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**長江製衣有限公司**  
**YANGTZEKIANG GARMENT LIMITED**  
*(incorporated in Hong Kong with limited liability)*  
**(Stock Code: 00294)**

**DISCLOSEABLE TRANSACTION**  
**DISPOSAL OF PROPERTY**

**THE DISPOSAL**

On 17 October 2024 (after trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company) entered into the Agreement with the Purchaser for the sale and purchase of the Property at a total consideration of RMB16,388,888 (equivalent to approximately HK\$17,980,391). Pursuant to the terms of the Agreement, the Vendor and the Purchaser will enter into the Online Filing Contract on or before 31 October 2024. Completion is scheduled to take place on or before 31 October 2024.

**LISTING RULES IMPLICATIONS**

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

**THE DISPOSAL**

The Board is pleased to announce that on 17 October 2024 (after trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company) entered into the Agreement with the Purchaser for the sale and purchase of the Property at a total consideration of RMB16,388,888 (equivalent to approximately HK\$17,980,391). Pursuant to the terms of the Agreement, the Vendor and the Purchaser will enter into the Online Filing Contract on or before 31 October 2024. Completion is scheduled to take place on or before 31 October 2024.

**THE AGREEMENT**

The principal terms of the Agreement are summaries as follows:

- Date** : 17 October 2024 (after trading hours)
- Vendor** : Exquisite Knitters (Guangzhou) Limited\* (卓越織造(廣州)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company.
- Purchaser** : Baopu (Shanghai) Import & Export Co. Ltd.\* (抱樸(上海)進出口有限公司), a company established in the PRC with limited liability.
- Location of the Property** : The Property is located at Rooms 1505, 1506, 1507, 1508 of No. 11 Guotai Road, Yangpu District, Shanghai, PRC with a gross floor area of approximately 735.68 square meters.

- Usage** : Office, currently vacant.
- Consideration and payment terms** : The total consideration of RMB16,388,888 (equivalent to approximately HK\$17,980,391) shall be paid by the Purchaser to the Vendor in the following manner:
- (i) an initial deposit of RMB1,638,888.80 (equivalent to approximately HK\$1,798,039.10) shall be paid on the day after the signing of the Agreement;
  - (ii) a further payment of RMB6,555,555.20 (equivalent to approximately HK\$7,192,156.38) shall be paid on the day of signing of the Online Filing Contract;
  - (iii) a further payment of RMB7,374,999.60 (equivalent to approximately HK\$8,091,175.93) shall be paid on the day of registration of transfer of the title of the Property and after completion of such registration; and
  - (iv) the balance of the consideration in the amount of RMB819,444.40 (equivalent to approximately HK\$899,019.55) shall be paid by the Purchaser to the Vendor on the day after the signing of the property handover confirmation by the parties.

The consideration was agreed between the Vendor and the Purchaser based on arm's length negotiation after taking into account the prevailing market price of comparable properties in the vicinity of the Property and the location and quality of the Property.

- Completion** : Completion is scheduled to take place on or before 31 October 2024, after completion of the registration of transfer of title of the Property and the signing of the property handover confirmation by the parties.

#### **FINANCIAL EFFECTS OF THE DISPOSAL AND PROPOSED USE OF PROCEEDS**

As at 31 March 2024, the audited carrying value of the Property was approximately RMB20,160,000 (equivalent to approximately HK\$21,734,000). For the year ended 31 March 2023, both the net profit before and after taxation attributable to the Property was approximately RMB615,000 (equivalent to approximately HK\$700,000), while both the net loss before and after taxation attributable to the Property for the year ended 31 March 2024 was approximately RMB738,000 (equivalent to approximately HK\$803,000).

The Company is expected to recognise a loss of approximately RMB5,575,000 (equivalent to approximately HK\$6,116,000) before expenses from the Disposal. The Company intends to use the net proceeds from the Disposal as general working capital of the Group.

#### **INFORMATION ABOUT THE GROUP AND THE VENDOR**

The Group is principally engaged in manufacture and sale of garments and textiles, provision of processing services and rental of properties.

The Vendor is a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, and is principally engaged in knitting and dyeing of fabrics and manufacturing of garments.

#### **INFORMATION ABOUT THE PURCHASER**

The Purchaser is a company incorporated in the PRC engaged in food distribution, importing and exporting goods and services. The single largest shareholder of the Purchaser is Yang Xiaoying\* (楊小英), who is interested in approximately 48.3% equity interest of the Purchaser. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are independent of the Company and its connected persons.

## REASONS FOR AND BENEFITS OF THE DISPOSAL

The principal activities of the Group are manufacture and sale of garments and textiles, provision of processing services and rental of properties. Taking into account of the current financial position and business operation of the Group, the Directors believe that the Disposal represents a good opportunity for the Company to realise the value of the Property at a reasonable price and the proceeds from the Disposal will improve the financial position and increase the general working capital of the Group.

The Board considers that the terms and conditions of the Disposal (including the consideration) were determined after arm's length negotiations between the Vendor and the Purchaser, and are on normal commercial terms, which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## LISTING RULES IMPLICATIONS

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

## DEFINITIONS

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

“Agreement”	the agreement for sale and purchase of the Property dated 17 October 2024 and entered into between the Vendor and the Purchaser in respect of the Disposal;
“Board”	the board of Directors;
“Company”	Yangtzekiang Garment Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed and traded on the Stock Exchange;
“Directors”	the directors of the Company;
“Disposal”	the disposal of the Property by the Vendor to the Purchaser;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Independent Third Party(ies)”	party(ies) who is/are third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Online Filing Contract”	the formal agreement for the sale and purchase of the Property to be entered into between the Vendor and the Purchase in respect of the Disposal;
“PRC”	the People's Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Property”	the office premises located at Rooms 1505, 1506, 1507 and 1508 of No. 11 Guotai Road, Yangpu District, Shanghai, the PRC;

“Purchaser”	Baopu (Shanghai) Import & Export Co.* (抱樸(上海)進出口有限公司), a company established in the PRC with limited liability;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Exquisite Knitters (Guangzhou) Limited* (卓越織造(廣州)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company; and
“%”	per cent.

By order of the Board  
**YangtzeKiang Garment Limited**  
**Hui Sau Ling**  
*Company Secretary*

Hong Kong, 17 October 2024

*For the purposes of this announcement, unless otherwise specified, conversions of RMB into HK\$ are based on the exchange rate of HK\$1.00 to RMB0.91 respectively, for the purposes of illustration only. No representation is made that any amount in RMB or HK\$ could have been or could be converted at the above rate or any other rates.*

*As at the date of this announcement, the Board consists of six executive directors, namely Mr. Chan Wing Fui, Peter, Mr. Chan Wing Kee, Mr. Chan Wing To, Madam Chan Suk Man, Mr. Chan Wing Sun, Samuel and Madam Chan Suk Ling, Shirley and three independent non-executive directors, namely Mr. Choi Ting Ki, Mr. So Stephen Hon Cheung and Mr. Li Guangming.*

*\* For identification purpose only*