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亞 東

Yadong Group Holdings Limited

亞 東 集 團 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1795)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL IN A COMPANY**

On 25 July 2025, the Vendor, the Company and the Target Company entered into the Agreement pursuant to which the Company has agreed to purchase and the Vendor has agreed to sell the Sale Shares for a total Consideration of US\$8.9 million (equivalent to approximately RMB65.2 million or HK\$69.1 million). As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are more than 5% but are all less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

BACKGROUND

In line with the Group's strategic plan to establish manufacturing facilities in Southeast Asia, the Company has been actively exploring industrial parks in Vietnam. To facilitate this initiative, the Company entered into the Investment Consultancy Agreement with Brilliant Textile (i.e. the Target Company) in August 2024, pursuant to which the Target Company was appointed as the consultant of the Group to negotiate with potential vendors. In accordance with the arrangement under the Investment Consultancy Agreement, a refundable deposit (“**Deposit**”) of US\$7.6 million (equivalent to approximately RMB55.7 million or approximately HK\$59.0 million) was placed into the Target Company's designated bank account to facilitate the potential acquisition. Further details of the Deposit are set forth in Note 21 of the notes to the consolidated financial statements for the year ended 31 December 2024 in the Company's 2024 Annual Report.

Following further evaluation and assessment, the Group identified a parcel of land (the “**Land**”) for which Amazing Ecotech holds usage rights until 22 April 2082, as a suitable site. Amazing Ecotech is a company owned as to 75% by the Target Company. Upon mutual agreement between the parties, the Company agreed to acquire the entire issued share capital of the Target Company, thereby acquiring an indirect 75% interest in Amazing Ecotech, which holds the usage rights of the Land until 22 April 2082, and it was agreed that the entire Deposit would be applied as partial settlement of the consideration payable for the Acquisition.

THE AGREEMENT

Date : 25 July 2025

Parties : (1) the Company (as purchaser)

(2) the Vendor (as vendor)

(3) the Target Company

Asset to be acquired

Pursuant to the Agreement, the Vendor has agreed to sell and the Company has agreed to acquire the Sale Shares, representing the entire issued share capital of the Target Company, a company incorporated in Singapore with limited liability. The Target Company owns 75% of the equity interests in Amazing Ecotech, a company incorporated in Vietnam. Amazing Ecotech holds the usage rights of the Land until 22 April 2082.

Consideration

The Consideration for the sale and purchase of the Sale Shares is US\$8.9 million (equivalent to approximately RMB65.2 million or HK\$69.1 million). After deducting the Deposit, the remaining balance of the Consideration is US\$1.3 million (equivalent to approximately RMB9.5 million or HK\$10.1 million), which shall be settled by the Company upon Completion in cash.

Basis of Consideration

The Consideration was determined with reference to the valuation of the Land, and the Target Company’s 75% interest in Amazing Ecotech, which holds the usage rights of the Land until 22 April 2082, as well as the prevailing market conditions of the Vietnam industrial real estate property market. According to the property valuation report prepared by the Independent Valuer, the market value of the Land was approximately HK\$92.0 million (equivalent to approximately US\$11.9 million or RMB86.6 million). The Consideration was determined after arm’s length negotiations between the Company and the Vendor. The Directors consider that the terms and conditions of the Acquisition (including the Consideration) to be fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Conditions

Completion shall be conditional upon:

- (i) all statements and guarantees made by the Vendor remain true, accurate, and complete prior to Completion;
- (ii) all necessary and appropriate consents, approvals and clearances for the execution, delivery, and performance of the Agreement and the Acquisition having been obtained by the Vendor;
- (iii) the Vendor has provided to the Company documents evidencing the Target Group's internal approval in relation to the Acquisition and its title to the Land;
- (iv) the Company has provided to the Vendor documents evidencing the Company's internal approval in relation to the Acquisition;
- (v) the warranties given by the Vendor under the Agreement remaining true, accurate and complete in all material respects; and
- (vi) no material adverse changes have occurred since the date of the Agreement.

If the conditions have not been fulfilled (or waived by the Company as the case may be) on or before 30 September 2025, or such later date as the Vendor and the Company may agree, the Agreement shall cease and neither party to the Agreement shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Completion

Completion shall take place, subject to the fulfillment (or waiver) of the conditions precedent, on or before 30 September 2025 or a date agreed upon between the Company and the Vendor in writing. Upon Completion, the Company will be interested in the entire issued share capital of the Target Company and the Target Company will be accounted as subsidiary of the Company and its financial results will be consolidated with the Group.

INFORMATION OF THE VENDOR

The Vendor is a PRC citizen and merchant. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is an Independent Third Party.

INFORMATION ON THE TARGET GROUP

The Target Company is a company incorporated in Singapore with limited liability and is principally engaged in investment holding and related consultancy.

Amazing Ecotech is a company incorporated in Vietnam with limited liability and is principally engaged in production and sale of corduroy and plain fabric. Amazing Ecotech is currently owned as to 75% by the Target Company, and 25% by IGM Textile Group Pte. Ltd, which is an Independent Third Party.

The unaudited financial information of the Target Group for the period from 6 May 2024 (date of incorporation of the Target Company) to 31 March 2025 are as follows:

	For the period from 6 May 2024 to 31 March 2025 US\$
Revenue	Nil
Administrative expenses	(37,019)
Loss before tax	(37,019)
Loss after tax	(37,019)

INFORMATION OF THE LAND

The Land comprises two pieces of land located in VSIP Quan Ngai Industrial Park, Vietnam with a total gross floor area of approximately 120,000 Sq.m. which is designated for industrial use. Amazing Ecotech holds the usage rights of the Land until 22 April 2082.

REASONS FOR THE PROPOSED ACQUISITION

The Group is principally engaged in the design, process and sale of textile fabric products, which can be categorized into two broad types, namely (i) plain weave fabrics; and (ii) corduroy fabrics. These textile fabric products feature a variety of different colours, patterns, textures and functionalities. The Group sells its textile fabric products mainly to garment manufacturers as well as trading companies for further processing into finished garments for apparel brand operators.

As stated in the Company's 2024 Annual Report, under the influence of the geopolitical instability, an increasing number of international apparel brands have been focusing their production activities in Southeast Asia countries in recent years. Under such trend, the Group is looking into the feasibility of establishing a presence in Southeast Asia, which will enable the Group to maintain proximity to the production bases of apparel brand customers and benefit from the geographical advantages thereof, thereby obtaining more orders from branded customers. Besides, with the substantial policy incentives for foreign investment introduced by Southeast Asian governments in recent years, the profitability of the Group is expected to be improved.

Having considered the financial position of the Target Group and the Land, whose usage rights until 22 April 2082 is held by Amazing Ecotech, a company owned as to 75% by the Target Company, the Company believes that the Target Company is of growth potentials and the Acquisition of the Target Company are in the interests of the Company and the Shareholders as a whole. The Directors (including the independent non-executive Directors) are of the view that the Acquisition is in line with the business plan of the Group and the terms of the Acquisition are fair and reasonable hence it is in the interests of the Company and the Shareholders as a whole.

Going forward, the Company tentatively plans to set up its own manufacturing facility on the Land.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are more than 5% but are all less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Acquisition”	the proposed acquisition of the Sale Shares by the Company subject to and upon the terms and conditions of the Agreement
“Agreement”	the sale and purchase agreement dated 25 July 2025 and entered into between the Parties in relation to the sale and purchase of the Sale Shares
“Amazing Ecotech”	Amazing Ecotech Textile Company Limited, a company incorporated in Vietnam, which is owned as to 75% by Brilliant Textile
“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Brilliant Textile” or “Target Company”	Brilliant Textile Pte. Ltd., a company incorporated in Singapore with limited liability and the issued shares of which are wholly owned by the Vendor
“Company”	Yadong Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Agreement

“connected person”	has the meaning ascribed to it in the Listing Rules
“Consideration”	the consideration to be satisfied by the Company for the sale and purchase of the Sale Shares
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“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)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons of the Company in accordance with the Listing Rules
“Independent Valuer”	AP Appraisal Limited, an independent professional valuer appointed by the Company for the valuation of the Land
“Investment Consultancy Agreement”	The investment consultancy agreement dated 8 August 2024 between the Company and the Target Company. Pursuant to which, the Target Company was appointed as the Group’s investment consultant, to initiate negotiations and site-specific evaluations with landlords in Vietnam
“Land”	two pieces of land located in VSIP Quan Ngai Industrial Park, Vietnam with a total gross floor area of approximately 120,000 Sq.m, the usage rights of which is held by Amazing Ecotech until 22 April 2082
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	The Company, the Vendor and the Target Company
“RMB”	Renminbi, the lawful currency of the PRC
“PRC”	The People’s Republic of China
“Sale Shares”	such number of shares in the issued share capital of the Target Company representing 100% of the entire issued share capital of the Target Company
“Shareholders”	holders of the Shares

“Shares”	ordinary shares of HK\$0.01 each in the capital of the Company
“Singapore”	The Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sq.m”	Square meter
“Target Group”	The Target Company and Amazing Ecotech
“US\$”	US dollars, the lawful currency of the United States of America
“Vendor”	Ms. Wang Jinjing
“Vietnam”	The Socialist Republic of Vietnam

By order of the Board
Yadong Group Holdings Limited
Xue Shidong
Chairman

Hong Kong, 25 July 2025

As at the date of this announcement, the Company has five executive Directors, namely Mr. Xue Shidong, Mr. Wang Bin, Mr. Xiang Wenbin, Ms. Zhang Yeping and Mr. Jin Rongwei; and three independent non-executive Directors, namely Mr. Zhu Qi, Mr. Ho Kin Cheong Kelvin and Mr. Wang Hongliang.