

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.

HINGTEX HOLDINGS LIMITED

興紡控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1968)

DISCLOSEABLE AND CONNECTED TRANSACTIONS RENEWAL OF TENANCY AGREEMENTS

RENEWAL OF TENANCY AGREEMENTS

Reference is made to the announcement of the Company dated 4 January 2021, which contains details of the 2020 Tenancy Agreement and 2021 Tenancy Agreements.

On 1 August 2022, HWT (an indirect wholly-owned subsidiary of the Company) as tenant and Star Alliance (a connected person of the Company) as landlord entered into the 2022 Tenancy Agreements to renew the leases of the premises under the 2020 Tenancy Agreement and the 2021 Tenancy Agreements (all of which were expired on 31 July 2022), respectively.

LISTING RULES IMPLICATIONS

As at the date of this announcement, as Star Alliance is owned as to 25% each by Mr. TH Tung, Mr. Stephen Tung, Mr. Stanley Tung and Mrs. Tung (all of whom are Directors or Controlling Shareholders), respectively, Star Alliance is a connected person of the Company and each of the 2022 Tenancy Agreements constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the aggregate values of the right-of-use assets to be recognised under the 2022 Tenancy Agreements are more than 5% but less than 25% and the total consideration is less than HK\$10,000,000, the 2022 Tenancy Agreements and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

Pursuant to HKFRS 16 “Leases”, the Group will recognise the value of the right-of-use assets in connection with the 2022 Tenancy Agreements and these transactions will be regarded as acquisition of assets by the Group pursuant to the Listing Rules. The aggregate values of the right-of-use assets to be recognised by the Group under the 2022 Tenancy Agreements are estimated to be approximately HK\$6.7 million (unaudited).

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the aggregate values of the right-of-use assets to be recognised under the 2022 Tenancy Agreements exceeds 5% but is less than 25%, the transactions contemplated under the 2022 Tenancy Agreements constitute discloseable transactions of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

RENEWAL OF TENANCY AGREEMENTS

Reference is made to the announcement of the Company dated 4 January 2021, which contains details of the 2020 Tenancy Agreement and the 2021 Tenancy Agreements.

On 1 August 2022, HWT (an indirect wholly-owned subsidiary of the Company) as tenant and Star Alliance (a connected person of the Company) as landlord entered into the 2022 Tenancy Agreements to renew the leases of the premises under the 2020 Tenancy Agreement and the 2021 Tenancy Agreements (all of which were expired on 31 July 2022), respectively.

The major terms of the 2022 Tenancy Agreements are set out below:

The 2022 Tenancy Agreement I

Date	: 1 August 2022
Parties	: Star Alliance (as landlord) HWT (as tenant)
Premises	: Unit A6 on 30th and 31st Floor of TML Tower, with car parking spaces No. 54, 55 and 56 on 3rd Floor of TML Tower
Term	: from 1 August 2022 to 31 July 2024 (both days inclusive)
Monthly rental	: HK\$215,880 (exclusive of government rates and rent and management fee)
Usage	: Workshop, warehouse, ancillary office and car parking

The 2022 Tenancy Agreement II

Date : 1 August 2022

Parties : Star Alliance (as landlord)
HWT (as tenant)

Premises : Unit B6 on 31st Floor of TML Tower

Term : from 1 August 2022 to 31 July 2024 (both days inclusive)

Monthly rental : HK\$62,610 (exclusive of government rates and rent and management fee)

Usage : Workshop, warehouse and ancillary office

The 2022 Tenancy Agreement III

Date : 1 August 2022

Parties : Star Alliance (as landlord)
HWT (as tenant)

Premises : Car parking space No. 09 on 2nd Floor of TML Tower

Term : from 1 August 2022 to 31 July 2024 (both days inclusive)

Monthly rental : HK\$4,000

Usage : Car parking

The 2022 Tenancy Agreement IV

Date : 1 August 2022

Parties : Star Alliance (as landlord)
HWT (as tenant)

Premises : Car Parking Space No. 45 on 3rd Floor of TML Tower

Term : from 1 August 2022 to 31 July 2024 (both days inclusive)

Monthly rental : HK\$4,000

Usage : Car parking

The monthly rentals for each of the 2022 Tenancy Agreements were arrived at after arm's length negotiation between Star Alliance and HWT with reference to the prevailing market conditions, the market rent of similar properties in the vicinity of the leased premises and the historical transaction amounts under the 2020 Tenancy Agreement and the 2021 Tenancy Agreements.

REASONS FOR AND BENEFITS OF THE 2022 TENANCY AGREEMENTS

The Group has been using the premises under the 2022 Tenancy Agreements as workshop, warehouse, ancillary office and car parking space since October 2013. Having considered (i) the rental under each of the 2022 Tenancy Agreements is comparable to or below the prevailing market rent of comparable properties in the vicinity of the leased premises; and (ii) the relocation costs and associated expenses and time that might be incurred by the Group for relocating to another suitable premises, the Directors (excluding the Directors who are required to abstain from voting, but including all independent non-executive Directors) consider that the transactions contemplated under the 2022 Tenancy Agreements are on normal commercial terms and in the ordinary and usual course of business of the Group, and the terms of which are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, as Star Alliance is owned as to 25% each by Mr. TH Tung, Mr. Stephen Tung, Mr. Stanley Tung and Mrs. Tung (all of whom are Directors or Controlling Shareholders), respectively, Star Alliance is a connected person of the Company and each of the 2022 Tenancy Agreements constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the aggregate values of the right-of-use assets to be recognised under the 2022 Tenancy Agreements are more than 5% but less than 25% and the total consideration is less than HK\$10,000,000, the 2022 Tenancy Agreements and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

Pursuant to HKFRS 16 "Leases", the Group will recognise the value of the right-of-use assets in connection with the 2022 Tenancy Agreements and these transactions will be regarded as acquisition of assets by the Group pursuant to the Listing Rules. The aggregate values of the right-of-use assets to be recognised by the Group under the 2022 Tenancy Agreements are estimated to be approximately HK\$6.7 million (unaudited).

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the aggregate values of the right-of-use assets to be recognised under the 2022 Tenancy Agreements exceeds 5% but is less than 25%, the transactions contemplated under the 2022 Tenancy Agreements constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As Mr. TH Tung, Mr. Stephen Tung and Mr. Stanley Tung (all being executive Directors) are deemed to be interested in the connected transactions in respect of the 2022 Tenancy Agreements, they have abstained from voting on the relevant board resolutions for approving the 2022 Tenancy Agreements. Save as disclosed in this announcement, none of the Directors has any material interest in the 2022 Tenancy Agreements and is required to abstain from voting on the relevant board resolutions.

INFORMATION ABOUT THE GROUP, HWT AND STAR ALLIANCE

The Group is principally engaged in the manufacturing and sales of denim fabrics.

HWT is a company incorporated in Hong Kong with limited liability and is principally engaged in the design and trading of denim fabrics and investment holding. It is an indirect wholly-owned subsidiary of the Company.

Star Alliance is a company incorporated in Hong Kong with limited liability and is owned as to 25% each by Mr. TH Tung, Mr. Stephen Tung, Mr. Stanley Tung and Mrs. Tung, respectively. The principal business activity of Star Alliance is investment holding.

DEFINITIONS

“2020 Tenancy Agreement”	the tenancy agreement dated 1 August 2020 entered into between Star Alliance and HWT in relation to the lease of Unit B6 on 31st Floor of TML Tower
“2021 Tenancy Agreement I”	the tenancy agreement dated 4 January 2021 entered into between Star Alliance and HWT in relation to the lease of Unit A6 on 30th and 31st Floor of TML Tower with Car Parking Spaces No. 54, 55 and 56 on 3rd Floor
“2021 Tenancy Agreement II”	the tenancy agreement dated 4 January 2021 entered into between Star Alliance and HWT in relation to the lease of Car Parking Space No. P.09 on 2nd Floor of TML Tower
“2021 Tenancy Agreement III”	the tenancy agreement dated 4 January 2021 entered into between Star Alliance and HWT in relation to the lease of Car Parking Space No. P.45 on 3rd Floor of TML Tower
“2021 Tenancy Agreements”	collectively, the 2021 Tenancy Agreement I, the 2021 Tenancy Agreement II and the 2021 Tenancy Agreement III
“2022 Tenancy Agreement I”	the tenancy agreement dated 1 August 2022 entered into between Star Alliance and HWT in relation to the lease of Unit A6 on 30th and 31st Floor of TML Tower with car parking spaces No. 54, 55 and 56 on 3rd Floor
“2022 Tenancy Agreement II”	the tenancy agreement dated 1 August 2022 entered into between Star Alliance and HWT in relation to the lease of Unit B6 on 31st Floor of TML Tower

“2022 Tenancy Agreement III”	the tenancy agreement dated 1 August 2022 entered into between Star Alliance and HWT in relation to the lease of car parking space No. 09 on 2nd Floor of TML Tower
“2022 Tenancy Agreement IV”	the tenancy agreement dated 4 January 2021 entered into between Star Alliance and HWT in relation to the lease of car parking space No. 45 on 3rd Floor of TML Tower
“2022 Tenancy Agreements”	collectively, the 2022 Tenancy Agreement I, the 2022 Tenancy Agreement II, the 2022 Tenancy Agreement III and the 2022 Tenancy Agreement IV
“Company”	HINGTEX HOLDINGS LIMITED (興紡控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1968)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and refers to the group of controlling shareholders of the Company, namely Manford Investment Holdings Limited (萬豐投資控股有限公司), Mr. TH Tung, Mr. Stephen Tung, Mr. Stanley Tung, Mrs. Tung, Ms. Tung Wei Ling Barbara (董慧玲) (the daughter of Mr. TH Tung and Mrs. Tung and sister of Mr. Stanley Tung, Mr. Stephen Tung and Ms. Tung Wai Lai Mabel) and Ms. Tung Wai Lai Mabel (董慧麗) (the daughter of Mr. TH Tung and Mrs. Tung and sister of Mr. Stanley Tung, Mr. Stephen Tung and Ms. Tung Wei Ling Barbara)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“HWT”	H.W. TEXTILES COMPANY LIMITED (興威紡織有限公司), a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Stanley Tung”	Mr. Tung Cheuk Ming Stanley (董卓明), the executive Director and one of the Controlling Shareholders. He is also the son of Mr. TH Tung and Mrs. Tung and brother of Mr. Stephen Tung, Ms. Tung Wei Ling Barbara and Ms. Tung Wai Lai Mabel
“Mr. Stephen Tung”	Mr. Tung Wai Ting Stephen (董韋霆), the executive Director and one of the Controlling Shareholders. He is also the son of Mr. TH Tung and Mrs. Tung and brother of Mr. Stanley Tung, Ms. Tung Wei Ling Barbara and Ms. Tung Wai Lai Mabel
“Mr. TH Tung”	Mr. Tung Tsun Hong (董信康), the chairman and executive Director and one of the Controlling Shareholders. He is also the spouse of Mrs. Tung and the father of Mr. Stanley Tung, Mr. Stephen Tung, Ms. Tung Wei Ling Barbara and Ms. Tung Wai Lai Mabel
“Mrs. Tung”	Ms. Lau Chung Chau (劉中秋), one of the Controlling Shareholders. She is also the spouse of Mr. TH Tung and mother of Mr. Stanley Tung, Mr. Stephen Tung, Ms. Tung Wei Ling Barbara and Ms. Tung Wai Lai Mabel
“Star Alliance”	STAR ALLIANCE HOLDINGS LIMITED (滙星集團有限公司), a company incorporated in Hong Kong with limited liability which is owned as to 25% each by Mr. TH Tung, Mr. Stephen Tung, Mr. Stanley Tung and Mrs. Tung, respectively
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TML Tower”	TML Tower, which is located at No. 3 Hoi Shing Road, Tsuen Wan, Hong Kong
“%”	per cent

By order of the Board
HINGTEX HOLDINGS LIMITED
TUNG Tsun Hong
Chairman and executive Director

Hong Kong, 1 August 2022

As at the date of this announcement, the chairman and executive Director is Mr. Tung Tsun Hong, the executive Directors are Mr. Tung Wai Ting Stephen and Mr. Tung Cheuk Ming Stanley, and the independent non-executive Directors are Mr. Tsang Ling Biu Gilbert and Mr. Cheung Che Kit Richard.