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Cheerwin Group Limited
朝雲集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6601)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

A. 2027 Property Services Framework Agreement

As the 2024 Property Services Framework Agreement will expire on 31 December 2026, the Company entered into the 2027 Property Services Framework Agreement with Mr. KX Chen and Mr. KC Chen for themselves and on behalf of their associates, on 19 November 2026 to renew the existing continuing connected transactions under the 2024 Property Services Framework Agreement for a term commencing from 1 January 2027 to 31 December 2029, subject to the annual caps for the transactions contemplated thereunder.

B. 2027 Ancillary Service Framework Agreement

As the 2024 Ancillary Service Framework Agreement will expire on 31 December 2026, the Company entered into the 2027 Ancillary Service Framework Agreement with Mr. KX Chen and Mr. KC Chen for themselves and on behalf of their associates, on 19 November 2026 to renew the existing continuing connected transactions under the 2024 Ancillary Service Framework Agreement for a term commencing from 1 January 2027 to 31 December 2029, subject to the annual caps for the transactions contemplated thereunder.

C. 2027 Sales Framework Agreement

As the 2024 Sales Framework Agreement will expire on 31 December 2026, the Company entered into the 2027 Sales Framework Agreement with Mr. KX Chen and Mr. KC Chen for themselves and on behalf of their associates, on 19 November 2026 to renew the existing continuing connected transactions under the 2024 Sales Framework Agreement for a term commencing from 1 January 2027 to 31 December 2029, subject to the annual caps for the transactions contemplated thereunder.

D. 2027 Outsourcing Framework Agreement

As the 2024 Outsourcing Framework Agreement will expire on 31 December 2026, the Company entered into the 2027 Outsourcing Framework Agreement with Mr. KX Chen and Mr. KC Chen for themselves and on behalf of their associates, on 19 November 2026 to renew the existing continuing connected transactions under the 2024 Outsourcing Framework Agreement for a term commencing from 1 January 2027 to 31 December 2029, subject to the annual caps for the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. KX Chen and Mr. KC Chen, who are brothers, and their respective spouse, Ms. Li and Ms. Ma, hold 6.5%, 3.5%, 58.5% and 31.5%, respectively, of Cheerwin Global BVI, which in turn owns approximately 74.25% of the issued Shares. Pursuant to the Stock Exchange's Guide for New Listing Applicants, Mr. KX Chen, Mr. KC Chen, Ms. Li, Ms. Ma and Cheerwin Global BVI are presumed to be a group of Controlling Shareholders by virtue of their holdings through a common investment vehicle as well as their spousal relationships.

Mr. KX Chen, Mr. KC Chen, Ms. Li and Ms. Ma have also entered into a concert parties arrangement letter dated 28 August 2020, pursuant to which they confirmed their agreement to act in concert in relation to the exercise of their voting rights at the meetings of the shareholders and the board of directors of the members of the Group.

Therefore, Mr. KX Chen and Mr. KC Chen are connected persons of the Company under the Listing Rules.

As one or more of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the proposed annual caps for the continuing connected transactions under the 2027 Property Services Framework Agreement and the 2027 Ancillary Service Framework Agreement for the three years ending 31 December 2029 respectively exceed 0.1% but less than 5%, they constitute partially-exempt continuing connected transactions. The entering into of the 2027 Property Services Framework Agreement and the 2027 Ancillary Service Framework Agreement, the transactions contemplated thereunder and their respective proposed annual caps 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 one or more of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the proposed annual caps for the continuing connected transactions under the 2027 Sales Framework Agreement and the 2027 Outsourcing Framework Agreement for the three years ending 31 December 2029 respectively exceed 5%, they constitute non-exempt continuing connected transactions. The entering into of the 2027 Sales Framework Agreement and the 2027 Outsourcing Framework Agreement, the transactions contemplated thereunder and their respective proposed annual caps are subject to the reporting, announcement and annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, to approve the 2027 Sales Framework Agreement, the 2027 Outsourcing Framework Agreement, the transactions contemplated thereunder and their respective proposed annual caps.

As at the date of this announcement, Mr. KX Chen and Mr. KC Chen, who are brothers, and their respective spouse, Ms. Li and Ms. Ma, hold 6.5%, 3.5%, 58.5% and 31.5%, respectively, of Cheerwin Global BVI, which in turn owns approximately 74.25% of the issued Shares. Pursuant to the Stock Exchange's Guide for New Listing Applicants, Mr. KX Chen, Mr. KC Chen, Ms. Li, Ms. Ma and Cheerwin Global BVI are presumed to be a group of Controlling Shareholders by virtue of their holdings through a common investment vehicle as well as their spousal relationships. Further, as at the date of this announcement, Ms. Chen Danxia (being the daughter of Mr. KC Chen), also owns approximately 0.36% of the issued Shares. In view of the relationships set out above, Mr. KX Chen, Mr. KC Chen, Ms. Li, Ms. Ma, Cheerwin Global BVI and Ms. Chen Danxia will abstain from voting on the resolutions on these matters at the EGM.

To the best of knowledge, information and belief of the Directors, having made all reasonable enquiries, save as Mr. KX Chen, Mr. KC Chen, Ms. Li, Ms. Ma, Cheerwin Global BVI and Ms. Chen Danxia, no Shareholder has a material interest in the resolutions in respect of the 2027 Sales Framework Agreement, the 2027 Outsourcing Framework Agreement and the transactions contemplated thereunder or should be required to abstain from voting on the resolutions to be proposed at the EGM.

A circular containing, inter alia, (i) details of the 2027 Sales Framework Agreement, the 2027 Outsourcing Framework Agreement, the transactions contemplated thereunder and their respective proposed annual caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the 2027 Sales Framework Agreement, the 2027 Outsourcing Framework Agreement, the transactions contemplated thereunder and their respective proposed annual caps; (iii) a letter of advice from the Independent Financial Adviser containing the advice to the Independent Board Committee and the Independent Shareholders in relation to the 2027 Sales Framework Agreement, the 2027 Outsourcing Framework Agreement, the transactions contemplated thereunder and their respective proposed annual caps; and (iv) a notice convening the EGM, is expected to be despatched to the Shareholders on or before 9 December 2026.

BACKGROUND

References are made to (i) the announcement of the Company dated 23 November 2023 on the renewal of continuing connected transactions under the 2024 Property Services Framework Agreement, the 2024 Ancillary Service Framework Agreement, the 2024 Sales Framework Agreement and the 2024 Outsourcing Framework Agreement; and (ii) the circular of the Company dated 7 December 2023 on the renewal of the 2024 Sales Framework Agreement and the 2024 Outsourcing Framework Agreement.

As the 2024 Property Services Framework Agreement, the 2024 Ancillary Service Framework Agreement, the 2024 Sales Framework Agreement and the 2024 Outsourcing Framework Agreement will expire on 31 December 2026, the Company entered into the 2027 Property Services Framework Agreement, the 2027 Ancillary Service Framework Agreement, the 2027 Sales Framework Agreement and the 2027 Outsourcing Framework Agreement with Mr. KX Chen and Mr. KC Chen on 19 November 2026 to renew the existing continuing connected transactions contemplated thereunder for a term commencing from 1 January 2027 to 31 December 2029 and to set the proposed annual caps for the respective transactions contemplated thereunder for the aforesaid period.

DETAILS OF CONTINUING CONNECTED TRANSACTIONS

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

A. 2027 Property Services Framework Agreement

1. Principal terms

Date	:	19 November 2026 (after trading hours)
Parties	:	(1) The Company (for itself and on behalf of its subsidiaries); and (2) Mr. KX Chen and Mr. KC Chen (for themselves and on behalf of their associates).
Duration	:	1 January 2027 to 31 December 2029
Subject Matter	:	The Group agreed to lease properties and receive property management services from Chens' Associates for office premises, production plants and research and development laboratories.
Price Determination	:	The rentals shall be determined with reference to the then market price of properties of comparable size, furnishings and fittings, and facilities, in the vicinity which are available to independent third parties, and as agreed by both parties after arm's length negotiation. The property management fees shall be determined as agreed by both parties after arm's length negotiations with reference to the then market price.

Transaction Principles : The Group and the relevant Chens' Associates will enter into separate lease and property management services agreements which will set out specific terms and conditions (including but not limited to location of the leased property, the leased area, the terms, rent, settlement terms, etc.) according to the principles in the 2027 Property Services Framework Agreement.

2. Historical transaction amounts and proposed annual caps

The following table sets out the historical transaction amounts and the existing annual caps under the 2024 Property Services Framework Agreement:

	Year ended 31 December 2024 *RMB'000*	**Year ended 31 December 2025** *RMB'000*	**Year ending 31 December 2026** *RMB'000*
Existing annual caps	11,400	11,700	12,100

	Year ended 31 December 2024 *RMB'000*	**Year ended 31 December 2025** *RMB'000*	**Six months ended 30 June 2026** *RMB'000*
Actual transaction amount *(Note)*	11,131	10,726	6,498

Note:

The historical figures set out in the above table comprise: (i) in respect of lease of properties from Chens' Associates with a term of one year or less, the rental expenses paid by the Group in that year; (ii) in respect of lease of properties from Chens' Associates with a term of more than one year, the total value of right-of-use assets relating to the properties leased in the year; and (iii) the relevant comprehensive property management fees relating to the leased properties paid by the Group to Chens' Associates (if any).

The proposed annual caps under the 2027 Property Services Framework Agreement are as follows:

	Year ending 31 December 2027 *RMB'000*	**Year ending 31 December 2028** *RMB'000*	**Year ending 31 December 2029** *RMB'000*
Proposed annual caps*(Note)*	15,100	16,600	18,300

Note:

The relevant proposed annual caps set out in the above table comprise: (i) in respect of lease of properties from Chens' Associates with a term of one year or less, the estimated rental expenses to be paid by the Group in that year; (ii) in respect of lease of properties from Chens' Associates with a term of more than one year, the estimated total value of right-of-use assets relating to the properties to be leased in the year; and (iii) the relevant comprehensive property management fees relating to the leased properties to be paid by the Group to Chens' Associates (if any).

The proposed annual caps have been determined by the Company primarily by reference to the following factors:

(i) the historical transaction amounts for the three years ending 31 December 2026;

(ii) the prevailing market rate of the rental expenses and/or property management fees of comparable properties of similar size and with similar attributes in the vicinity;

(iii) expected increase in rental expenses and property management fees of up to 20% per annum for nine existing rental properties after arm's length negotiation for the three years ending 31 December 2029; and

(iv) the rentals and/or property management fees of expected newly leased properties from Chens' Associates for the three years ending 31 December 2029, including three new properties to be leased as offices, research and development laboratories and staff dormitories with a total estimated gross floor area of approximately 2,500 square metres.

3. Reasons for and benefits of entering into of the 2027 Property Services Framework Agreement

The Group has entered into certain lease agreements with Chens' Associates for the use of its business operations prior to its listing and has entered into relevant lease agreements under the 2024 Property Services Framework Agreement thereafter for continuous use of the premises for its business operation. Any relocation may cause unnecessary disruption to the Group's business operation and incur unnecessary costs.

The Directors (excluding Ms. Chen Danxia, an executive Director and Mr. Chen Zexing, a non-executive Director, both of whom have abstained from voting at the Board meeting, but including the independent non-executive Directors) are of the view that the terms of the 2027 Property Services Framework Agreement and the proposed annual caps thereunder are fair and reasonable, the transactions contemplated under the 2027 Property Services Framework Agreement are on normal commercial terms and the entering into of the such agreement is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

B. 2027 Ancillary Service Framework Agreement

1. Principle terms

Date	:	19 November 2026 (after trading hours)
Parties	:	(1) The Company (for itself and on behalf of its subsidiaries); and (2) Mr. KX Chen and Mr. KC Chen (for themselves and on behalf of their associates).
Duration	:	1 January 2027 to 31 December 2029
Subject Matter	:	The Group agreed to engage and Chens' Associates agreed to provide certain ancillary services including (i) sales support services, such as implementation of the Group's sales promotion plan and managing store display at the points of sales; (ii) warehouse services; and (iii) IT services, such as implementation and maintenance of the Group's IT servers and systems.

Price Determination : For sales support services, the service fee payable by the Group to Chens' Associates shall be determined with reference to the actual sales support expenses incurred by Chens' Associates in providing such services plus a reasonable profit margin of approximately 10%, which is comparable to margins charged by independent third parties that provide similar sales support services.

For warehouse services, the service fee payable by the Group to Chens' Associates shall be determined with reference to the actual warehouse costs incurred by Chens' Associates and in proportion to the storage space occupied by the Group over the total area of the relevant warehouses, and shall not be higher than the indicative fee as guided by the relevant regulatory authorities (if any).

For IT services, the service fee payable by the Group to Chens' Associates shall be determined in accordance with the actual usage of the relevant software procured by Chens' Associates and the time rates of the IT technicians of Chens' Associates in providing such services to the Group, with reference to time rates charged by independent third parties that provide similar IT services, and shall not be higher than the indicative fee as guided by the relevant regulatory authorities (if any).

Transaction Principles : Chens' Associates have agreed to provide the Group with a report on the actual cost incurred by them in relation to their provision of ancillary services of the relevant financial year for the Group's verification of its cost base where applicable.

When and where required, the Group will also seek quotations from other service providers that are independent third parties to make sure the terms that the Group obtains from Chens' Associates shall be on normal commercial terms. The independent non-executive Directors will regularly review and reassess the service fee charged by Chens' Associates annually.

The service fee is payable annually in arrears.

2. Historical transaction amounts and proposed annual caps

The following table sets out the historical transaction amounts and the existing annual caps under the 2024 Ancillary Service Framework Agreement:

	Year ended 31 December 2024 *RMB'000*	**Year ended 31 December 2025** *RMB'000*	**Year ending 31 December 2026** *RMB'000*
Existing annual caps	46,700	49,100	51,500

	Year ended 31 December 2024 *RMB'000*	**Year ended 31 December 2025** *RMB'000*	**Six months ended 30 June 2026** *RMB'000*
Actual transaction amount	46,500	48,800	34,836

The proposed annual caps under the 2027 Ancillary Service Framework Agreement are as follows:

	Year ending 31 December 2027 *RMB'000*	**Year ending 31 December 2028** *RMB'000*	**Year ending 31 December 2029** *RMB'000*
Proposed annual caps	53,800	56,500	59,300

The proposed annual caps have been determined by the Company primarily by reference to the following factors:

(i) the historical transaction amounts for the three years ending 31 December 2026;

(ii) the estimated cost incurred by Liby Group in providing the ancillary services; and

(iii) margin and/or rates charged by independent third parties that provide similar services.

3. Reasons for and benefits of entering into of the 2027 Ancillary Service Framework Agreement

With the longstanding business cooperation between the Group and Chens' Associates, in particular the ancillary services between the Group and Liby Group under the 2024 Ancillary Service Agreement, the Directors believe that the 2027 Ancillary Service Framework Agreement is beneficial to the Group as a whole, as the Group would be able to save the costs of maintaining staff and assets in providing such services and reduce the Group's needs to make capital investment in such assets, such outsourcing of ancillary services did not and will not have any material impact on the Group's business and operation.

The Directors (excluding Ms. Chen Danxia, an executive Director and Mr. Chen Zexing, a non-executive Director, both of whom have abstained from voting at the Board meeting, but including the independent non-executive Directors) are of the view that the terms of the 2027 Ancillary Service Framework Agreement and the proposed annual caps thereunder are fair and reasonable, the transactions contemplated under the 2027 Ancillary Service Framework Agreement are on normal commercial terms and the entering into of the such agreement is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

C. 2027 Sales Framework Agreement

1. Principle terms

Date	:	19 November 2026 (after trading hours)
Parties	:	(1) The Company (for itself and on behalf of its subsidiaries); and (2) Mr. KX Chen and Mr. KC Chen (for themselves and on behalf of their associates).
Duration	:	1 January 2027 to 31 December 2029
Subject Matter	:	The Group agreed to sell its products to Chens' Associates in the ordinary courses of business.

Price Determination : The Group prices its sales to Chens' Associates by reference to its selling prices to its customers and a reasonable margin, taking into account (1) the direct or indirect costs (including but not limited to logistics and distribution costs, salary and wages, information fees, display fees and annual maintenance fees) incurred by Chens' Associates in dealing with key accounts and other customers (if applicable); and (2) the margins for products of comparable quality, specifications, and quantities charged by independent third party distributors that mainly deal with key accounts. The Group provides recommended retail prices for the customers of Chens' Associates, such as key accounts.

Additional fees shall be jointly confirmed by both parties, and shall be determined based on the fees charged by other independent third parties for similar products and the prices of similar products in the market. The fees shall not exceed the standard fees specified by the relevant regulatory authorities (if applicable).

Transaction Principles : Both parties shall agree on the payment price for individual agreements as and when required, based on the principles of fairness, reasonableness, and commercial practice. All transactions between the parties shall be conducted on general commercial terms as part of their regular business.

The Group does not generally set minimum purchase requirements or sales targets for Chens' Associates, and the Group does not provide any incentive scheme for them.

The Group will provide monthly invoices to Chens' Associates, and they shall make payment via wire transfer within 45 days upon receiving the relevant invoice.

2. Historical transaction amounts and proposed annual caps

The following table sets out the historical transaction amounts and the existing annual caps under the 2024 Sales Framework Agreement:

	Year ended 31 December 2024 *RMB'000*	**Year ended 31 December 2025** *RMB'000*	**Year ending 31 December 2026** *RMB'000*
Existing annual caps	224,100	257,700	296,400

	Year ended 31 December 2024 *RMB'000*	**Year ended 31 December 2025** *RMB'000*	**Six months ended 30 June 2026** *RMB'000*
Actual transaction amount	159,145	128,347	61,114

The proposed annual caps under the 2027 Sales Framework Agreement are as follows:

	Year ending 31 December 2027 *RMB'000*	**Year ending 31 December 2028** *RMB'000*	**Year ending 31 December 2029** *RMB'000*
Proposed annual caps	112,000	125,500	140,500

The proposed annual caps have been determined by the Company primarily by reference to the following factors:

(i) historical transaction amounts of payments received by the Group under the 2024 Sales Framework Agreement for the sales of its products and the percentage of revenue generated from Liby Group in proportion to the total revenue of the Group;

(ii) the potential revenue to be generated from Chens' Associates for the sales of the Group's products; and

(iii) the projected sales volume for the three years ending 31 December 2029, taking into account the anticipated growth across the Group's customer base through continuous product upgrade and increasing consumer awareness of household and personal care.

3. Reasons for and benefits of entering into of the 2027 Sales Framework Agreement

The Group entered into the 2027 Sales Framework Agreement with Chens' Associates in order to leverage on the marketing network of Chens' Associates, and in particular of Liby Group, to gain access to many key accounts such as leading national and regional hypermarkets, supermarkets, department stores and convenience store operators.

The transactions contemplated under the 2027 Sales Framework Agreement are beneficial for the business growth of the Group, as the sales channels of Chens' Associates would allow the Group to reach their extensive customer base and help increase the coverage and demand of the Group's products in the market. The Directors believe that the sales to Chens' Associates would provide the Group with stable source of income.

In view of the above, all Directors (excluding Ms. Chen Danxia, an executive Director and Mr. Chen Zexing, a non-executive Director, both of whom have abstained from voting at the Board meeting, and the independent non-executive Directors whose view will be provided after considering the advice and recommendations of the Independent Financial Adviser) are of the view that the terms of the 2027 Sales Framework Agreement are fair and reasonable, and the transactions contemplated thereunder (including the proposed annual caps) are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

D. 2027 Outsourcing Framework Agreement

1. Principle terms

Date	:	19 November 2026 (after trading hours)
Parties	:	(1) The Company (for itself and on behalf of its subsidiaries); and (2) Mr. KX Chen and Mr. KC Chen (for themselves and on behalf of their associates).
Duration	:	1 January 2027 to 31 December 2029
Subject Matter	:	The Group agreed to outsource the production of certain products to Chens' Associates in the ordinary course of business.

Price Determination	:	The purchase price payable by the Group to Chens' Associates shall be determined with reference to the production costs of the relevant products plus a profit margin determined through arm's length negotiation with reference to comparable profit margins of independent third party manufacturers in the same industry, which the Group obtained from independent third party manufacturers in their daily operations. The Group would run a price quote process to check price quotes from one to three independent third party qualified suppliers for the products of the same specification and quality. Provided that both Chens' Associates and independent third party qualified suppliers are able to deliver products of similar quality within the Group's specified timeframe, if a lower price exists, the Group would either engage an independent third party qualified supplier to carry out the work or negotiate with Chens' Associates for price adjustments accordingly.
Transaction Principles	:	The parties will enter into separate business agreements which will set out specific terms and services to be provided according to the 2027 Outsourcing Framework Agreement. Chens' Associates will provide monthly invoices to the Group, and the Group shall make payment via wire transfer within 45 days after receipt of each invoice on a monthly basis.

2. Historical transaction amounts and proposed annual caps

The following table sets out the historical transaction amounts and the existing annual caps under the 2024 Outsourcing Framework Agreement:

	Year ended 31 December 2024 *RMB'000*	**Year ended 31 December 2025** *RMB'000*	**Year ending 31 December 2026** *RMB'000*
Existing annual caps	172,600	193,300	216,500

	Year ended 31 December 2024 *RMB'000*	**Year ended 31 December 2025** *RMB'000*	**Six months ended 30 June 2026** *RMB'000*
Actual transaction amount	161,335	134,576	56,577

The proposed annual caps under the 2027 Outsourcing Framework Agreement are as follows:

	Year ending 31 December 2027 *RMB'000*	**Year ending 31 December 2028** *RMB'000*	**Year ending 31 December 2029** *RMB'000*
Proposed annual caps	143,300	160,500	179,800

The proposed annual caps have been determined by the Company primarily by reference to the following factors:

(i) the historical transaction amounts of payments paid by the Group for the procurement of products and the percentage of outsourcing costs incurred from purchasing from Chens' Associates in proportion to the Group's total outsourcing costs; and

(ii) the expected demand for the Group's products for the three years ending 31 December 2029 based on the anticipated business expansion through the Group's continuous product upgrades and increasing consumer awareness of household and personal care.

3. Reasons for and benefits of entering into of the 2027 Outsourcing Framework Agreement

Given the history of business relationship between the Group and Chens' Associates, Chens' Associates have supplied the Group with certain products, such as household care and personal care, in the past. Taking into account (i) the experience and reputation of Chens' Associates in the industry; (ii) the track record of Chens' Associates in supplying the products to the Group, particularly their reliability in delivery of orders in a timely manner, their product quality and their adequacy in production capacity; and (iii) Chens' Associates' in depth understanding of the Group's product requirements, the Directors believe that they can provide the required products that suit the Group's needs most appropriately.

In view of the above, all Directors (excluding Ms. Chen Danxia, an executive Director and Mr. Chen Zexing, a non-executive Director, both of whom have abstained from voting at the Board meeting, and the independent non-executive Directors whose view will be provided after considering the advice and recommendations of the Independent Financial Adviser) are of the view that the terms of the 2027 Outsourcing Framework Agreement are fair and reasonable, and the transactions contemplated thereunder (including the proposed annual caps) are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

LISTING RULE IMPLICATIONS

As at the date of this announcement, Mr. KX Chen and Mr. KC Chen, who are brothers, and their respective spouse, Ms. Li and Ms. Ma, hold 6.5%, 3.5%, 58.5% and 31.5%, respectively, of Cheerwin Global BVI, which in turn owns approximately 74.25% of the issued Shares. Pursuant to the Stock Exchange's Guide for New Listing Applicants, Mr. KX Chen, Mr. KC Chen, Ms. Li, Ms. Ma and Cheerwin Global BVI are presumed to be a group of Controlling Shareholders by virtue of their holdings through a common investment vehicle as well as their spousal relationships.

Mr. KX Chen, Mr. KC Chen, Ms. Li and Ms. Ma have also entered into a concert parties arrangement letter dated 28 August 2020, pursuant to which they confirmed their agreement to act in concert in relation to the exercise of their voting rights at the meetings of the shareholders and the board of directors of the members of the Group.

Therefore, Mr. KX Chen and Mr. KC Chen are connected persons of the Company under the Listing Rules.

As one or more of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the proposed annual caps for the continuing connected transactions under the 2027 Property Services Framework Agreement and the 2027 Ancillary Service Framework Agreement for the three years ending 31 December 2029 respectively exceed 0.1% but less than 5%, they constitute partially-exempt continuing connected transactions. The entering into of the 2027 Property Services Framework Agreement and the 2027 Ancillary Service Framework Agreement, the transactions contemplated thereunder and their respective proposed annual caps 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 one or more of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the proposed annual caps for the continuing connected transactions under the 2027 Sales Framework Agreement and the 2027 Outsourcing Framework Agreement for the three years ending 31 December 2029 respectively exceed 5%, they constitute non-exempt continuing connected transactions. The entering into of the 2027 Sales Framework Agreement and the 2027 Outsourcing Framework Agreement, the transactions contemplated thereunder and their respective proposed annual caps are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INFORMATION ABOUT THE PARTIES UNDER THE 2027 CCT AGREEMENTS

The Company and the Group

The Company is an exempted company incorporated in the Cayman Islands with limited liability. The Group is a leading one-stop multi-category household care, pet products and personal care platform in China, developing and manufacturing a variety of household care products, pet products and personal care products, and owning several physical pet stores.

Mr. KX Chen and Mr. KC Chen and Chens' Associates

As at the date of this announcement, Mr. KX Chen and Mr. KC Chen are brothers, founders of the Company and Controlling Shareholders.

As at the date of this announcement, Mr. KX Chen and Mr. KC Chen, who are brothers, and their respective spouse, Ms. Li and Ms. Ma, hold 6.5%, 3.5%, 58.5% and 31.5%, respectively, of Cheerwin Global BVI, which in turn owns approximately 74.25% of the issued Shares. Pursuant to the Stock Exchange's Guide for New Listing Applicants, Mr. KX Chen, Mr. KC Chen, Ms. Li, Ms. Ma and Cheerwin Global BVI are presumed to be a group of Controlling Shareholders by virtue of their holdings through a common investment vehicle as well as their spousal relationships.

Mr. KX Chen, Mr. KC Chen, Ms. Li and Ms. Ma have also entered into a concert parties arrangement letter dated 28 August 2020, pursuant to which they confirmed their agreement to act in concert in relation to the exercise of their voting rights at the meetings of the shareholders and the board of directors of the members of the Group.

GENERAL

Two of the Directors, Ms. Chen Danxia (being the daughter of Mr. KC Chen) and Mr. Chen Zexing (being the son of Mr. KX Chen), in view of their relationship with Mr. KC Chen and Mr. KX Chen, have abstained from voting on the board resolutions for approving the 2027 CCT Agreements, the transaction contemplated thereunder and the proposed annual caps thereunder. Save as disclosed above, none of the Directors has abstained from voting on such board resolutions.

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, to approve the 2027 Sales Framework Agreement, the 2027 Outsourcing Framework Agreement, the transactions contemplated thereunder and their respective proposed annual caps.

As at the date of this announcement, Mr. KX Chen and Mr. KC Chen, who are brothers, and their respective spouse, Ms. Li and Ms. Ma, hold 6.5%, 3.5%, 58.5% and 31.5%, respectively, of Cheerwin Global BVI, which in turn owns approximately 74.25% of the issued Shares. Pursuant to the Stock Exchange's Guide for New Listing Applicants, Mr. KX Chen, Mr. KC Chen, Ms. Li, Ms. Ma and Cheerwin Global BVI are presumed to be a group of Controlling Shareholders by virtue of their holdings through a common investment vehicle as well as their spousal relationships. Further, as at the date of this announcement, Ms. Chen Danxia (being the daughter of Mr. KC Chen), also owns approximately 0.36% of the issued Shares. In view of the relationships set out above, Mr. KX Chen, Mr. KC Chen, Ms. Li, Ms. Ma, Cheerwin Global BVI and Ms. Chen Danxia will abstain from voting on the resolutions on these matters at the EGM.

To the best of knowledge, information and belief of the Directors, having made all reasonable enquiries, save as Mr. KX Chen, Mr. KC Chen, Ms. Li, Ms. Ma, Cheerwin Global BVI and Ms. Chen Danxia, no Shareholder has a material interest in the resolutions in respect of the 2027 Sales Framework Agreement, the 2027 Outsourcing Framework Agreement and the transactions contemplated thereunder and their respective proposed annual caps or should be required to abstain from voting on the resolutions to be proposed at the EGM.

A circular containing, inter alia, (i) details of the 2027 Sales Framework Agreement, the 2027 Outsourcing Framework Agreement, the transactions contemplated thereunder and their respective proposed annual caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the 2027 Sales Framework Agreement, the 2027 Outsourcing Framework Agreement, the transactions contemplated thereunder and their respective proposed annual caps; (iii) a letter of advice from the Independent Financial Adviser containing the advice to the Independent Board Committee and the Independent Shareholders in relation to the 2027 Sales Framework Agreement, the 2027 Outsourcing Framework Agreement, the transactions contemplated thereunder and their respective proposed annual caps; and (iv) a notice convening the EGM, is expected to be despatched to the Shareholders on or before 9 December 2026.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee, comprising the independent non-executive Directors of Dr. Yu Rong, Mr. Guo Sheng and Mr. Chan Wan Tsun Adrian Alan has been established by the Company to provide recommendations to the Independent Shareholders on terms of the 2027 Sales Framework Agreement, the 2027 Outsourcing Framework Agreement, the transactions contemplated thereunder and the proposed annual caps. Austrax Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

INTERNAL CONTROL MEASURES

The Group has internal control measures in place to monitor the utilization of the annual caps of the 2027 CCT Agreements, which require the submission of monthly reports on the accumulated amounts of the transactions contemplated thereunder by the finance team of the Group to the Group's chief financial officer, company secretary and the person in charge of the Group's internal control function. The company secretary shall promptly liaise with the business team of the Group as and when the annual caps of the 2027 CCT Agreements have been 90% utilized in order to agree and implement measures to control and avoid exceeding any of the annual caps. As part of the overall monitoring of the transactions contemplated under the 2027 CCT Agreements, sample checks would be conducted by the Group's internal audit department at least annually on, among other things, the pricing, payment terms and the utilization of the annual caps of the 2027 CCT Agreements. In addition, the transactions contemplated under the 2027 CCT Agreements would be subject to annual review by the independent non-executive Directors and the external auditors of the Company of their terms, and the Company is required to report the findings of such annual review in its annual report in compliance with the Listing Rules.

DEFINITIONS

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

"2024 Ancillary Service Framework Agreement"	the ancillary services framework agreement dated 23 November 2023 in relation to the provision of certain ancillary services by Chens' Associates to the Group
"2024 Outsourcing Framework Agreement"	the outsourcing framework agreement dated 23 November 2023 in relation to the outsourcing of the production of certain of the Group's products to Chens' Associates
"2024 Property Services Framework Agreement"	the property services framework agreement dated 23 November 2023 in relation to the lease of properties and provision of property management services by Chens' Associates to the Group

"2024 Sales Framework Agreement"	the sales framework agreement dated 23 November 2023 in relation to the sales of products to Chens' Associates
"2027 CCT Agreement(s)"	the 2027 Property Services Framework Agreement, the 2027 Ancillary Service Framework Agreement, the 2027 Sales Framework Agreement and the 2027 Outsourcing Framework Agreement
"2027 Ancillary Service Framework Agreement"	the ancillary services framework agreement dated 19 November 2026 in relation to the provision of certain ancillary services by Chens' Associates to the Group
"2027 Outsourcing Framework Agreement"	the outsourcing framework agreement dated 19 November 2026 in relation to the outsource of the production of certain of the Group's products to Chens' Associates
"2027 Property Services Framework Agreement"	the property services framework agreement dated 19 November 2026 in relation to the lease of properties and provision of property management services by Chens' Associates to the Group
"2027 Sales Framework Agreement"	the sales framework agreement dated 19 November 2026 in relation to the sales of products to Chens' Associates
"associate", "connected person", "Controlling Shareholder", "percentage ratios" and "subsidiary"	each has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Cheerwin Global BVI"	Cheerwin Global Limited (朝雲環球有限公司), a limited liability company incorporated in the BVI on 27 March 2018, and one of the Controlling Shareholders
"Chengdu Liby"	Chengdu Liby Shiye Company Limited (成都立白實業有限公司), a limited liability company established in the PRC on 8 December 2000, which is directly held as to 1.2745% and 0.6863% by Mr. KX Chen and Mr. KC Chen, the Controlling Shareholders, respectively, and is indirectly held as to 98.0392% by Mr. KX Chen and Mr. KC Chen through Guangzhou Conghua Liby
"Chens' Associates"	Mr. KX Chen, Mr. KC Chen and their associates

"Company"	Cheerwin Group Limited (朝雲集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 6601)
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve, inter alia, the 2027 Sales Framework Agreement, the 2027 Outsourcing Framework Agreement, the transactions contemplated thereunder and their respective proposed annual caps
"Group"	the Company and its subsidiaries
"Guangdong Liby Washing"	Guangdong Liby Washing Products Company Limited (廣東立白洗滌用品有限公司), a limited liability company established in the PRC on 31 October 1997, which is directly held as to 65% and 35% by Mr. KX Chen and Mr. KC Chen, the Controlling Shareholders, respectively
"Guangzhou Conghua Liby"	Guangzhou Conghua Liby Daily Necessities Sales Co., Ltd. (廣州從化立白日用品銷售有限公司), a limited liability company established in the PRC on 13 July 2017, which is indirectly held as to 65% and 35% by Mr. KX Chen and Mr. KC Chen, the Controlling Shareholders, respectively
"Guangzhou Liby"	Guangzhou Liby Group Company Limited (廣州立白企業集團有限公司), a limited liability company established in the PRC on 25 February 1998, and is directly held as to 64.56% and 34.76% by Mr. KX Chen and Mr. KC Chen, the Controlling Shareholders, respectively and is indirectly held as to 0.68% by Mr. KX Chen and Mr. KC Chen through Guangdong Liby Washing, Shanghai Liby and Chengdu Liby
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	a committee of the Board comprising the independent non-executive Directors, namely Dr. Yu Rong, Mr. Guo Sheng, and Mr. Chan Wan Tsun Adrian Alan

"Independent Financial Adviser"	Austrax Capital Limited, a licensed corporation under the Securities and Futures Ordinance to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) of the regulated activities under the Securities and Futures Ordinance, being the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the 2027 Sales Framework Agreement and the 2027 Outsourcing Framework Agreement, and the transactions contemplated thereunder
"Independent Shareholders"	Shareholders who are not required to abstain from voting at the EGM
"Liby Group"	Guangzhou Liby, its subsidiaries and associates
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. KC Chen"	Mr. Chen Kaichen (陳凱臣), one of the founders of the Company and one of the Controlling Shareholders
"Mr. KX Chen"	Mr. Chen Kaixuan (陳凱旋), one of the founders of the Company and one of the Controlling Shareholders
"Ms. Li"	Ms. Li Ruohong (李若虹), the spouse of Mr. KX Chen and one of the Controlling Shareholders
"Ms. Ma"	Ms. Ma Huizhen (馬惠真), the spouse of Mr. KC Chen and one of the Controlling Shareholders
"PRC"	the People's Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this announcement
"Shanghai Liby"	Shanghai Liby Shiye Company Limited (上海立白實業有限公司), a limited liability company established in the PRC on 9 August, 2002, and is directly held as to 65% and 35% by Mr. KX Chen and Mr. KC Chen, respectively
"Share(s)"	ordinary share(s) in the capital of the Company with the nominal value of US$0.0000002 each
"Shareholder(s)"	holders of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"RMB"	Renminbi, the lawful currency of the PRC
"%"	per cent

By order of the Board
Cheerwin Group Limited
Chen Danxia
Executive Director, Chairman and Chief Executive Officer

Hong Kong, 19 November 2026

As at the date of this announcement, the Board comprises Ms. Chen Danxia, Ms. Wang Dong, Mr. Zhong Xuyi and Mr. Lv Yongji as executive Directors; Mr. Chen Zexing as non-executive Director; and Dr. Yu Rong, Mr. Guo Sheng and Mr. Chan Wan Tsun Adrian Alan as independent non-executive Directors.