

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



TUNGTEX (HOLDINGS) COMPANY LIMITED

同得仕（集團）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00518)

VOLUNTARY ANNOUNCEMENT – DISPOSAL OF A PROPERTY IN THAILAND

THE DISPOSAL

The Board wishes to announce that after trading hours on 27 May 2019, TTFL (as the vendor) and the Purchaser entered into the SP Agreement, pursuant to which TTFL has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Premises at a cash Consideration of Thai Baht 42,000,000 (equivalent to approximately HK\$10,800,000).

As at the date of this announcement, TTFL is a direct wholly-owned subsidiary of the Company. Upon completion of the transfer of ownership of the Premises, TTFL will cease to have any interest in the Premises.

As none of the applicable percentage ratios in respect of the Disposal and the transactions contemplated thereunder exceed 5%, the Disposal does not constitute a notifiable transaction under Chapter 14 of the Listing Rules. This announcement is made on a voluntary basis by the Company to provide its Shareholders and potential investors with updated information in relation to the latest business development of the Company.

DISPOSAL OF A PROPERTY IN THAILAND BY A SUBSIDIARY

The Board wishes to announce that after trading hours on 27 May 2019, TTFL (as the vendor) and the Purchaser entered into the SP Agreement, pursuant to which TTFL has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Premises at a cash Consideration of Thai Baht 42,000,000 (equivalent to approximately HK\$10,800,000).

The principal terms of the SP Agreement are set out below.

THE SP AGREEMENT

Date

27 May 2019

Parties

Vendor: TTFL

Purchaser: Mr. Phonlawat Puttavisutisak

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser is an Independent Third Party.

Assets to be Disposed of

Subject to the terms and conditions of the SP Agreement, TTFL, as legal and beneficial owner, shall sell the Premises including all rights, title, all electric fixtures, transformers, switchboards, sub-boards, lighting, all installed piping and water feed pump, and the Purchaser shall purchase all rights, title, and interest in the Premises under the SP Agreement in as is condition as the Premises exist on the Delivery Date.

Consideration

The Consideration for the sale and purchase of the Premises is Thai Baht 42,000,000 (equivalent to approximately HK\$10,800,000), which shall be paid in cash to TTFL in the manner as follows:

- (1) a sum of Thai Baht 2,000,000 (equivalent to approximately HK\$500,000) (the "**Deposit**") shall be paid by the Purchaser by cashier cheque to TTFL on the date of signing of the SP Agreement; and
- (2) the balance of the Consideration amounting to Thai Baht 40,000,000 (equivalent to approximately HK\$10,300,000) shall be paid by the Purchaser to TTFL on the Transfer Date.

The terms of the SP Agreement were determined after arm's length negotiations between TTFL and the Purchaser and the Directors are of the view that the terms of the SP Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT ON THE DISPOSAL

The net book value of the Property as at 31 March 2019 amounted to Thai Baht 32.9 million (equivalent to approximately HK\$8.5 million). Based on the Consideration of Thai Baht 42.0 million (equivalent to approximately HK\$10.8 million), the Company is expected to recognize a gain (net of related legal costs, taxes and expenses) of approximately Thai Baht 4.0 million (equivalent to approximately HK\$1.0 million) from the Disposal.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is an investment holding company. The Group is principally engaged in (i) manufacture and trading of garments; and (ii) product design and retail sale of the Group's own brand apparel products.

As stated in the 2017 annual report, the Group discontinued the operation of TTFL in the last quarter of 2016. As described in the announcement dated 31 July 2018, with a view to reallocating the resources of the Group more efficiently and enhancing the Group's operations and financial prospects in the long term, the Group planned to sell its factory premises located in Thailand and would appoint international property agent(s) to identify potential buyers in the market. In August 2018, the Company has appointed Jones Lang LaSalle (Thailand) Limited as exclusive property agent to identify and negotiate with potential buyers in the market for the Property.

The Directors consider that the Disposal will not have any material adverse impact on the Group's business. There will be no change to the principal business of the Group as a result of the Disposal.

As none of the applicable percentage ratios in respect of the Disposal and the transactions contemplated thereunder exceed 5%, the Disposal does not constitute a notifiable transaction under Chapter 14 of the Listing Rules. This announcement is made on a voluntary basis by the Company to provide its Shareholders and potential investors with updated information in relation to the latest business development of the Company.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Company”	Tungtex (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 00518)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the purchase of the Premises

“Delivery Date”	the date of delivery of the Premises from TTFL to the Purchaser, which shall be the same day as the Transfer Date (or such later date as the parties to the SP Agreement may agree but in any event not later than 30 days from the Transfer Date) pursuant to the SP Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Premises under the SP Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	third party independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Premises” or “Property”	freehold land and buildings located at No. 587 Moo 6, Soi Thai Nippon Steel, Taiban Sub-district, Muang Samutprakarn District, Samutprakarn Province, Thailand, which is entirely owned by TTFL as at the date of the SP Agreement and immediately prior to the Transfer Date
“Purchaser”	Mr. Phonlawat Puttavisutisak
“Shares”	ordinary shares in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SP Agreement”	the agreement dated 27 May 2019 entered into between TTFL as vendor and the Purchaser in respect of the Disposal under the laws of the Kingdom of Thailand
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TTFL”	Tung Thai Fashions Limited, a company incorporated in Thailand and a direct wholly-owned subsidiary of the Company

“Thai Baht”	Thai Baht, the lawful currency of Thailand
“Transfer Date”	the date to transfer ownership of the Premises from TTFL to the Purchaser duly registered at the relevant land office in Thailand
“%”	per cent.

For the purpose of illustration only and unless otherwise stated, conversion of Thai Baht into HK\$ in this announcement is based on the exchange rate of Thai Baht 1.00 to HK\$0.2574. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.

For and on behalf of the Board
Tungtex (Holdings) Company Limited
Martin Tung Hau Man
Chairman

Hong Kong, 27 May 2019

As at the date of this announcement, the executive directors of the Company are Mr. Martin Tung Hau Man, Mr. Raymond Tung Wai Man and Mr. Billy Tung Chung Man; and independent non-executive directors are Mr. Tony Chang Chung Kay, Mr. Robert Yau Ming Kim, Mr. Leslie Chang Shuk Chien and Mr. Kenneth Yuen Ki Lok.