

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)

DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY

The Board is pleased to announce that on 4 June 2021, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Vendor, pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell the Property at the consideration of HK\$35,000,000.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 4 June 2021, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Vendor, pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell the Property at the consideration of HK\$35,000,000.

THE PROVISIONAL AGREEMENT

A summary of the principal terms of the Provisional Agreement is as follows:

- Date: 4 June 2021
- Parties:
- (1) The Vendor;
 - (2) the Purchaser; and
 - (3) the Property Agent

Property to be acquired: (1) Office A, 26th Floor, EGL Tower, No. 83 Hung To Road, Kowloon; and

(2) Car parking space No. P21, 1st Floor, EGL Tower, No. 83 Hung To Road, Kowloon

Consideration: The consideration for the Acquisition is HK\$35,000,000 which shall be paid by the Purchaser to the Vendor in the following manner:

- (1) an initial deposit in the amount of HK\$1,750,000 has been paid upon signing of the Provisional Agreement;
- (2) a further deposit in the amount of HK\$1,750,000 shall be paid on or before 17 June 2021; and
- (3) the remaining HK\$31,500,000 shall be paid at Completion.

The consideration has been determined after arm's length negotiations between the Vendor and the Purchaser after having considered (a) the prevailing market conditions, (b) the location of the Property and (c) the market prices of other comparable properties in the vicinity of the Property.

Formal Agreement: The Vendor and the Purchaser shall enter into the Formal Agreement on or before 17 June 2021.

Completion: Completion shall take place on or before 15 July 2021.

INFORMATION ON THE GROUP AND THE PARTIES

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.

The Purchaser is principally engaged in investment holding.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) the Vendor is principally engaged in import and export trading of metals whose ultimate beneficial owner is Mr. Yip Yik Shing; (ii) the Property Agent is a property agency company incorporated in Hong Kong with limited liability; and (iii) each of the Vendor, the Property Agent and their ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As disclosed in the Company's announcement dated 2 April 2020 and the circular dated 10 August 2020 in relation to its very substantial disposal transaction, approximately HK\$65.0 million of the proceeds of the aforesaid transaction would be used for the strategic repositioning of the Group, including but not limited to the purchase of a new office premises in Hong Kong.

The terms of the Provisional Agreement were determined after arm's length negotiations between the Vendor and the Purchaser. The Directors consider that the terms of the Provisional Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Property has a saleable floor area of approximately 2,459 sq. ft. (excluding the car parking space). Based on a preliminary valuation conducted by a professional property valuer, the market value of the Property as at 2 June 2021 is HK\$37,400,000. The Acquisition is in line with the development plan of the Group and the proposed use of proceeds as mentioned above. The Group will relocate its head office in Hong Kong to the Property after Completion.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Property by the Purchaser from the Vendor pursuant to the Provisional Agreement and the Formal Agreement
“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)
“Completion”	completion of the sale and purchase of the Property in accordance with the terms of the Provisional Agreement and the Formal Agreement
“Director(s)”	the director(s) of the Company
“Formal Agreement”	the formal agreement for sale and purchase to be entered into between the Vendor and the Purchaser in relation to the Acquisition
“Group”	the Company and its subsidiaries as at the date of this announcement
“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(ies)”	third party(ies) independent of the Company and its connected persons (having the meaning ascribed to it under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	as defined in the sub-section titled “Property to be acquired” under the heading “The Provisional Agreement” in this announcement
“Property Agent”	Midland Realty (Comm.) Limited, a private company incorporated in Hong Kong with limited liability
“Provisional Agreement”	the provisional sale and purchase agreement dated 4 June 2021 entered into between the Vendor as vendor and the Purchaser as purchaser in relation to the sale and purchase of the Property
“Purchaser”	Fintech (HK) Limited, a private company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Shares”	ordinary shares in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Larry Gross Metal International Limited (盈高金屬國際有限公司), a private company incorporated in Hong Kong with limited liability
“%”	per cent.

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

Hong Kong, 4 June 2021

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 of the Company are Mr. Tony Chang Chung Kay, Mr. Robert Yau Ming Kim, Mr. Kenneth Yuen Ki Lok and Mr. Wilson Yu Wing Sang.