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## **EEKA Fashion Holdings Limited**

**贏家時尚控股有限公司**

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

**(Stock Code: 3709)**

### **DISCLOSEABLE TRANSACTIONS RELATING TO PURCHASES OF FINANCIAL PRODUCTS**

#### **PURCHASES OF FINANCIAL PRODUCTS**

Since January 2020, the Company, through its subsidiaries, has been entering into multiple transactions involving purchases and redemptions of various financial products launched by financial institutions in the PRC including CMB and PAB on their own platforms through their mobile applications or websites. Some of these financial products are capital guaranteed and some of them are not, but they generally bear interest return at floating rates from time to time. The aggregated net amount of financial products held by the Group from CMB as at the end of the CMB Period amounted to approximately RMB292.6 million (equivalent to about HK\$350.4 million) and the aggregated net amount of financial products held by the Group from PAB on the PAB Date amounted to approximately RMB227 million (equivalent to about HK\$271.8 million).

#### **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the purchases of financial products from CMB during the CMB Period and the purchases of financial products from PAB on the PAB Date both exceeded 5% but all the applicable percentage ratios are less than 25%, each of the purchases of financial products from CMB and PAB during the CMB Period and on the PAB Date respectively constituted a discloseable transaction of the Company and was therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## PURCHASES OF FINANCIAL PRODUCTS

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### A. FINANCIAL PRODUCTS OF CMB

On 8 March 2021, certain subsidiaries of the Company entered into transactions for the acquisition of a financial product from CMB, namely 招朝金7007 (Zhaochao Jin 7007\*), amounting to RMB21,000,000 (equivalent to about HK\$25.1 million), which when aggregated with other financial products acquired by the Group from CMB during the CMB Period, exceeded 5% of one of the applicable percentage ratios under Rule 14.07 of the Listing Rules. Details of the financial products acquired by the Group from CMB during the CMB Period are as follows:

#### (1) 招朝金7007 (Zhaochao Jin 7007\*)

Parties:	(1) La Kordi (2) Haowei (3) Shenzhen Koradior (4) Naersi (5) Fangfu (6) Kody (7) Jiangshan E-commerce (8) Shenzhen Mondial (9) CMB
Subscription period:	2 January 2020 to 8 March 2021
Value of this financial product held by the Group as at 8 March 2021:	RMB282,100,000 (equivalent to about HK\$337.8 million)
Expected rate of return:	2.8% p.a.to 2.86% p.a.
Maturity date:	Non-fixed term

**(2) 招朝金7008 (Zhaochao Jin 7008\*)**

Parties:	(1) Dongfang Susu (2) CMB
Subscription Period:	6 January 2021 to 26 February 2021
Value of this financial product held by the Group as at 8 March 2021:	RMB10,500,000 (equivalent to about HK\$13.2 million)
Expected rate of return:	2.8% p.a.
Maturity date:	Non-fixed term

**B. FINANCIAL PRODUCTS OF PAB**

On 2 January 2020, certain subsidiaries of the Company entered into transactions for the acquisition of two financial products from PAB amounting to RMB227,000,000 (equivalent to about HK\$271.9 million) in aggregate, which exceeded 5% of one of the applicable percentage ratios under Rules 14.07 of the Listing Rules. Details of the financial products acquired by the Group from PAB on the PAB Date are as follows:

**(1) 天天盈非保本人民幣公司理財產品 DGT130001 (Tiantianying's non-capital guaranteed RMB corporate wealth management products DGT130001\*)**

Parties:	(1) Aoruina (2) Naersi (3) La Kordi (4) PAB
Subscription date:	2 January 2020
Value of this financial product held by the Group as at 2 January 2020:	RMB214,000,000 (equivalent to about HK\$256.3 million)
Expected rate of return:	2.8% – 2.9% p.a.
Maturity date:	Non-fixed term

**(2) 平安財富－安盈成長現金人民幣理財產品A款 T05GK180005 (Ping An Wealth-Au Ying Growth Cash RMB Wealth Management Product Type A T05GK180005\*)**

Parties:	(1) Naersi
	(2) PAB
Subscription date:	2 January 2020
Value of this financial product held by the Group as at 2 January 2020:	RMB13,000,000 (equivalent to about HK\$15.6 million)
Expected rate of return:	2.7% p.a. to 2.9503% p.a.
Maturity date:	Non-fixed term

**INFORMATION ABOUT THE PARTIES**

**The Company**

The Company is incorporated in the Cayman Islands with limited liability and its issued shares are listed on the Main Board of the Stock Exchange. The principal activities of the Group are design, promotion, marketing and sales of self-owned branded womenswear products in the PRC.

**CMB and PAB**

Each of CMB and PAB is a licensed bank established under the laws of the PRC and is principally engaged in the provision of corporate and personal banking and other financial services in the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of CMB and PAB and their respective ultimate beneficial owners are third parties independent of the Company and its connect persons (as defined under the Listing Rules).

## **REASONS FOR AND BENEFITS FOR THE PURCHASES OF FINANCIAL PRODUCTS**

The acquisition of these financial products is financed from the Group's internal resources (or from the proceeds from the redemption thereof) which are surplus cash reserve in excess of the Group's working capital requirements with a view to obtain a better return for the surplus cash of the Group. One of the special features of these financial products is its liquidity such that the Group can freely transfer its cash in such bank to another separate account in the form of holder of the financial products to yield a higher return, and transfer back the cash easily, i.e. within 1 to 2 working days, to the bank saving accounts by means of redemption of the financial products when there is a funding need of the Group. Given the trading platform available from the banks and the liquidity and convertibility of these financial products into cash, the holding and the realisation of the financial products is part of the treasury function of the Group to better utilise its cash resources while meeting its general working needs if and when required. The Board considers the purchases of these financial products are conducive to enhancing the utilisation of capital and increasing income from idle funds. The consideration in relation to the purchase and subscriptions was based on the prices offered by the bank from time to time and was determined after considering various factors including cash management, the level of risk and return of the financial products and their respective maturity dates. Accordingly, the Directors are of the view that the purchases of financial products from CMB and PAB are on normal commercial terms, fair and reasonable and are in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Pursuant to recent guidance issued by the Stock Exchange in May 2021, it has been clarified that a listed issuer is required to aggregate its investment in wealth management products acquired from the same bank. As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the purchases of financial products from each of CMB during the CMB Period and PAB on the PAB Date exceeded 5% but all the applicable percentage ratios were less than 25%, each of the purchases of financial products from CMB and PAB during the CMB Period and on PAB Date respectively constituted a discloseable transaction of the Company and was therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Save as disclosed in this announcement, no acquisition or redemption of financial products from either CMB or PAB on a single day exceeded 5% of the applicable percentage ratio and all percentage ratios of the aggregate acquisitions of financial products from either CMB or PAB remain below 25% up to the date of this announcement.

The Company acknowledges that the notification and announcement in respect of the purchases of these financial products as required under Chapter 14 of the Listing Rules had been delayed. The failure to make timely disclosure was due to a misunderstanding by the management of the Company on whether acquisition/redemption of units in these financial products for the same bank are required to be aggregated for the purpose of Chapter 14.22 of the Listing Rules prior to the release of the relevant guidance from the Stock Exchange.

The Company is apologetic for the delay in issuing this announcement which is due to its unintentional misunderstanding on the interpretation of Rule 14.22 of the Listing Rules with regards to the acquisition of financial products from the same bank.

## REMEDIAL ACTIONS

To prevent similar non-compliance from occurring in the future, the Company has implemented the following remedial actions with immediate effect:

- (i) the management staff shall continue to oversee and monitor the Company's on-going compliance with the Listing Rules in relation to its transactions especially concerning acquisition of financial products;
- (ii) the Company shall from time to time brief its management staff on the importance of the reporting procedures for notifiable transactions under the Listing Rules prior to execution of any agreement; and
- (iii) the Company shall seek professional advice where necessary as to any action required to be taken in relation to any proposed transactions. Going forward, the Company will make disclosure in a timely manner to ensure compliance with the Listing Rules in this regard.

## DEFINITIONS

In this announcement, the following words and expressions shall have the meaning set out below unless the context otherwise requires:

“Aoruina”	Aoruina Garments (Shenzhen) Co., Ltd.* (奧瑞納服裝(深圳)有限公司), a wholly-owned subsidiary of the Company
“Board”	the board of Directors
“CMB”	China Merchant Bank (招商銀行), a bank established under the laws of the PRC
“CMB Period”	2 January 2020 to 8 March 2021
“Company”	EEKA Fashion Holdings Limited, a company incorporated in the Cayman Islands, the issued shares of which are listed on the Stock Exchange under stock code 3709
“Director(s)”	director(s) of the Company
“Dongfang Susu”	Dongfang Susu Creativity and Design (Shenzhen) Co., Ltd.* (東方素素創意設計(深圳)有限公司), a wholly-owned subsidiary of the Company

“Fangfu”	Shenzhen Fangfu Fashion Co., Ltd. * ( 深圳市方弗時裝有限公司 ) , a non-wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Haowei”	Shenzhen Haowei Flat Screen Display Materials Co., Ltd * ( 深圳市豪威平板顯示材料 有限公司 ) , a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jiangshan E-Commerce”	EEKA Fashion (Jiangshan) E-Commerce Co., Ltd.* ( 贏家時尚 ( 江山 ) 電子商務有限公司 )
“Kody”	Shanghai Kody Brand Management Limited* ( 上海珂蒂品牌管理有限公司 ) , a non-wholly owned subsidiary of the Company
“La Kordi”	La Kordi Fashion (Shenzhen) Co., Ltd.* ( 拉珂帝服飾 ( 深圳 ) 有限公司 ) , a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Naersi”	Shenzhen Naersi Fashion Co.,Ltd.* ( 深圳市娜爾思時裝有限公司 ) , a wholly-owned subsidiary of the Company
“p.a.”	per annum
“PAB”	Ping An Bank ( 平安銀行 ) , a bank established under the laws of the PRC
“PAB Date”	2 January 2020
“PRC”	People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shenzhen Koradior”	Shenzhen Koradior Fashion Ltd.* ( 深圳市珂萊蒂爾服飾有限公司 ) , a wholly-owned subsidiary of the Company

“Shenzhen Mondial”                      Shenzhen Mondial Industrial Co., Ltd. \* ( 深圳市蒙黛爾實業有限公司 ) , a non-wholly owned subsidiary of the Company

“Stock Exchange”                      The Stock Exchange of Hong Kong Limited

“%”                      per cent.

*For the purpose of this announcement, an exchange rate of RMB0.835 = HK\$1.00 is used.*

\*            *The English transliteration of these names are for reference only. The official names are in Chinese*

By order of the Board  
**EEKA Fashion Holdings Limited**  
**JIN MING**  
*Chairman*

Hong Kong, 30 July 2021

*As at the date of this announcement, the Board comprises Mr. Jin Ming, Ms. He Hongmei and Mr. Jin Rui as executive Directors; and Mr. Zhong Ming, Mr. Zhou Xiaoyu and Mr. Zhang Guodong as independent non-executive Directors.*