

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## **HANVEY GROUP HOLDINGS LIMITED**

### **恆偉集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8219)**

## **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE DISCLOSEABLE TRANSACTION – ACQUISITION OF PROPERTIES**

Reference is made to the announcement of HANVEY GROUP HOLDINGS LIMITED (the “**Company**”) dated 24 October 2019 (the “**Announcement**”). This announcement is supplemental to, and should be read in conjunction with the Announcement. Unless otherwise defined, capitalised terms use in this announcement shall have the same meanings as those defined in the Announcement.

The Company would like to supplement the following information:

### **COMPLETION**

Pursuant to the Formal Property Acquisition Agreements, the Vendors shall obtain the Construction Planning Acceptance Certificate\* (建設工程規劃驗收合格證) for the Properties prior to handover. The Vendors already obtained the Construction Planning Acceptance Certificate for the Properties on 6 June 2017.

Pursuant to the Formal Property Acquisition Agreements, the Vendors shall deliver, among others, the following documents to the Purchaser at the respective handover of the Properties:

1. survey report of completed area issued by survey and mapping agency approved by the Shenzhen real estate registration authority\* (深圳市房地產登記機關認可的測繪機構出具的竣工面積測繪報告);
2. completion approval certificate\* (竣工驗收合格證明文件);
3. real estate (residential) quality guarantee\* (房地產(住宅)品質保證書);
4. real estate (residential) instruction manual\* (房地產(住宅)使用說明書);
5. possession opinion\* (收樓意見書);

6. provisional owners' convention\* (業主臨時公約) or owners' convention\* (業主公約); and
7. inspection list issued by the property management company in relation to the takeover of the common parts of the property, shared facilities and equipment\* (物業管理企業出具的物業共有部位、共用設施設備接管查驗清單).

If the Vendors fail to deliver any of the above documents at the handover, the Purchaser is entitled to not accept the handover of that Property, and the liability for any consequential delay in the Completion will be borne by the Vendors. In addition, the Purchaser is entitled to terminate the Formal Property Acquisition Agreements at the Purchaser's sole decision if the Vendors fail to deliver any documents mentioned above within 90 days.

### **OBTAINING PROPERTY OWNERSHIP CERTIFICATE**

For the avoidance of doubt, the respective Completion is not subject to the obtainment of the property ownership certificate of the respective Property. However, pursuant to the Formal Property Acquisition Agreements, the Vendors are obligated to help the Purchaser to obtain the property ownership certificates. If the respective property ownership certificate is not obtained within 120 days from the date of handover of the respective Property due to reason(s) attributable to the Vendors, the Purchaser has the option to terminate the relevant Formal Property Acquisition Agreement within 6 months from the end of the mentioned 120 days.

### **IMPACT ON THE GROUP'S BUSINESS AND OPERATION**

Despite the Properties having lesser gross floor area compared with the Group's existing production facility, the Directors believe that there will be immaterial impact on the Group's business and operation for the following reasons:

1. the Group is expected to streamline and focus more on the high value-added procedures of the watch manufacturing process, including, among others, design and development, procurement, incoming quality control, final quality control and quality assurance;
2. the Group is expected to reduce and maintain minimal operation area of certain departments that are responsible for low value-added procedures, including, among others, the packing department and the assembling department that fabricate certain parts of the watches (the "**Low Value-added Procedures**");
3. the Group is expected to engage more subcontractors on its approved lists to carry out substantial portion of the Low Value-added Procedures upon relocation of the Group's production facility to the Properties. This approach is consistent with the Group's current operation model, which involves subcontracting large portion of the Low Value-added Procedures to subcontractors when the Group has too many orders or during peak seasons;

4. apart from reducing the space required to carry out the Lower Value-added Procedures, lesser storage space for the finished products will be required as they will be stored at subcontractors' premises and that substantial work for final quality control and quality assurance for the finished products will be conducted at the subcontractors' premises; and
5. given that there is much idle space in the current staff office, with better space planning and, if necessary, purchase of new office furniture to optimise utilisation of the new office area, the Directors are confident that the Properties will be able to accommodate all of the Group's current office staff.

Given that the Properties have lesser gross floor area compared with the Group's existing production facility, it is expected that the Group's in-house theoretical maximum production capacities (i.e. 510,000 pieces for the years ended 31 December 2016 and 2017, as per page 119 of the Prospectus) will decrease. Nevertheless, given that such decrease of the Group's in-house theoretical maximum production capacities will be compensated by the subcontracting arrangement of the Low Value-added Procedures, the Directors consider that there will be no material difference on the overall sales and production volume of the Group after relocating the Group's production facility to the Properties.

The Directors are of the view that the Company's overall business plans and strategies as stated in the Prospectus have not changed and will continue to be upheld.

## **INFORMATION OF THE VENDORS**

According to the latest public record retrieved from the National Enterprise Credit Information Publicity System:

1. Shenzhen Innovation is legally owned by two individuals named 葉國華 and 肖秋玲 as to 95% and 5%, respectively; and
2. Shenzhen Jinfeng is legally owned by two individuals named 肖秋香 and 肖秋玲 as to 95% and as to 5%, respectively.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, 葉國華, 肖秋香 and 肖秋玲 are Independent Third Parties.

This announcement does not affect any information contained in the Announcement, and save as disclosed herein above, all other information in the Announcement remains unchanged.

By order of the Board  
**HANVEY GROUP HOLDINGS LIMITED**  
**Cheuk Sin Cheong Clement**  
*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 6 November 2019

*As at the date of this announcement, the executive Directors are Mr. Cheuk Sin Cheong Clement, Ms. Au Corona Ching Mei M.H. and Ms. Cheuk Heide Oil-gei and the independent non-executive Directors are Mr. Yu Sau Ning Homer M.H., Mr. Zhao Zhipeng, Ms. Yee Wai Fong Wendy and Dr. Liu Ngai Wing.*

*This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement 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 announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its publication and on the website of the Company at [www.hanveygroup.com.hk](http://www.hanveygroup.com.hk).*

*\* For identification purposes only*