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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/>

Financial Advisor to the Company



MAJOR TRANSACTION

AGREEMENT RELATING TO THE SALE AND PURCHASE OF THE ENTIRE ISSUED SHARE CAPITAL OF AND THE ASSIGNMENT OF SHAREHOLDER'S LOAN OWING BY FASHION TIME VIET NAM LIMITED

THE ACQUISITION AGREEMENT

On 4 August 2023 (after trading hours), the Purchaser, being an indirectly wholly-owned subsidiary of the Company, and the Company (as the Purchaser's Guarantor) entered into the Acquisition Agreement with the Vendor and the Vendor's Guarantor, pursuant to which the Purchaser has conditionally agreed to acquire the Sale Shares and purchase the benefit of, by way of an assignment, the Loan, and the Vendor has conditionally agreed to sell the Sale Shares and assign the Loan to the Purchaser at the Consideration of US\$78,591,942 (subject to completion adjustment).

As at the date of this announcement, 100% of the registered charter capital of the Target Company validly issued and outstanding, is legally and beneficially owned by the Vendor. Upon Completion, the Target Company will be wholly-owned by the Purchaser and, accordingly, become an indirect wholly-owned subsidiary of the Company.

** For identification purpose only*

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 25% but all of them are less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval may be obtained by written Shareholders' approval in lieu of convening a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition Agreement and the transactions contemplated thereunder; and (b) the written approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the issued share capital of the Company giving the right to attend and vote at the general meeting to approve the Acquisition Agreement and the transactions contemplated thereunder.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, none of the Shareholders have any material interest in the Acquisition Agreement and the transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition Agreement and the transactions contemplated thereunder.

As at the date of this announcement, Farrow Star Limited (a company controlled by Mr. Poon Bun Chak) holds 698,830,104 shares, representing approximately 50.58% of the issued share capital of the Company. As the Company has obtained written approval from Farrow Star Limited, no extraordinary general meeting will be convened by the Company for the purpose of approving the Acquisition Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

A circular containing, *inter alia*, (i) further information of the Acquisition; (ii) financial information of the Target Company; (iii) unaudited pro forma financial information of the Group as enlarged by the Acquisition; and (iv) the property valuation report will be despatched to the Shareholders on or before 25 August 2023.

Shareholders and potential investors should note that Completion is subject to the satisfaction and/or, where applicable, waiver of the conditions precedent set out under the section headed "The Acquisition Agreement – Conditions Precedent" in this announcement. As the Acquisition may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

On 4 August 2023 (after trading hours), the Purchaser, being an indirectly wholly-owned subsidiary of the Company, and the Company (as the Purchaser's Guarantor) entered into the Acquisition Agreement with the Vendor and the Vendor's Guarantor, pursuant to which the Purchaser has conditionally agreed to acquire the Sale Shares and purchase the benefit of, by way of an assignment, the Loan, and the Vendor has conditionally agreed to sell the Sale Shares and assign the Loan to the Purchaser at the Consideration of US\$78,591,942 (subject to completion adjustment).

THE ACQUISITION AGREEMENT

The principal terms of the Acquisition Agreement are set out below:

Date

4 August 2023

Parties

- (1) Purchaser: Nice View Dyeing & Bleaching Limited
- (2) Purchaser's Guarantor: Texwinca Holdings Limited
- (3) Vendor: Fashion Time Vietnam Holdings Limited
- (4) Vendor's Guarantor: Texhong International Group Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendor, the Vendor's Guarantor and the Target Company and its respective ultimate beneficial owners (if applicable) are Independent Third Parties.

Assets to be acquired

The Sale Shares represent the 100% of the registered charter capital of the Target Company. The Loan represents the entire sum owing by the Target Company to the Vendor as at the Completion Date.

The Consideration and payment terms

The consideration payable by the Purchaser to the Vendor for the assignment of the Loan (the "**Loan Consideration**") shall be an amount equal to the outstanding amount of the Loan as at the Completion Date as set out in the Audited Completion Accounts (as defined below).

The consideration for the sale and purchase of the Sale Shares payable by the Purchaser to the Vendor (the "**Share Consideration**") shall be equal to the adjusted net asset value of the Target Company as at the Completion Date (the "**Adjusted NAV**").

The Consideration, being the aggregate of the Initial Share Consideration and the Loan Consideration, shall be US\$78,591,942 (subject to completion adjustment) and shall be paid in the manner as follows:

- (i) an amount of US\$3,929,597 by way of a deposit (the "**Deposit**") on account of the Consideration is payable by the Purchaser to the bank account of the Vendor within three Business Days after the signing of the Acquisition Agreement;
- (ii) an amount of US\$23,577,583 by way of part payment (the "**Part Payment**") on account of the Consideration is payable by the Purchaser to the Escrow Agent subject to the terms of the Escrow Agreement within three Business Days after the signing of the Acquisition Agreement;
- (iii) an amount equal to the outstanding amount of the Loan as at the Completion Date as set out in the Completion Accounts (as defined below) of the Target Company *less* the aggregate of the Deposit and the Part Payment shall be paid to the Escrow Agent on the Completion Date on account of the Loan Consideration;

- (iv) an amount equal to the Initial Share Consideration *less* the Deferred Amount shall be paid to the Escrow Agent on the Completion Date on account of the Share Consideration; and
- (v) the remaining balance of US\$1,000,000 (the “**Deferred Amount**”) shall be paid by the Purchaser to the Vendor within six months from the Completion Date.

The Deposit and the Part Payment, collectively and without interest, shall be applied in full as part payment of the Consideration at Completion. The Consideration will be financed by the internal resources and external borrowings of the Group.

Adjusted NAV and Adjustments to the Consideration

The Adjusted NAV shall be calculated and computed according to the formula below and the respective principles as stipulated in the Acquisition Agreement for determining of the agreed value of the Land, the Buildings, the Plant and Equipment, the software systems and the net current assets of the Target Company as at Completion Date.

$$\text{Adjusted NAV} = A_{(\text{Land})} + A_{(\text{Buildings})} + A_{(\text{P\&E})} + (A_{(\text{Current})} - L_{(\text{Current})}) + A_{(\text{Systems})}$$

where:

- “**A_(Land)**” is the agreed value of the Land determined by the site area of the Land in square metres as shown in the valuation report on the Land multiplied by agreed price per square metre of the Land;
- “**A_(Buildings)**” is the agreed value of the Buildings determined based on original acquisition cost or the net book value of the Buildings in the books of the Target Company if the building contractor counterparties were independent third parties; or based on a comparison of the original acquisition cost of the Buildings in the books of the Target Company and the total construction costs of the Buildings and other ancillary costs if the building contractor counterparties were not independent third parties;
- “**A_(P&E)**” is the agreed value of the Plant and Equipment determined based on original acquisition cost or the net book value of the Plant and Equipment in the books of the Target Company if the supplier counterparties were independent third parties; or based on a comparison of the original acquisition cost of the Plant and Equipment in the books of the Target Company and the total construction costs of the Plant and Equipment and other ancillary costs if the supplier counterparties were not independent third parties;
- “**A_(Systems)**” is the agreed value of the software systems determined by the actual acquisition costs and self-development cost of systems in aggregate;

“**A_(Current)**” is the current assets of the Target Company as at Completion Date (other than and without double counting any of $A_{(Land)}$, $A_{(Buildings)}$, $A_{(P\&E)}$ and $A_{(Systems)}$); and

“**L_(Current)**” is the current liabilities of the Target Company as at Completion Date (including the Loan).

No later than seven Business Days after the Completion Date, the Vendor shall procure the following matters and things to be delivered to the Purchaser or the Purchaser’s Solicitors:

- (a) the completion accounts and the notes thereto (the “**Completion Accounts**”) as of the Completion Date to be prepared in accordance with the HKFRSs effective as of the Completion Date and to adopt the existing accounting policies of the Target Company consistently applied and made up to the Completion Date;
- (b) a list of Buildings set out in an agreed form as of the Completion Date;
- (c) a list of Plant and Equipment set out in an agreed form as of the Completion Date; and
- (d) a list of software systems being the computer and technical software systems acquired or to be acquired by the Target Company after the date of the Acquisition Agreement for the purpose of the business and operations of the Target Company as the Purchaser may specify in writing to take up at Completion,

together with a statement of the Adjusted NAV and the outstanding Loan amount of the Target Company based on the Completion Accounts.

As soon as practicable after Completion but in any event within 30 days after Completion:

- (a) the Purchaser shall, at its own costs and expenses, procure the Target Company to engage the external auditors of the Company to complete the audit of the Completion Accounts and deliver to each party the audited completion accounts (the “**Audited Completion Accounts**”); and
- (b) the Vendor shall prepare and deliver to the Purchaser a statement of the Adjusted NAV and the Loan Consideration as at the Completion Date, which is verified and confirmed by the Purchaser.

If the Consideration after the completion adjustment (being the aggregate of the Adjusted NAV and the Loan Consideration) would likely be adjusted upwards to an amount leading to a situation that one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 100% and therefore the transactions contemplated thereunder would constitute a very substantial acquisition, the Company will comply with the relevant requirements under Chapter 14 of the Listing Rules. Given that the consideration ratio is the only percentage ratio exceeding 25% moderately, the Directors are of the view that the possibility of the Acquisition and the transactions contemplated thereunder constituting a very substantial acquisition is remote.

Basis of the Consideration

The parties agree that the Initial Share Consideration shall be determined, after arm's length negotiations between the parties to the Acquisition Agreement on normal commercial terms, as if Completion had occurred on 30 June 2023, with:

- (i) the net current assets stated in the unaudited balance sheet as at 30 June 2023 of the Target Company and the notes relating to them (the "**Management Accounts**") (being taken as the Audited Completion Accounts);
- (ii) the site area of the Land;
- (iii) the schedule of Buildings set out in the Acquisition Agreement being taken as the completion building list;
- (iv) the schedule of Plant and Equipment set out in the Acquisition Agreement being taken as the completion Plant and Equipment list; and
- (v) the agreed value of software systems being nil.

Taking into the consideration of (i) the Initial Share Consideration being US\$14,911,942 as determined above by the Purchaser and the Vendor with reference to the preliminary fair market valuation of the entire issued share capital of the Target Company, (ii) the consideration of the Loan being US\$63,680,000 as set out in the Management Accounts, and (iii) the reasons for and benefits of the Acquisition as stated under the section headed "Reasons for and Benefits of the Acquisition" below, the Directors consider that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions Precedent

The Acquisition shall be conditional upon fulfilment of the following conditions:

- (a) the Purchaser being satisfied with the matters below in all respects:
 - (1) satisfactory compliance status of personal income tax and social health & unemployment insurance of the Target Company under the applicable laws of Vietnam;
 - (2) updating of schedule for investment and implementation of the project ("the **Project**") in the investment registration certificate of the Target Company to which that certificate relates;
 - (3) satisfactory compliance status of transfer pricing documentation of the Target Company; and
 - (4) the obtaining of documents evidencing the fire prevention and fighting compliance, including (i) fire protection acceptance for phase 1 all built items of the Project, (ii) construction acceptance for phase 1 all built items of the Project, and (iii) property certificate for phase 1 all built items of the Project.

- (b) the obtaining of the approval of the Shareholders by way of poll in general meeting or (if permitted by the Listing Rules) by written approval in respect of the Purchaser and the Purchaser's Guarantor entering into of the Acquisition Agreement, the transactions contemplated thereunder and the performance of their respective obligations thereunder in compliance with the Listing Rules;
- (c) the obtaining of the approval of the shareholders of the Vendor's Guarantor by way of poll in general meeting or (if permitted by the Listing Rules) by written approval in respect of the Vendor and the Vendor's Guarantor entering into of the Acquisition Agreement, the transactions contemplated thereunder and the performance of their respective obligations thereunder in compliance with the Listing Rules (if applicable);
- (d) all requisite filings with and approvals from the competent authorities of Vietnam under the applicable competition laws of Vietnam having been duly made, performed and obtained;
- (e) all requisite filings and approvals in relation to the Sale Shares under the applicable investment laws of Vietnam having been duly made, performed and obtained;
- (f) the land use right certificate relating to the Land held by the Target Company having been duly amended and updated to reflect the proper, correct and up-to-date information of the land use right of the Land including, without limitation, the payment of land rental on the basis of one-off scheme and the inclusion of ownership title of all completed Buildings;
- (g) all outstanding loans (constituting the Loan) owing, due or payable by the Target Company to the Vendor having been duly reported and/or registered with State Bank of Vietnam in accordance with and in the manner required by the applicable laws of Vietnam reflecting the Vendor as the lender; together with the provision of loan repayment plan of existing shareholder's loans owing by the Target Company; and
- (h) the warranties remaining true and accurate and not misleading in all respects as at the date of the Acquisition Agreement up to the Completion Date by reference to the facts, matters and circumstances then subsisting.

The Vendor and the Purchaser may jointly waive all or any of the conditions (other than the conditions (b), (c), (d) and (e) above), either in whole or in part, at any time by mutual agreement in writing, and the Purchaser may unilaterally waive all or any of the conditions (a), (f) through (h) at any time by notice in writing to the Vendor.

If not all the above conditions are satisfied (unless, where permitted, waived) on or before the Long Stop Date, the provisions of the Acquisition Agreement shall lapse and cease to have effect (so that no party shall have any further liability under them); but the lapsing of those provisions shall not affect any accrued rights or liabilities of any party.

Guarantee by the Purchaser's Guarantor

In consideration of the Vendor agreeing to enter into the Acquisition Agreement, the Purchaser's Guarantor:

- (a) covenants with and undertakes to the Vendor that the Purchaser shall, and it shall procure the Purchaser will, duly and punctually perform and observe any and all of the Purchaser's duties and obligations under the Acquisition Agreement;
- (b) guarantees the payment by the Purchaser, when due, of all amounts payable by the Purchaser under and in connection with the Acquisition Agreement; and
- (c) guarantees the due and punctual performance and observance by the Purchaser of any and all of its duties and obligations under and in connection with the Acquisition Agreement.

Guarantee by the Vendor's Guarantor

In consideration of the Purchaser agreeing to enter into the Acquisition Agreement, the Vendor's Guarantor:

- (a) covenants with and undertakes to the Purchaser that the Vendor shall, and it shall procure the Vendor will, duly and punctually perform and observe any and all of the Vendor's duties and obligations under the Acquisition Agreement;
- (b) guarantees the payment by the Vendor, when due, of all amounts payable by the Vendor under the Acquisition Agreement; and
- (c) guarantees the due and punctual performance and observance by the Vendor of any and all of its duties and obligations under the Acquisition Agreement.

Completion

Completion shall take place on the date falling three Business Days from the date on which all the conditions are satisfied or, where permitted, waived or at such other place, time and date as the Vendor and the Purchaser may agree in writing.

INFORMATION OF THE TARGET COMPANY

FTV (Vietnam)

FTV (Vietnam) was established in Vietnam and is wholly owned by FTV (HK). The Target Company is principally engaged in manufacturing of knitted garment fabrics in Vietnam and the principal assets of the Target Company mainly comprise Land, Buildings, Plant and Equipment and software systems that are held by FTV (Vietnam) as at the date of this announcement.

Financial information of the Target Company

The audited financial information of the Target Company for the financial years ended 31 December 2021 and 2022 respectively are set out below:

	For the year ended 31 December	
	2021	2022
	US\$	US\$
Loss before taxation	603,930	5,557,064
Loss after taxation	603,930	5,557,064

Based on the Management Accounts, the total asset value of the Target Company as at 30 June 2023 was approximately US\$76.25 million.

Further details in relation to the financial information of the Target Company, as required under the Listing Rules, will be disclosed in the circular to be despatched to the Shareholders in due course.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company.

INFORMATION OF THE PARTIES INVOLVED

Purchaser

The Purchaser is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. As at the date of this announcement, the Purchaser is an indirect wholly-owned subsidiary of the Company.

The Company or Purchaser's Guarantor

The Company is a company incorporated in Bermuda with limited liability whose shares are listed on the main board of the Stock Exchange (stock code: 0321). The Group is principally engaged in (i) the production, dyeing and sale of knitted fabric, yarn and garments, (ii) the retailing and distribution of casual apparel and accessories and (iii) the provision of franchise services.

Vendor

The Vendor is a limited liability company incorporated in Hong Kong and is a wholly-owned subsidiary of the Vendor's Guarantor. The Vendor is principally engaged in investment holding and through its subsidiary, engaged in manufacturing yarn, grey fabrics and garment fabrics as well as garments in Vietnam.

Vendor's Guarantor

The Vendor's Guarantor is a company incorporated under the laws of the Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange (stock code: 2678). The Vendor's Guarantor is an investment holding company, which, through its subsidiaries, principally engaged in the production and distribution of yarns, gray fabrics, garment fabrics and garments.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in, *inter alia*, the production, dyeing and sale of knitted fabric, yarn and garments.

The Target Company, a company established in Vietnam with limited liability, is principally engaged in manufacturing of knitted garment fabrics in Vietnam. The Target Company recorded the loss after taxation of approximately US\$0.60 million and US\$5.56 million for the years ended 31 December 2021 and 2022, respectively.

An increase of raw material and energy cost, and a high level of interest rate during the pandemic period posed negative impact on the global economic activities. Facing weak consumer sentiment, most retailers tried to trim down high inventory level; and the demand of fabric during the pandemic period was thus weakened considerably. With the relaxation of pandemic-related restrictions in many countries, worldwide consumer confidence is resuming. To lessen the impact of surge in production cost on the gross profit margin, though the Group could share part of the increase in production cost to its customers, the Directors consider that it is more critical for the Group to expand the production capacity and promote the operating efficiency. The acquisition of a textile factory in Vietnam allows the Group to broaden its production base to reduce its geopolitical risks and at the same time create a flexible and more diversified business development environment.

Taking into the consideration of the aforesaid, the Directors consider that the terms and conditions of the Acquisition Agreement are on normal commercial terms and are fair and reasonable and that the Acquisition is in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 25% but all of them are less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval may be obtained by written Shareholders' approval in lieu of convening a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition Agreement and the transactions contemplated thereunder; and (b) the written approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the issued share capital of the Company giving the right to attend and vote at the general meeting to approve the Acquisition Agreement and the transactions contemplated thereunder.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, none of the Shareholders have any material interest in the Acquisition Agreement and the transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition Agreement and the transactions contemplated thereunder.

As at the date of this announcement, Farrow Star Limited (a company controlled by Mr. Poon Bun Chak) holds 698,830,104 shares, representing approximately 50.58% of the issued share capital of the Company. As the Company has obtained written approval from Farrow Star Limited, no extraordinary general meeting will be convened by the Company for the purpose of approving the Acquisition Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

DISPATCH OF CIRCULAR

A circular containing, *inter alia*, (i) further information of the Acquisition; (ii) financial information of the Target Company; (iii) unaudited pro forma financial information of the Group as enlarged by the Acquisition; and (iv) the property valuation report will be despatched to the Shareholders on or before 25 August 2023.

Shareholders and potential investors should note that Completion is subject to the satisfaction and/or, where applicable, waiver of the conditions precedent set out under the section headed “The Acquisition Agreement – Conditions Precedent” in this announcement. As the Acquisition may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Acquisition”	the proposed acquisition of the Sale Shares by Nice View from FTV (HK) and the assignment of the Loan pursuant to the Acquisition Agreement
“Acquisition Agreement”	the agreement dated 4 August 2023 entered into between FTV (HK), Nice View, Vendor’s Guarantor and the Company in relation to the sale and purchase of the Sale Shares and the assignment of the Loan
“Board”	the board of Directors
“Buildings”	the buildings and ancillary structures, or any part thereof, erected or under construction on the Land
“Business Day(s)”	a day (other than a Saturday or Sunday) on which licensed banks are generally open for business in Hong Kong and Vietnam
“Company” or “Purchaser’s Guarantor”	Texwinca Holdings Limited, a company incorporated in Bermuda with limited liability, the share of which are listed on the main board of the Stock Exchange (stock code: 0321)
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Acquisition Agreement

“Completion Date”	the date on which Completion takes place in accordance with the Acquisition Agreement
“Consideration”	the consideration payable by the Purchaser to the Vendor for the Acquisition, which amounts to US\$78,591,942 and subject to completion adjustment in accordance with the terms and conditions of the Acquisition Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Escrow Agent”	Chiu & Partners of 40/F, Jardine House, 1 Connaught Place, Central, Hong Kong in its capacity as the escrow agent under the Escrow Agreement
“Escrow Agreement”	an escrow agreement dated 4 August 2023 entered into between the Purchaser, the Vendor and the Escrow Agent in relation to the receipt, holding and release of the funds held by the Escrow Agent payable under the Acquisition Agreement on account of the Consideration
“FTV (HK)” or “Vendor”	Fashion Time Vietnam Holdings Limited, a company incorporated in Hong Kong with limited liability
“FTV (Vietnam)” or “Target Company”	Fashion Time Viet Nam Limited, a company established in Vietnam with limited liability and as at the date of this announcement, a direct wholly-owned subsidiary of FTV (HK)
“Group”	the Company and its subsidiaries
“HKFRSs”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accounts
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	the third party(ies) independent of the Company and its connected persons
“Initial Share Consideration”	an amount of US\$14,911,942 taken to be the initial share consideration for the Sale Shares
“Land”	the parcel(s) of industrial land owned by the Target Company located at Hai Ha Industrial Zone, Quang Ha Town, Hai Ha District, Quang Ninh Province, Vietnam, with a site area of approximately 249,904.40 square metres
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time

“Loan”	the aggregate amount outstanding and owing as at Completion by the Target Company to the Vendor
“Long Stop Date”	30 September 2023 (or such later date as shall be agreed between the parties in writing)
“Nice View” or “Purchaser”	Nice View Dyeing & Bleaching Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Plant and Equipment”	the plant and equipment owned and utilised by the Target Company
“Purchaser’s Solicitors”	Wilkinson & Grist of 6 th Floor, Prince’s Building, Chater Road, Hong Kong
“Sale Shares”	the registered charter capital of FTV (Vietnam) in the sum of VND365,339,000,000, representing 100% of the registered charter capital of FTV (Vietnam) validly issued and outstanding, legally and beneficially owned by the Vendor to be sold to the Purchaser pursuant to the Acquisition Agreement
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor’s Guarantor”	Texhong International Group Limited, a company incorporated under the laws of the Cayman Islands with limited liability and whose shares are listed on the main board of the Stock Exchange (stock code: 2678)
“Vietnam”	the Socialist Republic of Vietnam
“VND”	Vietnamese dong, the lawful currency of Vietnam
“%”	per cent.

On behalf of the Board
Poon Bun Chak
Chairman

Hong Kong, 4 August 2023

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. Cheng Shu Wing, Mr. Law Brian Chung Nin and Mr. Ho Lai Hong.