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Grown Up Group Investment Holdings Limited

植華集團投資控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1842)

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO PROPOSED REVISION OF 2024 ANNUAL CAP AND THE NEW FRAMEWORK SUPPLY AGREEMENT

Financial Adviser

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BAOQIAO PARTNERS

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BAOQIAO PARTNERS CAPITAL LIMITED

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**

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ELSTONE

ELSTONE CAPITAL LIMITED

PROPOSED REVISION OF 2024 ANNUAL CAP

Reference is made to the announcement dated 29 October 2021 in respect of the Existing Framework Supply Agreement entered into between the Supplier, as supplier and the Purchaser, as purchaser, in relation to the Sales. The term of the Existing Framework Supply Agreement commenced on 1 January 2022 and will end on 31 December 2024.

The Board has been monitoring the continuing connected transactions of the Group and expects that the 2024 Existing Annual Cap under the Existing Framework Supply Agreement will be insufficient and hence the Board proposes the Revision of 2024 Annual Cap.

Other than the revision of the relevant existing annual cap for the year ending 31 December 2024 to the 2024 Revised Annual Cap, all other terms and conditions under the Existing Framework Supply Agreement remain unchanged.

THE NEW FRAMEWORK SUPPLY AGREEMENT

Given that the Existing Framework Supply Agreement will expire on 31 December 2024 and the Company expects that the Sales contemplated under the Existing Framework Supply Agreement will continue, the Supplier entered into the New Framework Supply Agreement with the Purchaser on 1 November 2024.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Purchaser is indirectly wholly-owned by Mr. Berg, the chairman of the Board, an executive Director and the controlling Shareholder interested in 371,000,000, representing 30.92% of the issued share capital of the Company. Accordingly, the Purchaser Group is a connected person of the Company under Chapter 14A of the Listing Rules and the transactions contemplated under the Existing Framework Supply Agreement and the New Framework Supply Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios in respect of the 2024 Revised Annual Cap exceed 5%, the Revision of 2024 Annual Cap is subject to the reporting, announcement, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios calculated with reference to the Proposed Annual Caps under the New Framework Supply Agreement are more than 5%, the transactions contemplated under the New Framework Supply Agreement constitute non-exempt continuing connected transactions for the Company and are subject to the reporting, announcement, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Berg, being the chairman of the Board, an executive Director and controlling Shareholder with a material interest in the Sales and Ms. Shut Ya Lai, who is the executive Director and Chief Executive Officer of the Company and a director of both the Supplier and the Purchaser, have abstained from voting in the relevant resolution(s) of the Board in approving the above.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in respect of the Revision of 2024 Annual Cap and the New Framework Supply Agreement (including the adoption of the Proposed Annual Caps). Elstone Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve, among other things, the Revision of 2024 Annual Cap and the New Framework Supply Agreement (together with the Proposed Annual Caps).

A circular containing, among others, (i) further details of (a) the Revision of 2024 Annual Cap; and (b) the New Framework Supply Agreement (together with the Proposed Annual Caps); (ii) the advice and recommendations of the Independent Board Committee to the Independent Shareholders in respect of the Revision of 2024 Annual Cap and the New Framework Supply Agreement (including the adoption of the Proposed Annual Caps); (iii) the advice and recommendations of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Revision of 2024 Annual Cap and the New Framework Supply Agreement (including the adoption of the Proposed Annual Caps); and (iv) the notice of EGM is expected to be despatched to the Shareholders in accordance with the Listing Rules on or before 6 November 2024.

REVISION OF 2024 ANNUAL CAP FOR THE EXISTING FRAMEWORK SUPPLY AGREEMENT

1. Background

Reference is made to the announcement dated 29 October 2021 in respect of the Existing Framework Supply Agreement entered into between the Supplier, as supplier and the Purchaser, as purchaser, in relation to the Sales. The term of the Existing Framework Supply Agreement commenced on 1 January 2022 and will end on 31 December 2024.

The Board has been monitoring the continuing connected transactions of the Group and expects that the 2024 Existing Annual Cap under the Existing Framework Supply Agreement will be insufficient and hence the Board proposes the Revision of 2024 Annual Cap.

Other than the revision of the relevant existing annual cap for the year ending 31 December 2024 to the 2024 Revised Annual Cap, all other terms and conditions under the Existing Framework Supply Agreement remain unchanged.

2. The Existing Framework Supply Agreement

The principal terms of the Existing Framework Supply Agreement are as follows:

Date: 29 October 2021

Parties: the Supplier; and
the Purchaser

Term: 1 January 2022 till 31 December 2024

Subject matter: The Supplier Group will sell and the Purchaser Group will purchase the Products in accordance with the terms of the Existing Framework Supply Agreement.

Pricing: The price will be agreed between the relevant member of the Supplier Group and the relevant member of the Purchaser Group, which shall be determined in the ordinary course of business on normal commercial terms, negotiated on arm's length basis by both parties and based on the prevailing market price at the time of the transaction (which shall be on terms no less favourable than those offered by the Group to the Independent Third Parties and/or prevailing in the market for the Products of similar type and quality).

3. Historical transaction amounts and 2024 Revised Annual Cap

Set out below are the historical transaction amounts of the Sales under the Existing Framework Supply Agreement for the two years ended 31 December 2022 and 2023 and for the nine months ended 30 September 2024, and the approved existing annual caps for the three years ending 31 December 2024 and the proposed 2024 Revised Annual Cap.

Table 1

	For the year ended 31 December 2022 HK\$'000	For the year ended 31 December 2023 HK\$'000	For the nine months ended 30 September 2024 HK\$'000
Historical transaction amounts	62,245	52,686	41,835
Existing annual caps	70,000	70,000	70,000 <i>(i.e. for the year ending 31 December 2024)</i>
<i>Utilisation rate (Note)</i>	88.9%	75.3%	59.8%
2024 Revised Annual Cap	—	—	85,000

Note:

The utilisation rate is calculated as the historical transaction amount of the Sales for the respective years/ periods divided by the existing annual caps for the respective years.

4. Basis of the 2024 Revised Annual Cap

The 2024 Revised Annual Cap under the Existing Framework Supply Agreement is determined with reference to, among other things, the following factors:

- (i) the historical transactions and transaction amounts for the Sales; and
- (ii) the existing orders on hand and the anticipated orders to be received for the year ending 31 December 2024.

While the transaction amounts for the nine months ended 30 September 2024 have not reached the 2024 Existing Annual Cap, further transactions are expected to be entered into before the end of 2024.

Transactions to be entered into before the end of 2024

(i) Fulfilment of existing orders

On top of the approximately HK\$41.8 million worth of transactions that have been recorded up to 30 September 2024, based on existing orders received from the Purchaser Group up to 30 September 2024, it is expected that an additional of approximately HK\$23.3 million worth of transactions will be recorded by the Group before the end of 2024 and resulted in a total Sales of HK\$65.1 million or approximately 93% of the 2024 Existing Annual Cap.

(ii) Anticipated orders

Based on the latest orders forecast of the Purchaser Group and the review of the Group's product sourcing and production capacity, the Group is in negotiation with the Purchaser Group of new orders in an aggregate amount of HK\$12 million to HK\$15 million and such transactions, if 2024 Revised Annual Cap is approved by Independent Shareholders at the EGM, will be entered into between the parties before the end of November 2024 and the Products will be delivered by the Group by the end of 2024.

In light of the above factors, it is expected that the transaction amounts under the Existing Framework Supply Agreement will exceed the 2024 Existing Annual Cap before the end of 2024 and the 2024 Revised Annual Cap has been determined to cover all transactions that will be actually entered into under the Existing Framework Supply Agreement.

Moreover, pursuant to the internal control measures that are consistently adopted, the Company has been monitoring the transaction amounts under the Existing Framework Supply Agreement closely to ensure that such transaction amounts will not exceed the approved annual cap, unless and until the annual cap has been revised. In fact, the need for the Supplier Group to enter into further transactions under the Existing Framework Supply Agreement with the Purchaser Group are imminent. Once the 2024 Revised Annual Cap is approved and adopted by the Independent Shareholders at the EGM, the Company expects that further transactions under the Existing Framework Supply Agreement will be entered into before the end of November 2024 and the Products will be delivered before the end of 2024.

In other words, if the 2024 Revised Annual Cap under the Existing Framework Supply Agreement is not approved by the Independent Shareholders at the EGM, some of the new orders could not proceed for the reason that the transactions contemplated under the Existing Framework Supply Agreement will exceed its 2024 Existing Annual Cap.

5. Reasons for and benefits of Revision of 2024 Annual Cap

The Board has been closely monitoring the historical transaction amounts of the continuing connected transactions under the Existing Framework Supply Agreement. Taking into account the increase in the purchase orders, it is considered that the expected aggregate value of the Sales under the Existing Framework Supply Agreement would exceed the 2024 Existing Annual Cap. Furthermore, it is expected that the Sales contemplated under the Existing Framework Supply Agreement will continue on an on-going basis.

Having considered (i) the prices and terms offered by the Group to Purchaser Group have not been more favourable to the Purchaser Group than those offered to the Independent Third Parties; (ii) the internal control measures implemented by the Group; and (iii) the 2024 Revised Annual Cap are necessary to meet the business needs of the Group and to supply the Products on an on-going basis pursuant to the Existing Framework Supply Agreement, the Board considers that the 2024 Revised Annual Cap are (a) entered into in the ordinary and usual course of business of the Group; (b) on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (c) in the interests of the Company and the Shareholders as a whole.

THE NEW FRAMEWORK SUPPLY AGREEMENT

1. Background

Given that the Existing Framework Supply Agreement will expire on 31 December 2024 and the Company expects that the Sales contemplated under the Existing Framework Supply Agreement will continue, the Supplier entered into the New Framework Supply Agreement with the Purchaser on 1 November 2024.

2. Principal terms of the New Framework Supply Agreement

Date:	1 November 2024
Parties:	(a) the Supplier; and (b) the Purchaser
Subject matter:	The Supplier Group will sell and the Purchaser Group will purchase the Products in accordance with the terms of the New Framework Supply Agreement.

- Pricing:** The price will be agreed between the relevant member of the Supplier Group and the relevant member of the Purchaser Group, which shall be determined in the ordinary course of business on normal commercial terms, negotiated on arm's length basis by both parties and based on the prevailing market price at the time of the transaction (which shall be on terms no less favourable than those offered by the Group to the Independent Third Parties and/or prevailing in the market for the Products of similar type and quality).
- Payment Terms:** Payment is due within sixty (60) days upon presentation of the invoice, which is on normal commercial terms.
- Conditions precedent:** The New Framework Supply Agreement shall be effective upon the Independent Shareholders approving the New Framework Supply Agreement and the transactions contemplated thereunder at the EGM.
- Term:** From 1 January 2025 to 31 December 2027
- Proposed Annual Caps:** HK\$100,000,000 (For the year ending 31 December 2025)
HK\$100,000,000 (For the year ending 31 December 2026)
HK\$100,000,000 (For the year ending 31 December 2027)

Pricing basis

The Products to be sold by the Supplier Group to the Purchaser Group will be agreed between the relevant member of the Supplier Group and the relevant member of the Purchaser Group, which shall be determined in the ordinary course of business on normal commercial terms, negotiated on arm's length basis by both parties and based on the prevailing market price at the time of the transaction, which shall be on terms no less favourable than those offered by the Group to the Independent Third Parties and/or prevailing in the market for Products of similar type and quality.

In determining the prevailing market price, the Group will collect relevant market information and/or price quotations offered by the Group to the Independent Third Parties for products of similar type and quality, and review and compare such data with the price(s) of the Products. In general, the Group will select one or two price quotations of comparable products (i.e. similar quality, type and/or specifications, and sold under similar terms and quantity) offered to the Independent Third Parties within the closest time to the proposed sales of the Products. The Group will then compare the prices for comparable products offered by the Group to the Independent Third Parties with those proposed to be agreed between the Supplier Group and the Purchaser Group. In any event, the terms on which the Products sold by the Supplier Group to members of the Purchaser Group shall be no less favourable to the Group than those on which comparable products are sold by the Group to the Independent Third Parties or those prevailing in the market. The relevant personnel of the sales/merchandising team of the Group will review the prices of Products offered by the Supplier Group to the Purchaser Group before the entering into of individual contracts pursuant to the New Framework

Supply Agreement. In the event that the prices of Products offered by the Supplier Group to the Purchaser Group are less favourable to the Group than those offered by the Group to the Independent Third Parties for comparable products, the Group will not enter into such transactions and will at its best effort further negotiate with the Purchaser Group for more favourable terms.

In the event that there are no comparable products sold to the Independent Third Parties, the Company will adopt the cost plus basis which the sales price of the Products shall be calculated based on a gross profit margin falling within a range of percentage determined and approved by the relevant personnel of the sales/merchandising team of the Group with reference to the factors including the range of the most recent sales margins offers to the Purchaser Group and comparable customers (i.e. brand partners) of the Group as well as the business and market conditions.

Payment terms

The relevant member of the Supplier Group shall issue an invoice to the relevant member of the Purchaser Group for the price of the Products, and payment is due within sixty (60) days upon presentation of the invoice, which is on normal commercial terms and consistent with the payment terms of majority of the Group's customers ranging from 60 to 90 days as disclosed in the annual report of the Company for the year ended 31 December 2023 ("**2023 Annual Report**") and the interim report of the Company for the six months ended 30 June 2024 ("**2024 Interim Report**").

3. Basis of determination of the Proposed Annual Caps

The Proposed Annual Caps are determined by reference to:

- (i) the historical transaction amounts of the Sales;
- (ii) the expected increase in Sales of 7% to 8% for the year ending 31 December 2025 considering the increased orders demand from the Purchaser for 2024 and the projected order size provided by the Purchaser Group, taking into account the post-pandemic recovery of global tourism as well as the expected increment in prices as a result of increasing cost of materials and labour cost/workmanship;
- (iii) the size of the Sales to the Purchaser Group will be maintained at a similar level for 2026 and 2027; and
- (iv) the provision of 10% buffer for potential further business growth.

As illustrated in Table 1 above, it is noted that the total actual sales amount of the Products to the Purchaser Group were HK\$62.2 million and HK\$52.7 million for the year ended 31 December 2022 and 31 December 2023 respectively, representing utilisation rates of approximately 88.9% and 75.3% for the respective years. For the nine months ended 30 September 2024, the total actual sales amount of the Products amounted to HK\$41.8 million and if taking into account the existing orders on hand and the anticipated orders to be received (if the 2024 Revised Annual Cap is approved at the EGM), it is estimated by the Company that the sales amount could reach the level of

HK\$80 million to HK\$85 million for the year ending 2024. Such increase is mainly due to the recovery of market demand for the Products in light of tourism recovery from the COVID-19 pandemic.

According to the press release published by UN Tourism (the United Nations agency responsible for the promotion of responsible, sustainable and universally accessible tourism) in January 2024, international tourism ended 2023 at 88% of pre-pandemic levels, with an estimated 1.3 billion international arrivals. In addition, based on the recent UN Tourism World Tourism Barometer published by UN Tourism, an estimated 790 million tourists travelled internationally in the first seven months of 2024, about 11% more than in 2023 and the UN Tourism Confidence Index shows positive expectations for the fourth quarter of 2024, at 120 points for September–December 2024 (on a scale of 0 to 200, where 100 reflects equal expected performance). The global tourism is projected to continue to grow, which points to greater future demand for backpacks and luggage used for travel purposes.

In addition, as the pricing policies and decisions in relation to the Group's Products are based on a variety of factors including but not limited to raw material costs, sourcing and development expenses and staff/labour costs, the Company considers that the overall price of the Products will be driven up by the expected increase in sourcing and raw materials cost as well as the average salaries and wages in China.

As disclosed in the 2023 Annual Report and 2024 Interim Report, the Group's revenue had been negatively impacted by, among others, the geopolitical tensions, and there had been significant drop in sales from North America in 2023 and resulted in a year-over-year decrease in revenue of approximately 26% in 2023. Such impact continued into the first half of 2024 and the Group reported an approximately 4% decrease in revenue for the six months ended 30 June 2024 as compared to the corresponding period in 2023. To alleviate the adverse impact of geopolitical tensions on the Group's business, the Group has been actively diversifying its sourcing strategies and expanding its production footprint in Southeast Asia, including exploring alternative production base to supply Products to its customers, including the Purchaser Group and its brand partners with global presence. It is expected that such measures can help to mitigate the geopolitical risks on the Group's business and boost the Group's revenue.

In considering the Proposed Annual Caps, the Company takes into account (i) the additional sourcing cost for the Products as the supply chains and production have been shifting from China to Southeast Asia due to the trade tensions between US and China; (ii) rising average wage in China as the Group's product development centre and the production base are in Shenzhen and in the Jiangxi Province respectively. Based on average annual salary of employees in urban non-private entities (which mainly include state-owned entities, urban collective entities, joint ventures, limited liability companies, joint-stock companies, foreign investment and investment from Hong Kong, Macao and Taiwan, etc.) in Shenzhen and Jiangxi for the years 2021 and 2023 published by Guangdong Bureau Statistics and Jiangxi Bureau Statistics, the average annual salary in Shenzhen and Jiangxi increased from RMB153,471 and RMB83,766 respectively in 2021 to RMB171,854 and RMB92,794 respectively in 2023, representing a compound annual growth rate of 5.82% and 5.25% respectively; and (iii) given the

increasing environmental consciousness of consumers, the Company notes that some of the brand partners of the Purchaser Group have switched to eco-friendly materials with higher materials costs for the Products.

Having considered (i) the estimated transaction amounts for the three years ending 31 December 2027 are calculated with reference to the estimated transaction amounts for full year 2024 and an estimated growth rate of 7% to 8% for 2025 based on the projected order size for 2025 provided by the Purchaser Group, and taking into account the post pandemic recovery of global tourism and the expected increase in price of Products; (ii) the size of the Sales to the Purchaser Group will be maintained at a similar level for 2026 and 2027; and (iii) a buffer of 10% is built in to derive the Proposed Annual Caps so as to cater for any potential future business growth, the Board considers the Proposed Annual Caps to be fair and reasonable.

4. Reasons for and benefits for New Framework Supply Agreement

The Purchaser Group was disposed of by the Group to Mr. Berg in December 2021 (the “**Disposal**”) and the Group continues to supply the Products to the Purchaser Group after the Disposal. The Purchaser Group has demonstrated itself as a reliable and trustworthy business partner of the Group and the transactions contemplated under the New Framework Supply Agreement are to be of a recurrent nature and will be carried out on a regular and continuing basis in the ordinary and usual course of business of the Group and Purchaser Group. It is also expected that the maintaining of the strategic and continual business relationship with the Purchaser Group would bring sustainable and stable contribution to the Group’s revenue and profitability in the long run.

Having considered (i) the prices and terms offered by the Group to Purchaser Group have not been more favourable to the Purchaser Group than those offered to the Independent Third Parties; (ii) the internal control measures implemented by the Group; and (iii) the supply of Products to the Purchaser Group is on an on-going basis and will benefit the revenue growth of the Group, the Board considers that the New Framework Supply Agreement (together with the Proposed Annual Caps) are (a) entered into in the ordinary and usual course of business of the Group; (b) on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (c) in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL MEASURES

The Company has adopted the following measures for monitoring the Sales between the Supplier Group and the Purchaser Group and to ensure that the Sales will be conducted on normal commercial terms and in accordance with the Existing Framework Supply Agreement and the New Framework Supply Agreement and the pricing policy of the Company:

1. the relevant personnel of the sales/merchandising team of the Group overseeing the operations of the Group in connection with the Sales will review and assess on a continuous basis whether the transactions are conducted in accordance with the terms of the Existing Framework Supply Agreement and the New Framework Supply Agreement;

2. the relevant personnel of the sales/merchandising team will review on a quarterly basis, the costing sheet/cost breakdown and price quotation for the purpose of considering if the prices of the Products are fair and reasonable when compared to the recent prices of comparable products selling to the Independent Third Parties, and when necessary, will adjust the prices of the Products with the counterparty in accordance with the pricing principles set out in the Existing Framework Supply Agreement and the New Framework Supply Agreement;
3. the Company will designate specific personnel (i.e. a CT Officer) to review the transactions conducted/potential orders to be conducted under the Existing Framework Supply Agreement and the New Framework Supply Agreement on monthly basis to identify any continuing connected transaction that may be at risk of exceeding the approved annual caps and to ensure the internal control measures in respect of the transactions under the Existing Framework Supply Agreement and the New Framework Supply Agreement remain intact and effective and, if required, to identify any measures to be taken in respect of such transaction(s);
4. the company secretary of the Company shall review and verify the information provided by CT Officer within 15 Business Days after each month end;
5. the continuing connected transactions contemplated under the Existing Framework Supply Agreement and the New Framework Supply Agreement will be reviewed by the independent non-executive Directors every year; and
6. the Company's independent auditor will be engaged to report on the continuing connected transactions under the Existing Framework Supply Agreement and the New Framework Supply Agreement on annual basis in accordance with the Listing Rules and the findings of the Company's auditor will be reported to audit committee of the Company.

INFORMATION OF THE PARTIES

The Company is a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1842). The principal activity of the Company is investment holding. The Group is principally engaged in the designing, developing, manufacturing and selling bag and luggage products catered to kid, teen, sports, leisure, business, travel and technical segments.

The Supplier is an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability and is principally engaged in manufacturing and trading of bags and luggage.

The Purchaser is a company incorporated in Hong Kong with limited liability and is indirectly wholly-owned by Mr. Berg. The Purchaser Group is principally engaged in the sales and distribution of licensed brand bags and luggage products.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Purchaser is indirectly wholly-owned by Mr. Berg, the chairman of the Board, an executive Director and the controlling Shareholder interested in 371,000,000, representing 30.92% of the issued share capital of the Company. Accordingly, the Purchaser Group is a connected person of the Company under Chapter 14A of the Listing Rules and the transactions contemplated under the Existing Framework Supply Agreement and the New Framework Supply Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios in respect of the 2024 Revised Annual Cap exceed 5%, the Revision of 2024 Annual Cap is subject to the reporting, announcement, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios calculated with reference to the Proposed Annual Caps under the New Framework Supply Agreement are more than 5%, the transactions contemplated under the New Framework Supply Agreement constitute non-exempt continuing connected transactions for the Company and are subject to the reporting, announcement, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Berg, being the chairman of the Board, an executive Director and controlling Shareholder with a material interest in the Sales and Ms. Shut Ya Lai, who is the executive Director and Chief Executive Officer of the Company and a director of both the Supplier and the Purchaser, have abstained from voting in the relevant resolution(s) of the Board in approving the above.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in respect of the Revision of 2024 Annual Cap and the New Framework Supply Agreement (including the adoption of the Proposed Annual Caps). Elstone Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve, among other things, the Revision of 2024 Annual Cap and the New Framework Supply Agreement (together with the Proposed Annual Caps).

A circular containing, among others, (i) further details of (a) the Revision of 2024 Annual Cap; and (b) the New Framework Supply Agreement (together with the Proposed Annual Caps); (ii) the advice and recommendations of the Independent Board Committee to the Independent Shareholders in respect of the Revision of 2024 Annual Cap and the New Framework Supply Agreement (including the adoption of the Proposed Annual Caps); (iii) the advice and recommendations of the Independent Financial Adviser to the Independent

Board Committee and the Independent Shareholders in respect of the Revision of 2024 Annual Cap and the New Framework Supply Agreement (including the adoption of the Proposed Annual Caps); and (iv) the notice of EGM is expected to be despatched to the Shareholders in accordance with the Listing Rules on or before 6 November 2024.

DEFINITIONS

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

“2024 Existing Annual Cap”	the existing annual cap for the Sales for the year ending 31 December 2024 under the Existing Framework Supply Agreement
“2024 Revised Annual Cap”	the proposed revised annual cap for the Sales for the year ending 31 December 2024 under the Existing Framework Supply Agreement
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding Saturday, Sunday or public holiday) on which licensed banks in Hong Kong and the PRC are generally open for business
“Company”	Grown Up Group Investment Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1842)
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“controlling Shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Revision of 2024 Annual Cap and the New Framework Supply Agreement (including the adoption of the Proposed Annual Caps)
“Existing Framework Supply Agreement”	the framework supply agreement dated 29 October 2021 entered into between the Supplier, as supplier and the Purchaser, as purchaser, in relation to the Sales by the Supplier Group to the Purchaser Group
“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 People’s Republic of China
“Independent Board Committee”	an independent board committee comprising all the independent non-executive Directors, which has been established by the Board to advise the Independent Shareholders in respect of the Revision of 2024 Annual Cap and the New Framework Supply Agreement (including the adoption of the Proposed Annual Caps)
“Independent Financial Adviser”	Elstone Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Revision of 2024 Annual Cap and the New Framework Supply Agreement (including the adoption of the Proposed Annual Caps)
“Independent Shareholders”	Shareholders other than Mr. Berg and his associates
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Berg”	Mr. Thomas Berg, the chairman of the Board, an executive Director and a controlling Shareholder
“New Framework Supply Agreement”	the framework supply agreement dated 1 November 2024 entered into between the Supplier, as supplier and the Purchaser, as purchaser, in relation to the Sales by the Supplier Group to the Purchaser Group
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Products”	backpack and luggage products to be sold by the Supplier Group to the Purchaser Group under the Existing Framework Supply Agreement and the New Framework Supply Agreement
“Proposed Annual Caps”	the proposed annual caps in respect of the Sales under the New Framework Supply Agreement for the years ending 31 December 2025, 2026 and 2027

“Purchaser”	Grown-Up Licenses Limited, a company incorporated in Hong Kong with limited liability and is indirectly wholly-owned by Mr. Berg
“Purchaser Group”	the Purchaser and its subsidiaries
“Revision of 2024 Annual Cap”	the proposed increase of the 2024 Existing Annual Cap from HK\$70,000,000 to the 2024 Revised Annual Cap of HK\$85,000,000 for the Sales under the Existing Framework Supply Agreement for the year ending 31 December 2024
“Sales”	the continuing connected transactions in relation to the supply of the Products from the Supplier Group to the Purchaser Group under the Existing Framework Supply Agreement and the New Framework Supply Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Supplier”	Grown-Up Manufactory Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Supplier Group”	the Supplier and its subsidiaries
“%”	per cent.

By Order of the Board
Grown Up Group Investment Holdings Limited
Thomas Berg
Chairman and executive Director

Hong Kong, 1 November 2024

As of the date of this announcement, the executive Directors are Mr. Thomas Berg, Mr. Morten Rosholm Henriksen and Ms. Shut Ya Lai; and the independent non-executive Directors are Mr. Tsang Hing Suen, Mr. Wong Kai Hing and Mr. Chan Ting Leuk Arthur.