 743,769,967 Shares, representing approximately 57.91% of the total issued Shares as at the Latest Practicable Date. Accordingly, pursuant to Rule 14.44 of the Listing Rules, no general meeting of the Company will be convened for the purpose of approving the Disposal.

7. RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the Disposal is fair and reasonable and is in the interest of the Company and the Shareholders as a whole and would recommend the Shareholders to vote in favour of the Disposal if it had been necessary to hold a general meeting for such purpose.

8. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By Order of the Board
Win Hanverky Holdings Limited
Li Kwok Tung Roy
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for each of the three years ended 31 December 2020, 2021 and 2022 and the unaudited condensed interim financial information for the six months ended 30 June 2023 are disclosed in the following documents which have been published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.winhanverky.com:

- (i) Annual report of the Company for the year ended 31 December 2020 (pages 45–119)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0423/2021042301029.pdf>
- (ii) Annual report of the Company for the year ended 31 December 2021 (pages 44–111)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0422/2022042201057.pdf>
- (iii) Annual report of the Company for the year ended 31 December 2022 (pages 46–107)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0426/2023042601286.pdf>
- (iv) Interim report of the Company for the six months ended 30 June 2023 (pages 13–35)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0908/2023090800193.pdf>

2. STATEMENT OF INDEBTEDNESS

Bank borrowings

As at 30 September 2023, being the latest practicable date of the purpose of preparing this statement of indebtedness prior to the printing of this circular, the Group had total bank borrowings with a carrying amount of approximately HK\$530,736,000, comprising:

- (i) bank borrowings of approximately HK\$21,460,000 which were unguaranteed and secured by certain land and properties of the Group;
- (ii) bank borrowings of approximately HK\$271,512,000 which were unsecured and guaranteed by the Company and certain subsidiaries of the Company; and
- (iii) bank borrowings of approximately HK\$237,764,000 which were secured by certain land and properties of the Group and guaranteed by the Company and certain subsidiaries of the Company and/or personal guarantee by certain minority shareholders of subsidiaries.

As at 30 September 2023, the carrying value of the Group's assets pledged to secure the Group's bank borrowings amounted to approximately HK\$71,784,000.

Amounts due to related parties

As at 30 September 2023, the Group had loans from non-controlling interests of subsidiaries of approximately HK\$4,892,000 and payables to non-controlling interests of a subsidiary of approximately HK\$3,940,000 which were unsecured and unguaranteed.

Lease Liabilities

As at 30 September 2023, the Group had lease liabilities of approximately HK\$258,503,000 which were secured by rental deposits and unguaranteed.

Save and except for the above and apart from intra-group liabilities and normal trade payables in the ordinary course of business, at the close of business as at 30 September 2023, the Group did not have any debt securities issued and outstanding, or otherwise created but unissued, or loan capital, or other borrowings or similar indebtedness including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, or hire purchase commitments, or mortgages and charges, and there were no other material contingent liabilities nor guarantees other than corporate guarantees given by the Company and certain subsidiaries of the Company.

3. WORKING CAPITAL STATEMENT

The Directors are satisfied, after due and careful enquiry and based on the information currently available to the Directors, that after taking into account the effects of the Disposal and the financial resources available to the Group, including internal resources, the net proceeds to be received from the Disposal, the existing cash and bank balances and available banking facilities of the Group, the Group has sufficient working capital for its present requirements for at least the next 12 months from the date of publication of this circular.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that, save as disclosed below, since 31 December 2022, being the date to which the latest published audited consolidated financial statement of the Group were made up, up to and including the Latest Practicable Date, there were no material changes in the financial or trading position of the Group.

The Group has recorded loss after taxation of HK\$177 million for the six months ended 30 June 2023 as compared to profit after taxation of HK\$21 million for the corresponding period in 2022. The loss after taxation for the six months ended 30 June 2023 was mainly attributable to the following reasons:

- (i) decrease in revenue from Manufacturing Business by HK\$612 million or 34% to HK\$1,175 million (30 June 2022: HK\$1,787 million) which was mainly attributable to the decreased orders received from customers since the last quarter of 2022, amid inventory pileup particularly in the sportswear market as a result of lower consumer demand in all the markets;

- (ii) decrease in gross profit from High-end Fashion Retailing Business which was mainly due to the deep discounts offered to stimulate customer spending as the recovery of customer demand is not as strong as expected despite the cessation of all COVID-19 related control measures in the Mainland China market. In addition, market competition continued to be fierce as competitors are urged to significantly reduce the elevated inventory level. As the distributorship of “*Champion*” in the PRC is non-exclusive and the Vendor is not the operator of the online stores of such brand in the PRC, it is particularly unfavourable to the Vendor during the head-to-head competition with other distributor; and
- (iii) the absence of gain of HK\$15 million for the six months ended 30 June 2022 arising from the disposal of a subsidiary holding a warehouse in Hong Kong which had not been fully utilised by the Group.

5. FINANCIAL AND TRADING PROSPECTS

The Group is an integrated manufacturer and retailer for internationally renowned sports, fashion and outdoor brands. There are two major business segments, namely Manufacturing and High-end Fashion Retailing. The Manufacturing segment represents manufacturing and sales of (i) sportswear and (ii) high-end functional outerwear of which both primarily under original equipment manufacturing arrangements to customers mainly in Europe, the United States, Mainland China and other countries. The High-end Fashion Retailing segment represents retailing of high-end fashion products in Mainland China, Hong Kong, Macau, Taiwan and other Asia-Pacific regions. It had fashion retail networks through “*D-mop*”, “*J-01*” and “*Spoonyard*” stores to sell self-owned brands, as well as imported brands in Hong Kong and Mainland China. In addition, the Group has distribution rights for brands including “*Y-3*” in Mainland China, Hong Kong, Macau, Taiwan and other Asia-Pacific regions, and “*Barbour*” and “*Heron Preston*” in Mainland China. It also operated licensed stores for brands “*Champion*” (before Completion of the Disposal) and “*Daks*” in Mainland China and “*New Era*” in Hong Kong.

In 2023, the Group has experienced a range of economic and industrial specific challenges, the global economy is expected to remain uncertain and the Group needs to contend with the high global interest rate, high inflation rate as well as currency instability in the foreseeable future. In considering the dynamic environment, the Group will conservatively monitor the market conditions, adjust the Group’s strategies and operational mode timely to minimise the impact to the Group’s business. The completion of the Disposal will cut losses of the Group’s operation of “*Champion*” and to clear aged inventories as well as enhance the Group’s cash and financial position in order to safeguard against the strong headwinds ahead.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' DISCLOSURE OF INTEREST

(a) Interests and short positions of directors and chief executives in share, underlying shares and debentures of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive(s) of the Company (if any) in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(i) Long position in the shares/underlying shares of the Company

Name of the Directors	Capacity	Number of shares/ underlying shares	Percentage of interest in the Company
Mr. LI Kwok Tung Roy	Interest in a controlled corporation	743,769,967 ¹	57.91%
Mr. LAI Ching Ping	Beneficial owner	4,186,000	0.33%
Mr. LEE Kwok Leung	Beneficial owner	12,000,000 ²	0.93%
Mr. WONG Chi Keung	Beneficial owner	10,102,000 ³	0.79%

Notes:

- Mr. LI Kwok Tung Roy holds 70% of the issued share capital of Quinta. Mr. LI Kwok Tung Roy has a controlling interest in Quinta and is therefore deemed to be interested in Quinta's interest in the Company for the purposes of the SFO.
- Mr. LEE Kwok Leung is interested as a grantee of options to subscribe for up to 12,000,000 Shares under the share option scheme.
- Mr. WONG Chi Keung hold 102,000 Shares and is interested as a grantee of options to subscribe for up to 10,000,000 Shares under the share option scheme.

(ii) Long positions in the shares of the associated corporation of the Company

Name of the directors	Associated corporation	Capacity	Number of shares	Percentage of interest in associated corporation
Mr. LI Kwok Tung Roy	Quinta	Beneficial owner	7	70%
Mr. LAI Ching Ping	Quinta	Beneficial owner	3	30%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive(s) of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of SFO), or which required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO.

(b) Interest of substantial Shareholders

As at the Latest Practicable Date, according to the register kept by the Company under section 336 of the SFO, the persons other than a Director or chief executive of the Company who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Name of Shareholder	Capacity	Long/short position	Number of Shares	Percentage of interest in the Company
Quinta	Beneficial owner	Long position	743,769,967	57.91%

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, no other person (other than the Directors or chief executive of the Company) had any interests or short positions in the shares and/or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

3. DIRECTORS' INTERESTS IN ASSETS OF THE GROUP

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

4. DIRECTORS' INTEREST IN CONTRACTS OR ARRANGEMENT

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors was materially interested in any contracts or arrangements subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or been proposed to enter, into any service contract with the Company or any other member of the Group which is not expiring or may not be terminable by the Group within one year without payment of compensation (other than statutory compensation).

6. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and their respective close associates was considered to have an interest in any business which competes or is likely to compete or have any other conflict of interest, either directly or indirectly, with the business of the Group.

7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within the two years immediately preceding the date of this circular which are or may be material:

- (i) the Disposal Agreement;
- (ii) the agreement dated 7 November 2022 entered into between Bright Global (Vinh Long) Garment Factory Company Limited ("**Bright Global**") (an indirectly wholly-owned subsidiary of the Company), Hoa Phu Joint Stock Company ("**Hoa Phu**") and Acecook Vietnam Joint Stock Company in relation to the transfer of land lease right of a piece of land located at Lot II-4, Hoa Phu Industrial Park, Phuoc Hoa Hamlet, Hoa Phu Commune, Long Ho District, Vinh Long Province, Vietnam (the "**Land**"); and
- (iii) the agreement dated 7 November 2022 entered into between Bright Global and Hoa Phu in relation to the termination of the land lease agreement dated 30 November 2018 entered into between Hoa Phu (as the lessor) and Bright Global (as the lessee) in respect of the Land.

Save as disclosed above, there is no material contract (not being entered into the ordinary course of business) entered into by any member of the Group within two years immediately preceding the date of this circular.

8. MATERIAL LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and, so far as the Directors were aware, no litigation, arbitration or claim of material importance was pending or threatened against any member of the Group.

9. GENERAL

- (i) The company secretary of the Company is Ms. LAM Choi Ha, who is a fellow member of the Hong Kong Institute of Certified Public Accountants. She holds a bachelor degree in Business Administration from the Hong Kong Baptist University in 2001.
- (ii) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The head office and the principal place of business of the Company in Hong Kong is 6th Floor, Phase 6, Hong Kong Spinners Industrial Building, 481–483 Castle Peak Road, Kowloon, Hong Kong.
- (iii) The principal share registrar and transfer office in Cayman Islands of the Company is Suntera (Cayman) Limited at Suite 3204, Unit 2A, Block 3, Building D, P.O. Box 1586, Gardenia Court, Camana Bay, Grand Cayman KY1-1100, Cayman Islands.
- (iv) The Hong Kong share registrar and transfer office of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (v) This circular is in both English and Chinese. If there is any inconsistency, the English text shall prevail.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange and the Company from the date of this circular up to 14 days thereafter:

- (a) the material contracts referred to in the paragraph headed “7. Material Contracts” in this Appendix.