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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/>

VOLUNTARY ANNOUNCEMENT CESSATION OF OPERATIONS OF THE ASSOCIATE

This announcement is made by the board of directors (the “**Board**”) of Texwinca Holdings Limited (the “**Company**”, together with its subsidiaries collectively known as the “**Group**”) on a voluntary basis to inform the shareholders of the Company and potential investors of the latest business development of the Group.

The Board announces that Megawell Industrial Limited (“**Megawell**”), in which the Group holds 50% equity interest, has ceased its operations in the Mainland China and Vietnam since 2019. Megawell was a strategic partner of the Group engaged in the manufacture of garments, however, the executive directors of Megawell who are also the minority shareholders of Megawell reached the age of retirement and decided to cease Megawell’s operations. Following the cessation of business of Megawell, the Board decided to establish its own garment factory(ies) in the Mainland China and in a nearby Asian country. The self-owned garment factory(ies) will become one of the essential elements of the Group’s vertically integrated operations that enable the Group to provide efficient and cost-effective services.

The Board wishes to emphasise that there is no assurance that any forward-looking statement in relation to the Group’s business development and any matters stated thereunder as set out in this announcement will be accomplished. 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, 27 February 2020

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.

** For identification purposes only*