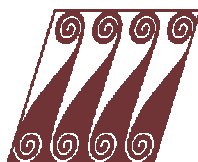


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TEXWINCA HOLDINGS LIMITED

德永佳集團有限公司*

(Incorporated in Bermuda with limited liability)

Stock code: 321

SHARE TRANSACTION AND CONNECTED TRANSACTION

ACQUISITION OF SHARES

On 24 September 2010, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Sellers whereby the Purchaser agreed to purchase and the Sellers agreed to sell the Sale Shares at a total consideration of HK\$203,280,000, on the terms and subject to the conditions set out in the Agreement. The Consideration shall be paid to the Sellers by a cash payment of HK\$60,880,000 and by the issue and allotment, credited as fully paid, of the Consideration Shares at the issue price of HK\$8.9 per Consideration Share at Completion in equal shares.

As at the date hereof, the Company, through the Purchaser, is indirectly interested in 54% of BHL and each of the Sellers is respectively holding 23% of the issued share capital of BHL. Accordingly, each of the Sellers is a substantial shareholder of a non wholly-owned subsidiary of the Company and hence a Connected Person of the Company. The Acquisition therefore constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the Consideration is to be satisfied, in part, by the issue and allotment of the Consideration Shares, the Acquisition also constitutes a share transaction of the Company under Chapter 14 of the Listing Rules.

Given that the applicable ratios in relation to the Acquisition are more than 1% but less than 5% and the Consideration is over HK\$10,000,000, the Acquisition is subject to the requirements of reporting, announcement and independent shareholders' approval under Chapter 14A of the Listing Rules.

* *For identification purpose only*

No Shareholders are required to abstain from voting if the Company were to convene a general meeting to approve the Acquisition and the Agreement. On 24 September 2010, a closely allied group of Shareholders, namely, Giant Wizard Corporation, Farrow Star Limited, Mr. Poon Bun Chak, Mr. Poon Kei Chak, Treasure Link International Holdings Limited, Mr. Poon Kwan Chak and Mr. Poon Kai Chak which currently hold 745,510,904 Shares in aggregate, representing approximately 55.85% of the issued share capital of the Company and have the right to attend and vote at a general meeting of the Company to approve the Acquisition and the Agreement (including the issuance and allotment of the Consideration Shares pursuant to the general mandate), have given to the Company their written approval for the Acquisition and the Agreement and as such, an application for waiver of Shareholders' meeting will be made to the Stock Exchange pursuant to Rule 14A.43 of the Listing Rules.

A circular containing, among other things, (i) details of the Acquisition and the Agreement; (ii) the recommendation of the Independent Board Committee regarding the Acquisition and the Agreement to the Independent Shareholders; and (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee on the Acquisition and the Agreement, is expected to be dispatched to the Shareholders on or before 18 October 2010.

THE AGREEMENT

The principal terms of the Agreement are as follows:

Date

24 September 2010

Parties

1. GML and WCL as the sellers
2. The Purchaser as the purchaser
3. Mr. Chan and Mr. Fung as the Sellers' Guarantors
4. The Company as the Purchaser's Guarantor

Sale Shares

1,000 shares of US\$1 each in the issued share capital of BHL, representing 10% of the issued share capital in BHL, to be sold as to 500 Sale Shares by GML and as to 500 Sale Shares by WCL.

Consideration

The total consideration is HK\$203,280,000, of which HK\$60,880,000 shall be paid by cash and HK\$142,400,000 shall be satisfied by way of the issue and allotment, credited as fully paid, of 16,000,000 Consideration Shares at the issue price of HK\$8.9 per Consideration Share at completion, in each case to the Sellers in equal shares.

The Consideration was arrived at after arm's length negotiations between the parties, taking into consideration of the average price earning ratio of other Hong Kong listed companies engaged in similar industries and the past and potential growth of BHL.

As at 31 March 2010, the consolidated net asset value of BHL was approximately HK\$452,928,000. The consolidated net profits of BHL before taxation and extraordinary items for the years ended 31 March 2009 and 31 March 2010 were approximately HK\$144,941,000 and HK\$264,639,000 respectively. The consolidated net profits of BHL after taxation and extraordinary items for the years ended 31 March 2009 and 31 March 2010 were approximately HK\$67,134,000 and HK\$205,335,000 respectively.

The total original acquisition cost of the Sale Shares was HK\$7,800, that is, at the nominal value of such shares.

The issue price of HK\$8.9 per Consideration Share to be issued by the Company represents:

- (i) the closing price per Share as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a premium of approximately 4.6% to the average closing price of approximately HK\$8.51 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Date; and
- (iii) a premium of approximately 7.7% to the average closing price of HK\$8.26 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Date.

The Consideration Shares represent approximately 1.20% of the existing issued share capital of the Company and approximately 1.18% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares.

Conditions of the Acquisition

Completion of the Acquisition is conditional on:

- (i) the obtaining of the approval of the Independent Shareholders of the Company in respect of the entering into of the Agreement by the Purchaser and the Company and the performance of their respective obligations thereunder at general meeting or, where permitted, by way of written approval, each compliant with and in accordance with the Listing Rules;
- (ii) the grant of the listing of and permission to deal in all Consideration Shares (in their fully paid form) by the Listing Committee;
- (iii) all requisite waivers, consents and approvals from any relevant governmental or regulatory authorities or any third party in connection with the transactions contemplated by the Agreement having been obtained; and
- (iv) the warranties remaining true and accurate and not misleading in all respects at Completion,

by 30 November 2010 (or such later date as the Purchaser and the Sellers may agree in writing).

Completion of the Acquisition

Completion of the Acquisition under the Agreement will take place at the offices of the Purchaser's Solicitors on the fifth business day after all the above conditions have been satisfied (or, where permitted, waived) or at such other time, date and places as the Sellers and Purchaser may agree in writing.

Non-disposal Undertaking of the Sellers

Each Seller shall not at any and all times on or before the first anniversary date of completion, sell, transfer, encumber or otherwise dispose of, or create or grant options, interests or rights in respect of, 5,000,000 Consideration Shares (out of the total of 8,000,000 Consideration Shares) issued and allotted to it at completion or enter into agreement in relation to any of the foregoing.

EFFECT ON SHAREHOLDING STRUCTURE

The shareholdings in the Company before and after the issuance and allotment of the Consideration Shares are summarized as follows:

	At present		After issuance and allotment	
	No. of Shares	% (approx.)	No. of Shares	% (approx.)
Giant Wizard Corporation ⁽¹⁾	456,450,000	34.20	456,450,000	33.79
Farrow Star Limited ⁽²⁾	168,800,104	12.65	168,800,104	12.50
Poon Bun Chak	32,888,000	2.46	32,888,000	2.44
Poon Kei Chak	22,977,200	1.72	22,977,200	1.70
Treasure Link International Holdings Limited ⁽³⁾	41,922,000	3.14	41,922,000	3.10
Poon Kwan Chak	14,270,800	1.07	14,270,800	1.06
Poon Kai Chak	8,202,800	0.61	8,202,800	0.61
Ting Kit Chung	2,600,000	0.20	2,600,000	0.19
Au Son Yiu	100,000	0.00	100,000	0.00
GML	0	0.00	8,000,000	0.59
WCL	0	0.00	8,000,000	0.59
Public Shareholders	586,617,200	43.95	586,617,200	43.43
Total issued share capital	1,334,828,104	100.00	1,350,828,104	100.00

Notes:

- (1) The 456,450,000 Shares are owned by Giant Wizard Corporation which, in turn, is owned as to 97.15% by Farrow Star Limited and 2.85% by Mr. Poon Bun Chak.
- (2) The 168,800,104 Shares are owned by Farrow Star Limited, which is wholly-owned by Perfection (PTC) Inc. as a trustee for a discretionary trust the beneficiaries of which include the family members of Mr. Poon Bun Chak. Mr. Poon Bun Chak is the sole shareholder of Perfection (PTC) Inc..
- (3) The 41,922,000 Shares are owned by Treasure Link International Holdings Limited which, in turn, is owned by Mr. Poon Kei Chak and his spouse in equal shares.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE-MONTH PERIOD

The Company has not conducted any equity fund raising activity in the past twelve-month period immediately preceding this announcement.

REASONS FOR THE ACQUISITION

BHL and its subsidiaries are principally engaged in the retailing and distribution of casual apparels and accessories. BHL has expanded rapidly to become a successful apparel retailer in the Greater China. In recent years, BHL continued to achieve a stable and remarkable performance. The Board believes that the further acquisition of the shareholding in BHL will further strengthen the vertical integration of the business of the Group, improve the strategic management of the Group and enhance the return to the Shareholders.

Having considered the above, the Directors, including the independent non-executive Directors, are of the view that the terms of the Agreement and the Acquisition are fair and reasonable and on normal commercial terms and the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole.

COMPANY'S PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The Company, together with its subsidiaries and associated companies, is principally engaged in the textile and garment manufacturing and the retailing and distribution of casual apparels and accessories.

BHL and its subsidiaries are principally engaged in the retailing and distribution of casual apparels and accessories.

As at the date of this announcement, the authorised share capital of the Company consists of 2,000,000,000 Shares out of which 1,334,828,104 are issued and fully paid up.

IMPLICATIONS UNDER THE LISTING RULES AND WRITTEN APPROVAL

As at the date hereof, the Company, through the Purchaser, is indirectly interested in 54% of BHL and each of the Sellers is respectively holding 23% of the issued share capital of BHL. Accordingly, each of the Sellers is a substantial shareholder of a non wholly-owned subsidiary of the Company and hence a Connected Person of the Company. The Acquisition therefore constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the Consideration is to be satisfied, in part, by the issue and allotment of Consideration Shares, the Acquisition constitutes a share transaction of the Company under Chapter 14 of the Listing Rules.

Given the applicable ratios in relation to the Acquisition are more than 1% but less than 5% and the Consideration is over HK\$10,000,000, the Acquisition is subject to the requirements of reporting, announcement and independent shareholders' approval under Chapter 14A of the Listing Rules.

No Shareholders are required to abstain from voting if the Company were to convene a general meeting to approve the Acquisition and the Agreement. On 24 September 2010, the Company received a written approval of the Acquisition and the Agreement (including the issuance and allotment of the Consideration Shares pursuant to the general mandate) from a closely allied group of Shareholders, namely, Giant Wizard Corporation, Farrow Star Limited, Mr. Poon Bun Chak, Mr. Poon Kei Chak, Treasure Link International Holdings Limited, Mr. Poon Kwan Chak and Mr. Poon Kai Chak which currently hold 745,510,904 Shares in aggregate, representing approximately 55.85% of the issued share capital of the Company. Particulars of their respective shareholdings have been set out in the section headed "Effect on Shareholding Structure" above.

Each of Giant Wizard Corporation and Farrow Star Limited is controlled by Mr. Poon Bun Chak, the chairman of the Company and a Shareholder. Mr. Poon Kei Chak, Mr. Poon Kwan Chak and Mr. Poon Kai Chak are brothers of Mr. Poon Bun Chak and each of whom is a Shareholder and an executive Director. Treasure Link International Holdings Limited is wholly owned by Mr. Poon Kei Chak and his spouse in equal shares. As such, an application for waiver of Shareholders' meeting will be made to the Stock Exchange pursuant to Rule 14A.43 of the Listing Rules.

An Independent Board Committee will be formed to advise the Independent Shareholders with respect to the Agreement and the transactions contemplated thereunder, and the Independent Financial Adviser will be appointed to make recommendations to the Independent Board Committee and the Independent Shareholders regarding the same.

GENERAL MANDATE

The Company will issue the 16,000,000 Consideration Shares at the issue price of HK\$8.9 per Consideration Share pursuant to the general mandate granted to the Directors at the last annual general meeting held by the Company on 10 August 2010. The said general mandate entitles the Company to issue a total nominal value of not exceeding 20% of the aggregate of the total nominal value of the share capital of the Company in issue as at the date of the grant of the said general mandate, which amounts to 266,965,620 Shares. The foregoing issuance and allotment of the Consideration Shares pursuant to the said general mandate has been approved under the Written Approval. As at the date of this announcement, such general mandate has not been utilized since the date of the grant.

APPLICATION FOR LISTING

The Company will apply to the Listing Committee for the grant of the listing of and permission to deal in the Consideration Shares.

GENERAL

A circular, containing, among other things, (i) details of the Acquisition and the Agreement; (ii) the recommendation of the Independent Board Committee regarding the Acquisition and the Agreement to the Independent Shareholders; and (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee on the Acquisition and the Agreement, is expected to be dispatched to the Shareholders on or before 18 October 2010.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares by the Purchaser
“Agreement”	the share purchase agreement relating to the sale and purchase of the Sale Shares made between the Company, the Sellers, the Purchaser and the Sellers’ Guarantors
“BHL”	Baleno Holdings Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, an indirect non wholly-owned subsidiary of the Company
“Board”	the board of Directors of the Company
“Company”	Texwinca Holdings Limited, a company incorporated under the laws of Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Connected Persons”	has the meaning ascribed thereto in the Listing Rules
“Consideration”	HK\$203,280,000, being the total consideration for the Acquisition pursuant to the Agreement
“Consideration Shares”	16,000,000 new Shares to be allotted and issued to the Sellers in equal shares by the Company as partial settlement of the Consideration pursuant to the Agreement

“Directors”	the directors of the Company
“GML”	Galantine Management Limited, a company incorporated under the laws of the British Virgin Islands with limited liability
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of The People’s Republic of China
“Independent Board Committee”	the committee of the Board to be established for the purpose of advising the Independent Shareholders on the Acquisition and the Agreement, the members of which are Mr. Cheng Shu Wing, Mr. Au Son Yiu and Mr. Wong Tze Kin David
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Board and approved by the Independent Board Committee
“Independent Shareholders”	the Shareholders who are not involved in or interested in the Acquisition
“Last Trading Date”	22 September 2010, being the last full trading day for the Shares before the date of the Agreement
“Listing Committee”	shall have the meaning ascribed to it in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chan”	Mr. Chan Min, the sole shareholder and beneficial owner of the entire issued share capital of GML
“Mr. Fung”	Mr. Fung Wai Lun Daniel, the sole shareholder and beneficial owner of the entire issued share capital of WCL
“PRC”	The People’s Republic of China
“Purchaser”	Trustland Inc., a company incorporated under the laws of the British Virgin Islands with limited liability, a direct wholly-owned subsidiary of the Company
“Sale Shares”	1,000 shares of US\$1 each in the issued share capital of BHL, representing 10% of the total issued share capital of BHL
“Sellers”	GML and WCL
“Sellers’ Guarantors”	Mr. Chan and Mr. Fung
“Share(s)”	ordinary share(s) of HK\$0.05 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

“US\$”	US dollars, the lawful currency of the United States of America
“WCL”	Welsom Consultants Limited, a company incorporated under the laws of the British Virgin Islands with limited liability
“Written Approval”	a written approval dated 24 September 2010 jointly issued and signed by a closely allied group of Shareholders, namely, Giant Wizard Corporation, Farrow Star Limited, Mr. Poon Bun Chak, Mr. Poon Kei Chak, Treasure Link International Holdings Limited, Mr. Poon Kwan Chak and Mr. Poon Kai Chak, approving the Acquisition and the Agreement (including the issuance and allotment of the Consideration Shares pursuant to the general mandate)
"% "	per cent.

By Order of the Board
Poon Bun Chak
Chairman

Hong Kong, 24 September 2010

As at the date of this announcement, the Executive Directors are Mr. Poon Bun Chak, Mr. Mr. Poon Kei Chak, Mr. Poon Kwan Chak, Mr. Poon Kai Chak and Mr. Ting Kit Chung; and the Independent Non-executive Directors are Mr. Cheng Shu Wing, Mr. Au Son Yiu and Mr. Wong Tze Kin David.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.