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 A SUBSIDIARY

The Disposal

On 15 September 2026, the Vendor, an indirect wholly-owned subsidiary of the Company, and the Purchaser, an Independent Third Party, has entered into the MOU in relation to the Disposal, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the entire equity interest of the Target Company at the consideration of HK$42,000,000.

The Target Company is an indirect wholly-owned subsidiary of the Company as at the date of the MOU and before Completion. Upon completion of the Disposal, the Target Company will no longer be a subsidiary of the Company.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) exceed 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the requirements of notification and announcement but exempted from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Disposal

On 15 September 2026, the Vendor and the Purchaser entered into the MOU in relation to the Disposal. The principal terms of the MOU are set out below:：

The MOU

Date:	15 September 2026
Parties:	(1) Hong Kong Knitters Limited (香港織造有限公司), the Vendor (2) Guangzhou Jinglue Supply Chain Management Co., Ltd. (廣州經略供應鏈管理有限公司), the Purchaser
Subject matter:	Subject to the terms of the MOU, the Vendor agreed to sell, and the Purchaser agreed to purchase, the entire equity interest of the Target Company. The Target Company is an indirect wholly-owned subsidiary of the Company as at the date of the MOU and before Completion.

Earnest Money:	The Purchaser shall pay to the Vendor RMB1,000,000 as Earnest Money upon signing of the MOU. Such Earnest Money shall be applied as deposit for the Disposal upon signing of the Formal SPA. In the event that the MOU is terminated and no Formal SPA is being entered into between the parties, the Vendor shall return the Earnest Money (without interest) to the Purchaser within three working days from the termination of the MOU.
Consideration:	The Purchaser shall pay to the Vendor HK$42,000,000 as the consideration of the Disposal in the following manners: (i) RMB1,000,000, being the Earnest Money previously paid by the Purchaser upon singing of the MOU, shall be applied as deposit upon signing of the Formal SPA; (ii) an additional RMB1,000,000 shall be paid by the Purchaser upon signing of the Formal SPA, resulting in an aggregate deposit of RMB2,000,000; and (iii) the remaining balance of the consideration shall be paid within five working days after the Formal SPA becoming effective. The consideration of HK$42,000,000 was determined with reference to (i) the fixed asset value of the Target Company as at 31 March 2026 in the amount of HK$38,800,000; and (ii) the operating surplus to be retained by the Target Company in the amount of HK$3,200,000. Based on the above, the Directors are of the view that the consideration under the MOU is fair and reasonable and in the interests of the Company as a whole.
Due Diligence:	Upon receipt of the Earnest Money, the Purchaser shall have 30 days (or such extended period as may be agreed by both parties) to conduct due diligence on the Target Company. The Vendor and the Target Company shall provide all reasonable assistance in this regard.
Formal SPA:	Subject to the terms of the MOU, the Vendor and the Purchaser shall enter into the Formal SPA within five days from completion of the due diligence on the Target Company. If after the signing of the Formal SPA, the Purchaser fails to perform its obligations or unilaterally terminates the Formal SPA without justifiable cause, the Vendor shall be entitled to retain the aggregate deposit of RMB2,000,000. Conversely, if the Vendor fails to perform its obligations or unilaterally terminates the Formal SPA without justifiable cause, the Vendor shall refund to the Purchaser twice the deposit amount, being RMB4,000,000.

Conditions precedent:	Completion of the Disposal is subject to fulfillment of, among others, the following conditions precedent: (i) the Purchaser being satisfied with the results of the due diligence conducted on the Target Company; (ii) the execution of the Formal SPA for the Disposal; (iii) the Vendor and the Company having complied with all applicable requirements under the Listing Rules and all other applicable laws and regulations in respect of the MOU and the transactions contemplated thereunder; and (iv) all necessary consents, approvals, permits and authorisations in connection with the MOU and the transactions contemplated thereunder having been obtained by the relevant parties (including, without limitation, the approval of the shareholders of the Company, if required). In the event any of the conditions precedent set out above is not fulfilled, the MOU shall be terminated automatically. Save for any antecedent breach, neither party shall have any claim against the other party.
Transition period:	The Vendor shall transfer all the necessary operational documentation and vacate the Properties by 31 March 2027, unless further agreed between the parties

INFORMATION OF 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 an indirect wholly-owned subsidiary of the Company and is principally engaged in garment manufacturing and investment holding.

INFORMATION OF THE PURCHASER

The Purchaser is a company established in the PRC with limited liability and is primarily engaged in the provision of property management and supply chain management services. To the best of knowledge, information and belief of the Directors, and after making all reasonable enquiries, the Purchaser is owned as to 66.67% by Chen Yanfen (陈燕芬) and 33.33% by Baishili (Guangzhou) Holdings Co., Ltd.* (佰事利(广州)控股有限公司) ("**Baishili**"). Chen Yanfen is a businessman and Baishili is principally engaged in investment activities, provision of enterprise management consultancy services, property agency services and sales of construction materials. Baishili is owned as to 99% by Su Guanhui (苏冠辉) and 1% by Li Xiaolin (李小霖), both businessmen. The Purchaser and its ultimate beneficial owners are Independent Third Parties.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company established in the PRC with limited liability and wholly-owned by the Vendor as at the date of this announcement. It is principally engaged in knitting and manufacturing of garments. As at the date of the MOU, the registered capital of the Target Company was HK$38,600,000.

The Target Company owns the Properties, namely, the factory and the staff dormitory both located in Panyu District, Guangzhou.

The audited net assets value of the Target Company was approximately HK$6,700,000 as at 31 March 2026.

The financial results of the Target Company are set out as follows:

	For the year ended 31 March	
	2025	**2026**
	(audited)	*(audited)*
	(HK$'000)	*(HK$'000)*
Revenue	33,294	20,312
(Loss)/profit before tax	(4,892)	3,576
(Loss)/profit after tax	(289)	1,625

FINANCIAL EFFECT OF THE DISPOSAL AND UES OF PROCEEDS

Upon completion of the Disposal, the Target Company will no longer be a subsidiary of the Company. Accordingly, the assets, liabilities and the financial results of the Target Company will no longer be consolidated into the financial statements of the Group.

Subject to the final audit, it is expected that the Company will record a profit of approximately HK$35,300,000 from the Disposal after deducting the expenses attributable thereto. The actual amount of gain or loss as a result of the Disposal to be recorded by the Company will be subject to the review and final audit by the auditors of the Company. The proceeds from the Disposal are currently intended to be used by the Group as general working capital.

REASONS FOR ENTERING INTO THE MOU

The Target Company operates the Group's knitting factory in Panyu and holds the related assets, including the land and the properties erected thereon, which are used as factory premises and staff dormitories. As the operations of the Panyu factory have gradually scaled down over the years, the premises are under-utilised, currently used primarily as sample rooms and for ancillary follow-up work, and no substantive manufacturing activities are conducted there. The Board considers that the Disposal represents a good opportunity for the Group to realise the value of the Target Company and its underlying assets, while the proceeds from the Disposal will enhance the Group's cash flow and financial flexibility.

In view of the above, the Directors are of the view that the terms of the MOU are on normal commercial terms and are fair and reasonable. The Directors also consider that the MOU are in the interests of the Company and the Shareholders taken as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) exceed 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the requirements of notification and announcement but exempted from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

As Completion of the Disposal is subject to the satisfaction of certain conditions precedent set out in the MOU, the Disposal may or may not proceed. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares of the Company.

DEFINITIONS

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

"Board"	the board of Directors;
"Company"	Yangtzekiang Garment Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange;
"Completion"	completion of the Disposal in accordance with the terms of the MOU and, if signed, the Formal SPA;
"Director(s)"	the directors of the Company;
"Disposal"	the disposal of the entire equity interest of the Target Company by the Vendor to the Purchaser pursuant to the terms and conditions of the MOU and, if signed, the Formal SPA;
"Earnest Money"	the refundable earnest money in the amount of RMB1,000,000 paid by the Purchaser to the Vendor upon signing of the MOU;
"Formal SPA"	the formal sale and purchase agreement to be entered into between, among others, the Vendor and the Purchaser in relation to the Disposal;
"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;
"Independent Third Party(ies)"	an independent third party who is not connected with the Company and its connected persons (as defined under the Listing Rules);
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange as amended, modified or otherwise supplemented from time to time;
"MOU"	a legally binding memorandum of understanding dated 15 September 2026 entered into between the Vendor and the Purchaser in relation to the Disposal;
"PRC"	the People's Republic of China, which for the purpose of this announcement, shall exclude Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan;
"Properties"	the factory and the staff dormitory both located in Panyu District, Guangzhou, which the Target Company has the right to occupy, use, dispose of and benefit;
"Purchaser"	Guangzhou Jinglue Supply Chain Management Co., Ltd.* (廣州經略供應鏈管理有限公司), a company established in the PRC with limited liability;

"Share(s)"	the shares of the Company;
"Shareholder(s)"	holders of the Shares;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Target Company"	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;
"Vendor"	Hong Kong Knitters Limited (香港織造有限公司), a company incorporated under the laws of Hong Kong and an indirect wholly-owned subsidiary of the Company; and
"%"	per cent.

**For identification purposes only*

By Order of the Board
Yangtzekiang Garment Limited
Chan Wing Fui, Peter
Chairman

Hong Kong, 15 September 2026

As at the date of this announcement, the Board comprises 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.