

# Texhong Textile Group

## Principle of Prohibition of Forced Labour

### 1. General

The Company shall not use any involuntary or forced labour -- Including bondage, imprisonment or other forms of forced labour.

The Company has formulated relevant recruitment policies and hiring procedures in accordance with the Labour Law of the People's Republic of China and of the places where its subsidiaries reside to meet the requirements of local regulations.

### 2. Authorisation of Management Representatives and their Duties

The Human Resources and Administration Department of each subsidiary is responsible for formulating and implementing recruitment policies and hiring procedures of the Company, and signing labour contracts as well as verifying identity documents. The representative of the management is the general manager of each subsidiary.

### 3. Summary of Control:

Policies are established against forced labour and the use of penal labour.

The policies against forced labour and the use of penal labour are the basic policies of the Company, which no personnel of any department shall violate.

- 3.1 All staff of the Company must be employed voluntarily.
- 3.2 The Company shall sign legal labour contracts with all the staff according to the requirements of the labour authorities.
- 3.3 No personnel of any department of the Company shall detain any identity document or receive any deposit from the staff regardless of the reasons.
- 3.4 The Company shall never use bonded labour.
- 3.5 No personnel of any department of the Company shall withhold any wages of the staff, which must be paid as required by the contract, regardless of the reasons.
- 3.6 Employees have the right to freely decide their resignation. If an employee needs to resign, he/ she shall provide notice in advance according to the agreed period in the contract, and resignation procedures shall be completed with all his/ her wages settled according to the legal or agreed procedures upon expiry of his/ her notice period.
- 3.7 The Company shall not adopt any form of penal labour.