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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/>

CONTINUING CONNECTED TRANSACTIONS

The Board announces that on 13 February 2018:

- (1) Mountain Rich as landlord and Tianjin Dafu as tenant entered into a tenancy agreement in relation to the lease of Tianjin Bin Jiang Fu Shi Commercial Building at Tianjian City, He Ping Qu, Bin Jiang Road 282-286, Tianjin, China;
- (2) Latex as landlord and Win Ready as tenant entered into a tenancy agreement in relation to the lease of 22 Perkins Road, Jardine's Lookout, Hong Kong; and
- (3) Winson Link as landlord and Win Ready as tenant entered into a tenancy agreement in relation to the lease of Room 4207B, 42nd Floor, Metroplaza, Tower II, 223 Hing Fong Road, Kwai Chung, New Territories, Hong Kong and a car parking space.

The reason of the transactions are for the renewal of existing lease agreements which are due to expire on 31 March 2018.

Each of Mountain Rich, Latex and Winson Link is a connected person of the Company within the meaning of the Listing Rules by virtue of its being a wholly-owned company of Mr. Poon who is an executive director and executive chairman of the Company. Accordingly, each of the Tenancy Agreements constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios as represented by the maximum aggregate annual value (as set out herein) of the Tenancy Agreements are more than 0.1% but less than 5%, the transactions are only subject to announcement, reporting and annual review requirements but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

* For identification purposes only

TENANCY AGREEMENTS

A. Backgrounds

(1) Tenancy Agreement in relation to the lease of Tianjin Bin Jiang Fu Shi Commercial Building at Tianjian City, He Ping Qu, Bin Jiang Road 282-286, Tianjin, China

On 13 February 2018, Mountain Rich as landlord and Tianjin Dafu as tenant entered into a tenancy agreement in relation to the lease of Tianjin Bin Jiang Fu Shi Commercial Building at Tianjian City, He Ping Qu, Bin Jiang Road 282-286, Tianjin, China. The term of the tenancy agreement is for a period of 2 years commencing from 1 April 2018. The monthly rent payable under the tenancy agreement is RMB1,329,900 during the term of the tenancy agreement.

The reason of the transaction is for the renewal of an existing lease agreement which is due to expire on 31 March 2018 and Tianjin Dafu intends to continue to lease the property as retail outlets.

(2) Tenancy Agreement in relation to the lease of 22 Perkins Road, Jardine's Lookout, Hong Kong

On 13 February 2018, Latex as landlord and Win Ready as tenant entered into a tenancy agreement in relation to the lease of 22 Perkins Road, Jardine's Lookout, Hong Kong. The term of the tenancy agreement is for a period of 2 years commencing from 1 April 2018. The monthly rent payable under the tenancy agreement is HK\$400,000 during the term of the tenancy agreement.

The reason of the transaction is for the renewal of an existing lease agreement which is due to expire on 31 March 2018 and Win Ready intends to continue to lease the property for the provision of a director's quarter.

(3) Tenancy Agreement in relation to the lease of Room 4207B, 42nd Floor, Metroplaza, Tower II, 223 Hing Fong Road, Kwai Chung, New Territories, Hong Kong and a car parking space

On 13 February 2018, Winson Link as landlord and Win Ready as tenant entered into a tenancy agreement in relation to the lease of Room 4207B, 42nd Floor, Metroplaza, Tower II, 223 Hing Fong Road, Kwai Chung, New Territories, Hong Kong and a car parking space. The term of the tenancy agreement is for a period of 2 years commencing from 1 April 2018. The monthly rent payable under the tenancy agreement is HK\$63,200 during the term of the tenancy agreement.

The reason of the transaction is for the renewal of an existing lease agreement which is due to expire on 31 March 2018 and Win Ready intends to continue to lease the property as a training centre of the Group.

The terms of the Tenancy Agreements were arrived at after arm's length negotiations between the landlords and the tenants, and the monthly rents of the Tenancy Agreements were determined with reference to comparable market rents. The directors of the Company (including its independent non-executive directors)

considered that the transactions are entered into in the ordinary and usual course of business of the Company, the terms of the Tenancy Agreements are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Mr. Poon, the executive chairman of the Company, abstained from voting on the relevant board resolutions of the Company approving the Tenancy Agreements.

B. Maximum Aggregate Annual Value

The maximum aggregate annual value, in equivalent HK\$, at anticipated exchange rate of the said continuing connected transactions for the financial years ending on 31 March 2019 and 31 March 2020 is HK\$30,000,000. The maximum aggregate annual value is determined with reference to the annual market rent of the above connected transactions.

C. Connected Transaction

Each of Mountain Rich, Latex and Winson Link is a connected person of the Company within the meaning of the Listing Rules by virtue of its being a wholly-owned company of Mr. Poon who is an executive director and executive chairman of the Company. Accordingly, each of the Tenancy Agreements constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios as represented by the maximum aggregate annual value (as set out above) of the Tenancy Agreements are more than 0.1% but less than 5%, the transactions are only subject to announcement, reporting and annual review requirements but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

PRINCIPAL BUSINESS ACTIVITIES 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 accessories; the provision of franchise services; and properties investment.

INFORMATION FOR THE SHAREHOLDERS

The details of the transactions under the Tenancy Agreements as required under Rule 14A.71 of the Listing Rules will be included in the Company's next published annual report.

DEFINITIONS

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

“Board”	the board of Directors;
“Company”	Texwinca Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;

“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Latex”	Latex (Hong Kong) Limited, a company wholly-owned by Mr. Poon principally engaging in properties investment;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mountain Rich”	Mountain Rich Limited, a company wholly-owned by Mr. Poon principally engaging in properties investment;
“Mr. Poon”	Mr. Poon Bun Chak is an executive director and executive chairman of the Company;
“percentage ratios”	has the meaning ascribed to it under the Listing Rules;
“PRC”	the People's Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Tenancy Agreements”	collectively the following agreements: <ul style="list-style-type: none"> (1) the tenancy agreement dated 13 February 2018 entered into between Mountain Rich as landlord and Tianjin Dafu as tenant in relation to the lease of Tianjin Bin Jiang Fu Shi Commercial Building at Tianjian City, He Ping Qu, Bin Jiang Road 282-286, Tianjin, China; (2) the tenancy agreement dated 13 February 2018 entered into between Latex as landlord and Win Ready as tenant in relation to the lease of 22 Perkins Road, Jardine’s Lookout, Hong Kong; and (3) the tenancy agreement dated 13 February 2018 entered into between Winson Link as landlord and Win Ready as tenant in relation to the lease of Room 4207B, 42nd Floor, Metroplaza, Tower II, 223 Hing Fong Road, Kwai Chung, New Territories, Hong Kong and a car parking space;

“Tianjin Dafu”	Tianjin Dafu Friendship Baleno Company Limited, a non-wholly-owned subsidiary of the Company principally engaging in retailing and distribution of casual apparel and accessories;
“Win Ready”	Win Ready Industrial Limited, a wholly-owned subsidiary of the Company principally engaging in investment and properties holding;
“Winson Link”	Winson Link Enterprises Limited, a company wholly-owned by Mr. Poon principally engaging in properties investment; and
“%”	per cent.

By Order of the Board

Poon Bun Chak

Chairman

Hong Kong, 13 February 2018

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