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中國恒泰
CHINA APEX

China Apex Group Limited
中國恒泰集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2011)

INSIDE INFORMATION

RELOCATION OF ZHEJIANG PRODUCTION BASE

This announcement is made by China Apex Group Limited (the “**Company**”) pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 30 September 2021 and the interim results announcement for the six months ended 30 June 2023 of the Company dated 30 August 2023 (the “**Interim Results Announcement**”). As disclosed in the Interim Results Announcement, KEE Zhejiang, an 85%-owned indirect subsidiary of the Company, was informed by the management committee of JETDZ Management Committee that the production base located at 116 Jinjia Avenue, Economic Development Zone, Jiashan County, Zhejiang Province, the PRC (the “**Zhejiang Production Base**”) was included in the implementation area of the organic renewal project of the Economic Development Zone and required to be vacated.

The Board hereby announces that on 11 September 2023, KEE Zhejiang entered into the Relocation Compensation Agreement with JEDAM Limited, a 53.85% owned indirect subsidiary of JETDZ Management Committee, pursuant to which KEE Zhejiang agreed with JEDAM Limited in respect of the relocation of the Zhejiang Production Base for a total relocation compensation of RMB12,849,140 (equivalent to approximately HK\$13,809,176).

Set out below are the principal terms of the Relocation Compensation Agreement:

Date

11 September 2023

Parties

KEE Zhejiang: 開易(浙江)服裝配件有限公司 (KEE (Zhejiang) Garment Accessories Limited*), a limited liability company established in the PRC and an 85% owned indirect subsidiary of the Company

JEDAM Limited: Jiashan Economic Development Asset Management Co., Ltd. (嘉善經開資產經營管理有限公司), a 53.85% owned subsidiary of JETDZ Management Committee, which is an organisation established by the approval of the People's Government of Zhejiang Province

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, JEDAM Limited and its associates are third parties independent of the Group and its connected persons.

Relocation Compensation

The Relocation Compensation is RMB12,849,140 (equivalent to approximately HK\$13,809,176). JEDAM Limited shall compensate KEE Zhejiang for the relocation as contemplated under the Relocation Compensation Agreement in two installments as follows:

- (i) the first installment in the amount of RMB1,284,914 (equivalent to approximately HK\$1,380,917) (i.e. 10% of the Relocation Compensation) shall be payable within 15 days from the date of the Relocation Compensation Agreement; and
- (ii) the remaining balance in the amount of RMB11,564,226 (equivalent to approximately HK\$12,428,258) (i.e. 90% of the Relocation Compensation) shall be payable within 15 days of the completion of the vacation of the Zhejiang Production Base (based on the actual completion of relocation of equipment and vacation conducted by KEE Zhejiang) provided that the relocation of equipment and vacation shall be completed within 180 days from the date of the Relocation Compensation Agreement (with a 90-day grace period and the actual relocation period can be up to 270 days).

The Relocation Compensation was based on the valuation report issued by an independent third party valuer in the PRC.

INFORMATION OF THE PARTIES

Information of the Company

The Company is a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 2011). The Company is an investment holding company and its subsidiaries are engaged in manufacturing finished zippers in China and provision of management service.

Information of KEE Zhejiang

KEE Zhejiang is a limited company established in the PRC. It is principally engaged in manufacturing finished zippers in the PRC and is an 85%-owned indirect subsidiary of the Company.

Information of JEDAM Limited

JEDAM Limited company established in the PRC. It is principally engaged in providing assets and investment management and investment advisory services. It is a 53.85%-owned subsidiary of JETDZ Management Committee, which is an administrative organisation established by the approval of the People's Government of Zhejiang Province.

REASONS FOR THE RELOCATION

The Zhejiang Production Base is situated in a location under the implementation area of the organic renewal project of the Economic Development Zone and required to be vacated. The Directors considered that the Relocation is in line with the local Government's strategies for industry upgrade and transformation. As disclosed in the Company's announcement dated 31 August 2023, the Group is in the course of relocating the Zhejiang Production Base to Jingmen, Hubei Province, and entered into a lease agreement for a further term of 6 years from 31 August 2023. As the Group has established and become accustomed to its new production base and facilities and has been able to benefit from the infrastructure and resources available at Jingmen, Hubei Province, it is expected that the Group will be able to continue with and expand its operations in Jingmen, Hubei Province, the PRC. The Board is of the view that the Relocation has no material adverse impact of the Group's financial conditions and business operations.

DEFINITIONS

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

“associate(s)”, “connected person(s)” or “subsidiary(ies)”	means	each has the meaning ascribed to it by the Listing Rules
“Board”	means	the board of Directors of the Company
“Company”	means	China Apex Group Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands on 6 July 2010 and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2011)
“Director(s)”	means	the director(s) of the Company
“Group”	means	the Company and its subsidiaries
“HK\$”	means	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“JEDAM Limited”	means	Jiashan Economic Development Asset Management Co., Ltd. (嘉善經開資產經營管理有限公司), a 53.85% owned subsidiary of JETDZ Management Committee
“JETDZ Management Committee”	means	Management committee of Jiashan Economic and Technology Development Zone (嘉善經濟技術開發區管理委員會), an organisation established by the approval of the People’s Government of Zhejiang Province
“KEE Zhejiang”	means	開易(浙江)服裝配件有限公司 (KEE (Zhejiang) Garment Accessories Limited*), a limited liability company established in the PRC and an 85% owned indirect subsidiary of the Company
“Listing Rules”	means	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	means	the stock market operated by the Stock Exchange, which excludes the GEM and the options market

“PRC” or “China”	means	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Relocation”	means	the relocation of the Zhejiang Production Base pursuant to the Relocation Compensation Agreement
“Relocation Compensation”	means	the aggregate relocation compensation of RMB12,849,140 as stipulated in the Relocation Compensation Agreement
“Relocation Compensation Agreement”	means	the relocation compensation agreement (騰退補償協議書) dated 11 September 2023 entered into between KEE Zhejiang and JEDAM Limited in relation to the Relocation
“RMB”	means	Renminbi, the lawful currency of the PRC
“Stock Exchange”	means	The Stock Exchange of Hong Kong Limited
“%”	means	per cent.

* *The English translation or transliteration of the Chinese name(s), where indicated, is included for information purposes only, and should not be regarded as the official English name(s) of such Chinese name(s).*

By Order of the Board
China Apex Group Limited
Yip Siu Lun Dave
Chairman and executive Director

Hong Kong, 13 September 2023

As at the date of this announcement, the executive Directors are Mr. Yip Siu Lun Dave, Mr. Mak Yung Pan Andrew, Mr. Wu Cody Zhuo-xuan and Ms. Cheung Ka Yuen; the non-executive Director is Ms. Lin Ping; and the independent non-executive Directors are Mr. Leung Ka Tin, Mr. Cheng Hong Kei, Mr. Liew Fui Kiang and Mr. Ko Kwok Shu.