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天虹紡織集團有限公司
TEXHONG TEXTILE GROUP LIMITED

(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 Textile Group Limited (“**Company**”) will be held at 2:30 p.m. in a combination of an in-room meeting at Unit 3703, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, Hong Kong and a live webcast on 6 May 2022 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 2021;
2. to approve the declaration of a final dividend for the year ended 31 December 2021 of HK\$0.57 per share of HK\$0.10 each in the capital of the Company;
3. to re-elect, each as a separate resolution, the following person as a director of the Company:
 - (a) Mr. Tang Daoping; and
 - (b) Prof. Cheng Longdi.
4. to authorise the board of directors of the Company to fix the directors’ remuneration;
5. 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

6. “**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 Textile 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, 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

(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).”

7. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of Texhong Textile 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
 - (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.”

8. “**THAT** conditional on the passing of resolutions numbered 6 and 7 above, the general mandate granted to the directors of Texhong Textile Group Limited (“**Company**”) pursuant to paragraph (a) of resolution numbered 6 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 7 above.”

SPECIAL RESOLUTION

9. “**THAT** the articles of association of Texhong Textile Group Limited (“**Company**”) be amended in the manner as set out in the circular of the Company dated 28 March 2022 (the “**Circular**”); the amended and restated articles of association of the Company in the form produced to the meeting, a copy of which has been produced to the meeting marked “**A**” and signed by the chairman of the annual general meeting for the purpose of identification, which consolidates all the proposed amendments mentioned in the Circular, be approved and adopted in substitution for and to the exclusion of the existing articles of association of the Company with immediate effect after the close of the meeting; and that any one of the directors of the Company be and is hereby authorised to do all things necessary to implement the adoption of the amended and restated articles of association of the Company.”

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

Hong Kong, 28 March 2022

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. Due to the recent development of the COVID-19 pandemic, Shareholders are reminded to refer to section “SPECIAL ARRANGEMENTS AND PRECAUTIONARY MEASURES FOR THE AGM” on pages i to ii of the Circular for details.
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 4 May 2022 (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 3 May 2022 to 6 May 2022, 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 29 April 2022 for registration.
4. For the purpose of determining members who are qualified for the proposed final dividend, conditional on the passing of resolution no. 2 set out in this notice, the register of members of the Company will be closed from 16 May 2022 to 18 May 2022, both days inclusive, during which no transfer of share will be effected. In order to qualify for the proposed final dividend, 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 13 May 2022 for registration.
5. In relation to proposed resolutions numbered 6 and 8 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.
6. In relation to proposed resolution numbered 7 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 this circular of which this notice of the annual general meeting forms part.
7. In view of the current COVID-19 situation and the changing government regulations on social distancing measures in Hong Kong, if a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the annual general meeting, he/she/it MUST appoint the chairman of the annual general meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the annual general meeting.
8. In the case of joint registered holders, 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 registered holder(s). For this purpose, seniority shall be determined by the order in which the names of the joint holders stand in the register of members of the Company in respect of the relevant holding.

As at the date of this announcement, the Board comprises the following Directors:

Executive directors:

Mr. Hong Tianzhu
Mr. Zhu Yongxiang
Mr. Tang Daoping
Mr. Hui Tsz Wai

Independent non-executive directors:

Prof. Tao Xiaoming
Prof. Cheng Longdi
Mr. Ting Leung Huel, Stephen