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SPEED APPAREL HOLDING LIMITED

尚捷集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3860)

ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE, RULE 13.09 OF THE LISTING RULES AND PART XIVA OF THE SECURITIES AND FUTURES ORDINANCE AND RESUMPTION OF TRADING

This announcement is made pursuant to Rule 3.7 of the Code on Takeovers and Mergers (“**Takeovers Code**”), Rule 13.09 of the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Cap. 571, the Laws of Hong Kong) (the “**SFO**”).

The board (the “**Board**”) of directors (the “**Director(s)**”) of Speed Apparel Holding Limited (the “**Company**”) has noted the recent increase in the price of the shares of the Company (the “**Shares**”). Having made enquiry with respect to the Company as is reasonable in the circumstances, the Board was informed that Mr. Chan Wing Kai, the chairman of the Board and an executive Director, is in a preliminary discussion with an independent third party (the “**Third Party**”) about a possible transaction (the “**Possible Transaction**”) involving the sale and purchase of all or part of the Shares currently beneficially held by Mr. Chan Wing Kai. If the Possible Transaction materialises, it may result in a mandatory general offer obligation, in cash, for the issued securities of the Company being triggered under Rule 26.1 of the Takeovers Code. The discussion is in an early stage and still ongoing. No agreement nor any memorandum has been made in respect of the Possible Transaction. There is no certainty that the Possible Transaction will be agreed, nor as to its terms or timing. Accordingly, there can be no certainty that any offer for the securities of the Company will be made, nor as to the terms of any such offer. A further announcement will be made in due course, as appropriate.

To the best of the knowledge of the Directors, the Third Party is an independent third party not connected with nor acting in concert with (within the meaning of the Takeovers Code) the Company and its connected persons (as defined in the Listing Rules).

At the date of this announcement, the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company comprise 500,000,000 issued Shares and no options have been granted in accordance with the share option scheme of the Company. As at the date of this announcement, Mr. Chan Wing Kai has interests in a total of 375,000,000 Shares (representing approximately 75% of the entire issued Shares, respectively, under Part XIV of the SFO). Save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date hereof.

MONTHLY UPDATE

In accordance with Rule 3.7 of the Takeovers Code, monthly announcement(s) will be made until announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

DEALING DISCLOSURE

For the purposes of the Takeovers Code, the offer period has commenced by virtue of the publication of this announcement, being 26 March 2021.

The associates (as defined in the Takeovers Code including but not limited to any person holding 5% or more of a class of relevant securities) of the Company are hereby reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code.

RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

WARNINGS: There is no assurance that the Possible Transaction will materialise or eventually be consummated and the relevant discussions may or may not lead to a general offer under Rule 26.1 of Takeovers Code. The Possible Transaction may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 26 March 2021 pending release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 29 March 2021.

By order of the Board
Speed Apparel Holding Limited
Mr. Chan Wing Kai
Chairman and executive Director

Hong Kong, 26 March 2021

As at the date of this announcement, the executive Directors are Mr. Chan Wing Kai and Mr. Ng Ming Ho; and the independent non-executive Directors are Ms. Chan Siu Lai, Mr. Kwok Chi Shing and Mr. Ma Kwok Fai, Edwin.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.