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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Texhong International Group Limited**, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**TEXHONG INTERNATIONAL GROUP LIMITED**

**天虹國際集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2678)**

**PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES  
PROPOSED RE-ELECTION OF DIRECTORS  
PROPOSED ELECTION OF NEW EXECUTIVE DIRECTOR  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of the Company to be held at 2:30 p.m. at Function Room 2, 11th Floor, Nina Hotel Tsuen Wan West, 8 Yeung Uk Road, Tsuen Wan, Hong Kong on 27 May 2024 is set out on pages 17 to 21 of this circular.

Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time of the annual general meeting (i.e., at or before 2:30 p.m. on 25 May 2024 (Hong Kong time)) or any adjournment thereof to the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

19 April 2024

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Annual General Meeting”	the annual general meeting of the Company to be held at 2:30 p.m. at Function Room 2, 11th Floor, Nina Hotel Tsuen Wan West, 8 Yeung Uk Road, Tsuen Wan, Hong Kong on 27 May 2024, the notice of which is set out on pages 17 to 21 of this circular, and any adjournment thereof
“Articles”	the articles of association of the Company as amended from time to time
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Companies Act”	the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Texhong International Group Limited (formerly known as Texhong Textile Group Limited), a company incorporated in the Cayman Islands and the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the total number of Shares which may be allotted and issued under the Issue Mandate may be increased by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate
“Group”	the Company and its subsidiaries
“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
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with new Shares up to a maximum of 20% of the total number of issued Shares as at the date of passing the relevant resolution at the Annual General Meeting

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## DEFINITIONS

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“Latest Practicable Date”	12 April 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to enable them to repurchase the Shares on the Stock Exchange which shall not exceed 10% of the total number of issued Shares as at the date of passing the relevant resolution at the Annual General Meeting
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers
“%”	per cent.



**TEXHONG INTERNATIONAL GROUP LIMITED**

**天虹國際集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2678)**

*Executive Directors:*

Hong Tianzhu  
Zhu Yongxiang

*Independent non-executive Directors:*

Cheng Longdi  
Tao Xiaoming  
Shu Wa Tung, Laurence

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place of business  
in Hong Kong:*

Unit 3, 37/F  
Cable TV Tower  
9 Hoi Shing Road  
Tsuen Wan  
Hong Kong

19 April 2024

*To the Shareholders*

Dear Sir/Madam

**PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES  
PROPOSED RE-ELECTION OF DIRECTORS  
PROPOSED ELECTION OF NEW EXECUTIVE DIRECTOR  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The primary purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting and to give you notice of the Annual General Meeting. Resolutions to be proposed at the Annual General Meeting include, *inter alia*: (a) ordinary resolutions on the proposed grant of each of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; (b) ordinary resolutions relating to the proposed re-election of the Directors; and (c) ordinary resolution relating to the proposed election of a new executive Director.

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## LETTER FROM THE BOARD

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### **PROPOSED ISSUE MANDATE**

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be granted the Issue Mandate, i.e. a general and unconditional mandate to allot, issue and deal with new Shares up to 20% of the total number of issued Shares as at the date of passing of the relevant resolution. As at the Latest Practicable Date, a total of 918,000,000 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 183,600,000 Shares.

### **PROPOSED REPURCHASE MANDATE AND EXTENSION MANDATE**

At the Annual General Meeting, an ordinary resolution will also be proposed to give the Directors the Repurchase Mandate, i.e. a general and unconditional mandate to exercise all powers of the Company to repurchase, on the Stock Exchange, or on any other stock exchange on which the Shares may be listed, Shares up to a maximum of 10% of the total number of issued Shares as at the date of passing of the relevant resolution. In addition, an ordinary resolution regarding the Extension Mandate will be proposed at the Annual General Meeting to authorise the increase in the total number of new Shares which may be allotted and issued under the Issue Mandate by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate.

The Issue Mandate and the Repurchase Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the end of the period within which the Company is required by the Companies Act or the Articles to hold its next annual general meeting; or (c) when revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

Under the Listing Rules, the Company is required to give to its Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in the Appendix I to this circular.

### **PROPOSED RE-ELECTION OF DIRECTORS**

According to Article 108(A) of the Articles, at each annual general meeting, one third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office.

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## LETTER FROM THE BOARD

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According to Article 108(B) of the Articles, the Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

By virtue of Articles 108(A) and 108(B) of the Articles, Mr. Zhu Yongxiang and Professor Cheng Longdi will retire as Directors at the Annual General Meeting, and Mr. Zhu Yongxiang and Professor Cheng Longdi, being eligible, will offer themselves for re-election at the Annual General Meeting.

Recommendations to the Board for the proposal for re-election of each of Mr. Zhu Yongxiang as an executive Director and Professor Cheng Longdi as an independent non-executive Director were made by the nomination committee of the Board (“**Nomination Committee**”), after having considered the structure and composition of the Board, the confirmations and disclosures given by the Directors, their qualifications, skills and experience, time commitment and contribution, the business development of the Company and a range of diversity factors including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service, as set out in the board diversity policy of the Company (the “**Board Diversity Policy**”).

The Nomination Committee and the Board, having reviewed the Board’s composition and noted that Mr. Zhu Yongxiang and Professor Cheng Longdi are eligible for nomination and re-election under the Articles and the Company’s policy for nomination of Directors, resolved to make recommendations on the re-election of the above Directors by the Shareholders at the Annual General Meeting.

Pursuant to the code provision B.2.3 of Appendix C1 of the Listing Rules, if an independent non-executive director serves more than nine years, any further appointment of such independent non-executive director should be subject to a separate resolution to be approved by the shareholders. Professor Cheng Longdi has served for more than 9 years, accordingly a separate resolution will be proposed at the Annual General Meeting for his re-election as an independent non-executive Director. The Nomination Committee has assessed and affirmed his independence in according to Rule 3.13 of the Listing Rules. The Board also reviewed Professor Cheng Longdi’s professional qualifications and was of the view that he has made valuable contributions to the Company.

Particulars of Mr. Zhu Yongxiang and Professor Cheng Longdi are set out in Appendix II to this circular.

### **Recommendation of the Nomination Committee with respect to the Independent Non-Executive Director subject to Re-Election at the Annual General Meeting**

The Nomination Committee had assessed and reviewed the written confirmation of independence of Professor Cheng Longdi, the independent non-executive Director who has offered himself for re-election at the Annual General Meeting based on the independence criteria as set out in Rule 3.13 of the Listing Rules and were satisfied that he remains independent in accordance with Rule 3.13 of the Listing Rules notwithstanding that he has served as an independent non-executive Director for more than nine years. In addition, the Nomination Committee had evaluated his performance and professional qualifications and

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## LETTER FROM THE BOARD

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is of the view that he has provided valuable contributions to the Company and has demonstrated his abilities to provide independent, balanced and objective view to the Company's affairs. Furthermore, since his appointment, Professor Cheng Longdi has remained independent of the management of the Group and free of any relationship which could materially interfere with the exercise of his independent judgment.

The Nomination Committee is also of the view that Professor Cheng Longdi would bring to the Board his own perspective, skills and experience, as further described in his biography in Appendix II to this circular.

Based on the Board Diversity Policy, the Nomination Committee considers that Professor Cheng Longdi can contribute to the diversity of the Board, in particular, with his strong and diversified educational background and professional experience in his area of expertise, including in-depth knowledge in the textile industries.

Therefore, the Board, with the recommendation of the Nomination Committee, has nominated Professor Cheng Longdi for re-election as independent non-executive Director at the Annual General Meeting.

### **PROPOSED ELECTION OF NEW EXECUTIVE DIRECTOR**

The Board has resolved, with the recommendation of the Nomination Committee, to nominate Mr. Ye Lixin for election as a new executive Director at the Annual General Meeting. The Board believes that it is in the interest of the Company and the Shareholders as a whole that the Board benefits from the experience and resources which the new executive Director will bring to the Board.

In considering the nomination of Mr. Ye Lixin as executive Director, the Nomination Committee carried out the selection process by making reference to his skills, experience, background, professional knowledge, personal integrity and time commitments, and the Company's needs and other relevant statutory requirements and regulations required for the positions.

The recommendations for the proposed election of Mr. Ye as an executive Director was made in accordance with the nomination policy of the Company and the objective criteria (including but not limited to, gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service), with due regard for the benefits of diversity, as set out in the board diversity policy of the Company. Given Mr. Ye's experience in corporate finance and financial management, the Nomination Committee have determined that he has the requisite perspectives, skills and experience that he could contribute to the diversity and performance of the Board in accordance with the Board Diversity Policy, and is satisfied with the character, competence, experience and time commitment of Mr. Ye. Accordingly, the Nomination Committee recommended him to the Board for consideration.

Based on the above, the Board, with the recommendation of the Nomination Committee, is of the view that Mr. Ye Lixin is a suitable candidate for election as executive Director and recommends that he be elected as an executive Director by the Shareholders at the Annual General Meeting.

The biographical details of Mr. Ye Lixin are set forth in Appendix II to this circular.



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## LETTER FROM THE BOARD

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### ACTIONS TO BE TAKEN

At the Annual General Meeting, ordinary resolutions will be proposed to approve, *inter alia* (a) the proposed grant of the Issue Mandate, Repurchase Mandate and Extension Mandate; (b) the proposed re-election of Directors; and (c) the proposed election of a new executive Director.

Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time for the Annual General Meeting (i.e., at or before 2:30 p.m. on 25 May 2024 (Hong Kong time)) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

### VOTING AT THE ANNUAL GENERAL MEETING

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The chairman of the Annual General Meeting will therefore demand a poll for every resolution put to the vote of the Annual General Meeting pursuant to article 72 of the Articles. An announcement on the poll vote results will be made by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### RECOMMENDATION

The Directors believe that the resolutions to be proposed at the Annual General Meeting are beneficial to the Company and the Shareholders as a whole, and in particular:

The Directors believe that an exercise of the Issue Mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company.

The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be exercised when the Directors believe that repurchases of Shares will benefit the Company and the Shareholders.

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and/or gearing position of the Company compared with that as at 31 December 2023, being the date of its latest audited consolidated financial statements. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing of the Company.

Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolutions at the Annual General Meeting.

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## LETTER FROM THE BOARD

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### **CLOSURE OF REGISTER OF MEMBERS**

For determination of the entitlement to attend and vote at the Annual General Meeting, the transfer books and register of members will be closed from 22 May 2024 to 27 May 2024, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending and voting at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong not later than 4:30 p.m. on 21 May 2024.

### **BAD WEATHER ARRANGEMENTS**

If typhoon signal No. 8 or above, a black rainstorm warning, extreme weather conditions or other similar event is in effect at 12:30 p.m. on the date of the Annual General Meeting, the meeting will be postponed. The Company will post an announcement on its website ([www.texhong.com](http://www.texhong.com)) and designated website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) to notify the Shareholders of the date, time and place of the rescheduled meeting.

### **GENERAL INFORMATION**

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,  
For and on behalf of the Board of  
**Texhong International Group Limited**  
**Hong Tianzhu**  
*Chairman*

*This Appendix I serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the requisite information to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the grant of the Repurchase Mandate to the Directors.*

## **1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

## **2. SHARE CAPITAL**

As at Latest Practicable Date, there were a total of 918,000,000 Shares in issue.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 91,800,000 Shares which represents 10% of the total number of issued Shares as at the date of passing such resolution.

## **3. REASONS FOR THE REPURCHASE**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares are listed. Share repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders.

## **4. FUNDING OF REPURCHASES**

In repurchasing the Company's securities, the Company may only apply funds legally available for the purpose in accordance with the Company's memorandum of association, the Articles, the Companies Act and other applicable laws of the Cayman Islands.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 December 2023, being the date of its latest audited consolidated financial statements. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

## 5. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the twelve calendar months immediately preceding (and including) the Latest Practicable Date are as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
April 2023	6.16	4.86
May 2023	5.99	5.09
June 2023	6.10	5.05
July 2023	5.78	4.97
August 2023	5.80	3.90
September 2023	5.45	4.09
October 2023	4.89	3.76
November 2023	5.48	4.15
December 2023	5.33	4.13
January 2024	4.50	3.70
February 2024	4.19	3.45
March 2024	4.73	3.66
April 2024 ( <i>Note</i> )	4.37	4.00

*Note:* up to the Latest Practicable Date

## 6. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 or Rule 32 of the Takeovers Code.

On the basis of the respective shareholdings of New Green Group Limited, Mr. Hong Tianzhu (controls 100% of the voting rights of New Green Group Limited), Trade Partner Investments Limited (a subsidiary of New Green Group Limited) and Wisdom Grace Investments Limited (an associated company of Trade Partner Investments Limited) as at the Latest Practicable Date set out below, the exercise in full of the Repurchase Mandate will not result in any of Mr. Hong Tianzhu, New Green Group Limited, Trade Partner Investments Limited and Wisdom Grace Investments Limited (being presumed parties acting in concert under the Takeovers Code) obliged to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors are not aware of any consequence which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

Name	Number of Shares	Approximate percentage of existing shareholding	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Hong Tianzhu	5,400,000 Shares <i>(Note 1)</i>	0.59%	0.65%
New Green Group Limited	392,842,400 Shares <i>(Note 2)</i>	42.79%	47.55%
Trade Partner Investments Limited	151,900,000 Shares <i>(Note 3)</i>	16.55%	18.39%
Wisdom Grace Investments Limited	68,000,000 Shares <i>(Note 4)</i>	7.41%	8.23%
Total:		<u>67.34%</u>	<u>74.82%</u>

*Notes:*

1. These 5,400,000 Shares were registered in the name of and beneficially owned by Mr. Hong Tianzhu, an executive Director.
2. These 392,842,400 Shares were registered in the name of and beneficially owned by New Green Group Limited, the entire issued share capital of which is beneficially owned by Texhong Group Holdings Limited. Texhong Group Holdings Limited is wholly owned by Mr. Hong Tianzhu, an executive Director.
3. These 151,900,000 Shares were registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 57.44% by Mr. Hong Tianzhu through New Green Group Limited and as to 42.56% by Mr. Zhu Yongxiang, an executive Director, through Wisdom Grace Investments Limited.
4. These 68,000,000 Shares were registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Mr. Zhu Yongxiang.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in a requirement of any Shareholder, or any other persons to make a general offer under the Takeovers Code or the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

#### **7. SHARE REPURCHASE MADE BY THE COMPANY**

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

#### **8. GENERAL**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

The Directors will exercise the power of the Company to make repurchase pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands and the regulations set out in the memorandum of association of the Company and the Articles. Neither the explanatory statement set out in this Appendix I nor the Repurchase Mandate has any unusual features.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell any Shares to the Company nor has any such core connected person undertaken not to sell any Shares held by him/her to the Company in the event that the Repurchase Mandate is granted.

*The biographical details of the Directors eligible for re-election at the Annual General Meeting are set out below:*

**MR. ZHU YONGXIANG**

Mr. Zhu Yongxiang, aged 57, has been appointed as an executive Director since 27 July 2004 and he joined the Group in 1997. He also serves as the vice chairman and chief executive officer of the Group, chairman of the environmental, social and governance committee of the Board and a director of various subsidiaries of the Company.

Mr. Zhu entered into a service contract dated 21 November 2015 with the Company to act as an executive Director for an initial term of one year commencing from 21 November 2015, and continued thereafter for successive terms of one year until terminated by not less than three months' notice in writing served by either party on the other expiring at the end of the initial term or at any time thereafter. He is subject to the rotational retirement and re-election requirements at the annual general meetings of the Company pursuant to the Articles. Under the service contract, he shall be entitled to a monthly salary and, in respect of each financial year of the Company, a management bonus in such sum as the Board may in its absolute discretion determine provided that the aggregate amount of management bonuses payable to all Directors in respect of any financial year of the Company shall not exceed 5% of the audited consolidated or combined net profit of the Company (after taxation and minority interests and payment of such bonuses but excluding extraordinary and exceptional items) in respect of each financial year. In addition, under the service contract, Mr. Zhu would also be entitled to a special bonus for a particular financial year to be determined by the Board in its absolute discretion with reference to his performance. As at the Latest Practicable Date, he was entitled to a monthly salary of RMB80,000 which is covered under his service contract. The emolument of Mr. Zhu is determined by the Board with reference to his duties, responsibilities, performance and the results of the Group.

Mr. Zhu graduated from the 南通紡織工學院 (Nantong Textile Industry College) in 1987. Prior to joining the Group in 1997, he was an assistant to the general manager of 南通第二棉紡織廠 (Nantong No. 2 Cotton Textile Factory).

Mr. Zhu's spouse, Ms. Zhao Zhiyang, is the sole director and the sole shareholder of Wisdom Grace Investments Limited. Mr. Zhu is also a director of Trade Partner Investments Limited, which is owned as to 42.56% by him. Each of Trade Partner Investments Limited and Wisdom Grace Investments Limited was the beneficial owner of 151,900,000 and 68,000,000 Shares as at the Latest Practicable Date respectively.

Save as disclosed herein, as at the Latest Practicable Date, Mr. Zhu did not have any other interests in the Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO, nor was he related to any other Directors, senior management, or substantial or controlling Shareholders (as defined in the Listing Rules). Mr. Zhu had not been a director of any public companies listed whose shares are listed on any securities market in Hong Kong or overseas in the three years preceding the Latest Practicable Date.

Save as disclosed, there is no information which is discloseable nor is/was Mr. Zhu involved in any matters required to be disclosed pursuant to any of the requirements of the provisions under the Rule 13.51(2) of the Listing Rules.

There are no other matters concerning Mr. Zhu that need to be brought to the attention of the Shareholders.

**PROFESSOR CHENG LONGDI**

Professor Cheng Longdi, aged 64, was appointed as an independent non-executive Director on 21 November 2004 and a member of each of the audit committee, remuneration committee, nomination committee and environmental, social and governance committee of the Board.

Professor Cheng obtained his doctorate degree in textile engineering from Donghua University in 2002. He is currently a professor (2nd grade) in College of Textiles and a deputy director of the Key Laboratory of Textile Science and Technology of Donghua University. Professor Cheng is a member of the expert committee of each of the following institutions: Cotton Textile Committee of the China Textile Engineering Society, the China Cotton Textile Association, the China Knitting Industrial Association, the China Bast and Leaf Fibers Textile Association and the China Textile Machinery Association. Professor Cheng was an engineer of the China Textile Academy (formerly known as Textile Academy of Textile Ministry).

Professor Cheng entered into an appointment letter dated 21 November 2004 with the Company to act as an independent non-executive Director for an initial term of one year renewable automatically for a successive term of one year each commencing from the next day after expiry of the then current term, unless terminated by not less than three months' in writing at the end of the initial term or at any time thereafter. As at the Latest Practicable Date, he was entitled to an annual director's fee of HK\$150,000 which was determined by reference to his experience, duties and responsibilities.

As at the Latest Practicable Date, Professor Cheng did not have any interest in the shares, underlying shares or debenture in the Company within the meaning of Part XV of the SFO. Professor Cheng is not related to any Directors, senior management, or substantial or controlling Shareholders (as defined in the Listing Rules), nor had he been a director in other public companies whose shares are listed on any securities market in Hong Kong or overseas in the three years preceding the Latest Practicable Date.

Save as disclosed, there is no information which is discloseable nor is/was Professor Cheng involved in any matters required to be disclosed pursuant to any of the requirements of the provisions under the Rule 13.51(2) of the Listing Rules.

There are no other matters concerning Professor Cheng that need to be brought to the attention of the Shareholders.



*The biographical details of the candidate for the election as a new executive Director at the Annual General Meeting are set out below:*

**MR. YE LIXIN**

Mr. Ye Lixin, aged 43, joined the Group in 2020 and has been appointed as the financial controller of the Group since the beginning of 2023, and is responsible for corporate finance and financial management of the Group. He has over 20 years of working experience in corporate finance and financial management. Prior to joining the Group, Mr. Ye served as the group chief financial officer of a German-funded construction machinery manufacturer from July 2018 to July 2020. From September 2007 to June 2018, Mr. Ye worked for a well-known large construction machinery manufacturer and successively served as director of finance and controlling department in China and director of finance and controlling department in Asia-Pacific. Subject to Mr. Ye being elected as an executive Director by the Shareholders at the Annual General Meeting, Mr. Ye would serve in the capacity of both an executive Director and financial controller of the Group.

Mr. Ye graduated from East China University of Science and Technology (華東理工大學) with a master's degree in Business Administration. He is also a fellow member of the Chartered Institute of Management Accountants.

Subject to Mr. Ye being elected as an executive Director by the Shareholders at the Annual General Meeting, a service contract will be entered into between the Company and Mr. Ye for a term of three years renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of his appointment, subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles. Under the service contract, Mr. Ye shall be entitled to a monthly salary of RMB80,000 and, in respect of each financial year of the Company, a management bonus in such sum as the Board may in its absolute discretion determine provided that the aggregate amount of management bonuses payable to all Directors in respect of any financial year of the Company shall not exceed 5% of the audited consolidated or combined net profit of the Company (after taxation and minority interests and payment of such bonuses but excluding extraordinary and exceptional items) in respect of each financial year. In addition, under the service contract, Mr. Ye would also be entitled to a special bonus for a particular financial year to be determined by the Board in its absolute discretion with reference to his performance. The remuneration of Mr. Ye is determined by the Board with reference to Mr. Ye's skill, knowledge and expected involvement in the Group, profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions.

As at the Latest Practicable Date, Mr. Ye was the beneficial owner of 28,000 Shares. Save as disclosed herein, as at the Latest Practicable Date, Mr. Ye did not have any other interests in the Shares, underlying shares or debenture in the Company within the meaning of Part XV of the SFO. Mr. Ye is not related to any other Directors, senior management, or substantial or controlling Shareholders (as defined in the Listing Rules).

Mr. Ye did not hold any directorship in other public companies whose shares are listed on any securities market in Hong Kong or overseas in the three years preceding the Latest Practicable Date, and there is no information which is discloseable nor is/was Mr. Ye involved in any matters required to be disclosed pursuant to any of the requirements of the provisions under the Rule 13.51(2) of the Listing Rules.

There are no other matters concerning Mr. Ye that need to be brought to the attention of the Shareholders.

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## NOTICE OF THE ANNUAL GENERAL MEETING

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### TEXHONG INTERNATIONAL GROUP LIMITED

### 天虹國際集團有限公司

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2678)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Texhong International Group Limited (“**Company**”) will be held at 2:30 p.m. at Function Room 2, 11th Floor, Nina Hotel Tsuen Wan West, 8 Yeung Uk Road, Tsuen Wan, Hong Kong on 27 May 2024 to consider and, if thought fit, transact the following ordinary businesses:

1. to receive and consider the audited consolidated financial statements and the reports of the directors of the Company and the Company’s auditors for the year ended 31 December 2023;
2. (a) to re-elect Mr. Zhu Yongxiang as an executive director of the Company;  
(b) to re-elect Professor Cheng Longdi as an independent non-executive director of the Company;  
(c) to elect Mr. Ye Lixin as an executive director of the Company;
3. to authorise the board of directors of the Company to fix the directors’ remuneration;
4. to re-appoint PricewaterhouseCoopers as the Company’s auditors and to authorise the board of directors to fix their remuneration;

and, to consider and, if thought fit, pass the following resolutions (with or without modification):

#### ORDINARY RESOLUTIONS

5. **“THAT:**
  - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), the exercise by the directors of Texhong International Group Limited (“**Company**”) during the Relevant Period of all the powers of the Company to allot, issue and deal with the unissued shares (each, a “**Share**”) of HK\$0.10 each in the capital of the Company and to make or grant offers,

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## NOTICE OF THE ANNUAL GENERAL MEETING

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agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of any options granted under all share option schemes of the Company adopted on 7 April 2014 or similar arrangement adopted by the Company from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares shall not exceed the aggregate of:
  - (aa) 20 per cent. of the total number of issued Shares on the date of the passing of this resolution; and
  - (bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the total number of issued Shares purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the total number of issued Shares on the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable law of the Cayman Islands to be held; or

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## NOTICE OF THE ANNUAL GENERAL MEETING

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- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

6. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of Texhong International Group Limited (“**Company**”) during the Relevant Period of all powers of the Company to purchase shares (each, a “**Share**”) of HK\$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Act, Chapter 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the total number of Shares which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period (as defined in paragraph (c) below) shall not exceed 10 per cent. of the total number of issued shares of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable law of the Cayman Islands to be held; or

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## NOTICE OF THE ANNUAL GENERAL MEETING

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(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

7. “**THAT** conditional on the passing of resolutions numbered 5 and 6 above, the general mandate granted to the directors of Texhong International Group Limited (“**Company**”) pursuant to paragraph (a) of resolution numbered 5 above be and it is hereby extended by the addition to the total number of the shares which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the total number of issued shares of the Company purchased or agreed to be purchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 6 above.”

For and on behalf of the Board  
**Texhong International Group Limited**  
**Hong Tianzhu**  
*Chairman*

Hong Kong, 19 April 2024

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place of business  
in Hong Kong:*

Unit 3, 37/F  
Cable TV Tower  
9 Hoi Shing Road  
Tsuen Wan  
Hong Kong

*Notes:*

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the offices of the Company’s Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong not later than 48 hours before the time of the above meeting (i.e., at or before 2:30 p.m. on 25 May 2024 (Hong Kong time)) or any adjourned meeting.
3. For the purpose of determining members who are qualified for attending the annual general meeting, the register of members of the Company will be closed from 22 May 2024 to 27 May 2024, both days inclusive, during which no transfer of share will be effected. In order to qualify for attending the annual general meeting, all transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar in Hong Kong at the address stated in note 2 above not later than 4:30 p.m. on 21 May 2024 for registration.

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4. In relation to proposed resolutions numbered 5 and 7 above, approval is being sought from the shareholders for the grant to the directors of a general mandate to authorise the allotment and issue of shares under the Listing Rules. The directors wish to state that they will exercise the powers conferred thereby to allot and issue shares of the Company in circumstances which they deem appropriate for the benefit of the Company and its shareholders as a whole.
5. In relation to proposed resolution numbered 6 above, the directors wish to state that they will exercise the powers conferred thereby to purchase shares of the Company in circumstances which they deem appropriate for the benefit of the Company and its shareholders as a whole. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in the Appendix I in the circular of which this notice of the annual general meeting forms part.
6. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
7. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto to if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
8. If typhoon signal No. 8 or above, a black rainstorm warning, extreme weather conditions or other similar event is in effect at 12:30 p.m. on the date of the Annual General Meeting, the meeting will be postponed. The Company will post an announcement on its website ([www.texhong.com](http://www.texhong.com)) and designated website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) to notify the Shareholders of the date, time and place of the rescheduled meeting.
9. If any Shareholders have any particular access request or special needs for participating in the above meeting, please contact the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited (telephone: +852 2598 5234) on or before 21 May 2024.