

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **TEXWINCA HOLDINGS LIMITED**

**德永佳集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 321)

Websites : <http://www.texwinca.com/>

<http://www.irasia.com/listco/hk/texwinca/>

### **INSIDE INFORMATION DISPOSAL OF A SUBSIDIARY**

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board is pleased to announce that Baleno Holdings Limited, a non-wholly-owned subsidiary of the Company, as a Vendor and Shanghai Hui Ye Shi Ye Company Limited # (上海匯業實業有限公司) as a Purchaser entered into a sale and purchase agreement on 14 January 2016. Pursuant to the Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to dispose of an entire equity interest in Shanghai Baleno Company Limited # (上海班尼路服飾有限公司) at a consideration of RMB250,000,000.

As each of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction contemplated under the agreement is less than 5%, the transaction does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules nor a connected transaction under Chapter 14A of the Listing Rules.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

This announcement is made by Texwinca Holdings Limited (the “**Company**”, together with its subsidiaries collectively known as the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

\* *For identification purposes only*

## **THE DISPOSAL**

The board of directors (the “**Board**”) of the Company is pleased to announce that Baleno Holdings Limited, a non-wholly-owned subsidiary of the Company, as a vendor (the “**Vendor**”) and Shanghai Hui Ye Shi Ye Company Limited # (上海匯業實業有限公司) as a purchaser (the “**Purchaser**”) entered into a sale and purchase agreement (the “**Agreement**”) on 14 January 2016. Pursuant to the Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to dispose of an entire equity interest in Shanghai Baleno Company Limited # (上海班尼路服飾有限公司) (the “**Target Company**”) at a consideration of RMB250,000,000 (the “**Consideration**”).

To the best of the knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties that are independent of the Company and its connected persons (as defined under the Listing Rules).

### **Condition Precedent**

Completion of the Agreement is conditional upon, among others, the achievement of the approval of the relevant authorities of the People’s Republic of China government in relation to the transfer of equity interest (the “**Condition Precedent**”).

### **Consideration and Payment**

The Consideration is RMB250,000,000. The Consideration shall be settled in cash by the Purchaser to the Vendor in the following manner:

1. RMB30,000,000 cash deposit will become part of the Consideration; and
2. The balance of Consideration shall be paid in cash upon the transfer of equity interest.

The Consideration was determined between the Vendor and the Purchaser after arm’s length negotiations with reference to the appraised value of the Target Company as set out in the valuation report prepared by the qualified independent valuer.

### **Completion**

Completion shall take place upon the Condition Precedent are fulfilled and full Consideration is received by the Vendor.

## **INFORMATION OF THE GROUP**

The principal activities of the Group include the production, dyeing and sale of knitted fabric and yarn; the retailing and distribution of casual apparel and accessory; the provision of repair and maintenance services for motor vehicles; the provision of franchise services; and property investment.

## **INFORMATION OF THE VENDOR AND THE TARGET COMPANY**

The Vendor is an investment holding company, through its subsidiaries, principally engaged in the retailing and distribution of casual apparel and accessory. As at the date of this announcement, the Company indirectly holds 64% of the total issued share capital of the Vendor.

The Target Company is a sole-foreign funded enterprise established in 1998 and is a wholly-owned subsidiary of the Vendor. The Target Company is engaged in wholesaling and retailing of casual apparel and accessory.

#### **REASONS FOR AND BENEFITS OF THE DISPOSAL OF TARGET COMPANY**

The Vendor is currently undergoing corporate restructuring. The disposal of the Target Company can optimize the resources and initiate strategic development of the Vendor. Besides, the Purchaser is a potential authorised dealer of the Vendor. The Board considers that the disposal of Target Company to the Purchaser can help to develop strategic business cooperation between the Vendor and the Purchaser. As such, the Board is of the view that the disposal of the Target Company is in the interests of the Company and its shareholders as a whole.

#### **LISTING RULES IMPLICATIONS**

As each of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction contemplated under the Agreement is less than 5%, the transaction does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules nor a connected transaction under Chapter 14A of the Listing Rules.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

On behalf of the Board

**Poon Bun Chak**

*Chairman*

Hong Kong, 14 January 2016

*# English translations of the Chinese names for identification purposes only*

*As at the date of this announcement, the executive directors of the Company are Mr. Poon Bun Chak and Mr. Ting Kit Chung; and the independent non-executive directors of the Company are Mr. Au Son Yiu, Mr. Cheng Shu Wing and Mr. Law Brian Chung Nin.*