

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

The Board wishes to announce that, Shenzhen Betu, a wholly owned subsidiary of the Company, entered into an Agreement with the Purchaser for the disposal of the Property at a consideration of RMB29.3 million (equivalent to approximately HK\$33.1 million).

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the relevant announcement requirements under the Listing Rules.

On December 7, 2016 (after trading hour), Shenzhen Betu (a wholly owned subsidiary of the Company) entered into an Agreement with the Purchaser for the disposal of the Property for a consideration of RMB29.3 million (equivalent to approximately HK\$33.1 million). Details of the above Agreement are as follow:

SALE AND PURCHASE AGREEMENT

Date

December 7, 2016

Parties

Vendor: Shenzhen Betu, a wholly owned subsidiary of the Company

Purchaser: 深圳市北方物業管理有限公司, a company established in China

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons as defined under the Listing Rules.

Consideration

Under the Agreement, the consideration payable to Shenzhen Betu is RMB29.3 million (equivalent to approximately HK\$33.1 million). The Consideration is to be paid in the following manner:

- RMB2.9 million (approximately HK\$3.3 million), representing 10% of the Consideration, will be payable to the Vendor upon signing of the Agreement as an initial deposit;
- RMB11.7 million (approximately HK\$13.2 million), representing 40% of the Consideration, will be payable to the designated bank account which will be set up by Vendor and Purchaser within 7 days upon signing the Agreement as a further deposit;
- The remaining balance of RMB14.7 million (approximately HK\$16.6 million) together with the 40% of the Consideration will be deposited into Shenzhen Betu designated bank account after the completion of transferring the title of the Property.

The Consideration was arrived at after arm's length negotiation between the Vendor and the Purchaser on normal commercial terms after considering the recent property market conditions in China.

INFORMATION ON THE PROPERTY

The Property, 10th Floor at 國際科技大廈 (International Science and Technology Building), a commercial premises situated at 深圳市福田區深南中路與福虹路交匯處 (crossroad between Shennan Road Central and Fuhong Road, Futian District, Shenzhen, Guangdong, China) with total floor area of approximately 1,170.94 sq. m..

The Property had been used as one of the offices of the Vendor and it is currently vacant.

INFORMATION OF THE GROUP

The Group is engaged in the manufacture and trading of garments.

INFORMATION OF THE PURCHASER

The Purchaser, a company incorporated in China, is engaged in the business of property management.

FINANCIAL EFFECTS OF THE DISPOSAL

The net book value of the Property as at the date of the Disposal amounted to RMB26.7 million (equivalent to approximately HK\$30.2 million). Based on the Consideration of RMB29.3 million (equivalent to approximately HK\$33.1 million), the Company is expected to recognize a gain (net of related legal costs, taxes and expenses) of approximately RMB2.4 million (equivalent to HK\$2.7 million) from the Disposal.

REASONS AND BENEFITS OF THE DISPOSAL

Having taken into account the current property market conditions, the Directors consider that the Disposal enable the Company to centralize its resources by realising the value of the Property. The Disposal net sales proceeds will be used for general working capital of the Group.

The Board is of the view that the terms in the Agreement including the Consideration are in normal commercial terms, fair and reasonable and in the interests of the Shareholders and the Company as a whole.

LISTING RULES IMPLICATION

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the relevant announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings as set out below:

“Agreement”	the sale and purchase agreement dated December 7, 2016 between Shenzhen Betu (as Vendor) and the Purchaser in respect of the Disposal
“Board”	the board of Directors of the Company
“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 of Hong Kong Limited (stock code: 00518)
“Consideration”	the consideration of RMB29.3 million (equivalent to approximately HK\$33.1 million) for the disposal of the Property
“Director(s)”	director(s) of the Company
“Disposal”	disposal of the Property by the Vendor pursuant to the terms of the Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited

“Property”	10th Floor at 國際科技大廈 (International Science and Technology Building), a commercial premise situated at 深圳市福田區深南中路與福虹路交匯處 (crossroad between Shennan Road Central and Fuhong Road, Futian District, Shenzhen, Guangdong, China) with total floor area of approximately 1,170.94 sq. m..
“Purchaser”	深圳市北方物業管理有限公司, a limited liability company established in China, and an independent third party
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Shenzhen Betu” or “Vendor”	深圳百多爾時裝有限公司 (translated as Shenzhen Betu Fashions Company Limited), a wholly owned subsidiary of the Company incorporated in Shenzhen, Guangdong Province, China, engaged in the manufacture and sales of garments
“sq.m.”	square metre
“%”	per cent

For and on behalf of the Board
Tungtex (Holdings) Company Limited
同得仕(集團)有限公司
Benson Tung Wah Wing
Chairman and Managing Director

Hong Kong, December 7, 2016

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

In this announcement, amounts in RMB have been translated, for illustration only, into HK\$ at the exchange rate of RMB1.0 = HK\$1.13