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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 your licensed securities dealer or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

**If you have sold or transferred** all your shares in China Futex Holdings Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser(s) or the transferee(s).

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### China Futex Holdings Limited

中國福紡控股有限公司

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

**(Stock Code: 8506)**

**(i) GRANT OF GENERAL MANDATES TO  
ISSUE AND REPURCHASE SHARES;  
(ii) RE-ELECTION OF RETIRING DIRECTORS;  
(iii) RE-APPOINTMENT OF AUDITOR;  
AND  
(iv) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting (“**AGM**”) of China Futex Holdings Limited to be held at Units 1203B, 1204-1205, 12/F, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong, on Friday, 6 August 2021 at 2:00 p.m. is set out on pages N-1 to N-5 of this circular.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you intend to attend and vote at the AGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof (as the case may be) should you so desire and in such event, the form of proxy shall be deemed to be revoked.

This circular will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its posting. This circular will also be posted on the Company’s website at [www.kx-machine.com](http://www.kx-machine.com).

#### **PRECAUTIONARY MEASURES FOR THE AGM**

Please see page ii of this circular for measures being taken by the Company to prevent and control the spread of the ongoing pandemic of coronavirus disease 2019 (“**COVID-19**”) at the AGM, including:

- compulsory body temperature checks and health declarations
- requirement of wearing a surgical face mask for each attendee
- no distribution of corporate gift or refreshment

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the AGM venue. Furthermore, the Company wishes to advise the Shareholders that they may appoint any person or the chairman of the AGM as a proxy to vote on the relevant resolutions, instead of attending the AGM in person.

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## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

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GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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## PRECAUTIONARY MEASURES FOR THE AGM

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The health of our Shareholders, staff and stakeholders is of paramount importance to us. In view of the ongoing COVID-19 pandemic, the Company will implement the following precautionary measures at the AGM to protect attending Shareholders, staff and stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on every attendee at the entrance of the AGM venue. Any person with a body temperature of over 37.5 degrees Celsius may be denied entry into the AGM venue or be required to leave the AGM venue.
- (ii) Each attendee may be asked whether (a) he/she has travelled outside of Hong Kong, or had physical contact with any person who to his/her best of knowledge has recently travelled to, any affected countries or areas outside Hong Kong within the 14-day period immediately before the AGM; and (b) he/she is subject to any Hong Kong Government prescribed quarantine. Anyone who responds positively to any of these questions may be denied entry into the AGM venue or be required to leave the AGM venue.
- (iii) Every attendee will be required to wear a surgical face mask throughout the AGM and inside the AGM venue, and to maintain a safe distance between seats throughout the AGM. Please note that no masks will be provided at the AGM venue and attendees should bring and wear their own masks.
- (iv) Seating at the AGM will be arranged so as to reduce interaction between participants.
- (v) No refreshments will be served and there will be no corporate gifts.

In addition, the Company reminds all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights. Shareholders may appoint any person or the chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM instead of attending the AGM in person, by completing and returning the proxy form enclosed with this circular.

If any Shareholder chooses not to attend the AGM in person but has any question about any resolution or about the Company, or has any matter for communication with the Board, he/ she is welcome to send such question or matter in writing to our head office and principal place of business in Hong Kong.

The Company will closely monitor the development of the COVID-19 pandemic and any regulations or measures introduced or to be introduced by the Hong Kong Government in relation to the COVID-19 pandemic. The Company will ensure that the AGM will be conducted in compliance with the regulations or measures of the Hong Kong Government and Shareholders will not be deprived of their right of voting on the resolutions to be proposed at the AGM. Further announcements will be made by the Company as soon as possible if there is any update to the preventive measures as mentioned above.

If the Shareholders have any questions relating to the AGM, please contact Tricor Investor Services Limited, the Company's branch share registrar and transfer office in Hong Kong, as follows:

Tricor Investor Services Limited  
Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held at Units 1203B, 1204-1205, 12/F, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong on Friday, 6 August 2021 at 2:00 p.m., the notice of which is set out on pages N-1 to N-5 of this circular, and any adjournment thereof
“AGM Notice”	the notice convening the AGM set out on pages N-1 to N-5 of this circular
“Articles of Association”	the articles of association of the Company as amended, supplemented or otherwise modified from time to time and “Article” shall mean an article of the Articles of Association
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Company”	China Futex Holdings Limited 中國福紡控股有限公司, a company incorporated as an exempted company with limited liability in the Cayman Islands and the issued Shares of which are listed on GEM of the Stock Exchange
“core connected person(s)”	has the meaning ascribed to it under the GEM 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, issued and dealt with under the Issue Mandate may be increased by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited as amended by the Stock Exchange from time to time
“Group”	the Company and its subsidiaries

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## DEFINITIONS

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“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Internal Control Committee”	the internal control committee of the Company
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with new Shares not exceeding 20% of the aggregate number of issued Shares as at the date of AGM as set out in resolution no. 3 of the AGM Notice
“Latest Practicable Date”	5 July 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Nomination Committee”	the nomination committee of the Board
“PRC”	the People’s Republic of China, save that, for the purpose of this circular and unless the context otherwise requires, references in this circular do not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase Shares not exceeding 10% of the aggregate number of issued Shares as at the date of AGM, as set out in resolution no. 4 in the AGM Notice
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs as approved by the Securities and Futures Commission of Hong Kong, as amended, modified or otherwise supplemented from time to time
“%”	per cent.

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LETTER FROM THE BOARD

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**China Futex Holdings Limited**  
**中國福紡控股有限公司**

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

**(Stock Code: 8506)**

*Executive Directors:*

Mr. Cheng Jun (*Chairman*)  
Mr. Guan Min  
Mr. Zheng Liangjian  
Mr. Wang Kun

*Registered office:*

Windward 3, Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

*Independent non-executive Directors:*

Mr. Shum Shing Kei  
Mr. Chan Ka Leung Kevin

*Headquarters and principal place  
of business:*

Xiawei Village  
Fugong Town  
Longhai City  
Fujian Province  
the People's Republic of China

8 July 2021

*To the Shareholders*

Dear Sirs or Madams,

- (i) GRANT OF GENERAL MANDATES TO  
ISSUE AND REPURCHASE SHARES;**  
**(ii) RE-ELECTION OF RETIRING DIRECTORS;**  
**(iii) RE-APPOINTMENT OF AUDITOR;**  
**AND**  
**(iv) 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 AGM and to give you the AGM Notice. Resolutions to be proposed at the AGM include ordinary resolutions relating to the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the re-election of retiring Directors, and the re-appointment of auditor.



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## LETTER FROM THE BOARD

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### PROPOSED ISSUE MANDATE

At the last annual general meeting of the Company held on 29 June 2020, the Directors were given a general mandate to allot and issue Shares. Such mandate will lapse at the conclusion of the AGM.

To allow flexibility for the Directors to issue Shares in a timely manner in the interests of the Company and its Shareholders, at the AGM, an ordinary resolution will be proposed in respect of granting the Directors the Issue Mandate, for a general and unconditional mandate to allot, issue and otherwise deal with Shares not exceeding 20% of the aggregate number of issued Shares as at the date of passing of the relevant resolution.

As at the Latest Practicable Date, a total of 1,000,000,000 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 further Shares will be allotted and issued or repurchased by the Company prior to the date of the AGM, the Directors would be authorised to allot, issue and otherwise deal with a maximum of 200,000,000 new Shares under the Issue Mandate, representing 20% of the aggregate number of issued Shares as at the date of the AGM.

The Issue Mandate allows the Directors to allot, issue and otherwise deal with Shares only during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or the laws of the Cayman Islands; or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company (the “**Relevant Period**”).

### PROPOSED REPURCHASE MANDATE AND EXTENSION MANDATE

At the last annual general meeting of the Company held on 29 June 2020, the Directors were given a general mandate to repurchase Shares. Such mandate will lapse at the conclusion of the AGM.

To allow flexibility for the Directors to repurchase Shares as they see fit, an ordinary resolution will also be proposed at the AGM to grant the Directors the Repurchase Mandate, for a general and unconditional mandate to exercise all powers of the Company to repurchase Shares not exceeding 10% of the aggregate number of issued Shares as at the date of passing of the relevant resolution. The Repurchase Mandate allows the Company to make repurchases only during the Relevant Period.

Subject to the passing of the proposed resolution approving the Repurchase Mandate and on the basis that no further Shares will be allotted and issued or repurchased by the Company prior to the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 100,000,000 Shares, representing 10% of the aggregate number of issued Shares as at the date of the AGM.

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

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## LETTER FROM THE BOARD

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### EXTENSION MANDATE

Subject to the passing of the proposed resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution regarding the Extension Mandate will be proposed at the AGM 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.

### RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the Board consisted of six Directors, namely:

#### Executive Directors

Mr. Cheng Jun  
Mr. Guan Min  
Mr. Zheng Liangjian  
Mr. Wang Kun

#### Independent non-executive Directors

Mr. Shum Shing Kei  
Mr. Chan Ka Leung Kevin

In accordance with Article 108 of the Articles of Association, at each annual general meeting of the Company, 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.

Further, according to Article 112 of the Articles of Association, any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Such Directors shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

Mr. Cheng Jun (“**Mr. Cheng**”), Mr. Guan Min (“**Mr. Guan**”), Mr. Zheng Liangjian (“**Mr. Zheng**”), Mr. Wang Kun (“**Mr. Wang**”), Mr. Shum Shing Kei (“**Mr. Shum**”) and Mr. Chan Ka Leung Kevin (“**Mr. Chan**”) (collectively, the “**Retiring Director(s)**”) will retire and, being eligible, will offer themselves for re-election.

The re-appointment of the Retiring Directors has been reviewed by the Nomination Committee which made recommendations to the Board that the re-election be proposed for Shareholders’ approval at the AGM. Each of Mr. Cheng, Mr. Shum and Mr. Chan, who are members of and are present at the meeting of the Nomination Committee, abstained from voting at the meeting of the Nomination Committee when his nomination was being considered. In addition, each of Mr. Shum and Mr. Chan abstained from voting at the meeting of the Nomination Committee when his independence was being considered.

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## LETTER FROM THE BOARD

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By taking into account the nomination policy of the Company and the objective criteria (including without limitation, skills, knowledge, experience, integrity and ability to perform his duties to contribute to the effectiveness of the Board (including time commitment to the Company)) set out in it, the board diversity policy of the Company, and the independence of independent non-executive Directors, both the Nomination Committee and the Board considered each of Mr. Shum and Mr. Chan is a suitable candidate as an independent non-executive Director based on their educational background, qualifications and/or work experience, including experience of serving as independent directors of listed companies in Hong Kong and/or the PRC.

Mr. Shum and Mr. Chan have satisfied the independence criteria as set out in Rule 5.09 of the GEM Listing Rules. By considering the annual confirmations of Mr. Shum and Mr. Chan to the Company on his own fulfilment of the independence criteria as set out in Rule 5.09 of the GEM Listing Rules, both the Nomination Committee and the Board were of the opinion that each of Mr. Shum and Mr. Chan remains independent. To the best knowledge of the Directors, as at the Latest Practicable Date, the Company was not aware of any matters or events that may occur and affect the independence of Mr. Shum and Mr. Chan.

During the tenure of office, each of Mr. Shum and Mr. Chan performed his own duties as an independent non-executive Director to the satisfaction of the Board. The Board believes that each of Mr. Shum and Mr. Chan's valuable knowledge and experience will continue to bring significant perspectives and contribution to the Board for its efficient and effective functioning, and that their re-appointments will contribute to the diversity (in particular in terms of knowledge and experience) of the Board appropriate to the requirements and development of the Company's business.

Particulars of the Retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix II to this circular. In consideration of the background, specific knowledge and experience of Mr. Cheng, Mr. Guan, Mr. Zheng, Mr. Wang, Mr. Shum and Mr. Chan, the Board believes that they could bring an invaluable insight. Their in-depth knowledge, extensive experience and expertise will continue to provide invaluable contribution and diversity to the Board.

### **RE-APPOINTMENT OF AUDITOR**

Elite Partners CPA Limited will retire as the independent auditor of the Company at the AGM and, being eligible, offer itself for re-appointment. Upon the recommendation of the Audit Committee, the Board proposed to re-appoint Elite Partners CPA Limited as the independent auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company.

### **ANNUAL GENERAL MEETING**

The AGM Notice is set out on pages N-1 to N-5 of this circular. A form of proxy for use by the Shareholders in respect of the AGM is also enclosed. Whether or not you intend to attend and vote at the AGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from subsequently attending and voting at the AGM or any adjournment thereof (as the case may be) should you so desire and in such event, the form of proxy shall be deemed to be revoked.

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## LETTER FROM THE BOARD

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Pursuant to the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the AGM will request for voting by poll on all the proposed resolutions set out in the AGM Notice. The results of the poll will be published on the websites of the Stock Exchange and the Company after the AGM in accordance with the requirements under the GEM Listing Rules.

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

The register of members of the Company will be closed from Tuesday, 3 August 2021 to Friday, 6 August 2021 (both dates inclusive) for determining eligibility to attend and vote at the AGM. All transfer of share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 2 August 2021.

### **RECOMMENDATION**

The Directors believe that the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the re-election of the Retiring Directors and the re-appointment of auditor are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolutions to be proposed at the AGM and as set out in the AGM Notice.

### **RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### **GENERAL**

Your attention is also drawn to the additional information set out in Appendix I (Explanatory Statement) and Appendix II (Particulars of Directors Proposed to be Re-elected) to this circular.

By order of the Board  
**China Futex Holdings Limited**  
**Cheng Jun**  
*Chairman and Executive Director*

This Appendix I serves as an explanatory statement, as required by Rule 13.08 of the GEM Listing Rules, to provide the requisite information to the Shareholders for consideration of the Repurchase Mandate.

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

The GEM Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions. Among such restrictions, the GEM 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 the Latest Practicable Date, there were a total of 1,000,000,000 Shares in issue.

Subject to the passing of the proposed resolution to approve the Repurchase Mandate and on the basis that no further Shares are allotted and issued or repurchased between the Latest Practicable Date and the date of AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 100,000,000 Shares during the Relevant Period.

## **3. REASONS FOR THE REPURCHASES**

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. 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 repurchases will benefit the Company and the Shareholders as a whole.

## **4. FUNDING OF THE REPURCHASES**

In repurchasing the Shares, the Company may only apply funds legally available for the purpose in accordance with the Articles of Association, the GEM Listing Rules and the applicable laws of the Cayman Islands.

## **5. MATERIAL ADVERSE IMPACT**

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 may have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position disclosed in its most recent published audited accounts. However, the Directors do not intend to make any repurchases to such an extent that would, in the circumstances, lead to material adverse impact on the working capital and/or the gearing position of the Company.

## 6. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous 12 months preceding the Latest Practicable Date are as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2020</b>		
July	0.600	0.143
August	0.700	0.275
September	0.500	0.255
October	0.480	0.240
November	0.280	0.175
December	0.640	0.195
<b>2021</b>		
January	1.970	0.590
February	1.800	1.310
March	1.740	0.950
April	_(Note)	_(Note)
May	_(Note)	_(Note)
June	_(Note)	_(Note)
July (up to the Latest Practicable Date)	_(Note)	_(Note)

*Note:* Trading in the Shares on the Stock Exchange had been suspended with effect from 9:00 a.m. on 1 April 2021 and remained suspended as at the Latest Practicable Date.

## 7. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of 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 the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code) could, depending on the level of increase in the Shareholders' interests, obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, the following shareholders had interests representing 5% or more of the issued share capital of the Company:

Name	Number of Shares held	Capacity and nature of interest	Approximate percentage of total issued Shares	If Repurchase Mandate is exercised in full
			As at the Latest Practicable Date	
Azure Wealth Limited (藍裕有限公司)	369,219,084	Beneficial owner	36.922%	41.024%
Ms. Zheng Yonghua (鄭勇華)	369,219,084 <sup>(note 1)</sup>	Interest in controlled corporation	36.922%	41.024%
Mr. Ke Weibin (柯葳彬)	369,219,084 <sup>(note 2)</sup>	Interest of spouse	36.922%	41.024%
Sheen Vision Group Limited	81,195,379	Beneficial owner	8.119%	9.022%
Mr. Wu Peng (吳鵬)	81,195,379 <sup>(note 3)</sup>	Interest in controlled corporation	8.119%	9.022%

*Notes:*

- (1) Azure Wealth Limited is owned as to 95% by Ms. Zheng Yonghua. Accordingly, Ms. Zheng Yonghua is deemed to be interested in 369,219,084 Shares held by Azure Wealth Limited by virtue of the SFO.
- (2) Mr. Ke Weibin is the spouse of Ms. Zheng Yonghua and is therefore deemed to be interested in all the Shares held/owned by Ms. Zheng Yonghua through Azure Wealth Limited by virtue of the SFO.
- (3) Sheen Vision Group Limited is wholly owned by Mr. Wu Peng and is the beneficial owner of 81,195,379 Shares. Accordingly, Mr. Wu Peng is deemed to be interested in 81,195,379 Shares held by Sheen Vision Group Limited by virtue of the SFO.

In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, the total interests of Azure Wealth Limited in the Shares would be increased to approximately 41.024% of the issued share capital of the Company. Such increase would give rise to an obligation of Azure Wealth Limited to make a mandatory offer under Rule 26 and Rule 32 of the Takeovers Code.

The Directors do not intend to exercise the power to repurchase Shares to an extent which would render any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 or Rule 32 of the Takeovers Code.

The Directors will not repurchase the Shares on GEM to an extent which would result in the number of the listed securities which are in the hands of the public falling below 25%, being the relevant minimum prescribed percentage for the Company as required by the Stock Exchange.

**8. SHARE PURCHASE MADE BY THE COMPANY**

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

**9. GENERAL**

As at the Latest Practicable Date, none of the Directors nor, to the best of their respective knowledge and belief having made all reasonable enquiries, their close associates (as defined under the GEM Listing Rules), have any present intention, if the Repurchase Mandate is approved by the Shareholders and is exercised, to sell any Shares to the Company under the Repurchase Mandate.

The Directors have undertaken to the Stock Exchange that they will only exercise the power of the Company to make repurchase pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws and regulations of the Cayman Islands.

As at the Latest Practicable Date, no core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company or has any such core connected person undertaken to the Company that he/she/it will not sell any Shares held by him/her/it to the Company, in the event that the Repurchase Mandate is approved by the Shareholders.



The particulars of the Directors who are proposed to be re-elected at the AGM to act as a Director and which are required to be disclosed under the GEM Listing Rules are set out below:

### EXECUTIVE DIRECTORS

#### Mr. Cheng Jun (程俊) (“Mr. Cheng”)

Mr. Cheng, aged 58, is the chairman of the Board and an executive Director. Mr. Cheng was appointed as the chairman of the Board and an executive Director on 31 December 2020. He is also the chairman of the Internal Control Committee and members of the Remuneration Committee and the Nomination Committee. He is responsible for the overall operation and development strategy of the Group as well as supervising internal control.

Mr. Cheng obtained a bachelor’s degree in business administration from Beijing University of Arts and Sciences in July 1998 and has over 30 years of experience in finance and business administration.

Mr. Cheng was the chairman and chief executive officer of Beijing Sousou Kuaipao Technology Co., Ltd.\* (北京嗖嗖快跑科技有限公司) from October 2015 to June 2021. He has also been an executive director of Nanchang Woai Wojia Technology Co., Ltd.\* (南昌我愛我家科技有限公司) from November 2018 to February 2021. From 2002 to 2014, Mr. Cheng was the chairman and chief executive officer of Jiangxi Mytphome Property Co., Ltd.\* (江西省滿堂紅房產置業有限公司).

On 31 December 2020, Mr. Cheng entered into a service contract with the Company for a three-year term and his appointment may be terminated by Mr. Cheng or the Company giving not less than three months’ notice in writing. Pursuant to the service contract, Mr. Cheng is entitled (subject to review annually) to a fixed salary of HK\$960,000 per annum. Mr. Cheng’s remuneration package is generally structured by reference to market terms and individual merits. Mr. Cheng is subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles of Association.

Save as disclosed above, as at the Latest Practicable Date, Mr. Cheng (i) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications; (ii) did not have any other relationship with any Directors, senior management of the Company, substantial shareholders of the Company or controlling shareholders of the Company (as defined under the GEM Listing Rules); and (iii) had no other interests in Shares which are required to be disclosed pursuant to Part XV of the SFO.

Save as disclosed above, the Company considers that in relation to the re-election of Mr. Cheng as an executive Director, there is no information to be disclosed pursuant to paragraphs (h) to (v) of Rule 17.50(2) of the GEM Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

\* for identification purpose only

**Mr. Guan Min (管民) (“Mr. Guan”)**

Mr. Guan, aged 53, is an executive Director. Mr. Guan was appointed as an executive Director on 31 December 2020.

Mr. Guan obtained a bachelor’s degree in building construction from Inner Mongolia University of Technology in July 1993. He has over 20 years of working experience in building construction sector and has been a senior engineer since May 2009.

Mr. Guan has been the chairman of Beijing Tianhe Jiaye Environmental Engineering Co., Ltd.\* (北京天河嘉業環境工程有限公司) and Huolinguole Tianhe Water Engineering Co., Ltd.\* (霍林郭勒天河水務工程有限責任公司) since 2011. He has been the chairman of Huolinguole Tianhe Jiaye Water Engineering Co., Ltd.\* (霍林郭勒天河嘉業水務有限公司) since 2012. He has also been the deputy general manager of Zhejiang Haiyun Environmental Protection Co., Ltd.\* (浙江海雲環保有限公司) since 2017.

On 31 December 2020, Mr. Guan entered into a service contract with the Company for a three-year term and his appointment may be terminated by Mr. Guan or the Company giving not less than three months’ notice in writing. Pursuant to the service contract, Mr. Guan is entitled (subject to review annually) to a fixed salary of HK\$240,000 per annum. Mr. Guan’s remuneration package is generally structured by reference to market terms and individual merits. Mr. Guan is subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles of Association.

Save as disclosed above, as at the Latest Practicable Date, Mr. Guan (i) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications; (ii) did not have any other relationship with any Directors, senior management of the Company, substantial shareholders of the Company or controlling shareholders of the Company (as defined under the GEM Listing Rules); and (iii) had no other interests in Shares which are required to be disclosed pursuant to Part XV of the SFO.

Save as disclosed above, the Company considers that in relation to the re-election of Mr. Guan as an executive Director, there is no information to be disclosed pursuant to paragraphs (h) to (v) of Rule 17.50(2) of the GEM Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

\* for identification purpose only

**Mr. Zheng Liangjian (鄭良建) (“Mr. Zheng”, formerly named Zheng Liangnian (鄭良念))**

Mr. Zheng, aged 41, is an executive Director. Mr. Zheng was appointed as an executive Director on 31 December 2020.

Mr. Zheng graduated from Jiangsu Radio and Television University in 2003. He has more than 10 years of working experience in the new retail and e-commerce sectors.

Mr. Zheng has been an independent non-executive director of China Greenfresh Group Co., Ltd., a company listed on the Main Board of the Stock Exchange (stock code: 6183) since June 2020. He has been the chairman of Xiamen Ronny Tong Network Technology Co., Ltd.\* (廈門榮誼通網絡科技有限公司), a company principally engages in businesses such as enterprise image planning, business consultation, corporate management consultation and e-commerce since 2016.

On 31 December 2020, Mr. Zheng entered into a service contract with the Company for a three-year term and his appointment may be terminated by Mr. Zheng or the Company giving not less than three months’ notice in writing. Pursuant to the service contract, Mr. Zheng is entitled (subject to review annually) to a fixed salary of HK\$240,000 per annum. Mr. Zheng’s remuneration package is generally structured by reference to market terms and individual merits. Mr. Zheng is subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles of Association.

Save as disclosed above, as at the Latest Practicable Date, Mr. Zheng (i) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications; (ii) did not have any other relationship with any Directors, senior management of the Company, substantial shareholders of the Company or controlling shareholders of the Company (as defined under the GEM Listing Rules); and (iii) had no other interests in Shares which are required to be disclosed pursuant to Part XV of the SFO.

Save as disclosed above, the Company considers that in relation to the re-election of Mr. Zheng as an executive Director, there is no information to be disclosed pursuant to paragraphs (h) to (v) of Rule 17.50(2) of the GEM Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

\* for identification purpose only

**Mr. Wang Kun (王坤) (“Mr. Wang”)**

Mr. Wang, aged 39, is an executive Director. Mr. Wang was appointed as an executive Director on 19 March 2021. He is also a member of the Internal Control Committee.

Mr. Wang graduated from China University of Political Science and Law with a bachelor of laws and a master of laws in July 2006 and in June 2009, respectively.

Mr. Wang has been the executive general manager of China Orient Capital Investment Group Limited since 2019. He was an executive director of Heng Xin China Holdings Limited, a company listed on GEM of the Stock Exchange and delisted on 2 July 2019 (stock code: 8046), from December 2014 and redesignated as a non-executive director from December 2015 to December 2016. He worked in various financial institutions including securities companies and banks.

Mr. Wang has been a lawyer since February 2007, specialising in providing legal advisory services to various sizeable corporations and listed companies relating to mergers and acquisitions, corporate restructuring, development and issuance of financial products.

On 19 March 2021, Mr. Wang entered into a service contract with the Company for a three-year term and his appointment may be terminated by Mr. Wang or the Company giving not less than three months’ notice in writing. Pursuant to the service contract, Mr. Wang is entitled (subject to review annually) to a fixed salary of HK\$240,000 per annum. Mr. Wang’s remuneration package is generally structured by reference to market terms and individual merits. Mr. Wang is subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles of Association.

Save as disclosed above, as at the Latest Practicable Date, Mr. Wang (i) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications; (ii) did not have any other relationship with any Directors, senior management of the Company, substantial shareholders of the Company or controlling shareholders of the Company (as defined under the GEM Listing Rules); and (iii) had no other interests in Shares which are required to be disclosed pursuant to Part XV of the SFO.

Save as disclosed above, the Company considers that in relation to the re-election of Mr. Wang as an executive Director, there is no information to be disclosed pursuant to paragraphs (h) to (v) of Rule 17.50(2) of the GEM Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Shum Shing Kei (沈成基) (“Mr. Shum”)**

Mr. Shum, aged 49, is an independent non-executive Director. Mr. Shum was appointed as an independent non-executive Director on 11 December 2017. He is also the chairman of the Audit Committee and members of the Remuneration Committee and the Nomination Committee.

Mr. Shum is currently the company secretary of Yusei Holdings Limited (stock code: 96), Jiangsu Nandasoft Technology Company Limited (stock code: 8045), Chengdu Putian Telecommunications Cable Company Limited (stock code: 1202) and Worldgate Global Logistics Ltd. (stock code: 8292), companies currently listed on GEM or Main Board of the Stock Exchange. He is currently also the chief financial officer and company secretary of Asia Cassava Resources Holdings Limited (stock code: 841), a company currently listed on the Main Board of the Stock Exchange, the practicing partner of CC Alliance CPA & Co. and the company secretary of Anhui Tianda Oil Pipe Company Limited, a company delisted from the Main Board of the Stock Exchange in December 2016.

Mr. Shum was an independent non-executive director of Zhejiang Shibao Company Limited (stock code: 1057), a company listed on the Main Board of the Stock Exchange and the Shenzhen Stock Exchange (stock code: 002703) from June 2015 to June 2021. In addition, Mr. Shum served as an independent non-executive director of Nanjing Sample Technology Company Limited (stock code: 1708), a company listed on the Main Board of the Stock Exchange from May 2011 to May 2019. He was the company secretary of IDT International Limited (stock code: 167), a company listed on the Main Board of the Stock Exchange from November 2019 to March 2021. Mr. Shum was the qualified accountant and company secretary of Changhong Jiahua Holdings Limited (“**Changhong Jiahua**”) (formerly known as China Data Broadcasting Holdings Limited) (stock code: 8016), a company listed on GEM of the Stock Exchange, from March 2002 to July 2005 and the company secretary of Changhong Jiahua from July 2005 to December 2006. From September 2004 to September 2008, he was the qualified accountant consultant of Great Wall Motor Company Limited (stock code: 2333), a company listed on the Main Board of the Stock Exchange.

Mr. Shum was awarded a Bachelor of Arts in Accountancy by the Hong Kong Polytechnic (now the Hong Kong Polytechnic University) in November 1993. He later obtained a master degree in financial management from the University of London, the United Kingdom through long distance learning in December 1998. He was admitted as a member of the Hong Kong Society of Accountants (now the Hong Kong Institute of Certified Public Accountants) in January 1997 and has become a fellow member of the Hong Kong Institute of Certified Public Accountants in May 2010.

Mr. Shum has entered into a letter of appointment with the Company for a three-year term commencing on 4 January 2021 and his appointment may be terminated by Mr. Shum or the Company giving not less than one months’ notice in writing. Pursuant to the letter of appointment, Mr. Shum is entitled (subject to review annually) to a director’s fee of HK\$100,000 per annum. Mr. Shum’s remuneration package is generally structured by reference to market terms. Mr. Shum is subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles of Association.

Save as disclosed above, as at the Latest Practicable Date, Mr. Shum (i) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong

Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications; (ii) did not have any other relationship with any Directors, senior management of the Company, substantial shareholders of the Company or controlling shareholders of the Company (as defined under the GEM Listing Rules); and (iii) had no other interests in Shares which are required to be disclosed pursuant to Part XV of the SFO.

Save as disclosed above, the Company considers that in relation to the re-election of Mr. Shum as an independent non-executive Director, there is no information to be disclosed pursuant to paragraphs (h) to (v) of Rule 17.50(2) of the GEM Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

**Mr. Chan Ka Leung Kevin (陳家良) (“Mr. Chan”)**

Mr. Chan, aged 52, is an independent non-executive Director. Mr. Chan was appointed as an independent non-executive Director on 18 January 2021. He is also chairmen of the Remuneration Committee and the Nomination Committee and members of the Audit Committee and the Internal Control Committee.

Mr. Chan holds a bachelor of science degree in accountancy and a master of science degree from the University of Illinois of the United States of America. He has over 20 years of experiences in corporate finance. He is currently a responsible officer of a corporation licensed under the SFO to conduct type 6 (advising on corporate finance) regulated activity.

Mr. Chan has been appointed as an independent non-executive director of Zhong Ao Home Group Limited (stock code: 1538) since 31 May 2017 and Teamway International Group Holdings Limited (stock code: 1239) since 21 June 2019, the shares of both companies are listed on the Main Board of the Stock Exchange.

Mr. Chan was an independent non-executive director of Greens Holdings Ltd (“**Greens Holdings**”), a company listed on the Main Board of the Stock Exchange (stock code: 1318), from 8 January 2015 to 12 November 2015. Greens Holdings is a company incorporated in the Cayman Islands with limited liability and was principally engaged in production and sale of heat transfer products, wind turbine towers and the services of waste heat power generation through its subsidiaries. Based on the announcements of Greens Holdings dated 4 September 2015, 2 October 2015 and 24 August 2016, (i) Greens Holdings filed a winding up petition and a summons with the Grand Court of the Cayman Islands on 2 September 2015 for an order to appoint provisional liquidators to it, (ii) Greens Holdings received a winding up petition (the “**Hong Kong Petition**”) filed with the High Court of the Hong Kong Special Administrative Region of the People’s Republic of China (the “**High Court**”) from a holder of unlisted bonds (the “**Petitioner**”) on 29 September 2015 for an outstanding debt under the unlisted bonds, (iii) the High Court granted leave for the Petitioner to withdraw the Hong Kong Petition on 3 August 2016. Please refer to the announcements of Greens Holdings for further details of the petitions. The shares of Greens Holdings were delisted from the Main Board of the Stock Exchange on 6 July 2020. Mr. Chan confirmed that there was no wrongful act on his part leading to the petitions of Greens Holdings and he is not aware of any actual or potential claim that has been or will be made against him as a result of the said petitions as at the Latest Practicable Date.

Mr. Chan was a director of the following company which was incorporated in Hong Kong immediately prior to its dissolution:

<b>Name of company</b>	<b>Principal business activities immediately prior to dissolution</b>	<b>Means of dissolution</b>	<b>Reasons of dissolution</b>	<b>Date of dissolution</b>
WIDE ELITE LIMITED	Food and Beverage	Striking off	Cessation of business	16 August 2013

Mr. Chan confirmed that the above company was solvent with no outstanding liability at the time of its dissolution and to the best of his knowledge and understanding, the dissolution of the above company has not resulted in any liability or obligation to be imposed against him. Mr. Chan further confirmed that there was no wrongful act on his part leading to the dissolution of the above company and he is not aware of any actual or potential claim that has been or will be made against him as a result of the dissolution of the above company as at the Latest Practicable Date.

Mr. Chan has entered into a letter of appointment with the Company for a three-year term commencing on 18 January 2021 and his appointment may be terminated by Mr. Chan or the Company giving not less than three months' notice in writing. Pursuant to the letter of appointment, Mr. Chan is entitled (subject to review annually) to a director's fee of HK\$120,000 per annum. Mr. Chan's remuneration package is generally structured by reference to market terms. Mr. Chan is subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles of Association.

Save as disclosed above, as at the Latest Practicable Date, Mr. Chan (i) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications; (ii) did not have any other relationship with any Directors, senior management of the Company, substantial shareholders of the Company or controlling shareholders of the Company (as defined under the GEM Listing Rules); and (iii) had no other interests in Shares which are required to be disclosed pursuant to Part XV of the SFO.

Save as disclosed above, the Company considers that in relation to the re-election of Mr. Chan as an independent non-executive Director, there is no information to be disclosed pursuant to paragraphs (h) to (v) of Rule 17.50(2) of the GEM Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

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## NOTICE OF ANNUAL GENERAL MEETING

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### China Futex Holdings Limited

### 中國福紡控股有限公司

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

**(Stock Code: 8506)**

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an annual general meeting (the “**AGM**”) of shareholders of China Futex Holdings Limited (the “**Company**”) will be held at Units 1203B, 1204-1205, 12/F, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong on Friday, 6 August 2021 (or any adjournment thereof) at 2:00 p.m. for the following purposes:

### ORDINARY RESOLUTIONS

1.
  - (a) To re-elect Mr. Cheng Jun as an executive director of the Company (the “**Director(s)**”) and the board of Directors (the “**Board**”) be authorised to fix his Director’s remuneration;
  - (b) To re-elect Mr. Guan Min as an executive Director and the Board be authorised to fix his Director’s remuneration;
  - (c) To re-elect Mr. Zheng Liangjian as an executive Director and the Board be authorised to fix his Director’s remuneration;
  - (d) To re-elect Mr. Wang Kun as an executive Director and the Board be authorised to fix his Director’s remuneration;
  - (e) To re-elect Mr. Shum Shing Kei as an independent non-executive Director and the Board be authorised to fix his Director’s remuneration; and
  - (f) To re-elect Mr. Chan Ka Leung Kevin as an independent non-executive Director and the Board be authorised to fix his Director’s remuneration.
2. To re-appoint Elite Partners CPA Limited as the auditor of the Company and to authorise the Board to fix its remuneration.

To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

3. “**THAT:**
  - (a) subject to paragraph (c) below and pursuant to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited, a general unconditional mandate be and is hereby given to the Directors during the Relevant Period (as defined in paragraph (d) below) to exercise all the powers of the Company to allot, issue and deal with unissued shares of HK\$0.01 each in the capital of the



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## NOTICE OF ANNUAL GENERAL MEETING

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Company (the “**Share(s)**”) and securities carrying rights to subscribe for, exchange or convert into Shares (whether the exercise of such rights may take place during or after the period while such mandate remains in effect);

- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers or agreements or options which might require the Shares to be allotted and issued or dealt with;
- (c) the aggregate number of Shares to be allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with (otherwise than (i) by way of Rights Issue (as defined in paragraph (d) below) or (ii) under any scrip dividend schemes or similar arrangement 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 (the “**Articles of Association**”) or (iii) pursuant to grant of options under the share option scheme of the Company or other similar arrangement 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 or exchangeable for the Shares or (v) under specific authority granted by the shareholders of the Company (the “**Shareholder(s)**”) in general meeting) shall not exceed 20% of the aggregate number of issued Shares as at the date of passing of this resolution; 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 following the passing of this resolution;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held under any applicable laws of the Cayman Islands or the Articles of Association; or
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this resolution; and

“**Rights Issue**” means an offer of Shares or other securities in the Company which would or might require Shares to be allotted and issued pursuant to an offer made to all the Shareholders (excluding for such purpose any shareholder who is resident in a place where such offer would or might be unlawful or impracticable to offer Shares in such places without registration of the offering documents or compliance with any legal or regulatory requirements or special formalities in such place under the laws of that place) and, where appropriate, to the holders of other equity securities of the Company entitled to such offer by reference to a fixed record date pro rata to their then holdings of Shares or such other equity securities of the Company (subject to such exclusion or other arrangements as the Directors 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 any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

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## NOTICE OF ANNUAL GENERAL MEETING

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4. **“THAT:**

(a) a general unconditional mandate be given to the Directors during the Relevant Period (as defined in paragraph (b) below) to exercise all the powers of the Company to repurchase its own Shares on GEM of The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on any other stock exchange on which the securities of the Company may be listed and which is recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Code on Share Buy-backs approved by the Securities and Futures Commission of Hong Kong, provided that such number of Shares shall not exceed 10% of the aggregate number of issued Shares as at the date of passing of this resolution;

(b) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company following the passing of this resolution;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held under any applicable laws of the Cayman Islands or the Articles of Association; or
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this resolution.”

5. **“THAT** subject to the passing of resolutions no. 3 and no. 4 as set out in the notice convening the AGM (the **“Notice”**), the general mandate referred to in resolution no. 3 as set out in the Notice be and is hereby extended by the addition to the aggregate number of Shares which may be allotted, issued and dealt with or agreed to be allotted, issued and dealt with conditionally or unconditionally by the Directors pursuant to such general mandate of the amount representing the aggregate number of Shares repurchased by the Company pursuant to the mandate to repurchase Shares referred to in resolution no. 4 as set out in the Notice, provided that such extended amount shall not exceed 10% of the aggregate number of issued Shares of the Company as at the date of passing of this resolution.”

By order of the Board  
**China Futex Holdings Limited**  
**Cheng Jun**  
*Chairman and Executive Director*

Hong Kong, 8 July 2021

*Registered office:*  
Windward 3, Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

*Headquarters and principal place of business:*  
Xiawei Village  
Fugong Town  
Longhai City  
Fujian Province  
the People’s Republic of China

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. Any Shareholder entitled to attend and vote at the AGM is entitled to appoint one or, if he/she/it holds two or more Shares, more than one proxy to attend and vote in his/her/its stead. A proxy need not be a Shareholder.
2. Whether or not you intend to attend the AGM in person, you are requested to complete and return the proxy form in accordance with the instructions printed thereon.
3. To be valid, a proxy form together with any power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the proxy form shall not preclude the Shareholder from attending and voting in person at the AGM.
4. In the case of joint registered holders of any Share(s), the proxy form may be signed by any joint registered holder, but if more than one joint registered holders are present at the AGM, whether in person or by proxy, that one of the joint registered holders whose name stands first on the register of members in respect of the relevant jointly registered Share(s) shall alone be entitled to vote in respect thereof to the exclusion of the votes of the other joint registered holders.
5. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person (or in the case of a Shareholder being a corporation, its duly authorised representative) at the AGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. In relation to resolution no. 1, all Directors will retire from office at the AGM in accordance with the Articles of Association and, being eligible, will offer themselves for re-election. Particulars of these Directors are set out in Appendix II to this circular.
7. An explanatory statement as required by the GEM Listing Rules in connection with the repurchase mandate under resolution no. 4 above is set out in Appendix I to this circular.
8. The register of members of the Company will be closed from Tuesday, 3 August 2021 to Friday, 6 August 2021 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for attending the AGM, all transfers accompanied by the relevant share certificates and transfer forms must be lodged at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 2 August 2021.
9. If typhoon signal no. 8 or above is hoisted, or a "black" rainstorm warning or "extreme conditions after super typhoons" announced by the Hong Kong government is/are in effect in Hong Kong at any time after 12:00 noon on the date of the AGM, the AGM will not be held on that day and will be adjourned. The Company will publish an announcement on the website of Company at [www.kx-machine.com](http://www.kx-machine.com) and the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) to notify Shareholders of the date, time and place of the adjourned meeting.
10. A form of proxy for use by Shareholders at the AGM is enclosed.
11. In view of the ongoing COVID-19 pandemic, the Company will implement the following precautionary measures at the AGM to protect attending Shareholders, staff and stakeholders from the risk of infection:
  - (i) Compulsory body temperature checks will be conducted on every attendee at the entrance of the AGM venue. Any person with a body temperature of over 37.5 degrees Celsius may be denied entry into the AGM venue or be required to leave the AGM venue.
  - (ii) Each attendee may be asked whether (a) he/she has travelled outside of Hong Kong, or had physical contact with any person who to his/her best of knowledge has recently travelled to, any affected countries or areas outside Hong Kong within the 14-day period immediately before the AGM; and (b) he/she is subject to any Hong Kong Government prescribed quarantine. Anyone who responds positively to any of these questions may be denied entry into the AGM venue or be required to leave the AGM venue.

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## NOTICE OF ANNUAL GENERAL MEETING

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- (iii) Every attendee will be required to wear a surgical face mask throughout the AGM and inside the AGM venue, and to maintain a safe distance between seats throughout the AGM. Please note that no masks will be provided at the AGM venue and attendees should bring and wear their own masks.
- (iv) Seating at the AGM will be arranged so as to reduce interaction between participants.
- (v) No refreshments will be served and there will be no corporate gifts.

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the AGM venue. Furthermore, the Company wishes to advise the shareholders of the Company that they may appoint any person or the chairman of the AGM as a proxy to vote on the relevant resolutions, instead of attending the AGM in person.