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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 THIRD SUPPLEMENTAL AGREEMENT AND COMPLETION OF ACQUISITION**

References are made to the announcement (the “**Major Transaction Announcement**”) of Texwinca Holdings Limited (the “**Company**”) dated 4 August 2023 and the circular of the Company dated 24 November 2023 (the “**Circular**”) in relation 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. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Circular.

#### **THIRD SUPPLEMENTAL AGREEMENT**

After trading hours on 30 November 2023, the Purchaser, an indirectly wholly-owned subsidiary of the Company, and the Company (as the Purchaser’s Guarantor) entered into a third supplemental agreement to the Acquisition Agreement (the “**Third Supplemental Agreement**”) with the Vendor and the Vendor’s Guarantor under which the parties agreed to (1) waive certain conditions precedent, and (2) add related conditions of release of funds held by the Escrow Agent to the Vendor.

*\* For identification purpose only*

The detailed terms of the Third Supplemental Agreement are summarised below:

**(1) Waiver of certain conditions precedent in the Acquisition Agreement**

In order to facilitating Completion, subject to the terms of the Third Supplemental Agreement, the parties agreed to waive the conditions precedent referred to in paragraphs (a)(1), (a)(2), (a)(4) and (f) under the section headed “Letter from the Board – The Acquisition Agreement – Conditions Precedent” of the Circular.

**(2) Addition of condition of release of funds held by the Escrow Agent**

In order to address the condition precedent referred to in paragraph (a)(4)(i) and (ii) relating to fire prevention and fighting compliance under the section headed “Letter from the Board – The Acquisition Agreement – Conditions Precedent” of the Circular so waived, the parties agreed that the things and matters contemplated under such paragraph must be satisfied, among other things, before the funds held by the Escrow Agent after the consummation of Completion may be released to the Vendor pursuant to the terms of the Acquisition Agreement.

Save as disclosed above, all the other terms and conditions of the Acquisition Agreement (as amended and supplemented by the supplemental agreements dated 28 September 2023 and 31 October 2023 entered into by the parties) remain unchanged and in full force and effect.

**REASONS FOR THE THIRD SUPPLEMENTAL AGREEMENT**

As disclosed under the section headed “Letter from the Board – Reasons for and Benefits of the Acquisition” of the Circular, the Directors consider that it is critical for the Group to expand its production capacity and promote its operating efficiency and that the Acquisition allows the Group to broaden its production base to reduce its geopolitical risks and create a flexible and more diversified business development environment. Therefore, the waiver of the relevant conditions precedent contemplated by the Third Supplemental Agreement and proceeding to the completion of the Acquisition in an expeditious manner is key to the implementation of the foregoing strategy. The Board is of the view that the waiver of the abovementioned conditions precedent would not affect the substance of the Acquisition and would not impose any material adverse impact on the operation of the Group. If necessary, the Purchaser and the Target Company may work together to rectify the relevant issues at post-Completion stage to the extent applicable. Furthermore, with the additional condition of release of funds held by the Escrow Agent, the Board considers that the Vendor will be incentivised to work together with the Purchaser and the Target Company to complete the regulatory technicalities of the fire prevention and fighting compliance process expeditiously. The Directors confirm that the risks associated with the waiver of the relevant conditions precedent under the Third Supplemental Agreement are sufficiently addressed and that the Third Supplemental Agreement is in the interests of the Company and the Shareholders as a whole.

## COMPLETION OF THE ACQUISITION

Upon the entering into of the Third Supplemental Agreement, all of the conditions precedent set out in the Acquisition Agreement have been fulfilled or waived. The Board is pleased to announce that completion of the Acquisition took place on the same day pursuant to the Acquisition Agreement (including its supplemental agreements). Immediately after the Completion, the Target Company became a wholly-owned subsidiary of the Company and the financial results, assets and liabilities of the Target Company will be consolidated into the accounts of the Group.

As at the date of this announcement, the Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the final Consideration (after completion adjustment) payable by the Purchaser to the Vendor for the Acquisition would not materially deviate from US\$78,591,942.

On behalf of the Board  
**Poon Bun Chak**  
*Chairman*

Hong Kong, 30 November 2023

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