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(Incorporated in the Cayman Islands with limited liability)

(Stock code: 540)

DISCLOSEABLE TRANSACTION DISPOSAL OF A SUBSIDIARY

THE DISPOSAL

On 13 May 2024, the Seller, an indirect wholly-owned subsidiary of the Company, and the Purchaser, an Independent Third Party, has entered into the Agreement in relation to the Disposal, pursuant to which the Seller agreed to sell, and the Purchaser agreed to purchase, the Sale Shares at the Consideration of HK\$3,300,000.

The Sale Shares represent 100% of the issued shares of the Target which was an indirect wholly-owned subsidiary of the Company as at the date of the Agreement and before Completion. Upon completion of the transfer of the Sale Shares, the Target will no longer be a subsidiary of the Company.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratio(s) exceed 5% but less than 25%, the transaction under the Agreement constitute a discloseable transaction of the Company and is therefore subject to the requirements of notification and announcement but exempted from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

THE DISPOSAL

On 13 May 2024, the Seller and the Purchaser entered into the Agreement in relation to the Disposal. The principal terms of the Agreement are set out below:

THE AGREEMENT

Date

13 May 2024

Parties

- (1) Pageant Enterprise (Hong Kong) Limited, an indirect wholly-owned subsidiary of the Company (as Seller); and

(2) Team Can Enterprise Limited (as Purchaser)

To the best of knowledge, information and belief of the Directors, and after making all reasonable enquiries, the ultimate beneficial owners of the Purchaser are Chiu Hak Wing and Poon Ching Fat, and the Purchaser and its ultimate beneficial owners are Independent Third Parties.

Subject Matter

Pursuant to the Agreement, the Seller agreed to sell, and the Purchaser agreed to purchase, the Sale Shares. The Sale Shares represent 100% of the issued shares of the Target which was an indirect wholly-owned subsidiary of the Company as at the date of the Agreement and before Completion.

Upon completion of the transfer of the Sale Shares, the Seller shall also enter into the Deed of Waiver, pursuant to which the Shareholder Loan shall be terminated and the Target shall be irrevocably released and discharged from all liability relating to the Shareholder Loan.

Consideration

The Consideration of HK\$3,300,000 shall be payable by the Purchaser to the Seller in cash on or before 31 May 2024, or any other date as mutually agreed in writing between the Seller and the Purchaser. The Consideration for the Disposal was determined after arm's length negotiations between the Seller and the Purchaser with reference to, among others, (i) the prevailing market condition; (ii) the operational and financial performance of the Target; (iii) the consolidated financial statements of the Target; and (iv) the loss making and net liabilities position of the Target.

Completion

Completion for the Disposal shall take place within five business days of the following documents being provided to the Seller and the Seller confirming that the transfer of the Sale Shares to the Purchaser is complete: (i) evidence of payment of the Consideration; (ii) a duly stamped Articles of Incorporation of the Target accepted by the Council of the Development of Cambodia and the Ministry of Commerce; and (iii) the email extract from the Ministry of Commerce's business registration portal confirming that the Purchaser is the owner of the Sale Shares, or any other date as mutually agreed in writing between the Seller and the Purchaser on which Completion takes place but in any event shall not be later than 31 October 2024.

INFORMATION ON PARTIES TO THE AGREEMENT

The Group

The Group is principally engaged in the apparel supply chain servicing business which offers a wide range of woven wear, cut-and-sewn knitwear and sweater knitwear products to a number of owners or agents of global reputable brands.

The Seller

The Seller is a company incorporated in Hong Kong with limited liability in 2013 and is primarily engaged in provision of apparel supply chain services. It is an indirectly wholly-owned subsidiary of the Company.

The Purchaser

The Purchaser is a company incorporated in Hong Kong with limited liability and is primarily engaged in investment holdings. To the best of knowledge, information and belief of the Directors, and after making all reasonable enquiries, the ultimate beneficial owners of the Purchaser are Chiu Hak Wing and Poon Ching Fat, where Poon Ching Fat is the factory manager of the Target. The Purchaser and its ultimate beneficial owners are Independent Third Parties.

The Target

The Target is an indirect wholly-owned subsidiary of the Company as at the date of the Agreement and before Completion. It is a company incorporated in Cambodia with limited liability in 2014 and is primarily engaged in provision of apparel supply chain services. As at the date of the Agreement, the registered share capital of the Target was US\$5,000,000. The audited net liabilities value of the Target was approximately USD2,200,000 (equivalent to approximately HK\$17,200,000) as at 31 December 2023.

The financial results of the Target are set out as follows:

	For the year ended	
	31 December	
	2022	2023
	<i>US\$</i>	<i>US\$</i>
	(audited)	(audited)
Revenue	7,038,474	8,107,947
(Loss) before taxation	(1,720,142)	(3,371,882)
(Loss) after taxation	(1,603,470)	(3,327,930)

FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS

Upon completion of the transfer of the Sale Shares, the Target will no longer be a subsidiary of the Company. Accordingly, the assets, liabilities and the financial results of the Target will no longer be consolidated into the financial statements of the Group.

As at 30 April 2024, the net assets value of the Target was approximately HK\$2,500,000 after adjustment in relation to the Shareholder Loan. Subject to the final audit, it is expected that the Company will record a gain of approximately HK\$570,000 from the Disposal after deducting the expenses attributable thereto. The actual amount of gain or loss as a result of the Disposal to be recorded by the Company will be subject to the review and final audit by the auditors of the Company. The proceeds from the Disposal are currently intended to be used by the Group as general working capital.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Considering the financial performance and after reviewing the business and operation status of the Target, and taking into account factors including but not limited to the increasingly intense market competition, changing consumer preferences, uncertain political environment in the place of operation, and the increasing labour cost and other fixed costs of the Target, the Board considers that it is appropriate to proceed with the Disposal. The Disposal, when materialised, will also strengthen the cash flow of the Group allowing the Group to improve its liquidity and reallocate resources for future development.

The Directors are of the view that the terms of the Agreement are fair and reasonable and the entering into of the Agreement are on normal commercial terms and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) exceed 5% but less than 25%, the transaction under the Agreement constitute a discloseable transaction of the Company and is therefore subject to the requirements of notification and announcement but exempted from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Agreement”	the share purchase agreement dated 13 May 2024 entered into between the Seller and the Purchaser in relation to the Disposal
“Board”	the board of Directors of the Company
“Cambodia”	the Kingdom of Cambodia
“Company”	Speedy Global Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	the completion of the Disposal under the Agreement
“Consideration”	the consideration payable for the Sale Shares pursuant to the Agreement
“Deed of Waiver”	the deed of waiver and discharge to be entered into by the Seller upon completion of the transfer of the Sale Shares in relation to the waiver and discharge of the Shareholder Loan
“Director(s)”	the director(s) of the Company
“Disposal”	the sale of the Sale Shares by the Seller to the Purchaser

“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	an independent third party who is not connected with the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, modified or otherwise supplemented from time to time
“PRC”	The People’s Republic of China
“Purchaser”	Team Can Enterprise Limited, a company incorporated in Hong Kong with limited liability
“Sale Shares”	100% of the issued shares of the Target
“Seller”	Pageant Enterprise (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Shareholder Loan”	the interest-free shareholder loan of approximately US\$4,100,000 advanced by the Seller to the Target
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Agile Sweater (Cambodia) Co., Ltd., a company incorporated in Cambodia with limited liability
“US\$”	the lawful currency of the United States of America
“%”	per cent.

By Order of the Board
Speedy Global Holdings Limited
Huang Chih Shen
Chairman and Chief Executive Officer

Hong Kong, 13 May 2024

As at the date of this announcement, the executive Directors of the Company are Mr. Huang Chih Shen and Ms. Huang Li Hun, Serlina; the independent non-executive Directors of the Company are Mr. Wong Ting Kon, Ms. Pang Yuen Shan, Christina, Mr. Chang Cheuk Cheung, Terence and Mr. Chan Tsang Mo.