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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares of Kam Hing International Holdings Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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**KAM HING INTERNATIONAL HOLDINGS LIMITED**  
**錦興國際控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 02307)**

**MAJOR TRANSACTION**  
**DISPOSAL OF ENTIRE EQUITY INTEREST IN A SUBSIDIARY**

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Capitalised terms used on this cover shall have the same meanings as those defined in this circular, unless the context requires otherwise. A letter from the Board is set out on pages 5 to 12 of this circular.

The Company has obtained written Shareholders' approval for the Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules from a closely allied group of Shareholders together holding more than 50% of the voting rights at a general meeting to approve the Agreement and the transactions contemplated thereunder. Accordingly, no Shareholders' meeting will be held to approve the Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules. This circular is being despatched to the Shareholders for information only.

22 August 2024

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## DEFINITIONS

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

“Agreement”	the conditional agreement dated 18 July 2024 and entered into among the Vendor, the Purchaser and the Purchaser’s Guarantor in relation to the Disposal
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturdays, Sundays and public holidays in Vietnam, Singapore or Hong Kong) on which banks in Vietnam, Singapore or Hong Kong are generally open for business
“Closely Allied Group”	together, (i) Mr. Tai Chin Chun, the chairman of the Board and an executive Director who directly holds 3,000,000 Shares, and his associates namely Exceed Standard Limited (a corporation controlled by Mr. Tai Chin Chun) which directly holds 332,600,000 Shares, and Ms. Cheung So Wan (spouse of Mr. Tai Chin Chun) who directly holds 1,000,000 Shares; and (ii) Mr. Tai Chin Wen, an executive Director and the chief executive officer of the Company who directly holds 2,000,000 Shares, and his associates namely Power Strategy Limited (a corporation controlled by Mr. Tai Chin Wen) which directly holds 96,000,000 Shares, and Madam Wong Siu Yuk (spouse of Mr. Tai Chin Wen) who directly holds 1,000,000 Shares, and they in aggregate hold 435,600,000 Shares, representing approximately 50.07% of the total number of issued Shares as at the Latest Practicable Date
“Company”	Kam Hing International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 02307)
“Completion Date”	the date of completion of the Disposal, which shall take place on the date which is five (5) Business Days following the fulfilment (or waiver, if applicable) of all of the conditions precedent under the Agreement, or such other date as may be agreed in writing by the parties thereto
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company

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## DEFINITIONS

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“Disposal”	the proposed disposal of the Sale Capital by the Vendor to the Purchaser pursuant to the terms and conditions of the Agreement
“Disposal Announcement”	the announcement of the Company dated 18 July 2024 in relation to the Disposal
“Earnest Money”	the earnest money in the amount of USD1,000,000 (equivalent to approximately HK\$7,800,000) paid by the Purchaser to the Vendor pursuant to the MOU
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) (if applicable) who, 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 (within the meaning of the Listing Rules)
“Latest Practicable Date”	20 August 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	5 October 2024
“MOU”	the memorandum of understanding dated 29 April 2024 and entered into among the Vendor, the Purchaser’s Guarantor and the Target Company, details of which are set out in the announcement of the Company dated 30 April 2024
“MOU Announcement”	the announcement of the Company dated 30 April 2024 in relation to the MOU
“PRC”	the People’s Republic of China, which for the purpose of this circular excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Jasan Global Pte. Ltd., a company established in Singapore with limited liability, which was indirect wholly-owned by the Purchaser’s Guarantor, and an Independent Third Party

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## DEFINITIONS

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“Purchaser’s Guarantor”	Zhejiang Jasan Holding Group Co., Ltd.*, a company incorporated in the PRC, the shares of which are listed on the Shanghai Stock Exchange (security code: 603558), and an Independent Third Party
“Sale Capital”	the entire equity interest in the Target Company as at the Latest Practicable Date
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Great Market Global Viet Nam Company Limited*, a company incorporated in Vietnam, which is wholly-owned by the Vendor prior to the completion of the Disposal
“Target Land”	land plot of about 101,161 sq.m. located at Lot CN1, Bao Minh Industrial Zone, Vu Ban District, Nam Dinh Province, Vietnam
“Transfer Tax”	the capital gain tax required to be paid under the applicable tax laws in connection with the Disposal
“United States”	United States of America
“Vendor”	Kam Hing Piece Works Limited, a company established in Hong Kong with limited liability, being an indirect wholly-owned subsidiary of the Company
“Vietnam”	the Socialist Republic of Vietnam
“Vietnam Tax Authority”	the local tax authority in Vietnam having jurisdiction over the Disposal
“sq.m.”	square metre
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“USD”	United States dollar, the lawful currency of United States
“VND”	Vietnamese dong, the lawful currency of Vietnam
“%”	per cent.

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## DEFINITIONS

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*The English translation of Chinese and Vietnamese name(s) marked with “\*” in this circular, where indicated, is included for identification purpose only, and should not be regarded as the official English translation of such Chinese and Vietnamese name(s).*

*In this circular, amounts in USD are translated into HK\$ on the basis of USD1 = HK\$7.80, and amounts in VND are translated into HK\$ on the basis of VND10,000 = HK\$3.33. The conversion rate is for illustration purpose only and should not be taken as a representation that USD and VND could actually be converted into HK\$ at such rate or at other rates or at all.*

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## LETTER FROM THE BOARD

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**KAM HING INTERNATIONAL HOLDINGS LIMITED**  
**錦興國際控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 02307)**

*Executive Directors:*

Mr. Tai Chin Chun  
Mr. Tai Chin Wen  
Ms. Cheung So Wan  
Ms. Wong Siu Yuk  
Mr. Lei Heong Man

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Independent non-executive Directors:*

Mr. Ho Gilbert Chi Hang  
Mr. Wu Tak Lung  
Mr. Ting Kay Loong

*Head office and principal place of  
business in Hong Kong:*

23A, TML Tower  
No. 3 Hoi Shing Road  
Tsuen Wan  
New Territories  
Hong Kong

22 August 2024

*To the Shareholders*

Dear Sir/Madam,

### **MAJOR TRANSACTION**

### **DISPOSAL OF ENTIRE EQUITY INTEREST IN A SUBSIDIARY**

#### **INTRODUCTION**

References are made to the MOU Announcement and Disposal Announcement.

The purpose of this circular is to provide the Shareholders with, among other things, further details of the Disposal, the valuation report of the Target Land and other information as required under the Listing Rules.

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## LETTER FROM THE BOARD

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### THE DISPOSAL

On 18 July 2024, the Vendor, being an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser and the Purchaser's Guarantor in relation to the Disposal, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Capital at the cash consideration of USD10,276,000 (equivalent to approximately HK\$80,152,800). The Purchaser's Guarantor has agreed to guarantee the Purchaser's obligations under the Agreement.

The principal terms of the Agreement are summarised as follows:

- Date : 18 July 2024
- Parties : (1) Jasan Global Pte. Ltd. as purchaser
- (2) Kam Hing Piece Works Limited as vendor
- (3) Zhejiang Jasan Holding Group Co., Ltd.\* as purchaser's guarantor

### Subject matter

The Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the Sale Capital, subject to the terms and conditions of the Agreement. The Purchaser's Guarantor has agreed to guarantee the Purchaser's obligations under the Agreement.

### Consideration

The consideration for the sale and purchase of the Sale Capital is USD10,276,000 (equivalent to approximately HK\$80,152,800), which shall be settled in cash by the Purchaser to the Vendor in the following manner:

- (i) First installment: as to USD3,082,800 (equivalent to approximately HK\$24,045,800), representing 30% of the consideration, shall be paid by the Purchaser to the Vendor within ten (10) Business Days after signing the Agreement, in which the Earnest Money paid by the Purchaser under the MOU shall be deemed as part of the first installment of the consideration; and
- (ii) Second installment: the remaining balance shall be paid by the Purchaser to the Vendor within ten (10) Business Days after (a) the date when the Target Company has completed the registration of change of business registration information for the Disposal as regards the change of shareholder of the Target Company, and the Purchaser becomes the shareholder and enjoys the shareholder right of the Target Company in accordance with the law; and (b) the Completion Date, whichever is later.

If the Purchaser delays in its payment of the consideration for more than five (5) Business Days, the Vendor shall have the right to request the Purchaser to pay a late payment fee of 0.1% of the unpaid consideration for each day, calculated from the due dates referred to in (i) and/or (ii) above until the date when all the unpaid consideration has been paid.



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## LETTER FROM THE BOARD

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The consideration was determined after arm's length negotiations between the Vendor and the Purchaser having taken into account to the net asset value of the Target Company as at 31 March 2024 which mainly comprises the land use rights of the Target Land. The Directors, having considered the valuation of the property interests in the Target Land based on the valuation report in Appendix II to this circular prepared using market approach and for internal assessment purpose, are of the view that the consideration is fair and reasonable, is of normal commercial terms, and is in the interests of the Company and the Shareholders as a whole. The consideration was the highest offer among all offers from potential purchasers received by the Company and was also higher than the value of the property interests in the Target Land assessed based on the valuation report.

### **Conditions precedent**

Completion of the Agreement is conditional upon the fulfilment (or waiver, if applicable) of the following conditions, among others:

- (a) completion of the Purchaser's due diligence review on the Target Company and the Target Land which has not identified, among others, any circumstances that may cause the Target Company to be unable to continue to exist or continue normal production or business activities, or any circumstances that may cause the Target Land to be confiscated by relevant governmental authorities (or if such circumstances were identified, the parties have negotiated and reached a reasonable and lawful solution that is satisfactory to the parties);
- (b) the Target Company having full and valid land use rights of the Target Land and being able to use the Target Land, free from any mortgage, easement and any other restriction of any form;
- (c) there being no material adverse change to the Target Company and the Target Land up to the Completion Date;
- (d) all licences, approvals and consents necessary for the Disposal (including the Shareholders' approval required to be obtained under the Listing Rules) having been obtained in the form and substance satisfactory to the parties;
- (e) the Vendor shall cause the Target Company to apply and have obtained the amendment to the enterprise registration certificate which records the Purchaser as the sole owner of the Target Company, and the Vendor and the Purchaser shall cooperate as necessary;
- (f) the Vendor shall cause the Target Company to apply and have obtained the amendment to the investment registration certificate recording the Purchaser as the sole investor of the project or no longer records the Vendor as the investor of the project, and the Vendor and the Purchaser shall cooperate as necessary;
- (g) the shareholder's loan owed by the Target Company to the Vendor as at the date of the Agreement having been waived in full in accordance with the applicable laws and accounting requirements; and

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## LETTER FROM THE BOARD

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- (h) the Vendor having or having procured the Target Company to declare and pay to the Vietnam Tax Authority the amount of Transfer Tax, and having obtained a certificate of tax receipt issued by the Vietnam Tax Authority.

As at the Latest Practicable Date, save for the Shareholders' approval set out in condition (d), the regulatory approvals/consents in respect of the amendments to the relevant certificates set out in conditions (e) and (f), and the notice of satisfaction of investment requirements to be issued by the relevant Vietnam government authority in respect of the change in the Target Company's shareholding, the Company is not aware of any other necessary approvals and consents for the Disposal under condition (d).

As at the Latest Practicable Date, save for the Shareholders' approval to be obtained by the Vendor as set out in condition (d) above has been obtained given the written Shareholders' approval obtained from the Closely Allied Group, none of the conditions set out above have been fulfilled.

### **Completion**

Subject to the fulfilment (or waiver, if applicable) of all the conditions precedent, completion of the Disposal shall take place on the Completion Date.

### **Termination**

If any of the conditions precedent above are not fulfilled (or waived, if applicable) prior to the Long Stop Date, either party may, by notice to the other parties, among others, terminate the Agreement (in addition to and without prejudice to all other rights or remedies available to the notifying party, including the right to claim damages, and that the party under a positive obligation to fulfil any of the conditions precedent shall not be entitled to exercise such rights if the non-fulfilment thereof is due to its refusal or delay in the performance of such obligation).

If the Agreement is terminated in the aforesaid manner, the Vendor shall immediately refund all amount it has received from the Purchaser (including the Earnest Money) to the Purchaser within ten (10) Business Days after termination. If the Agreement is so terminated by reason of the Vendor's refusal or delay in declaration resulting in the failure to complete the declaration and payment of the Transfer Tax to the Vietnam Tax Authority before the Long Stop Date, the Vendor shall refund all amount it has received from the Purchaser (including the Earnest Money) and further pay USD2,000,000 (equivalent to approximately HK\$15,600,000) to the Purchaser as agreed liquidated damage to the Purchaser in full and final settlement of all claims under the Agreement.

In the event that all conditions precedent above have been fulfilled (or waived, if applicable), but either the Purchaser or the Vendor elects not to proceed with the Disposal, they shall be obliged to do the following:

- (a) if the Purchaser elects not to proceed with the Disposal, without prejudice to any of the rights and remedies of the Vendor, the Purchaser shall further pay USD2,000,000 (equivalent to approximately HK\$15,600,000) to the Vendor as agreed liquidated damage to the Vendor, and the Vendor shall refund all amount it has received from the Purchaser (including the Earnest Money) to the Purchaser, in full and final settlement of all claims under the Agreement; or

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## LETTER FROM THE BOARD

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- (b) if the Vendor elects not to proceed with the Disposal, the Vendor shall refund all amount it has received from the Purchaser (including the Earnest Money) and further pay USD2,000,000 (equivalent to approximately HK\$15,600,000) to the Purchaser within ten (10) Business Days after termination as agreed liquidated damage to the Purchaser in full and final settlement of all claims under the Agreement.

Where the Agreement is terminated and in the event that the Purchaser has been registered as the sole owner of the Target Company and/or sole investor of the project as recorded in the enterprise registration certificate and/or the investment registration certificate respectively, the Purchaser shall change the sole owner of the Target Company and/or the sole investor of the project as recorded therein back to the Vendor.

### INFORMATION ON THE TARGET COMPANY

The Target Company is a company established in Vietnam. It is principally engaged in property holding and holds the land use rights of the Target Land which is located at Lot CN1, Bao Minh Industrial Zone, Vu Ban District, Nam Dinh Province, Vietnam with a site area of about 101,161 sq.m.. As disclosed in the valuation report of the Target Land in Appendix II to this circular, the value of the property interests in the Target Land is USD8,920,000 as at 30 June 2024.

Set out below is the financial information of the Target Company based on the unaudited financial statements of the Target Company for the two years ended 31 December 2022 and 2023 and for the three months ended 31 March 2024:

	<b>For the year ended 31 December 2022</b>	<b>For the year ended 31 December 2023</b>	<b>For the three months ended 31 March 2024</b>
	<i>USD'000</i>	<i>USD'000</i>	<i>USD'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Loss before taxation	279	256	54
Loss after taxation	279	256	54

The unaudited net asset value of the Target Company as at 31 March 2024 according to its unaudited financial statements was approximately USD4,397,400 (equivalent to approximately HK\$34,300,000).

### FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

Upon completion of the Disposal, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Company will cease to be consolidated into the consolidated financial statements of the Group.

The excess of the consideration for the Disposal over the net asset value of the Target Company of approximately USD5,904,200 (equivalent to approximately HK\$46,053,000) as at 31 March 2024 as adjusted by the waiver of the shareholders' loan owed by the Target Company to the Vendor was approximately USD4,371,800 (equivalent to approximately HK\$34,100,040). The Group is expected to record an unaudited gain on the Disposal of approximately USD4,068,300 (equivalent to approximately HK\$31,732,500) which is estimated based on net proceeds from the Disposal as disclosed below less the

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## LETTER FROM THE BOARD

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unaudited net asset value of the Target Company as disclosed above. For illustrative purpose, if the book value of the Target Land is adjusted by the valuation amount as disclosed in Appendix II to this circular, the amount of gain on the Disposal will be approximately USD396,000 (equivalent to approximately HK\$3,089,000). The actual amount of gain on the Disposal to be recorded by the Group will depend on the net asset value of the Target Company as at the Completion Date, and therefore may be different from the amount mentioned above, and will be subject to review and final audit by the auditors of the Company.

As the Target Company is a property holding company and has not commenced any business, it is expected that the Disposal will not have any material effect on the earnings of the Group, save for the above unaudited gain on the Disposal. As a result of such gain on the Disposal, the total assets of the Group are expected to increase by USD4,058,600 (equivalent to approximately HK\$31,657,000) after settlement of the consideration, the total liabilities of the Group are expected to decrease by USD9,700 (equivalent to approximately HK\$75,700) for the reduction in liabilities of the Target Company, and accordingly, the total net assets of the Group are expected to increase by approximately USD4,068,300 (equivalent to approximately HK\$31,732,700).

The net proceeds from the Disposal, after deducting costs and expenses relating to the Disposal, are expected to be approximately USD9,972,500 (equivalent to approximately HK\$77,785,500), in which approximately (i) HK\$30 million will be applied for repayment of the Group's bank borrowings; (ii) HK\$40 million will be applied towards investment opportunities in Vietnam as described in the section headed "Reasons for and Benefits of the Disposal" below; and (iii) the remaining balance will be applied for the general working capital of the Group, including salary and rental expenses, administrative and operating expenses.

### **INFORMATION ON THE VENDOR, THE PURCHASER AND THE PURCHASER'S GUARANTOR**

The Vendor is an indirect wholly-owned subsidiary of the Company and is principally engaged in trading of finished fabrics.

To the best knowledge, information and belief of the Directors, the Purchaser is a company established in Singapore and is principally engaged in trading of goods. The Purchaser is indirect wholly-owned by the Purchaser's Guarantor. The Purchaser's Guarantor is a company established under the laws of the PRC, the shares of which are listed on the Shanghai Stock Exchange (security code: 603558), and is principally engaged in sales of knitted textiles.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, each of the Purchaser, the Purchaser's Guarantor and their respective ultimate beneficial owners is an Independent Third Party.

### **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Group is principally engaged in manufacture and trading of knitted fabrics, dyed fabrics and garment products and provision of related services. The Group operates its business through three segments. The fabric segment engages in the production and sale of knitted fabric and dyed yarn. The garment segment

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## LETTER FROM THE BOARD

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engages in the production and sale of garment products and provision of related subcontracting services. The others segment includes the provision of sewage treatment service, the provision of air and ocean freight handling services and property development.

The Board believes that the Disposal would allow the Group to realise the investment in the Target Company at a gain. The Group has a concrete plan to expand its textile and garment production in Southeast Asia with a view to mitigate geopolitical risks in the textile and garment industry it operates in. By taking profit from the Disposal, the Group would be able to reallocate its resources and provide operation cash flow for other investment opportunities in Vietnam, including the potential subcontracting arrangement with a Vietnamese manufacturer on the subcontracting of knitting and dyeing yarns and fabrics, and the potential business cooperation with another Vietnamese manufacturer on the production of knitted and dyed fabrics, as disclosed in the announcements of the Company dated 8 January 2024 and 28 June 2024 respectively, and its overall business expansion plan. In the event that the aforesaid potential investments do not materialise, the Group will continue to look for other business development opportunities in Southeast Asia and utilise the proceeds for the aforesaid purposes. As at the Latest Practicable Date, the Group is in final stage of negotiation for a potential lease of a factory building in Vietnam and further announcement will be made by the Company in compliance with the Listing Rules. Save for the concrete business plan and the investment opportunities described and identified above, the Company has no other concrete plan and is not in negotiation for other business development opportunities as at the Latest Practicable Date.

The Board considers that the Disposal is on normal commercial terms or better, and the terms of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios for the Disposal is more than 25% but less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Since no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Agreement and the transactions contemplated thereunder, and the Company has obtained a written approval for the Agreement and the transactions contemplated thereunder from the Closely Allied Group (holding 435,600,000 Shares in aggregate, representing approximately 50.07% of the total number of issued Shares as at the Latest Practicable Date), an extraordinary general meeting of the Company to approve the Agreement and the transactions contemplated thereunder is not required pursuant to Rule 14.44 of the Listing Rules and will not be convened.

**Completion of the Disposal is conditional upon the satisfaction of the conditions set out in the section headed "The Disposal – Conditions precedent" in this circular. Therefore, the Disposal may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.**

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Board considers that the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information contained in the appendices to this circular.

By order of the Board  
**Kam Hing International Holdings Limited**  
**Tai Chin Chun**  
*Chairman*

## 1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for each of the financial years ended 31 December 2021, 2022 and 2023 were disclosed in the following documents which have been published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.kamhingintl.com](http://www.kamhingintl.com)) respectively:

- annual report of the Company for the year ended 31 December 2021 published on 21 April 2022 (pages 39 to 113):  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0421/2022042101772.pdf>;
- annual report of the Company for the year ended 31 December 2022 published on 27 April 2023 (pages 42 to 119):  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042702505.pdf>; and
- annual report of the Company for the year ended 31 December 2023 published on 29 April 2024 (pages 42 to 123):  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042905263.pdf>.

## 2. INDEBTEDNESS STATEMENT

As at the close of business on 30 June 2024, being the latest practicable date for the sole purpose of this statement of indebtedness prior to the date of this circular, the Group had outstanding borrowings comprising the following:

	<b>Total</b> <i>HK\$'000</i>
<b>Current</b>	
Unsecured and guaranteed bank borrowings	535,989
Unsecured and unguaranteed lease liabilities	<u>5,368</u>
	<u><u>541,357</u></u>
<b>Non current</b>	
Unsecured and guaranteed bank borrowings	353,635
Unsecured and unguaranteed lease liabilities	<u>11,926</u>
	<u><u>365,561</u></u>
<b>Total indebtedness</b>	<u><u>906,918</u></u>

As at 30 June 2024, the Group had aggregate outstanding borrowings of approximately HK\$889,624,000.

As at 30 June 2024, the Group had aggregate lease liabilities of approximately HK\$17,294,000 in respect of lease contracts for certain of its land, properties and motor vehicles.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities, normal trade payables and other payables and accruals in the ordinary course of business, as at the close of business on 30 June 2024, the Group did not have any debt securities issued and outstanding, or authorized or otherwise created but unissued, or any other term loans, other borrowings or indebtedness in the nature of borrowing including bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchase commitments, lease liabilities, mortgages or charges, other material contingent liabilities or guarantees outstanding.

### **3. WORKING CAPITAL SUFFICIENCY**

The Directors, after due and careful consideration, are of the opinion that after taking into account the expected financial effects of the Disposal and the financial resources available to the Group, including but not limited to internally generated funds and the available banking facilities, the Group will have sufficient working capital for its present requirements for at least 12 months from the date of this circular, in the absence of unforeseen circumstances.

The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

### **4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Group is principally engaged in manufacture and trading of knitted fabrics, dyed fabrics and garment products and provision of related services. The Group operates its business through three segments. The fabric segment engages in the production and sale of knitted fabric and dyed yarn. The garment segment engages in the production and sale of garment products and provision of related subcontracting services. The others segment includes the provision of sewage treatment service, the provision of air and ocean freight handling services and property development.

The Group is cautiously optimistic about its growth prospects in 2024. As the lingering effects of inflation and challenges from 2023 recede, optimism grows for a smoother year ahead.

The first half of 2024 has commenced with a surge in orders for the Group. The completion of destocking initiatives by the United States retailers in the last quarter of 2023 paved the way for increased stock replenishments, leading to the notable order growth. The influx of orders is expected to enhance the Group's product mix, improve production efficiency and increase utilization rate, and ultimately optimise its profitability.



The Group continues its expansion in Southeast Asia as part of its strategy to build its multi-location manufacturing network. Apart from Vietnam, the Group is actively seeking potential acquisition targets or partners to accelerate its expansion in Southeast Asia. With fabric manufacturing site in Vietnam, together with the Group's textile manufacturing hub in Enping and Nansha, China, and expanded garment production facilities in Cambodia, forms a production triangle in Asia. This strategic move is positioned to capitalise on the anticipated industry demand rebound in 2024. It also enhances the Group's ability to cater to its brand customers by offering one-stop, multi-location manufacturing solutions, aligning with their ongoing supply chain diversification. The Group will continue to seek investment opportunities and partnerships with regional textile and garment manufacturers to expand its vertically integrated manufacturing network in Southeast Asia.

The Group reaffirms its commitment to navigating the dynamic business landscape with its resilient business model and enhanced efficiency. The Group stands well-positioned and unhindered to capitalise on future opportunities for market expansion for 2024. By offering comprehensive, one-stop integrated solutions for customers, the Group is poised to drive sustainable development in the years ahead.

#### **5. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2023 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

*The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Ascent Partners Valuation Service Limited, an independent valuer, in connection with its valuation as at 30 June 2024 of the property interests.*



Suite 2102  
Hong Kong Trade Centre  
161-167 Des Voeux Road Central  
Hong Kong  
Tel: 3679-3890  
Fax: 3579-0884

Date: 22 August 2024

*The Board of Directors*

**Kam Hing International Holdings Limited**

Unit A, 23/F  
TML Tower  
3 Hoi Shing Road  
Tsuen Wan, N.T.

Dear Sir/Madam,

#### **INSTRUCTIONS**

In accordance with your instructions for us to value the property interests situated in Bao Minh Industrial Zone, Kim Thai, Vu Ban District, Nam Dinh Province, Vietnam (the “**Vietnam**”) which are to be disposed of by Kam Hing Piece Works Limited (the “**Company**”) or its subsidiaries (the “**Group**”), we confirm that we have carried out property inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interests as at 30 June 2024 (the “**Valuation Date**”).

**BASIS OF VALUATION**

Our valuation has been prepared in accordance with the HKIS Valuation Standards 2020 Edition published by The Hong Kong Institute of Surveyors (“**HKIS**”) and the International Valuation Standards published by the International Valuation Standards Council (“**IVSC**”). We have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited. Unless otherwise stated, our valuation is undertaken as External Valuer as defined in the relevant valuation standards.

Our valuation of the property interests represents the market value as defined by IVSC and adopted by HKIS as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

**IDENTIFICATION AND STATUS OF THE VALUER**

The subject valuation assignment is prepared by Mr. Stephen Y. W. Yeung, who is the Principal of Ascent Partners Valuation Service Limited (“**APVSL**”) and a corporate member of HKIS with over 10 years’ experience in valuation of properties in Hong Kong and the PRC as well across the Southeast Asia Region. He has sufficient knowledge on the relevant market, skills and understanding to handle the subject valuation assignment competently.

Prior to your instructions for us to prepare this valuation, APVSL has been carrying out valuation instruction for the Group since 2010 and Mr. Stephen Y. W. Yeung has been the signatory to valuation provided to the Group for the same purpose since 2018. We confirm APVSL and Mr. Stephen Y. W. Yeung are in the position to provide an objective and unbiased valuation for the property interests.

**VALUATION METHODOLOGIES**

We have valued the property interests by market approach and the direct comparison method is adopted where comparison based on comparable sales/asking evidences as available in the relevant market. Comparable properties of similar size, scale, nature, character and location are analysed and carefully weighted against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of values.

**VALUATION ASSUMPTIONS**

Our valuations have been made on the assumption that the seller sells the property interests on the open market in their existing states without the benefit of a deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements, which could serve to affect the values of the property interests.

No allowance has been made in our report for any outstanding or additional land premium, charges, mortgages or amounts owing on the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In undertaking our valuation, we have assumed that, unless otherwise stated, transferable land use rights in respect of the property interests for specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have also assumed that the owners of the properties have enforceable titles to the properties and have free and uninterrupted rights to use, occupy or assign the properties for the whole of the respective unexpired terms as granted.

Other special assumptions of the property, if any, have been stated out in the footnote of the valuation certificate of the property.

**TITLE INVESTIGATION**

We have been, in some instances, shown copies of various title documents and other documents relating to the property interests and have made relevant enquiries. We have not examined the original documents to verify the existing title to the property interests and any material encumbrances that might be attached to the property interests or any lease amendments. However, we have relied considerably on the information given by the Company's legal adviser, Beijing Wei Heng Law Firm Vietnam Branch (北京煒衡律師事務所越南分所), concerning the validity of the title to the property interests located in Vietnam.

All legal documents disclosed in this letter and the valuation certificate is for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the property interests set out in this letter and the valuation certificate.

**SITE INSPECTION**

We have inspected the exterior, and wherever possible, the interior of the properties but no structural survey had been made. In the course of our inspection, we did not note any serious defects. We are not, however, able to report that the properties are free from rot, infestation or any other structural defects. Further, no test has been carried out on any of the building services. All dimensions, measurements and areas are only approximates. We have not been able to carry out detailed on-site measurements to verify the site and floor areas of the properties and we have assumed that the areas shown on the copies of documents handed to us are correct.

We have not carried out any soil investigations to determine the suitability of the soil conditions and the services etc. for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period. We do not make any allowance for contamination or pollution of the land, if any, which may have been caused by past usage.

The site inspection of the property was carried out by Mr. Ho Nhan Kiet (Bachelor of Hotel and Management) on 30 July 2024 which is after the Valuation Date. We assume that the property was in similar condition at the Valuation Date. We reserve the right to amend our valuation if it is found that the condition of the property at the Valuation Date varied greatly to that at our time of inspection.

**SOURCE OF INFORMATION**

We have relied to a considerable extent on information provided by the Group and have accepted advice given to us on such matters, in particular, but not limited to the tenure, planning approvals, statutory notices, easements, particulars of occupancy, site and floor areas and all other relevant matters in the identification of the property interests.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

**LIMITING CONDITIONS**

Liability in connection with this valuation report is limited to the client to whom this report is addressed and for the purpose for which it is carried out only. We will accept no liability to any other parties or any other purposes.

This report is to be used only for the purpose stated herein, any use or reliance for any other purpose, by you or third parties, is invalid. No reference to our name or our report in whole or in part, in any document you prepare and/or distribute to third parties may be made without written consent.

Our valuation is current as at the Valuation Date only. The value assessed may change significantly and unexpectedly over a relatively short period resulting from general market movements or factors specific to the particular property. We do not accept liability for losses arising from such subsequent changes in value.

**REMARK**

Unless otherwise stated, all monetary amounts stated in this report are in US Dollars (“USD”).

Our valuation certificate is herewith attached.

Yours faithfully,  
For and on behalf of  
**Ascent Partners Valuation Service Limited**  
**Stephen Y. W. Yeung**  
*MFin BSc(Hons) Land Adm. MHKIS MCIREA RPS(GP)*  
**Principal**

*Mr. Stephen Y. W. Yeung is a Registered Professional Surveyor (General Practice Division) and a Professional Member of The Hong Kong Institute of Surveyors with over 10 years' experience in valuation of properties in HKSAR and mainland China as well across the Southeast Asia Region including Vietnam. Mr. Yeung is also a valuer on the List of Property Valuers for Undertaking Valuations of Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers published by HKIS.*

## VALUATION CERTIFICATE

## Property interests to be disposed of by the Company in Vietnam

Property	Description and Tenure	Particular of Occupancy	Market value in existing state as at 30 June 2024
A parcel of land located in Lot CN1, Road D-6A, Bao Minh Industrial Zone, Kim Thai, Vu Ban District, Nam Dinh Province, Vietnam	<p>The property comprises a parcel of land with a site area of 101,161.0 sq.m. located in Bao Minh industrial Park Nam Dinh Province. The industrial park is located in Lien Bao Commune, Lien Minh, Kim Thai District, Department Ban District, at the same time adjacent to the North-South National Railway and National Highway 10, an important economic transport route with four lanes.</p> <p>The land use rights of the property have been granted for a term starting from 7 May 2021 and expiring on 14 December 2060 for industrial use.</p>	The property was vacant as at the date of valuation.	<p>USD8,920,000</p> <p>(United States dollar Eight Million Nine Hundred And Twenty Thousand)</p>

## Notes:

- (1) Pursuant to the Certificate of Land Use Right – No. C0900805 issued by the Vietnam Authority of Sở Tài Nguyên Yà Môi Trường Tỉnh Nam Định dated 7 May 2021, the land use rights of the property with a site area of 101,161.0 sq.m. have been vested to Great Market Global Viet Nam Company Limited for a term starting from 7 May 2021 and expiring on 14 December 2060 for industrial use.
- (2) Pursuant to a Business License – Registration No. 0601163312 issued by Sở Kế hoạch và Đầu tư tỉnh Nam Định for the first time on 17 September 2018 and registered for change for the second time on 28 April 2021.
- (3) We have been provided with a legal opinion regarding the property interests by the Company’s legal adviser, which contains, *inter alia*, the following information:
  - (i) The Company legally owns the property and is entitled to occupy, use, and mortgage the property during the remaining land use term;
  - (ii) The Company is entitled to transfer the ownership of the property by means of shareholders changes of Công Ty TNHH Great Market Global Việt Nam;

- (iii) The existing use of the property is in compliance with the local planning regulations and has been approved by the relevant authorities;
  - (iv) The property is not subject to any mortgage; and
  - (v) The property is free from any seizure order, litigation and any other encumbrances.
- (4) The Company confirmed that as at the Valuation Date:
- (i) No environmental issues such as breach of environmental regulations;
  - (ii) No notices, pending litigation, breach of law or title defects affecting the property;
  - (iii) No plans for construction, renovation, improvement or development of the property; and
  - (iv) No plan to change the use of the property.
- (5) In carrying out the valuation exercise by means of market approach, comparing similar transactions should always provide a better reference. Having said that, unlike a mature market with a high degree of transparency, there are virtually nil market evidence accessible to the public for the particular industrial sector in Vietnam. Owing to information imperfectness, we have in turn made references to various recent asking of similar properties located within the same Bao Minh Industrial Zone as the best available alternative from open sources. After taking a careful and thorough selection, amongst various asking comparables there are four comparable properties chosen as they have characteristics including time, location and size comparable to the property. These factors were considered to be relevant and sufficient in this valuation exercise. The unit rates of those comparables fall within the range of around USD85 per sq.m. before adjustments. As those comparables were posted in November 2023 which does not reflect the current market state as at 30 June 2024, we have made adjustment on the said factor by referencing to The S&P Global Vietnam Manufacturing Purchasing Managers' Index (PMI) given there is no industrial property index to rely upon. According to the S&P Global, the PMI measures the performance of the manufacturing sector and is derived from a survey of 400 manufacturing companies. Though the PMI is not a perfect indicator, we opined that the said index could reflect the outlook of the industrial aspect to a certain degree. There is an upward adjustment of 9.6% taking into account the upward trend in the PMI between November 2023 (47.3) and June 2024 (54.7). As mentioned, the comparable properties are located within the same industrial zone in close proximity, there is no adjustment on this factor. Given there is a greater lump-sum to be incurred for a larger site acquisition, a downward adjustment between -0.3% to -1.5% was formulated on the size to reflect a quantum allowance on the difference between the subject and the comparable properties under normal circumstance. Furthermore, a -5% allowance was made on the factor on asking price to reflect the room for negotiation between the vendor and potential purchasers taking into account the current market sentiment. After an interpolation amongst the different factors as mentioned, we have come to an conclusion to an average unit rate to be USD88 per sq.m. A table of selection of asking comparables is listed as follow:



Comparable	1	2	3	4
<b>Address</b>	Lot CN1A.1 Bao Minh Industrial Zone	Lot CN4A Bao Minh Industrial Zone	Lot CN2A.1 and CN2A.2 Bao Minh Industrial Zone	Lot CN3A.1 and CN3A.2 Bao Minh Industrial Zone
<b>Approximate site area (sq.m.)</b>	35,680	22,123	78,000	44,715
<b>Asking Price (USD)</b>	3,032,800	1,880,455	6,630,000	3,800,775
<b>Transaction nature</b>	Asking	Asking	Asking	Asking
<b>Usage</b>	Industrial	Industrial	Industrial	Industrial
<b>Asking Date</b>	06/11/2023	06/11/2023	04/11/2023	06/11/2023
<b>Unit Rate (USD/sq.m.)</b>	85	85	85	85
<b>Time</b>	Upward adjustment in accordance with the local PMI	Upward adjustment in accordance with the local PMI	Upward adjustment in accordance with the local PMI	Upward adjustment in accordance with the local PMI
<b>Size</b>	Downward adjustment as it is smaller than the subject Property	Downward adjustment as it is smaller than the subject Property	Downward adjustment as it is smaller than the subject Property	Downward adjustment as it is smaller than the subject Property
<b>Location</b>	No adjustment as it is located within the same industrial zone	No adjustment as it is located within the same industrial zone	No adjustment as it is located within the same industrial zone	No adjustment as it is located within the same industrial zone
<b>Asking factor</b>	Downward adjustment to reflect the room for negotiation	Downward adjustment to reflect the room for negotiation	Downward adjustment to reflect the room for negotiation	Downward adjustment to reflect the room for negotiation
<b>Adjusted unit rate (USD/sq.m.)</b>	88	88	89	88

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors adopted by the Company (the "Model Code") to be notified to the Company and the Stock Exchange, were as follows:

### Long positions in the Shares

Name of Director	Capacity and nature of interest			Total interests	Approximate percentage of shareholdings
	Beneficial owner	Interest of spouse	Interest of controlled corporation		
Mr. Tai Chin Chun (Note 1)	3,000,000	1,000,000	332,600,000	336,600,000	38.69%
Mr. Tai Chin Wen (Note 2)	2,000,000	1,000,000	96,000,000	99,000,000	11.38%
Ms. Cheung So Wan (Note 3)	1,000,000	335,600,000	–	336,600,000	38.69%
Ms. Wong Siu Yuk (Note 4)	1,000,000	98,000,000	–	99,000,000	11.38%
Mr. Lei Heong Man	200,000	–	–	200,000	0.02%

#### Notes:

- (1) 332,600,000 shares are held by Exceed Standard Limited ("Exceed Standard"), a company incorporated in the British Virgin Islands (the "BVI") and beneficially owned by Mr. Tai Chin Chun. 1,000,000 shares are held by Ms. Cheung So Wan, the spouse of Mr. Tai Chin Chun. As such, Mr. Tai Chin Chun is deemed to be interested in the shares held by Exceed Standard and Ms. Cheung So Wan under the SFO.

Mr. Tai Chin Chun, the chairman and an executive Director, is also a director of Exceed Standard, which has an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO.

- (2) 96,000,000 shares are held by Power Strategy Limited (“**Power Strategy**”), a company incorporated in the BVI and beneficially owned by Mr. Tai Chin Wen. 1,000,000 shares are held by Ms. Wong Siu Yuk, the spouse of Mr. Tai Chin Wen. As such, Mr. Tai Chin Wen is deemed to be interested in the shares held by Power Strategy and Ms. Wong Siu Yuk under the SFO.

Mr. Tai Chin Wen, an executive Director, is also a director of Power Strategy, which has an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO.

- (3) Ms. Cheung So Wan is deemed to be interested in the shares held by her spouse, Mr. Tai Chin Chun, under the SFO.
- (4) Ms. Wong Siu Yuk is deemed to be interested in the shares held by her spouse, Mr. Tai Chin Wen, under the SFO.

Save as disclosed above, so far as was known to the Directors, as at the Latest Practicable Date, (i) none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required to notify to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange; and (ii) none of the Directors or proposed Director is a director or employee of a company which had an interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

### 3. DIRECTORS’ INTERESTS IN ASSETS, CONTRACTS AND OTHER INTERESTS

#### (a) Directors’ interests in contracts

As at the Latest Practicable Date, there is no contract or arrangement entered into by any member of the Group subsisting at the date of this circular in which any Director is materially interested and which is significant to the business of the Group.

#### (b) Directors’ interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired, disposed of by or leased to, or which were proposed to be acquired, disposed of by or leased to, any member of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up.

(c) **Competing business**

As at the Latest Practicable Date, none of Directors and their respective associates were interested in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

**4. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which does not expire or is not terminable by the relevant member of the Group within one year without payment of compensation, other than statutory compensation.

**5. LITIGATION**

The Group received a demand letter dated 9 August 2024 from an information technology consulting firm claiming for a sum of approximately HK\$4.32 million, being the alleged service fees outstanding for the system development services. The Group has instructed its lawyer to defend the aforesaid claim and will consider making a counterclaim subject to legal advice.

Save as disclosed above, as at the Latest Practicable Date, there were no litigation or claims of material importance, known to the Directors, pending or threatened against any member of the Group.

**6. MATERIAL CONTRACTS**

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within the two years immediately preceding and including the Latest Practicable Date and were or might be material:

- (i) the agreement in principle dated 5 January 2023 and entered into between Kam Wang (Hong Kong) Garment Company Limited (錦弘(香港)製衣有限公司) (“**Kam Wang**”) (an indirect wholly-owned subsidiary of the Company) as purchaser and Jindi Vietnam Shoes Co., Ltd.\* (CÔNG TY TNHH GIÀY JINDI VIỆT NAM) for and on behalf of the vendor; and the share transfer agreement dated 5 January 2023 and entered into between Kam Wang as purchaser and Mrs. Do Thi Hong as vendor, in relation to the acquisition of the entire equity interests in Great Garment Vietnam Company Limited, for the consideration of VND75,200,860,000 (equivalent to approximately HK\$22,582,800), details of which are set out in the announcement of the Company dated 5 January 2023; and
- (ii) the Agreement.

**7. EXPERT'S QUALIFICATION AND CONSENT**

The following is the qualification of the expert who had been engaged by the Company and who has given opinion or advice which is contained or referred to in this circular:

<b>Name</b>	<b>Qualification</b>
Ascent Partners Valuation Service Limited	Independent property valuer

The above expert has given and has not withdrawn its written consents to the issue of this circular with the inclusion of the text of its letters, reports, recommendations, opinion, and/or references to its names in the form and context in which it appears.

As at the Latest Practicable Date, the above expert did not have any interests, either direct or indirect, in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any members of the Group since 31 December 2023, the date to which the latest published audited consolidated financial statements of the Group were made up.

As at the Latest Practicable Date, the above expert did not have any shareholding in the Company or any of its subsidiaries or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any members of the Group.

**8. MISCELLANEOUS**

- (i) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (ii) The head office and principal place of business of the Company is situated at 23A, TML Tower, No. 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong.
- (iii) The company secretary of the Company is Mr. Chang Man Kwong who is a member of the Hong Kong Institute of Certified Public Accountants.
- (iv) The Company's principal share registrar and transfer office is Conyers Trust Company (Cayman) Limited of Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's Hong Kong branch share registrar and transfer office is Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road Hong Kong.
- (v) This circular has been printed in English and Chinese; in the event of inconsistency, the English version shall prevail.

**9. DOCUMENTS ON DISPLAY**

Copies of the following documents will be available on (i) the website of the Company ([www.kamhingintl.com](http://www.kamhingintl.com)); and (ii) the website of the Stock Exchange ([www.hkex.com](http://www.hkex.com)) for a period of not less than 14 days from the date of this circular:

- (i) the valuation report of the Target Land as set out in Appendix II to this circular;
- (ii) the material contracts referred to in the paragraph headed “6. Material Contracts” in this Appendix; and
- (iii) the written consent referred to in the paragraph headed “7. Expert’s Qualification and Consent” in this Appendix.