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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  
TRANSFER OF LAND LEASE RIGHT**

**TRANSFER OF LAND LEASE RIGHT**

The Board announces that on 7 November 2022, (i) Bright Global, an indirect wholly-owned subsidiary of the Company and the lessee of the Land under the Original Land Lease Agreement; (ii) Hoa Phu, the lessor of the Land under the Original Land Lease Agreement; and (iii) Acecook, as the incoming new lessee, have entered into a Tripartite Agreement, pursuant to which (a) Bright Global and Hoa Phu agree to enter into a Liquidation Agreement on the same day to terminate the Original Land Lease Agreement entered into between the parties, transfer the Land Use Right Certificate upon the signing and notarising of the Tripartite Agreement, and return the land lease right of the Land from Bright Global to Hoa Phu upon receiving the Liquidation Value of approximately VND312,884,300,000 (inclusive of 10% value-added tax) (equivalent to approximately HK\$98,126,000) from Hoa Phu; and (b) Hoa Phu and Acecook agree to enter into the New Land Lease Agreement for the lease of land use right of the Land from Hoa Phu to Acecook at an aggregate Land Lease Value of approximately VND325,275,758,000 (inclusive of 10% value-added tax) (equivalent to approximately HK\$102,012,000) for the entire term, after the termination of the Original Land Lease Agreement with Bright Global.

Furthermore, on the same day, Bright Global, as the lessee of Land under the Original Land Lease Agreement, and Hoa Phu, as the lessor of the Land under the Original Land Lease Agreement have entered into a Liquidation Agreement in accordance with the conditions under the Tripartite Agreement.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Transfer exceed 25%, but are all less than 75%, the Transfer constitutes a major transaction of the Company 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 Transfer. The Company has received a written approval of the Transfer by the Controlling Shareholder, which holds 743,769,967 Shares, representing approximately 57.91% of the total issued Shares as at the date of this announcement. 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 Transfer.

A circular containing, among other things, further details of the Transfer and the valuation report of the Land is expected to be despatched to the Shareholders within 15 business days after the publication of this announcement, that is, on or before 28 November 2022.

## **INTRODUCTION**

The Board announces that on 7 November 2022, (i) Bright Global, an indirect wholly-owned subsidiary of the Company and the lessee of the Land under the Original Land Lease Agreement; (ii) Hoa Phu, the lessor of the Land under the Original Land Lease Agreement; and (iii) Acecook, as the incoming new lessee, have entered into a Tripartite Agreement, pursuant to which (a) Bright Global and Hoa Phu agree to enter into a Liquidation Agreement on the same day to terminate the Original Land Lease Agreement entered into between the parties, transfer the Land Use Right Certificate upon the signing and notarising of the Tripartite Agreement, and return the land lease right of the Land from Bright Global to Hoa Phu upon receiving the Liquidation Value of approximately VND312,884,300,000 (inclusive of 10% value-added tax) (equivalent to approximately HK\$98,126,000) from Hoa Phu; and (b) Hoa Phu and Acecook agree to enter into the New Land Lease Agreement for the lease of land use right of the Land from Hoa Phu to Acecook at an aggregate Land Lease Value of approximately VND325,275,758,000 (inclusive of 10% value-added tax) (equivalent to approximately HK\$102,012,000) for the entire term, after the termination of the Original Land Lease Agreement with Bright Global.

Furthermore, on the same day, Bright Global, as the lessee of the Land under the Original Land Lease Agreement, and Hoa Phu, as the lessor of the Land under the Original Land Lease Agreement have entered into a Liquidation Agreement in accordance with the conditions under the Tripartite Agreement.

## **THE TRIPARTITE AGREEMENT**

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

### **Date**

7 November 2022

### **Parties**

- (i) Bright Global (as the lessee of the Original Land Lease Agreement);
- (ii) Hoa Phu (as the lessor of the Original Land Lease Agreement); and
- (iii) Acecook (as the incoming lessee of the New Land Lease Agreement).

### **Term**

From the Effective Date to 5 January 2060 (both dates inclusive).

### **Subject matter**

The land lease right of the Land, which is located at Lot II-4, Hoa Phu Industrial Park, Phuoc Hoa Hamlet, Hoa Phu Commune, Long Ho District, Vinh Long Province, Vietnam, with an area of approximately 113,000 square meters.

### **Rights and obligations of Bright Global**

Pursuant to the Tripartite Agreement, Bright Global agrees to carry out the procedures for the liquidation of the Original Land Lease Agreement within three days from the Effective Date, transfer the Land Use Right Certificate and the Land under the original condition to Hoa Phu, and terminate the Investment Project. Bright Global shall have the right in receiving the Liquidation Value of approximately VND312,884,300,000 (inclusive of 10% value-added tax) (equivalent to approximately HK\$98,126,000) from Hoa Phu in relation to the procedures of liquidation of land use rights within three days from the receipt of the corresponding payments by Hoa Phu from Acecook in accordance with the payment schedule as summarised below.

## **Rights and obligations of Acecook**

Pursuant to the Tripartite Agreement, Acecook (as a lessee) agrees to enter into the New Land Lease Agreement directly with Hoa Phu (as a lessor) for the lease of the land use right of the Land for the entire term at an aggregate Land Lease Value of approximately VND325,275,758,000 (inclusive of 10% value-added tax) (equivalent to approximately HK\$102,012,000).

The Land Lease Value is determined after arm's length negotiation between the parties on normal commercial terms and with reference to the preliminary valuation of the Land made by an independent international qualified valuer.

### ***Payment schedule and conditions of Land Lease Value from Acecook to Hoa Phu***

The Land Lease Value of approximately VND325,275,758,000 (inclusive of 10% value-added tax) (equivalent to approximately HK\$102,012,000) shall be paid by Acecook to Hoa Phu in the following manner:

<b>Instalment</b>	<b>Amount</b>	<b>Payment time frame and conditions</b>
<b>1st instalment</b> (being 10% of the Land Lease Value)	: Approximately VND32,527,576,000 (equivalent to approximately HK\$10,201,000)	Within seven days from the signing and notarising date of the New Land Lease Agreement
<b>2nd instalment</b> (being 40% of the Land Lease Value)	: Approximately VND130,110,303,000 (equivalent to approximately HK\$40,805,000)	30 days from the date of the 1st instalment, and the receipt of Investment Registration Certificate by Acecook
<b>3rd instalment</b> (being 40% of the Land Lease Value)	: Approximately VND130,110,303,000 (equivalent to approximately HK\$40,805,000)	15 days from the date of the 2nd instalment, and the receipt of the original receipt of application for the new issuance of Land Use Right Certificate by Acecook
<b>4th instalment</b> (being 10% of the Land Lease Value)	: Approximately VND32,527,576,000 (equivalent to approximately HK\$10,201,000)	After Acecook receiving the Land Use Right Certificate

## **Rights and obligations of Hoa Phu**

Pursuant to the Tripartite Agreement, Hoa Phu agrees to carry out the procedures for the liquidation of the Original Land Lease Agreement within three days from the Effective Date.

In addition, Hoa Phu (as a lessor) agrees to enter into the New Land Lease Agreement for the lease of the land use right of the Land for the entire term to Acecook (as a lessee), upon the receipt of the Land Use Right Certificate from Bright Global and after the title under the Land Use Right Certificate of the Land has been transferred to it. In particular, Hoa Phu agrees to make payments to Bright Global within three days from the receipt of corresponding payments from Acecook in instalments.

### ***Payment schedule of Liquidation Value from Hoa Phu to Bright Global***

Pursuant to the Tripartite Agreement, Hoa Phu shall make payments to Bright Global within three days from the receipt of payments from Acecook in accordance with the payment schedule as summarised above. Furthermore, if Hoa Phu delays in making payments for more than five days from the due date of each instalment without obtaining the consent of Bright Global, Hoa Phu shall pay an interest at the rate of 0.05% per day on the total amount of overdue payments to Bright Global until Hoa Phu fulfils its payment obligations.

## **Cancellation**

Bright Global, Hoa Phu and Acecook agree in the event that:

- (i) Acecook fails to obtain the Investment Registration Certificate and/or a new Land Use Right Certificate on or before 15 December 2022;
- (ii) Hoa Phu fails or delays to fulfil its payment obligations to Bright Global in accordance with the payment schedule stipulated above, and Bright Global requests in writing to terminate the Tripartite Agreement;
- (iii) Bright Global, Hoa Phu or Acecook is forced to cease or delay the implementation of the Tripartite Agreement and the responsible party fail to remedy the issue within 90 days; or
- (iv) the Tripartite Agreement was being terminated as prescribed by law,

Hoa Phu shall refund the full amount of Land Lease Value received to Acecook, and Bright Global shall also return the full amount of Liquidation Value received to Hoa Phu. Furthermore, the Liquidation Agreement and the New Land Lease Agreement shall be automatically terminated and the Original Land Lease Agreement shall be restored.

## **THE LIQUIDATION AGREEMENT**

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

### **Date**

7 November 2022

### **Parties**

- (i) Bright Global (as the lessee of the Original Land Lease Agreement); and
- (ii) Hoa Phu (as the lessor of the Original Land Lease Agreement).

### **Subject matter**

The land lease right of the Land, which is located at Lot II-4, Hoa Phu Industrial Park, Phuoc Hoa Hamlet, Hoa Phu Commune, Long Ho District, Vinh Long Province, Vietnam, with an area of approximately 113,000 square meters.

### **Termination of the Original Land Lease Agreement**

Pursuant to the Liquidation Agreement, Bright Global and Hoa Phu agree to terminate the Original Land Lease Agreement, and Bright Global agrees to return the land lease right of the Land, transfer the Land Use Right Certificate and return the Land in its original condition to Hoa Phu upon receiving the Liquidation Value of approximately VND312,884,300,000 (inclusive of 10% value-added tax) (equivalent to approximately HK\$98,126,000) from Hoa Phu.

The Liquidation Value refers to the Land Lease Value minus the Transfer Fee of approximately VND12,391,458,000 (inclusive of 10% value-added tax) (equivalent to approximately HK\$3,886,000) to be received by Hoa Phu. The Transfer Fee is determined after arm's length negotiation between the parties on normal commercial terms and with reference to the market practice.

## **Payment schedule and conditions of Liquidation Value from Hoa Phu to Bright Global**

The Liquidation Value of approximately VND312,884,300,000 (inclusive of 10% value-added tax) (equivalent to approximately HK\$98,126,000) shall be paid by Hoa Phu to Bright Global in the following manner:

<b>Instalment</b>	<b>Amount</b>	<b>Payment time frame and conditions</b>
<b>1st instalment</b>	: Approximately VND32,527,576,000 (equivalent to approximately HK\$10,201,000)	Within 10 days from the signing and notarising date of the New Land Lease Agreement
<b>2nd instalment</b>	: Approximately VND130,110,303,000 (equivalent to approximately HK\$40,805,000)	30 days from the date of the 1st instalment, and the receipt of Investment Registration Certificate by Acecook
<b>3rd instalment</b>	: Approximately VND130,110,303,000 (equivalent to approximately HK\$40,805,000)	15 days from the date of the 2nd instalment, and the receipt of original receipt of application for the new issuance of Land Use Right Certificate by Acecook
<b>4th instalment</b>	: Approximately VND20,136,118,000 (equivalent to approximately HK\$6,315,000)	Three days from the receipt of the Land Use Right Certificate by Acecook

## **Cancellation**

Bright Global and Hoa Phu agree in the event that:

- (i) Acecook fails to be granted the Investment Registration Certificate and a new Land Use Right Certificate by 15 December 2022;
- (ii) Hoa Phu fails or delays to fulfil its payment obligations to Bright Global in accordance with the payment schedule stipulated above, and Bright Global has requested in writing to terminate the Tripartite Agreement;
- (iii) Bright Global or Hoa Phu being forced to cease or delay the implementation of the Tripartite Agreement and the responsible party fail to remedy the issue within 90 days; or
- (iv) the Tripartite Agreement was being terminated as prescribed by law,

Hoa Phu shall refund the full amount of Land Lease Value received to Acecook, and Bright Global shall also return the full amount of Liquidation Value received to Hoa Phu. Furthermore, the Liquidation Agreement shall be cancelled and the legal validity of the Original Land Lease Agreement shall be automatically restored.



## **GENERAL INFORMATION**

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

Bright Global is an indirect wholly-owned subsidiary of the Company and is principally engaged in garment manufacturing in Vietnam.

Hoa Phu is a company incorporated in Vietnam with limited liability and is principally engaged in investment in Hoa Phu Industrial Park, Phuoc Hoa Hamlet, Hoa Phu Commune, Long Ho District, Vinh Long Province, Vietnam. Hoa Phu is ultimately owned by five individuals. In particular, it is owned as to 27.5% by Mr. Ha Duy Dung, 25% by Mr. Vo Chi Luan, 20% by Mr. Nguyen Viet Thanh, 20% by Mr. Dang The Cuong and 7.5% by Mr. Le Van Sanh. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Hoa Phu and its ultimate beneficial owners are third parties independent of the Group and its connected persons.

Acecook is a company incorporated in Vietnam with limited liability and is principally engaged in processing and sales of instant noodles and other food products in Vietnam. Acecook is owned as to 56.6% by Acecook Co., Ltd, a company incorporated in Japan. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Acecook and its ultimate beneficial owner are third parties independent of the Group and its connected persons.

## **REASONS FOR AND BENEFIT OF THE TRANSFER**

The Land, together with another smaller parcel of land, was acquired from Hoa Phu in 2018 for the Group's expansion plan in Vietnam according to its then direction to relocate its major production facility from Mainland China to Southeast Asia countries so as to raise production capacity and reduce operating costs. However, due to the ongoing uncertain operating environment since acquisition, the two parcels of land are yet to be developed. The Board believes that the crisis in Ukraine, the lingering effects of COVID-19 and the changing monetary and fiscal responses to these events have presented a set of risks to the global market in 2022 and near future. As it is difficult for the Group to ascertain the impacts of these events towards the Group at the moment, the Board has decided to adopt a more prudent approach when determining the development plan for its two parcels of land in Vinh Long Province, Vietnam.

The Board considers that the Transfer (being the larger piece of land among the two parcels of land owned by the Group) would represent a good opportunity to realise the value of Land at a gain immediately and provide the Group with a cash inflow which will further improve the financial position of the Group.



In addition, the Board is of the view that the Transfer is fair and reasonable, on normal commercial terms or better and in the interest of the Company and the Shareholders as a whole. None of the Directors (including the independent non-executive Directors) has a material interest in the Transfer.

After the Transfer, the Board will continue to monitor the global market conditions and the need of the Group in order to determine the direction of handling the smaller parcel of land owned by the Group.

## **FINANCIAL EFFECT OF THE TRANSFER AND INTENDED USE OF PROCEEDS**

The carrying value of the Land as shown in the unaudited consolidated account of the Company as at 31 October 2022 was approximately HK\$32,491,000. The Group is expected to recognise a gain (after taxation) of approximately HK\$42,000,000 from the Transfer, being the difference between the Liquidation Value and the carrying value of the Land as at 31 October 2022 after related expenses. The expected gain has not yet been audited or reviewed by the auditor of the Company.

It is estimated that the net proceeds (after taxation) from the Transfer (after deduction of tax, legal fees and ancillary expenses) would be approximately HK\$74,000,000. The Group intends to use the net proceeds from the Transfer as general working capital or for future investment opportunities should such opportunities arise.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Transfer exceed 25%, but are all less than 75%, the Transfer constitutes a major transaction of the Company 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 Transfer. The Company has received a written approval of the Transfer by the Controlling Shareholder, which holds 743,769,967 Shares, representing approximately 57.91% of the total issued Shares as at the date of this announcement. 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 Transfer.

A circular containing, among other things, further details of the Transfer and the valuation report of the Land is expected to be despatched to the Shareholders within 15 business days after the publication of this announcement, that is, on or before 28 November 2022.

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings.

“Acecook”	Acecook Vietnam Joint Stock Company, a limited liability company incorporated in Vietnam
“Board”	the board of Directors
“Bright Global”	Bright Global (Vinh Long) Garment Factory Company Limited, a limited liability company incorporated in Vietnam and an indirect wholly-owned subsidiary of the Company
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder”	Quinta Asia Limited, a limited liability company incorporated in the British Virgin Islands and the controlling shareholder of the Company
“Director(s)”	the director(s) of the Company
“Effective Date”	7 November 2022, being the date of which the Tripartite Agreement and Liquidation Agreement are entered into
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hoa Phu”	Hoa Phu Joint Stock Company, a limited liability company incorporated in Vietnam
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Investment Registration Certificate”	the investment registration certificate granted by the management board of industrial zones of Vinh Long Province

“Investment Project”	the investment project by Bright Global registered with the management board of industrial zones of Vinh Long Province in relation to the manufacturing and processing of all kinds of garment
“Land”	Lot II-4, Hoa Phu Industrial Park, Phuoc Hoa Hamlet, Hoa Phu Commune, Long Ho District, Vinh Long Province, Vietnam
“Land Lease Value”	the land lease value of approximately VND325,275,758,000 (inclusive of 10% value-added tax) (equivalent to HK\$102,012,000) to be paid by Acecook to Hoa Phu pursuant to the terms under the Tripartite Agreement
“Land Use Right Certificate”	the land use rights, home ownership and land-attached assets certificate in respect of the Land granted by Department of Natural Resources and Environment of Vinh Long Province in Vietnam, relating to the Land which include but are not limited to the rights to use, transfer, pledge and mortgage of the land use rights in accordance with the law of Vietnam, including future modification and adjustments
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Liquidation Agreement”	the agreement dated 7 November 2022 entered into between Bright Global and Hoa Phu in relation to the termination of the Original Land Lease Agreement
“Liquidation Value”	the liquidation value of approximately VND312,884,300,000 (inclusive of 10% value-added tax) (equivalent to HK\$98,126,000) to be paid from Hoa Phu to Bright Global pursuant to the terms under the Liquidation Agreement
“New Land Lease Agreement”	the new land lease agreement to be entered into between Hoa Phu (as the lessor) and Acecook (as the lessee) in respect of the Land
“Original Land Lease Agreement”	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

“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
“Transfer”	refers to the transactions contemplated under the Liquidation Agreement and Tripartite Agreement for the transfer of land lease rights of the Land from Bright Global to Hoa Phu, and subsequently from Hoa Phu to Acecook
“Transfer Fee”	refers to the transfer fee of approximately VND12,391,458,000 (inclusive of 10% value-added tax) (equivalent to approximately HK\$3,886,000) to be received by Hoa Phu
“Tripartite Agreement”	the agreement dated 7 November 2022 entered into between Bright Global, Hoa Phu and Acecook in relation to the transfer of land lease right of the Land
“Vietnam”	the Socialist Republic of Vietnam
“VND”	Vietnamese dong, the lawful currency of Vietnam
“%”	per cent.

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

Hong Kong, 7 November 2022

*As at the date of this announcement, the Directors are Li Kwok Tung Roy, Lai Ching Ping, Lee Kwok Leung, Wong Chi Keung, Kwan Kai Cheong<sup>#</sup>, Ma Ka Chun<sup>#</sup> and Chan Kit Fun Fanny<sup>#</sup>.*

<sup>#</sup> *Independent non-executive Directors*

*For the purpose of this announcement, the exchange rate of VND3,189 = HK\$1 has been used for currency translation. Such exchange rate is for illustration purpose only and does not constitute a representation that any amount in VND has been, could have been or may be converted at such rate or any other rate.*