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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/>

VOLUNTARY ANNOUNCEMENT FURTHER INSIDE INFORMATION RELATING TO THE ACCIDENT

Reference is made to the Company's announcement dated 14 December 2021, 16 December 2021, 17 June 2022 and 28 December 2022 (the "Announcements") respectively relating to the Accident. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Board of the Company wishes to update the shareholders and potential investors of the Company that based on the discussion with the insurance company and the tax adviser of the Group, the input value-added tax ("VAT") paid on the affected inventories amounted to approximately RMB11,704,000 (equivalent to approximately HKD13,191,000 (*Note 1*)), representing 8.8% of the Inventories Loss, is allowed to offset the output VAT, i.e. the input VAT is recoverable. As reported before, the Inventories Loss of the fire accident was about RMB132,775,000 (equivalent to approximately HKD162,278,000 (*Note 2*)). The over-estimated input VAT loss of affected inventories would be credited to the consolidated statement of profit or loss for the year ended 31 March 2023.

We are still discussing the remaining loss, representing 26.3% of the Inventories Loss, with the insurance company to ascertain the remaining compensation payable by the insurance company.

The Board will continue to announce any further information regarding this matter.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

On behalf of the Board
Poon Bun Chak
Chairman

Hong Kong, 2 May 2023

* *For identification purpose only*

As at the date of this announcement, the executive directors of the Company are Mr. Poon Bun Chak, Mr. Ting Kit Chung and Mr. Poon Ho Tak; and the independent non-executive directors of the Company are Mr. Cheng Shu Wing, Mr. Law Brian Chung Nin and Mr. Ho Lai Hong.

- Notes:*
- 1. Applying average exchange rate used by the Company.*
 - 2. Applying average exchange rate at date of purchase of affected inventories. The Inventories Loss of approximately HKD162,278,000 was provided in the consolidated statement of profit or loss for the financial year ended 31 March 2022.*