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Grown Up Group Investment Holdings Limited

植華集團投資控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1842)

**(1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO
THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL
IN GROWN-UP LICENSES LIMITED; AND
(2) PROPOSED CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO THE FRAMEWORK
SUPPLY AGREEMENT**

FINANCIAL ADVISER



BAOQIAO PARTNERS CAPITAL LIMITED

THE DISPOSAL

The board is pleased to announce that, on 29 October 2021 (after trading hours), the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares in the Target Company at a cash consideration of HK\$30,500,000 pursuant to the terms and conditions of the Sale and Purchase Agreement.

Upon Completion, the Company will cease to hold any interests in any members of the Disposal Group, and the financial results, assets and liabilities of the Disposal Group will no longer be consolidated into the financial statements of the Group.

THE PROPOSED CONTINUING CONNECTED TRANSACTIONS

The Group has been producing and supplying the Products to the Disposal Group and it is expected that the Group will continue to produce and supply the Products to the Disposal Group after the Disposal. As such, the Remaining Group and the Disposal Group intend to enter into the Framework Supply Agreement upon Completion, pursuant to which the Remaining Group will sell and the Disposal Group will purchase the Products in accordance with the terms of the Framework Supply Agreement.

LISTING RULES IMPLICATIONS

The Disposal

One or more of the applicable percentage ratios in respect of the Disposal are 25% or more but are less than 75%. Accordingly, the Disposal constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

The Purchaser is wholly-owned by Vking and the entire issued share capital of which is owned by Mr. Berg, the chairman of the Board, an executive Director and the controlling Shareholder interested in 510,000,000 Shares of the Company, representing 51% of the issued share capital of the Company. Accordingly, the Purchaser is a connected person of the Company and the Disposal (together with the Share Charge) constitutes a connected transaction of the Company and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Proposed CCTs

Upon Completion, the Purchaser will hold the entire issued share capital of the Target Company and the Disposal Group will become a connected person of the Company under Chapter 14A of the Listing Rules. The Proposed CCTs contemplated under the Framework Supply Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios in respect of the Proposed CCTs with reference to the Annual Caps under the Framework Supply Agreement are more than 5%, the transactions contemplated under the Framework Supply Agreement constitute non-exempt continuing connected transactions for the Company and are subject to the reporting, announcement and Independent Shareholders' approval requirements and the annual review requirements under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders as to whether the terms of the Disposal contemplated under the Sale and Purchase Agreement and the Proposed CCTs (together with the Annual Caps) contemplated under the Framework Supply Agreement are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

The Company has appointed Gram Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal contemplated under the Sale and Purchase Agreement and the Proposed CCTs (together with the Annual Caps) contemplated under the Framework Supply Agreement.

EGM

An EGM will be convened for the purpose of, among other things, seeking approval from the Independent Shareholders in respect of the Disposal and the Proposed CCTs (including the Annual Caps).

A circular containing, among others, (i) further details of the Disposal and the Proposed CCTs under the Sale and Purchase Agreement and the Framework Supply Agreement; (ii) the advice and recommendations of the Independent Board Committee to the Independent Shareholders in respect of the Disposal and the Proposed CCTs; (iii) the advice and recommendations of Gram Capital to the Independent Board Committee and the Independent Shareholders in respect of the Disposal and the Proposed CCTs; and (iv) the notice of the EGM is expected to be despatched to the Shareholders on or before 3 December 2021 so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Shareholders and potential investors of the Company should note that the Sale and Purchase Agreement and the Disposal contemplated thereunder are subject to the satisfaction or waiver (as the case may be) of the Disposal Conditions under the Sale and Purchase Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

THE DISPOSAL

On 29 October 2021 (after trading hours), the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares in the Target Company at a cash consideration of HK\$30,500,000 pursuant to the terms and conditions of the Sale and Purchase Agreement.

The principal terms of the Sale and Purchase Agreement are summarised as follows:

Date

29 October 2021 (after trading hours)

Parties

- (a) the Vendor (as vendor); and
- (b) the Purchaser (as purchaser)

The Purchaser is a company indirectly wholly-owned by Mr. Berg.

Assets to be disposed of

Pursuant to the terms and conditions of the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the Sale Shares.

Consideration

The Consideration for the Sale Shares shall be HK\$30,500,000, net of the unpaid payables due from the Remaining Group to the Disposal Group (“**Unpaid Payables**”) at Completion, which the Consideration shall not be more than HK\$30,500,000 in any event. As at 30 September 2021, the Unpaid Payables amounted to approximately HK\$9,525,000.

The Consideration shall be payable by the Purchaser to the Vendor in cash in the following manner:

- (1) HK\$1,525,000 shall be payable upon signing of the Sale and Purchase Agreement, being deposit and part payment of the Consideration (the “**Deposit**”); and
- (2) the remaining part of the Consideration, after netting off the Deposit and the Unpaid Payables at Completion) (the “**Remaining Consideration**”), shall be payable within sixty (60) days after Completion.

The Deposit is to be refunded to the Purchaser in full if the Disposal Conditions are not fulfilled on or before the Long Stop Date.

The Consideration was determined after arm’s length negotiations between the Vendor and the Purchaser based on the unaudited consolidated net assets value of the Target Group of approximately HK\$30,425,000 as at 30 September 2021 and the preliminary appraised value of 100% shareholding interest of the Target Company as at 30 September 2021, which amounts to approximately HK\$30,425,000 under the valuation (the “**Valuation**”) conducted by Vincorn Consulting and Appraisal Limited, an independent valuer, using asset-based approach.

Disposal Conditions

Completion of the Disposal is conditional upon fulfilment or waiver (as the case may be) of the following Conditions:

- (1) the sale and purchase of the Sale Shares and other transactions as contemplated under the Sale and Purchase Agreement having been approved by the Independent Shareholders at the EGM;
- (2) the Vendor’s warranties remaining true, accurate and not misleading at Completion and no events having occurred that would result in any breach of any of the Vendor’s warranties or other provisions of the Sale and Purchase Agreement by the Vendor;
- (3) the Purchaser’s warranties remaining true, accurate and not misleading at Completion and no events having occurred that would result in any breach of any of the Purchaser’s warranties or other provisions of the Sale and Purchase Agreement by the Purchaser; and

- (4) all necessary consents, approvals, registration and filings required from all relevant governmental, regulatory and other authorities, agencies and departments in Hong Kong, the PRC, Denmark, Germany or elsewhere or otherwise required from any third parties in connection with the transaction contemplated under the Sale and Purchase Agreement having been obtained.

Disposal Conditions (1) and (4) above are not capable of being waived by any party to the Sale and Purchase Agreement. The Purchaser may waive Disposal Condition (2) and the Vendor may waive Disposal Condition (3).

In the event that any of the Disposal Conditions have not been fulfilled or (if applicable) waived on the Long Stop Date, all rights and obligations of the parties to the Sale and Purchase Agreement shall cease and terminate, save and except for certain surviving provisions therein.

Completion

Completion shall take place on the Completion Date.

Upon Completion, the Company will cease to hold any interests in any members of the Disposal Group, and the financial results, assets and liabilities of the Disposal Group will no longer be consolidated into the financial statements of the Group.

Share Charge

To secure the obligations of the Purchaser to pay the Remaining Consideration under the Sale and Purchase Agreement, Mr. Berg, as chargor, has agreed to execute a deed of share charge in favour of the Vendor (as chargee) at Completion, pursuant to which Mr. Berg will charge by way of first legal charge the entire shareholding interest in Vking, together with all the rights and interest thereto (including but not limited to dividends) to the Vendor. The Purchaser shall procure Mr. Berg to execute the Share Charge to the satisfaction of the Vendor at Completion. The period of the Share Charge (the “**Charge Period**”) shall begin from the date of execution of the Share Charge until the full settlement of the Consideration.

Under the Share Charge, Mr. Berg shall procure that, among others, each of Vking, the Purchaser and the members of the Disposal Group (collectively, the “**Subject Companies**”), during the Charge Period, will not act outside its ordinary and usual course of business, and without prior consent of the Vendor, each of the Subject Companies will not (i) dispose of or permit the disposal or dilution of any interests in each of the Subject Companies; (ii) sell, transfer, lease, assign, dispose of or otherwise create or permit to arise or subsist any encumbrance on or in respect of any part of its material undertaking, property or assets or contract to do so other than in the ordinary course of business of the Disposal Group as a whole; and (iii) propose or implement any financial and/or corporate restructuring, reorganisation, amalgamation or merger.

Financial effect of the Disposal and Net Proceeds from the Disposal

Upon Completion, the Target Company will cease to be a subsidiary of the Company. Accordingly, the financial results of the Disposal Group will cease to be consolidated to the financial statements of the Company.

For illustration purpose only, based on the unaudited net assets of the Disposal Group of approximately HK\$30,425,000 as at 30 September 2021 and the Consideration of HK\$30,500,000, the Company is expected to recognise a gain (before transaction costs) of approximately HK\$75,000 from the Disposal following Completion.

The actual gain on the Disposal may be different from the above and will be determined based on the financial position of the Disposal Group on the date of the Completion and be subject to audit.

The Company intends to apply the net proceeds (after the deduction of the transaction costs) from the Disposal, which is estimated to be approximately HK\$29,360,000 for the business operations of the Remaining Group and as general working capital.

INFORMATION ON THE GROUP, THE VENDOR AND THE SUPPLIER

The Company is a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1842). The principal activity of the Company is investment holding.

The Group is principally engaged in the designing, developing, manufacturing and selling bag and luggage products catered to kid, teen, sports, leisure, business, travel and technical segments. At present, the Group operates its business through two segments including the private label products segment (i.e. the Remaining Business) and the branded products segment (i.e. the Disposed Business).

Further details of the Disposed Business are disclosed in the section headed “Information of the Disposal Group” in this announcement.

Upon Completion, the Company will continue to own and operate the Remaining Business, which focuses on the manufacturing and sales of private label products under both OEM and ODM to the brand owners or their licensees.

The Vendor is an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability and is principally engaged in investment holding.

The Supplier is an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability and is principally engaged in manufacturing and trading of bags and luggages.

INFORMATION OF THE DISPOSAL GROUP

The Disposal Group is principally engaged in the Disposed Business, which comprises the sales and distribution of the licensed brand bag and luggage products for the Group's proprietary *Ellehammer* brand as well as pursuant to licensing arrangements with the licensors. The Target Company is a direct wholly-owned subsidiary of the Vendor, and an indirect wholly-owned subsidiary of the Company.

Set out below is a summary of audited consolidated financial information of the Disposal Group for the two years ended 31 December 2019 and 2020:

	For the year ended	
	31 December	
	2020	2019
	HK\$'000	HK\$'000
Revenue	70,379	121,596
Loss before tax	(17,800)	(1,904)
Loss for the year	(13,935)	(1,052)

The unaudited consolidated net assets of the Disposal Group as at 30 June 2021 and 30 September 2021 were approximately HK\$33,149,000 and HK\$30,425,000 respectively.

INFORMATION OF THE PURCHASER

The Purchaser is an investment holding company incorporated in Hong Kong with limited liability and is wholly-owned by Vking, which in turn is wholly-owned by Mr. Berg.

THE PROPOSED CCTS

The Group has been producing and supplying the Products to the Disposal Group and it is expected that the Remaining Group will continue to produce and supply the Products to the Disposal Group after the Disposal. As such, the Remaining Group and the Disposal Group intend to enter into the Framework Supply Agreement upon Completion, pursuant to which the Remaining Group will sell and the Disposal Group will purchase the Products in accordance with the terms of the Framework Supply Agreement.

The principal terms of the Framework Supply Agreement and the Annual Caps are set out below:

Date	It is proposed that the Framework Supply Agreement will be entered into upon Completion
Parties	(a) the Supplier; and (b) the Target Company
Subject matter	The Remaining Group will sell and the Disposal Group will purchase the Products in accordance with the terms of the Framework Supply Agreement

Pricing	The price will be agreed between the relevant member of the Supplier Group and the relevant member of the Disposal Group, which shall be determined in the ordinary course of business on normal commercial terms, negotiated on arm's length basis by both parties and based on the prevailing market price at the time of the transaction (which shall be on terms no less favourable than those offered by the Group to the Independent Third Parties and/or prevailing in the market for the Products of similar type and quality)
Conditions precedent	The Framework Supply Agreement shall be effective upon (a) the Independent Shareholders approving the Framework Supply Agreement and the Proposed CCTs (including the Annual Caps) at the EGM; and (b) the Sale and Purchase Agreement having been completed
Term	From Completion till 31 December 2024
Historical transaction amounts	HK\$71,976,000 (For the year ended 31 December 2019) HK\$33,309,000 (For the year ended 31 December 2020) HK\$34,997,000 (For the nine months ended 30 September 2021)
Annual Caps and basis of determination	HK\$70,000,000 (For the year ending 31 December 2022) HK\$70,000,000 (For the year ending 31 December 2023) HK\$70,000,000 (For the year ending 31 December 2024)
	The Annual Caps have been determined with reference to: (i) the historical sales figures of the Products to the Disposal Group; and (ii) the actual/projected order requirements of the Products from the Disposal Group for the year ending 31 December 2021

REASONS FOR AND BENEFITS OF THE DISPOSAL AND THE PROPOSED CCTS

As disclosed in the annual report of the Company for the year ended 31 December 2020 and the interim report for the six months ended 30 June 2021, the Disposed Business has been loss making since the financial year ended 31 December 2019 and the business environment remains challenging, primarily due to ongoing PRC-U.S. trade conflict and the outbreak of the COVID-19 pandemic in early 2020, which inevitably affects the consumers' preferences and spending habits, leading to a cut back of the customers' demand on the Group's branded products which mainly distributes schoolbags and travelling luggage via retail and department stores. The Company expects that the performance of the Disposed Business will remain weak and that the turnaround of the Disposed Business will entail substantial investments in market positioning and advertising, with additional resources in boosting brand awareness. The Directors believe that this will mean a costly effort while optimal results will only be achieved in a long time span.

The Disposal follows from the strategic decision by the Company in light of the current business environment and the continuing impact of COVID-19. As disclosed in the Interim Report, while the Group has been experiencing the negative impacts caused by the COVID-19 pandemic since 2020, the Group has also been expanding its supply chain and production footprint out of the PRC, especially for private label product business mainly focusing on functional products, including tool bags, sports bags, technical and medical related products, of which the demand is less impacted by the outbreak of the COVID-19 pandemic. In addition, the Group has strongly reinforced its sales presence with certain well-known reputable and sizable corporates in the U.S., especially for private label customers in the tools product industry with proven resistance to the negative impacts of the COVID-19 pandemic and a relatively high demand of tools products. For the year ended 31 December 2020 and for the six months ended 30 June 2021, the Group recorded a substantial growth in the Remaining Business, which far outweighed the decline in the sales of private label luggage products. The Group's overall sales to private label product customers increased by approximately 52.7% and approximately 18.8% for the year ended 31 December 2020 and for the six months ended 30 June 2021 respectively as compared to the previous corresponding year/period. The Company believes that the Remaining Business, being the Group's core business, remains sustainable with significant growth as the main sales and profit driver of the Group.

The net proceeds from the Disposal are expected to be approximately HK\$29,360,000. It is the intention of the Company to use such proceeds for the business operation and development of the Remaining Business with a view to improve its profitability and overall business prospects. The Company is of the view that the Disposal represents an opportunity for reallocating the resources of the Remaining Group more efficiently and will enhance the Remaining Group's operations and financial prospects in the long run.

Upon Completion, the Purchaser will hold the entire issued share capital of the Target Company. The Board intends to continue to supply the Products to the Disposal Group after Completion. The Board considers that the entering into of the Framework Supply Agreement will be beneficial to the Remaining Group since (i) it would allow the Remaining Group to retain the Disposal Group as its valuable customer, whose brand Products are currently supplied by the Remaining Group; and (ii) as disclosed in the section headed "The Proposed CCTs" in this announcement, the terms of and the prices of the Products to be supplied by the Remaining Group under the Framework Supply Agreement shall be determined after arm's length negotiation and with reference to the price for similar transactions with independent third parties.

LISTING RULES IMPLICATIONS

The Disposal

One or more of the applicable percentage ratios in respect of the Disposal are 25% or more but are less than 75%. Accordingly, the Disposal constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

The Purchaser is wholly-owned by Vking and the entire issued share capital of which is owned by Mr. Berg, the chairman of the Board, an executive Director and the controlling Shareholder interested in 510,000,000 Shares of the Company, representing 51% of the issued share capital of the Company. Accordingly, the Purchaser is a connected person of the Company and the Disposal (together with the Share Charge) constitutes a connected transaction of the Company and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Proposed CCTs

Upon Completion, the Purchaser will hold the entire issued share capital of the Target Company and the Disposal Group will become a connected person of the Company under Chapter 14A of the Listing Rules. The Proposed CCTs contemplated under the Framework Supply Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios in respect of the Proposed CCTs with reference to the Annual Caps under the Framework Supply Agreement are more than 5%, the transactions contemplated under the Framework Supply Agreement constitute non-exempt continuing connected transactions for the Company and are subject to the reporting, announcement and Independent Shareholders' approval requirements and the annual review requirements under Chapter 14A of the Listing Rules.

GENERAL

Pursuant to the Listing Rules, any Shareholder with a material interest in the transactions contemplated under the Sale and Purchase Agreement and the Framework Supply Agreement and its associates are required to abstain from voting at the EGM on the relevant resolutions in relation thereto. As such, the Purchaser and its associates are required to abstain from voting at the EGM on such resolutions. To the best of the Directors' knowledge and information, no other Shareholder is required to abstain from voting at the EGM.

Based on the reasons set out in this announcement and having considered all of the relevant factors, the Directors (excluding the independent non-executive Directors who will express their views after considering the advice of Gram Capital) consider that the Disposal, though not in the ordinary and usual course of business of the Group, is conducted on normal commercial terms, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Based on the reasons set out in this announcement and having considered all of the relevant factors, the Directors (excluding the independent non-executive Directors who will express their views after considering the advice of Gram Capital) consider that the Proposed CCTs under the Framework Supply Agreement are in the ordinary and usual course of business of the Group, are conducted on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Each of Mr. Berg, being the chairman of the Board, an executive Director and a controlling Shareholder with a material interest in the Disposal and the Proposed CCTs and Mr. Morten Rosholm Henriksen, being an executive Director acting in concert with Mr. Berg pursuant to a deed of acting in concert confirmation and understanding dated 16 March 2018, abstained from voting in the relevant resolutions of the Board in approving the above.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders as to whether the terms of the Disposal contemplated under the Sale and Purchase Agreement and the Proposed CCTs (together with the Annual Caps) contemplated under the Framework Supply Agreement are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

The Company has appointed Gram Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal contemplated under the Sale and Purchase Agreement and the Proposed CCTs (together with the Annual Caps) contemplated under the Framework Supply Agreement.

EGM

An EGM will be convened for the purpose of, among other things, seeking approval from the Independent Shareholders in respect of the Disposal and the Proposed CCTs (including the Annual Caps).

A circular containing, among others, (i) further details of the Disposal and the Proposed CCTs; (ii) the advice and recommendations of the Independent Board Committee to the Independent Shareholders in respect of the Disposal and the Proposed CCTs; (iii) the advice and recommendations of Gram Capital to the Independent Board Committee and the Independent Shareholders in respect of the Disposal and the Proposed CCTs; and (iv) the notice of the EGM is expected to be despatched to the Shareholders on or before 3 December 2021 so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Shareholders and potential investors of the Company should note that the Sale and Purchase Agreement and the Disposal contemplated thereunder are subject to the satisfaction or waiver (as the case may be) of the Disposal Conditions under the Sale and Purchase Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following terms have the meanings set out below, unless the context requires otherwise:

“Annual Caps”	the maximum aggregate annual value for the supply of the Products under the Framework Supply Agreement by the Remaining Group to the Disposal Group for each of the three years ending 31 December 2022, 2023 and 2024
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding Saturday, Sunday or public holiday) on which licensed banks in Hong Kong and the PRC are generally open for business
“Company”	Grown Up Group Investment Holdings Limited, a company incorporated in Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1842)
“Completion”	Completion of the Disposal in accordance with the terms of the Sale and Purchase Agreement
“Completion Date”	the day on which Completion takes place in accordance with the terms of the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration payable by the Purchaser for the Sale Shares pursuant to the Sale and Purchase Agreement
“controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement
“Disposal Conditions”	the conditions set out under the section headed “The Disposal — Disposal Conditions” in this announcement
“Disposal Group”	the Target Company and its subsidiaries, namely Grown-Up Licenses ApS, Grown-Up Luggage and Bags (Shenzhen) Co., Ltd., Berg Brand Management ApS, and BBM Berg Brand Management GmbH

“Disposed Business”	the business of sales and distribution of the branded label products for the Group’s proprietary <i>Ellehammer</i> brand as well as pursuant to licensing arrangements with licensors
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement and the Disposal contemplated thereunder, and the Framework Supply Agreement and the Proposed CCTs contemplated thereunder
“Framework Supply Agreement”	the framework supply agreement to be entered into between the Supplier, as supplier and the Target Company, as Purchaser, in relation to the supply of the Products to the Disposal Group upon Completion
“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 comprising all the independent non-executive Directors, which has been established by the Board to advise the Independent Shareholders in respect of the Disposal and the Proposed CCTs
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal and the Proposed CCTs
“Independent Shareholders”	Shareholders other than those who are required by the Listing Rules to abstain the voting on resolution(s) approving the Disposal and/or the Proposed CCTs
“independent third party(ies)”	third party(ies) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 March 2022 (or such other date as may be agreed between the Purchaser and Vendor in writing)

“Mr. Berg”	Mr. Thomas Berg, the chairman of the Board, an executive Director and a controlling Shareholder
“ODM”	Original Design Manufacturer
“OEM”	Original Equipment Manufacturer
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Products”	Backpack and luggage products to be sold by the Remaining Group to the Disposal Group under the Framework Supply Agreement
“Proposed CCTs”	the proposed continuing connected transactions contemplated under the Framework Supply Agreement
“Purchaser”	GP Brand & Licensing Holdings Limited, a company incorporated in Hong Kong with limited liability and is indirectly wholly-owned by Mr. Berg
“Remaining Business”	the business of manufacturing and sales of private label products under OEM and ODM to the brand owners or their licensees
“Remaining Group”	the Group immediately after Completion
“Sale and Purchase Agreement”	the sale and purchase agreement dated 29 October 2021 entered into between the Vendor and the Purchaser in respect of the Disposal
“Sale Shares”	the entire issued share capital of the Target Company
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Charge”	the deed of share charge to be executed by Mr. Berg (as chargor) in favour of the Vendor (as chargee) at Completion in relation to the share charge of the entire shareholding interest of Vking owned by the Mr. Berg to the Vendor
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Supplier”	Grown-Up Manufactory Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Supplier Group”	the Supplier and its subsidiaries

“Target Company”	Grown-Up Licenses Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Vendor”	Grown-Up Group Holdings Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Vking”	Vking Industry Limited, a company incorporated in the British Virgin Islands with limited liability, being the sole shareholder of the Purchaser and the entire issued share capital of which is owned by Mr. Berg
“%”	per cent.

By Order of the Board
Grown Up Group Investment Holdings Limited
Thomas Berg
Chairman and executive Director

Hong Kong, 29 October 2021

As at the date of this announcement, the executive Directors of the Company are Mr. Thomas Berg, Mr. Morten Rosholm Henriksen, Mr. Cheng Wai Man and Mr. Brian Worm; the non-executive Director of the Company is Mr. Fung Bing Ngon Johnny; and the independent non-executive Directors of the Company are Mr. Tang Tin Lok Stephen, Mr. Lau Ning Wa Ricky and Mr. Wong Kai Hing.