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VOLUNTARY ANNOUNCEMENT

BUSINESS UPDATE ON HESHAN MANUFACTURING FACILITY

This announcement is made on a voluntary basis to keep the shareholders of Carry Wealth Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) and potential investors informed of the latest business development of the Group.

As mentioned in the section headed Management Discussion and Analysis of the Group’s annual report for the year ended 31 December 2023, the management team has planned to further reduce the production scale in Mainland China and downsize the manufacturing facility at Heshan (the “**Heshan facility**”), and engage overseas subcontractors for manufacturing process, primarily due to lower labour costs and overheads and the change in customers’ sourcing strategy. The Heshan facility is held under 鶴山恒富製衣有限公司 (Heshan Carry Wealth Garment Limited*), a wholly-owned subsidiary of the Company. It has the effect to help reduce costs for the Group in the long run, but the Group will have to incur certain one time restructuring costs for the current financial year.

The above business action has been proposed to and is supported by the Group’s major customers. As part of the action plan, upon completion of the existing production orders, the expected shipment dates of which are in May 2024, the Heshan facility will not handle any further production orders of the Group. Production orders originally allocated to the Heshan facility, with original shipment dates after May 2024, will be placed to overseas subcontractors, mainly, the Group’s business partnerships with subcontracted factories in Cambodia and Indonesia.

Regarding the headcount in Heshan Carry Wealth Garment Limited, labors directly attributable to the production will be minimised. Office staff including merchandisers and back office will be maintained to support the garment business operation of the Group.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Carry Wealth Holdings Limited
Tsang Chun Ho Anthony
Executive Director

Hong Kong, 24 May 2024

As at the date of this announcement, the Board comprises Mr. Tsang Chun Ho Anthony and Mr. Choi Tan Yee as executive directors and Mr. Cheng Wai Hei, Mr. Lam Chi Wing and Ms. Chiu Hoi Shan as independent non-executive directors.

* *For identification purpose only*