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**B.Duck Semk Holdings International Limited**

**小黃鴨德盈控股國際有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2250)**

**CONTINUING CONNECTED TRANSACTIONS –  
ENTERING INTO OF MERCHANDISE SUPPLY FRAMEWORK  
AGREEMENTS**

**MERCHANDISE SUPPLY FRAMEWORK AGREEMENT II**

The Board announces that the Company entered into the Merchandise Supply Framework Agreement II with ENS Toys on 31 January 2024 for a term commencing from 1 February 2024 and ending on 31 May 2024. Pursuant to the Merchandise Supply Framework Agreement II, the Company has agreed to, and will procure other members of the Group to, purchase merchandise (including but not limited to apparel and toys) from ENS Toys, subject to the cap of HK\$8,000,000.

**MERCHANDISE SUPPLY FRAMEWORK AGREEMENT I**

The Board further announces that the Company entered into the Merchandise Supply Framework Agreement I with ENS Toys on 1 January 2024 for a term commencing from 1 January 2024 and ending on 31 January 2024. Pursuant to the Merchandise Supply Framework Agreement I, the Company has agreed to, and will procure other members of the Group to, purchase merchandise (including but not limited to apparel and toys) from ENS Toys at a total consideration of no more than HK\$1,500,000.

## **LISTING RULES IMPLICATIONS**

As ENS Toys is ultimately wholly-owned by Mr. Hui, the executive Director, chairman of the Board, chief executive officer and one of the controlling shareholders of the Company, it is considered as an associate of Mr. Hui and a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Merchandise Supply Framework Agreement II and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the cap for the transactions contemplated under the Merchandise Supply Framework Agreement II exceed 0.1% but less than 5%, the entering into of the Supply Framework Agreement II and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the maximum consideration for the transactions contemplated under the Merchandise Supply Framework Agreement I are less than 5% and the relevant maximum consideration is less than HK\$3,000,000, the entering into of the Merchandise Supply Framework Agreement I was, pursuant to Rule 14A.76(1)(c) of the Listing Rules, fully exempt from independent Shareholders' approval, annual review and all disclosure requirements at the time of signing.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Merchandise Supply Framework Agreement I shall be aggregated with those contemplated under the Merchandise Supply Framework Agreement II as if they were one transaction as they are of similar nature and were all entered into within a 12-month period by the Company with ENS Toys.

All of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the relevant cap for the transactions contemplated under the Merchandise Supply Framework Agreement II and the maximum consideration for the transactions contemplated under the Merchandise Supply Framework Agreement I, when aggregated, are below 5%.

## **INTRODUCTION**

Reference is made to the section headed "Connected Transactions" in the Prospectus in relation to the continuing connected transactions between the Company and ENS Toys under the Original Merchandise Supply Framework Agreement. The Original Merchandise Supply Framework Agreement expired on 31 December 2023.

The Board announces that the Company entered into the Merchandise Supply Framework Agreement II with ENS Toys on 31 January 2024 for a term commencing from 1 February 2024 and ending on 31 May 2024. Pursuant to the Merchandise Supply Framework Agreement II, the Company has agreed to, and will procure other members of the Group to, purchase merchandise (including but not limited to apparel and toys) from ENS Toys, subject to the cap of HK\$8,000,000.

The Board further announces that the Company entered into the Merchandise Supply Framework Agreement I with ENS Toys on 1 January 2024 for a term commencing from 1 January 2024 and ending on 31 January 2024. Pursuant to the Merchandise Supply Framework Agreement I, the Company has agreed to, and will procure other members of the Group to, purchase merchandise (including but not limited to apparel and toys) from ENS Toys at a total consideration of no more than HK\$1,500,000.

**MERCHANDISE SUPPLY FRAMEWORK AGREEMENT II AND MERCHANDISE SUPPLY FRAMEWORK AGREEMENT I**

The principal terms of the Merchandise Supply Framework Agreement II and the Merchandise Supply Framework Agreement I are set out below:

**Merchandise Supply Framework Agreement II**

- Agreement date:** 31 January 2024
- Parties:** the Company, as purchaser  
ENS Toys, as supplier
- Term:** the period from 1 February 2024 to 31 May 2024

**Merchandise Supply Framework Agreement I**

- Agreement date:** 1 January 2024
- Parties:** the Company, as purchaser  
ENS Toys, as supplier
- Term:** the period from 1 January 2024 to 31 January 2024

**Subject Matter**

Pursuant to the Merchandise Supply Framework Agreement II and the Merchandise Supply Framework Agreement I, the Company has agreed to, and would procure other members of the Group to, purchase merchandise (including but not limited to apparel and toys) from ENS Toys. There is no minimum purchase amount stipulated in the Merchandise Supply Framework Agreement II and the Merchandise Supply Framework Agreement I, nor is the Group bound to purchase merchandise from ENS Toys. The purchase quantity and the purchase prices shall be

specified in individual purchase order (“**Purchase Order**”) to be placed by the Group.

### **Pricing Basis**

The products will be priced on normal commercial terms and in the ordinary course of the Group’s business with reference to the market price of the same or comparable kind of merchandise provided by Independent Third Parties.

### **Payment Terms**

Upon due delivery of merchandise to the Company and/or other members of the Group, ENS Toys shall issue an invoice to the Company and/or other members of the Group for such merchandise; and payment shall be due within 60 days after placement of the specific Purchase Order, unless otherwise agreed between the parties in writing.

### **Historical Figures**

The historical transaction amounts of the transactions under the Original Merchandise Supply Framework Agreement for the three years ended 31 December 2023 were approximately HK\$34,789,000, HK\$19,202,000 and HK\$20,306,000, respectively.

### **Maximum Amounts of Purchases**

The cap of the transactions contemplated under the Merchandise Supply Framework Agreement II is fixed at HK\$8,000,000, while the maximum consideration of the transactions contemplated under the Merchandise Supply Framework Agreement I is HK\$1,500,000.

### **Basis of Determination of the Maximum Amounts of Purchases**

The maximum amounts of purchases under the Merchandise Supply Framework Agreement II and the Merchandise Supply Framework Agreement I are determined based on (i) the historical amounts of the purchases made by the Group under the Original Merchandise Supply Framework Agreement during the three years ended 31 December 2023; and (ii) the current market condition and the expected demand for merchandise with the B.Duck family characters.

### **REASONS AND BENEFITS OF ENTERING INTO OF THE MERCHANDISE SUPPLY FRAMEWORK AGREEMENT II AND THE MERCHANDISE SUPPLY FRAMEWORK AGREEMENT I**

The transactions contemplated under the Merchandise Supply Framework Agreement II and the Merchandise Supply Framework Agreement I enable the Group to continue to obtain the merchandise, which are mainly apparel and toys, for the customers mainly through e-commerce platforms at the prevailing market price which shall not be higher than the price that the Group may obtain from the Independent Third Parties for similar products.

The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the Merchandise Supply Framework Agreement II and the Merchandise Supply Framework Agreement I are entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better to the Company after arm's length negotiations between the parties, and the terms of those transactions contemplated under the Merchandise Supply Framework Agreement II and the Merchandise Supply Framework Agreement I together with the relevant cap and the maximum consideration are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **INTERNAL CONTROL MEASURES**

Before entering into any transactions with ENS Toys, the Group will obtain quotes from at least two Independent Third Parties which provide the same or similar products. The finance department will review and compare the quotes from the Independent Third Parties with the quotes from ENS Toys when determining the supplier so as to ensure that the prices of the products provided by ENS Toys to the Group are fair and reasonable and are determined on normal commercial terms or on terms no less favourable to the Group than the terms available from the Independent Third Parties.

## **INFORMATION OF THE PARTIES**

### **The Group**

The Group is principally engaged in (i) the character licensing business: the creation, design, licensing, brand management and marketing of its self-created characters across multi-channels. The Group licenses its characters and brands to its licensees, provide them with product design application services and allow them to use the same in their products and services offering; and (ii) the e-commerce and other business: the design, development, procurement and retail sales of its characters-featured products through multi-channels.

### **ENS Toys**

ENS Toys is a limited liability company established in the PRC and its entire equity interests is ultimately wholly-owned by Mr. Hui. ENS Toys provides manufacturing services for the Group and other Independent Third Parties.

## **LISTING RULES IMPLICATIONS**

As ENS Toys is ultimately wholly-owned by Mr. Hui, the executive Director, chairman of the Board, chief executive officer and one of the controlling shareholders of the Company, it is considered as an associate of Mr. Hui and a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Merchandise Supply Framework Agreement II and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the cap for the transactions contemplated under the Merchandise Supply Framework Agreement II exceed 0.1% but less than 5%, the entering into of the Supply Framework Agreement II and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the maximum consideration for the transactions contemplated under the Merchandise Supply Framework Agreement I are less than 5% and the maximum consideration is less than HK\$3,000,000, the entering into of the Merchandise Supply Framework Agreement I was, pursuant to Rule 14A.76(1)(c) of the Listing Rules, fully exempt from independent Shareholders' approval, annual review and all disclosure requirements at the time of signing.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Merchandise Supply Framework Agreement I shall be aggregated with those contemplated under the Merchandise Supply Framework Agreement II as if they were one transaction as they are of similar nature and were all entered into within a 12-month period by the Company with ENS Toys.

All of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the relevant cap for the transactions contemplated under the Merchandise Supply Framework Agreement II and the maximum consideration for the transactions contemplated under the Merchandise Supply Framework Agreement I, when aggregated, are below 5%.

**DEFINITIONS**

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

- “Board” board of Directors
- “Company” B.Duck Semk Holdings International Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
- “connected person(s)” has the meaning ascribed thereto under the Listing Rules
- “controlling shareholder(s)” has the meaning ascribed thereto under the Listing Rules
- “Directors” the directors of the Company

“ENS Toys”	ENS Toys (Huizhou) Limited* (盈森玩具(惠州)有限公司), a limited liability company established in the PRC on 19 January 2007 and a company ultimately wholly owned by Mr. Hui
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	an individual(s) or a company(ies) who is/are or which is/are not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders (within the meaning of the Listing Rules) of the Company or any of its subsidiaries or any of their respective associates and not connected person(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Hui”	Mr. Hui Ha Lam, the chairman of the Board, chief executive officer of the Company, executive Director and one of the controlling shareholders of the Company
“Original Merchandise Supply Framework Agreement”	the merchandise supply framework agreement dated 15 December 2021 entered into between the Company and ENS Toys for a term from 17 January 2022 to 31 December 2023
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus of the Company dated 30 December 2021
“Merchandise Supply Framework Agreement I”	the merchandise supply framework agreement dated 1 January 2024 entered into between the Company and ENS Toys for a term from 1 January 2024 to 31 January 2024
“Merchandise Supply Framework Agreement II”	the merchandise supply framework agreement dated 31 January 2024 entered into between the Company and ENS Toys for a term from 1 February 2024 to 31 May 2024
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“0/0”

Per cent

On behalf of the Board  
**B.Duck Semk Holdings International Limited**  
**Hui Ha Lam**  
*Chairman of the Board and Executive Director*

Hong Kong, 31 January 2024

*As at the date of this announcement, the Board comprises Mr. Hui Ha Lam as chairman of the Board and executive Director, Mr. Kwok Chun Kit, Mr. Cheung Chin Yiu, and Mr. Tse Tsz Leong as executive Directors, Mr. Li Xiang as non-executive Director and Ms. Leung Ping Fun Anita, Mr. Sung Chi Keung and Dr. Chan Kai Yue Jason, MH, JP as independent non-executive Directors.*

*\* For identification purpose only*