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CIRTEK HOLDINGS LIMITED

常達控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock code: 1433)

DISCLOSEABLE TRANSACTION IN RELATION TO THE PURCHASE OF MACHINERY

THE PURCHASE

The Board announces that on 5 August 2022 (after trading hours), Yinyibai Digital Colour Printing (Shenzhen) Co., Ltd., an indirect wholly-owned subsidiary of the Company, as the Purchaser, entered into the Purchase Contracts with Heidelberg Graphics (Beijing) Company Limited Shenzhen Branch, as the Vendor, for the purchase of (i) a four-colour offset press printing machine and (ii) a high-speed cutter, at a total contract price of RMB8,935,000 (equivalent to approximately HK\$10,364,600).

IMPLICATION UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Purchase exceeds 5% but is less than 25%, the Purchase constitutes a discloseable transaction for the Company and is accordingly subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE PURCHASE

The board (the “**Board**”) of directors (the “**Directors**”, each a “**Director**”) of Cirtek Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), announces that on 5 August 2022 (after trading hours), Charming Printing (Boluo) Ltd. (the “**Purchaser**”), an indirect wholly-owned subsidiary of the Company, entered into purchase contracts (the “**Purchase Contracts**”) with Heidelberg Graphics (Beijing) Company Limited Shenzhen Branch* (海德堡印刷設備(北京)有限公司深圳分公司) (the “**Vendor**”), for the purchase (the “**Purchase**”) of (i) a four-colour offset press printing machine and (ii) a high-speed cutter (the “**Machines**”).

The principal terms of the Purchase Contracts are set out below:

- Date: 5 August 2022 (after trading hours)
- Purchaser: Yinyibai Digital Colour Printing (Shenzhen) Co., Ltd.
- Vendor: Heidelberg Graphics (Beijing) Company Limited
Shenzhen Branch
- Assets purchased: (i) a four-colour offset press printing machine and (ii) a high-speed cutter
- Date of delivery: November 2022 to December 2022
- Total contract price: RMB8,935,000 (equivalent to approximately HK\$10,364,600) (inclusive of value-added tax), which shall be paid by the Purchaser to the Vendor by wire transfer in the following manner:
- (a) RMB2,680,500 (equivalent to approximately HK\$3,109,380) to be paid as deposit within seven days after the Purchase Contracts are signed; and
 - (b) the remaining contract price, being RMB6,254,500 (equivalent to approximately HK\$7,255,220) to be paid seven days before the actual delivery date.

The total contract price was determined after arm's length negotiations between the parties after considering the market price and the existing condition of the Machines. The total contract price will be settled by the Group with internal resources (without the use of the net proceeds received by the Group from its initial public offering on The Stock Exchange of Hong Kong Limited on 12 March 2020).

Liability for breach:

In case the Vendor fails to deliver the Machines to the Purchaser on the date of delivery, except force majeure events, unless the Vendor and the Purchaser agree to enter into another written agreement regarding the same, a default payment from the Vendor shall be charged at the rate of 0.2% of the respective contract value for every ten days of delay. The default payment shall not exceed 5% of the total value of the Machines involved in the late delivery.

In case the Purchaser fails to pay the deposit on time, the Purchaser agrees that the delivery date of the respective Machine shall also be extended accordingly. If such delay is over 90 days, unless the Vendor and the Purchaser agree to enter into another written agreement regarding the same, the Vendor shall be entitled to terminate the respective Purchase Contract and claim for compensation.

In case the Purchaser fails to pay the respective remaining contract values on time, the Purchaser agrees that the delivery date of the respective Machine shall also be extended accordingly. Unless the Vendor and the Purchaser agree to enter into another written agreement regarding the same, the Purchaser agrees that a default payment shall be charged to the Purchaser which shall accrue at the rate of 0.2% of the due amount for every ten days of delay. If such delay in payment exceeds 90 days, the Vendor shall be entitled to terminate the respective Purchase Contract and retain the respective deposit as the liquidated damages.

INFORMATION OF THE PARTIES

The Group

The principal activities of the Group are manufacture and sale of apparel labels and trim products, such as hang tags, woven labels, printed labels and heat transfer products.

The Purchaser

Yinyibai Digital Colour Printing (Shenzhen) Co., Ltd. is a company incorporated under the laws of the People's Republic of China (the "PRC") and an indirect wholly-owned subsidiary of the Company, which principally engages in sales of packaging materials and products.

The Vendor

Heidelberg Graphics (Beijing) Company Limited Shenzhen Branch is a branch company of Heidelberg Graphics (Beijing) Company Limited* (海德堡印刷設備(北京)有限公司), and is incorporated under the laws of the PRC. As at the date of this announcement, Heidelberg Graphics (Beijing) Company Limited is owned by Heidelberg Graphic Equipment (Shanghai) Co. Ltd.* (海德堡印刷設備(上海)有限公司), a company incorporated under the laws of the PRC. Based on publicly available information, to the best knowledge, information and belief of the Directors, Heidelberg Graphic Equipment (Shanghai) Co. Ltd. is ultimately owned by Heidelberger Druckmaschinen Aktiengesellschaft, a company incorporated under the laws of Germany listed on the Frankfurt Stock Exchange (Stock code: HDD). Heidelberg Graphics (Beijing) Company Limited Shenzhen Branch primarily engages in wholesale of printing equipment and spare parts, software and consumable items; provision of installation, debugging, maintenance, training and consultation service in relation to the foregoing products; and after-sales service.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Vendor and Heidelberger Druckmaschinen Aktiengesellschaft is an independent third party not connected with the Company and its connected persons (as defined under the Listing Rules).

REASONS FOR AND BENEFITS OF THE PURCHASE

The Purchase is a part of the capital investment to increase the Group's capacity in the sale of printing products. The Machines to be purchased will be utilised by the Group for its business operations. The Directors consider that the terms of the Purchase Contracts are on normal commercial terms and are fair and reasonable and that the Purchase is in the interests of the Company and its shareholders as a whole.

IMPLICATION UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) in respect of the Purchase exceeds 5% but is less than 25%, the Purchase constitutes a discloseable transaction for the Company and is accordingly subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

By Order of the Board
Cirtek Holdings Limited
CHAN Sing Ming Barry
Chairman and Executive Director

Hong Kong, 5 August 2022

As at the date of this announcement, the Board comprises Mr. Chan Sing Ming Barry, Ms. Law Miu Lan and Mr. Chan Tsz Fung being executive Directors; and Mr. Lam Chor Ki Dick, Mr. Lee Tak Cheong and Ms. Luk Mei Yan being independent non-executive Directors.

For the purpose of illustration only and unless otherwise stated, conversions of RMB into HK\$ in this announcement are based on the exchange rate of RMB1 to HK\$1.16. Such conversions should not be construed as a representation that any amount has been, could have been, or may be, exchanged at such or any other rate.

* *For identification purpose only*