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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



SUPPLEMENTAL ANNOUNCEMENT OF MAJOR TRANSACTION THIRD SUPPLEMENTAL AGREEMENT AND COMPLETION OF ACQUISITION

References are made to (i) the announcement (the “**Major Transaction Announcement**”) of Texwinca Holdings Limited (the “**Company**”) dated 4 August 2023, (ii) the circular of the Company dated 24 November 2023 (the “**Circular**”) and (iii) the announcement (the “**Completion Announcement**”) of the Company dated 30 November 2023 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.

ADDITIONAL INFORMATION OF CERTAIN CONDITIONS PRECEDENT WAIVED IN THE THIRD SUPPLEMENTAL AGREEMENT

According 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.

With respect to condition (a)(1), given that the relevant provisions will be made for the potential exposure on personal income tax and social health & unemployment insurance of the Target Company in the Audited Completion Accounts, the parties agreed to waive the condition. After Completion, the Company will maintain appropriate employee policies in line with market practice that complies with the personal income tax and social health & unemployment insurance of the Target Company under the laws of Vietnam.

** For identification purpose only*

With respect to condition (a)(2), the investment extension period of ten months as approved by the Ministry of Planning and Investment in Vietnam and as reflected in the second amendment of the investment registration certificate obtained by the Target Company did not fulfill the 18-month requirement made by the Purchaser. Considering the second amendment of the investment registration certificate was newly obtained and a further extension application (where necessary) can be made to the authority in Vietnam before expiry, the Purchaser waived the condition to facilitate Completion.

With respect to condition (a)(4), the parties agreed that the things and matters relating to fire prevention and fighting compliance must be satisfied, among other things, before the escrow monies held by the Escrow Agreement after the consummation of Completion may be released to the Vendor pursuant to the terms of the Third Supplemental Agreement. The Target Company went through several on-site inspections by the Fire Protection Bureau and the Ministry of Construction respectively during the previous months in 2023, submitted the complied materials to the competent authorities for final supervision in November 2023 and is expecting to obtain the fire protection acceptance for phase 1 all built items of the Project before the end of 2023.

With respect to condition (f), though the Purchaser was furnished with the Certificate of Land Use Rights, Ownership of Houses and Other Properties of 26 October 2021 and updated on 22 June 2023 and 13 October 2023 as issued by the Department of Natural Resource and Environment of Quang Ninh Province in Vietnam which serves to contain the legal titles of both the Land and the Buildings, it was noted by the Directors that three security houses with an aggregate floor area of approximately 81 sq.m. among the Buildings were built outside the Land of the Target Company and therefore the land use right certificate which also certifies the rights of the Buildings (referring to property certificate as mentioned in condition (a)(4)(iii)) is unable to reflect the legal titles of the three security houses. However, the Target Company has obtained a construction permit to build the three security houses under a 1/500 plan, which is allowed by the local policy in Vietnam. Therefore, the Target Company continues to have the right to use the security houses, as advised by the Company's legal adviser. Except for the three security houses, the land use right certificate obtained by the Target Company has contained the proper legal titles of the Land and the Buildings to the extent possible; and because of the three security houses, the Purchaser decided to waive condition (f) with the Vendor instead of deeming it as fulfilled.

The Board believes that there is no material impact to the Company for waiving each of the conditions precedent and each of the conditions precedent waived would not affect the business operation of the Group and the Target Company, given that the Purchaser considered the most critical conditions precedent being already fulfilled and the Directors considered factors as demonstrated in the paragraph headed "Reasons for the Third Supplemental Agreement" in the Completion Announcement.

All information and contents set out in the Completion Announcement remain unchanged and shall continue to be valid for all purposes. This announcement is supplemental to and should be read in conjunction with the Completion Announcement.

On behalf of the Board
Poon Bun Chak
Chairman

Hong Kong, 12 December 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.