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Sling Group Holdings Limited

森浩集團股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8285)

DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION DISPOSAL OF INTERESTS IN A SUBSIDIARY

THE DISPOSAL

On 17 June 2025 (after trading hours), the Vendor (i.e. Senxuan Shanghai) (being an indirect wholly-owned subsidiary of the Company) entered into the Equity Transfer Agreement with the Purchaser (i.e. JV Partner), pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares and the Sale Loan, at a consideration of RMB3,000 and approximately RMB3,198,000 respectively.

Immediately prior to Completion, (i) the registered capital of the JV was owned as to 51% and 49% by the Vendor and the Purchaser respectively; and (ii) the JV was accounted for as a non-wholly owned subsidiary of the Company, and the financial statements of the JV was consolidated in the Group's consolidated financial statements.

Upon Completion, (i) the Group will cease to own any registered capital of the JV; and (ii) the JV will cease to be a subsidiary of the Company, and the financial statements of the JV will no longer be consolidated in the Group's consolidated financial statements.

GEM LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined in Rule 19.07 of the GEM Listing Rules) is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

As the Purchaser is a substantial shareholder of the JV, a subsidiary of the Company as at the date of this announcement, the Purchaser is a connected person of the Company at the subsidiary level under the GEM Listing Rules. Accordingly, the Disposal constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

Given that (i) all the relevant percentage ratios (as defined in Rule 19.07 of the GEM Listing Rules) in respect of the Disposal are less than 25%; and (ii) the total consideration of the Disposal is less than HK\$10,000,000, the Disposal is, pursuant to Rule 20.74(2) of the GEM Listing Rules, subject to the reporting and announcement requirements but exempted from the circular, independent financial advice and shareholders' approval requirements of Chapter 20 of the GEM Listing Rules.

THE DISPOSAL

Equity Transfer Agreement

On 17 June 2025 (after trading hours), the Vendor (being an indirect wholly-owned subsidiary of the Company) entered into the Equity Transfer Agreement with the Purchaser, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares and the Sale Loan, at a consideration of RMB3,000 and approximately RMB3,198,000 respectively.

Date

17 June 2025

Parties

Senxuan Shanghai, as Vendor

JV Partner, as Purchaser

Subject matter

- (1) the Sale Shares, representing 51% of the total registered capital of the JV; and
- (2) the Sale Loan, being indebtedness owing by the JV to the Vendor prior to Completion, which amounted to approximately RMB4,934,000 (equivalent to approximately HK\$5,394,342).

Consideration

- (1) The consideration of the sale and purchase of the Sale Shares shall be RMB3,000, which are payable by the Purchaser to the Vendor on the date of signing the Equity Transfer Agreement.
- (2) The consideration of the sale and purchase of the Sale Loan shall be approximately RMB3,198,000, which are payable by the Purchaser to the Vendor by nine equal installments every four months.

The consideration of the Disposal was determined after arm's length negotiations based on normal commercial terms, having regard to, among others, (i) the historical operational and financial performance of the JV with accumulated loss to the Group from 2019 to 2024 is over RMB4.5 million; (ii) the business prospect of the Group as the Group changed the business strategy from distributing luggage and accessories through the subsidiary of the Company to sub-licensing "ELLE" brand to sale partners under their full control; (iii) the Group does not involve any operation or management of the JV; (iv) the prevailing market conditions on the sale of luggage business; and (v) an appropriate discount applied to the consideration of the Sale Loan, considering the difficulty and uncertainty of full recovery of the Sale Loan, after negotiations with the Purchaser, taking into account the operational performance of the JV.

Taking into account the above factors, the Directors (including the independent non-executive Directors) are of the view that the consideration of the Disposal is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Completion

Completion shall take place on the date of registration of the transfer of the Sale Shares by the State Administration for Industry and Commerce of the PRC.

Immediately prior to Completion, (i) the registered capital of the JV was owned as to 51% and 49% by the Vendor and the Purchaser respectively; and (ii) the JV was accounted for as a non-wholly owned subsidiary of the Company, and the financial statements of the JV was consolidated in the Group's consolidated financial statements.

Upon Completion, (i) the Group will cease to own any registered capital of the JV; and (ii) the JV will cease to be a subsidiary of the Company, and the financial statements of the JV will no longer be consolidated in the Group's consolidated financial statements.

INFORMATION OF THE JV

The JV is a company established in the PRC on 29 January 2019 and is principally engaged in the wholesale and retail of luggage and accessories. The JV was owned as to 51% and 49% by the Vendor and the Purchaser, respectively as at the date of this announcement.

Set out below is a summary of the audited financial information of the JV for the two financial years ended 31 December 2023 and 31 December 2024:

	For the year ended 31 December 2023 <i>(audited)</i> RMB'000	For the year ended 31 December 2024 <i>(audited)</i> RMB'000
Revenue	49,233	18,027
Profit/(Loss) before tax	2,027	(1,380)
Profit/(Loss) after tax	2,027	(1,380)

The unaudited net liability of the JV as at 31 March 2025 was approximately RMB3,556,753.

INFORMATION ON THE PARTIES

The Company is an investment holding company and the Group are principally engaged in the design and sale of women's handbags, small leather goods, luggage and travel goods.

Senxuan Shanghai is a company established in Shanghai, the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in retail and export of handbags, wallets and luggage.

The JV Partner is a company established in Guangzhou, the PRC with limited liability and is ultimately owned by Mr. Li Shude and Mr. Zheng Ting as to 60% and 40%, respectively as at the date of this announcement. The JV Partner and its ultimate beneficial owners are mainly engaged in distributing luggage and accessories under ELLE brand, as well as distributing other luggage and travel accessories through online retail platforms in the PRC.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board has been closely monitoring the performance of the Group as a whole, as well as the individual performance of the Company's subsidiaries. It has come to the Board's attention that the JV has incurred losses except 2023 and the accumulated loss from 2019 to 2024 is over RMB4.5 million. Therefore, the Company had been actively looking for purchasers to seek opportunities to dispose of the underperforming JV and prevent future potential loss to the Group or capital injection from the Group to JV for working capital.

It is also in line with the Group's strategic development plan to streamline and optimise the Group's business structure and resources as the Group changed the business strategy from distributing luggage and accessories through the subsidiary of the Company to sub-licensing "ELLE" brand to sale partners under their full control while JV is principally engaged in the wholesale and retail of luggage and accessories.

Having considered the above, the Directors (including the independent non-executive Directors) are of the view that, notwithstanding that the Disposal is not in the ordinary and usual course of business of the Group, the terms of the Equity Transfer Agreement are on normal commercial terms and are fair and reasonable, and the Disposal is in the interests of the Company and the Shareholders as a whole.

Since none of the Directors has a material interest in the Disposal, no Director has abstained from voting on the board resolutions of the Company to approve the Equity Transfer Agreement and the transactions contemplated thereunder.

FINANCIAL EFFECTS OF THE DISPOSAL

Upon Completion, the JV shall cease to be a subsidiary of the Company, and the financial results of the JV will no longer be consolidated into the Group's consolidated financial statements. Subject to the review of the Company's auditor and for illustrative purpose only, it is estimated that the Group will record a gain on Disposal of approximately RMB80,000 attributable to the equity holders of the Company, which is calculated based on (i) the consideration received for the Sale Shares and the Sale Loan; (ii) less the net liabilities of the subsidiary disposed of; and (iii) less the outstanding indebtedness owing by the subsidiary.

GEM LISTING RULES IMPLICATION

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As the Purchaser is a substantial shareholder of the JV, a subsidiary of the Company as at the date of this announcement, the Purchaser is a connected person of the Company at the subsidiary level under the GEM Listing Rules. Accordingly, the Disposal constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

Given that (i) all the relevant percentage ratios (as defined in Rule 19.07 of the GEM Listing Rules) in respect of the Disposal are less than 25%; and (ii) the total consideration of the Disposal is less than HK\$10,000,000, the Disposal is, pursuant to Rule 20.74(2) of the GEM Listing Rules, subject to the reporting and announcement requirements but exempted from the circular, independent financial advice and shareholders' approval requirements of Chapter 20 of the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the following meanings:

“Board”	the board of Directors
“Company”	Sling Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed and traded on the GEM of the Stock Exchange (stock code: 8285)
“Completion”	completion of the Equity Transfer Agreement
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares and the Sale Loan pursuant to the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement dated 17 June 2025 entered into between the Vendor and the Purchaser in relation to the Disposal
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JV”	森彩貿易(上海)有限公司 (Sencai Trading (Shanghai) Company Limited*), a company established in Shanghai, the PRC with limited liability and a 51%-owned subsidiary of the Company as at the date of this announcement
“JV Partner” or “Purchaser”	廣州彩格國際貿易有限公司 (Guangzhou Cai Ge International Trading Company Limited*), a company established in Guangzhou, the PRC with limited liability which owns 49% equity interest in the JV as at the date of this announcement

“PRC”	The People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Loan”	indebtedness owing by the JV to the Vendor prior to the Completion, which amounted to approximately RMB4,934,000 (equivalent to approximately HK\$5,394,342)
“Sale Shares”	51% equity interest of the JV, which were legally and beneficially owned by the Vendor immediately prior to Completion
“Senxuan Shanghai” or “Vendor”	森渲商貿(上海)有限公司 (Senxuan Shangmao (Shanghai) Company Limited*), a company established in Shanghai, the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

In this announcement, RMB has been converted to HK\$ at the rate of RMB1 = HK\$1.0933 for illustration purpose only. No representation is made that any amounts in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.

By Order of the Board
Sling Group Holdings Limited
Mr. Yau Frederick Heng Chung
Chairman

Hong Kong, 17 June 2025

As at the date of this announcement, the executive Directors of the Company are Mr. Yau Frederick Heng Chung (Chairman) and Mr. Lee Tat Fai Brian; the non-executive Directors are Mr. Yau Sonny Tai Nin and Mr. Yau Tai Leung Sammy; and the independent non-executive Directors are Mr. Won Chik Kee, Ms. Sit Ting Fong and Mr. Wai Yau Hang.

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 GEM website on the “Latest Company Announcements” page for at least seven days from the date of its posting and the Company website at www.sling-inc.com.hk.

** For identification purpose only*