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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/>

PROFIT WARNING

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 wishes to inform the shareholders and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group, it is expected that the Group may record an approximately 60% decrease in profit after tax for the financial year ended 31 March 2017 as compared with the corresponding period in 2016.

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).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group, it is expected that the Group may record an approximately 60% decrease in profit after tax for the financial year ended 31 March 2017 as compared with the corresponding period in 2016.

** For identification purpose only*

Based on the information currently available, the Board considers that the decrease in profit after tax is primarily due to, including but not limited to, the following reasons:

1. the decrease in sales and gross profit margin of the Group's textile business;
2. the one-off gain on disposal of a subsidiary of HK\$269 million recorded in the year ended 31 March 2016; and
3. the decrease in net gain on disposal of trademark of HK\$244 million.

The Company is still in the course of preparing and finalising its annual results for the year ended 31 March 2017. The information contained in this announcement is only based on a preliminary assessment of the information currently available and the consolidated management accounts of the Group, which have neither been audited nor reviewed by the Company's auditors. The annual results of the Group for the year ended 31 March 2017 are expected to be announced before the end of June 2017.

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, 15 May 2017

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.