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TUNGTEX (HOLDINGS) COMPANY LIMITED
同得仕（集團）有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code: 00518)

**INSIDE INFORMATION –
MEMORANDUM OF UNDERSTANDING
IN RELATION TO A POSSIBLE DISPOSAL**

This announcement is made by Tungtex (Holdings) Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (the “**SFO**”) (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 11 July 2019, 26 August 2019 and 9 September 2019 respectively (the “**Announcements**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

THE SECOND MOU

Following the expiry of the exclusivity period and the termination of the MOU on 9 September 2019, the Board of Directors of the Company is pleased to announce that on 18 September 2019, the Company and the Potential Purchaser entered into the second memorandum of understanding (the “**Second MOU**”) in relation to the Possible Disposal to facilitate further commercial negotiations.

Earnest money and non-exclusivity period

The Potential Purchaser has paid a refundable earnest money of RMB10,000,000 into a bank account under the joint control of the Group and the Potential Purchaser pursuant to the MOU.

Pursuant to the Second MOU, the parties have agreed to enter into commercial negotiations of the sale and purchase agreement (the “**SPA**”) on a non-exclusive basis upon signing of the Second MOU.

In the meantime, the Company shall have the right to negotiate with other parties in relation to the Possible Disposal.

The Company will arrange for the release of earnest money to the Potential Purchaser within 3 working days if the Second MOU is terminated (i) by written notice by the Potential Purchaser to the Company informing of the intention to so terminate; (ii) in the event that no SPA in relation to the Possible Disposal is entered into by the parties within 30 days after the signing of the Second MOU, i.e. on or before 18 October 2019 (unless either extended by mutual written agreement of the parties or the parties elect to continue negotiations in respect of the SPA); or (iii) by written notice by the Company to the Potential Purchaser after 30 days from the signing of the Second MOU.

GENERAL

The Possible Disposal, if materialised, may constitute a notifiable transaction for the Company under the Listing Rules. The Company will make further announcement(s) as and when appropriate and comply with all other applicable requirements under the Listing Rules in this regard.

The Second MOU, save for provisions relating to termination, costs and fees, confidentiality and certain miscellaneous provisions, is non-legally binding in nature. As such, the Possible Disposal may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 18 September 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 the 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.