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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 Textile 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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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)

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

A notice convening the annual general meeting of the Company to 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 is set out on pages 39 to 43 of this circular.

Shareholders who wish to exercise their voting rights MUST appoint the chairman of the annual general meeting as their proxy. Shareholders 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 4 May 2022 (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. **Shareholders are reminded that completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting or any adjournment thereof should the ban on the conducting of physical general meetings be lifted by the date of the Annual General Meeting under the relevant government regulations.**

For the health and safety of the Shareholders, the Company encourages the Shareholders NOT to attend the Annual General Meeting in person.

Physical attendance of the Annual General Meeting will be subject to the latest development of COVID-19 and requirements under the relevant government regulations in Hong Kong. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.

28 March 2022

<p style="text-align: center;">SPECIAL ARRANGEMENTS AND PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING</p>
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In view of the recent development of the COVID-19 pandemic and the announcement of the Hong Kong Government on the latest Prevention and Control of Disease (Prohibition on Gathering) Regulation (Chapter 599G of the Laws of Hong Kong) and Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Chapter 599F of the Laws of Hong Kong), including a ban on conducting of physical general meeting of companies, the Company will adopt the following special arrangements at the Annual General Meeting:

- (a) If a Shareholder wishes to vote on any resolution at the Annual General Meeting, he/she/it **MUST** appoint the chairman of the Annual General Meeting as his/her/its proxy to exercise his/her/its right to vote at the Annual General Meeting. Shareholders should specifically indicate how they wish to vote for or vote against the resolutions set out in the notice convening the Annual General Meeting. Should the ban on conducting of physical general meeting of companies be lifted by the date of the Annual General Meeting, Shareholders will not be precluded from attending and voting in person at the Annual General Meeting (or any adjourned meeting thereof). In any event, Shareholders will not be deprived of their rights of voting on the resolution(s) to be proposed at the Annual General Meeting (or any adjourned meeting thereof).

- (b) The Annual General Meeting will be conducted through electronic means where all participants can participate and submit questions at the Annual General Meeting. In order to do so, any Shareholders who wishes to join the Annual General Meeting must contact the Company's Hong Kong branch share registrar to pre-register no later than 2:30 p.m. on 4 May 2022 (being not less than forty-eight (48) hours before the Annual General Meeting) by email to srinfo.hk@boardroomlimited.com by providing personal particulars as follows:
 - 1. Full name;
 - 2. Registered Address;
 - 3. Number of Shares held;
 - 4. Hong Kong Identity Card Number or passport number (in case of natural person)/company registration number (in case of body corporate);
 - 5. Contact Telephone Number; and
 - 6. Email Address.

The Company will provide the pre-registered Shareholders with the link to the live webcast platform upon confirmation of the Shareholders' identification and interest in participating the Annual General Meeting through electronic means. Shareholders **MUST NOT** forward the link to other persons who are not Shareholders and who are not entitled to attend the Annual General Meeting.

<p style="text-align: center;">SPECIAL ARRANGEMENTS AND PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING</p>
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- (c) Non-registered shareholder who wish to pre-register will need to provide information listed in (b) and (1) contact and instruct their banks, brokers, custodians, nominees or the Hong Kong Securities Clearing Company Limited through which their shares are held (together, the “**Intermediary**”) to assist themselves to attend the Annual General Meeting via electronic mean and (2) provide their e-mail address to their Intermediary before the time limit required by the relevant Intermediary.
- (d) Shareholders can submit questions relevant to the business of the Annual General Meeting by email to srinfo.hk@boardroomlimited.com in advance. If considered appropriate by the Directors at their absolute discretion, the questions will be answered.

Attendance at the Annual General Meeting venue

- (i) The Company will take the body temperature of the intended attendees and refuse entry of those with a temperature of 37.4 degree Celsius or above.
- (ii) Attendees are requested to observe good personal hygiene at all times at the Annual General Meeting venue and alcohol rubs or hand sanitiser will be provided for use.
- (iii) Attendees must wear face-masks throughout the Annual General Meeting and sit at a distance from other attendees and those not wearing face-masks may be denied entry to the Annual General Meeting venue. Please note that no masks will be provided at the Annual General Meeting venue and attendees should bring and wear their own masks.
- (iv) No distribution of corporate gift or refreshment.
- (v) Attendees who do not comply with the precautionary measures (i) to (iii) above or been found to have the symptom(s) of an upper respiratory system disease or be obeying a quarantine order may be denied entry to the Annual General Meeting venue at the absolute discretion of the Company as permitted by law.

Due to the constantly evolving COVID-19 pandemic situation, the Company may be required to change the Annual General Meeting arrangements at short notice. Shareholders should check the websites of the Company and the Stock Exchange for future announcement(s) and updates on the Annual General Meeting arrangements.

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DEFINITIONS

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

“Amendments”	the amendments and restatement of the Articles to, among others, (i) allow a general meeting to be held as an electronic meeting (also referred to as virtual general meeting) or a hybrid meeting; (ii) bring the Articles in line with amendments made to Listing Rules and applicable laws of the Cayman Islands; and (iii) make certain minor housekeeping amendments to the Articles for the purpose of clarifying existing practice and making consequential amendments in line with the amendments to the Articles
“Annual General Meeting”	the annual general meeting of the Company to be held in a combination of an in-room meeting at 2:30 p.m. at Unit 3703, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, Hong Kong and a live webcast on 6 May 2022, the notice of which is set out on pages 39 to 43 of this circular, and any adjournment thereof
“Articles”	the articles of association of the Company adopted pursuant to a written resolution passed by the Shareholders on 21 November 2004 and 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 Textile Group Limited 天虹紡織集團有限公司, 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
“COVID-19”	the novel coronavirus (COVID-19) disease
“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

DEFINITIONS

“Group”	the Company and its subsidiaries
“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
“Latest Practicable Date”	18 March 2022, 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
“New Articles”	the Articles incorporating the proposed Amendments to be adopted by the Shareholders at the Annual General Meeting
“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
“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 Codes on Takeovers and Mergers and Share Buy-backs
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“%”	per cent.



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)

Executive Directors:

Hong Tianzhu
Zhu Yongxiang
Tang Daoping
Hui Tsz Wai

Registered office:

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

Independent non-executive Directors:

Cheng Longdi
Tao Xiaoming
Ting Leung Huel, Stephen

*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

28 March 2022

To the Shareholders

Dear Sir/Madam

**PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES
PROPOSED RE-ELECTION OF DIRECTORS
PROPOSED ADOPTION OF NEW ARTICLES
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) special resolution relating to the proposed adoption of the New Articles.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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. Tang Daoping and Prof. Cheng Longdi will retire as Directors at the Annual General Meeting, and Mr. Tang Daoping and Prof. 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 Mr. Tang Daoping as an executive Director and Prof. Cheng Longdi as an independent non-executive Director were made by the nomination committee of the Board (“**Nomination Committee**”), after having considered a range of diversity perspectives 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.

Particulars of Mr. Tang Daoping and Prof. 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 Prof. 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 are satisfied that he remains independent in accordance with Rule 3.13 of the Listing Rules. In addition, the Nomination Committee had evaluated his performance and 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.

The Nomination Committee is also of the view that Prof. 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 adopted by the Company, the Nomination Committee considers that Prof. Cheng Longdi can contribute to the diversity of the Board, in particular, with his strong and diversified educational background and professional experience in his expertise, including in-depth knowledge in the textile industries.

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

LETTER FROM THE BOARD

PROPOSED ADOPTION OF NEW ARTICLES

Pursuant to the Consultation Conclusions on Listing Regime for Overseas Issuers published by the Stock Exchange in November 2021, the Listing Rules have been amended with effect from 1 January 2022 which requires, among others, listed issuers to adopt a uniform set of 14 “Core Standards” for shareholder protections for issuers.

Furthermore, the Company proposes to modernise and provide flexibility to the Company in relation to the conduct of general meetings. As such, the Board proposes the Amendments for the purposes of, among others, (i) allow a general meeting to be held as an electronic meeting (also referred to as virtual general meeting) or a hybrid meeting; (ii) bring the Articles in line with amendments made to Listing Rules and applicable laws of the Cayman Islands; and (iii) make certain minor housekeeping amendments to the Articles for the purpose of clarifying existing practice and making consequential amendments in line with the Amendments, subject to the passing of the special resolution, with effect from the conclusion of the Annual General Meeting. Details of the proposed Amendments are set out in Appendix III of this circular.

The Company has been advised by its legal advisers that the proposed Amendments conform to the requirements of the Listing Rules and do not contravene the laws of the Cayman Islands, respectively. The Company also confirms that there is nothing unusual about the proposed Amendments to the Articles for a company listed on the Stock Exchange.

The Board proposes to put forward to the Shareholders for approval at the Annual General Meeting a special resolution to adopt the New Articles. The proposed adoption of the New Articles is subject to the passing of a special resolution.

ACTIONS TO BE TAKEN

At the Annual General Meeting, ordinary resolutions will be proposed to approve (a) the proposed grant of the Issue Mandate, Repurchase Mandate and Extension Mandate; and (b) the proposed re-election of Directors, and a special resolution will be proposed to approve the adoption of the New Articles.

The Company reminds Shareholders who wish to exercise his/her/its voting rights that they must appoint the Chairman of the AGM as their proxy to vote on the relevant resolution at the AGM. Please 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 4 May 2022 (Hong Kong time)) or any adjournment thereof.

LETTER FROM THE BOARD

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 proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the re-election of Directors and the adoption of the New Articles are beneficial to the Company and the Shareholders as a whole.

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 2021, 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 for approving the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate and the re-election of Directors and the special resolution for approving the adoption of the New Articles at the Annual General Meeting.

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 3 May 2022 to 6 May 2022, 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 29 April 2022.

LETTER FROM THE BOARD

For determination of the entitlement to the proposed final dividend, conditional upon the passing of the resolution approving the declaration of the proposed final dividend at the Annual General Meeting, the transfer books and register of members will be closed from 16 May 2022 to 18 May 2022, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, 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 the address stated above not later than 4:30 p.m. on 13 May 2022.

GENERAL INFORMATION

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

SPECIAL ARRANGEMENTS FOR THE ANNUAL GENERAL MEETING

In view of the ongoing development of COVID-19 and recent requirements for prevention and control of its spread by the Hong Kong Government, the Company strongly encourages the Shareholders not to attend the Annual General Meeting in person. The Shareholders are reminded that physical attendance at the Annual General Meeting is not necessary for the purpose of exercising the voting rights. All Shareholders who wish to exercise their voting rights MUST appoint the chairman of the Annual General Meeting as their proxy to vote on the relevant resolution(s) at the Annual General Meeting as an alternative, given that whether Shareholders are allowed to attend the Annual General Meeting physically would depend on whether physical general meetings are permitted under the relevant government regulations on the date of the Annual General Meeting. Shareholders who choose to do so should take action as soon as possible to ensure the proxy instructions reach the Company's branch share registrar not less than 48 hours before the time fixed for holding the Annual General Meeting. Shareholders are reminded that completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting or any adjournment thereof should the ban on the conducting of physical general meetings be lifted by the date of the Annual General Meeting under the relevant government regulations.

As a special arrangement for the Annual General Meeting, shareholders will be able to participate the Annual General Meeting through electronic means. Shareholders will be able to access the live webcast at the start of the Annual General Meeting until its conclusion. For Shareholders who would like to participate the live webcast, they will need to register with the Company's branch share registrar in Hong Kong, Boardroom Share Registrar (HK) Limited in advance. Please refer to the section "SPECIAL ARRANGEMENTS AND PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING" on pages i to ii of the Circular for details.

Shareholders who register for the live webcast may submit questions related to the resolution to be proposed at the Annual General Meeting. To do so, all questions must be submitted by email to srinfo.hk@boardroomlimited.com. Subject to the discretion of the chairman of the meeting as to the proper conduct of the meeting, questions related to the resolution of the Annual General Meeting will be addressed by the Board during the Annual General Meeting.

LETTER FROM THE BOARD

The Company is closely monitoring the impact of COVID-19 in Hong Kong. Should any changes be made to the Annual General Meeting arrangements, the Company will publish further announcement(s) to notify the Shareholders. Shareholders are being reminded that physical attendance of the Annual General Meeting will be subject to the latest development of COVID-19 and requirements under the relevant government regulations in Hong Kong.

No remote voting system is provided at the live webcast. For the avoidance of doubt, presence at the live webcast is not counted as quorum or attendance of the meeting, and will not revoke any proxy instrument previously delivered to the Company by the same Shareholder.

The Board considers that the Annual General Meeting is an important opportunity for Shareholders to participate and express their views by raising questions and voting. As such, the Board wishes to emphasise that the Shareholders can raise questions during a question and answer session towards the end of the Annual General Meeting through the live webcast. The questions raised by Shareholders at the Annual General Meeting and those submitted beforehand will be addressed to at the Annual General Meeting as far as possible.

Yours faithfully,
For and on behalf of the Board of
Texhong Textile 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 2021, 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:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
March 2021	14.36	9.91
April 2021	12.52	10.88
May 2021	12.84	10.56
June 2021	13.70	11.22
July 2021	12.94	10.56
August 2021	12.16	10.58
September 2021	12.40	10.64
October 2021	12.80	10.76
November 2021	12.26	10.80
December 2021	11.28	9.56
January 2022	11.70	9.91
February 2022	11.18	9.43
March 2022 (<i>Note</i>)	10.76	8.10

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 shareholding held by 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 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 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.

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 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. TANG DAOPING

Mr. Tang Daoping, aged 56 joined the Group in 1998 as a vice general manager and has been an executive Director since 21 November 2004. He also serves as the chief operation officer of the Group and a director of various subsidiaries of the Company.

Mr. Tang graduated from 徐州廣播電視大學 (Xuzhou Radio and TV University) in 1996 majoring in accounting and administration management. Mr. Tang has over 30 years of experience in the textile industry. He was a workshop manager of 睢寧棉紡織廠 (Suining Cotton Textile Factory) prior to joining the Group in 1998.

Mr. Tang Daoping 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. 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. As at the Latest Practicable Date, he was entitled to an annual salary of approximately RMB1,020,000 which is covered under his service contract. The emolument of Mr. Tang is determined by the Board with reference to his duties, responsibilities, performance and the results of the Group.

As at the Latest Practicable Date, Mr. Tang was interested in 1,253,000 Shares. Save as disclosed herein, as at the Latest Practicable Date, Mr. Tang did not have any other interests in the Shares, underlying Shares and debenture 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 of the Company. Mr. Tang did not hold directorship in other listed public companies in the last three years.

Save as disclosed, there is no information which is discloseable nor is/was Mr. Tang 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. Tang that need to be brought to the attention of the Shareholders.

PROFESSOR CHENG LONGDI

Professor Cheng Longdi, aged 62, was appointed as an independent non-executive Director on 21 November 2004.

Professor Cheng obtained his doctorate degree in textile engineering from Donghua University in 2002 and a member of the China Textile Engineering Society. 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: the China Cotton Textile Association of New Technology (as a deputy director), 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 is currently an independent director of Hengli Petrochemical Co., Ltd. (stock code: 600346) which is a company listed on the Shanghai Stock Exchange. Save as disclosed, Professor Cheng did not hold directorship in other listed public companies in the last three years.

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 under his appointment letter 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, nor was he related to any other Directors, senior management, or substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

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 Articles is proposed to be amended as follows:

Throughout the Articles

- (1) By deleting the words “Companies Law” wherever they may appear and replacing them with the words “Companies Act”.

Article 1(A)

- (2) By deleting the first paragraph of Article 1(A) in its entirety and replacing it with the following:

“The regulations contained or incorporated in Table A of the Schedule to the Companies Act, Chapter 22 (Act 3 of 1961, as consolidated and revised) shall not apply to this Company.”

- (3) By deleting the definition of “associates” in its entirety.
- (4) By adding the following definition of “clear days” immediately after the definition of “the Chairman”:

““clear days” shall mean, in relation to the period of a notice that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;”

- (5) By adding the words “including but not limited to HKSCC” at the end of the definition of “clearing house”.
- (6) By adding the following definition of “close associates” after the definition of “clearing house”:

““close associates” in relation to any Director, shall have the meaning as ascribed to it in the Listing Rules except that for purposes of Articles 107 where the transaction or arrangement to be approved by the Board is a connected transaction under Chapter 14A of the Listing Rules, it shall have the same meaning as that ascribed to “associate” in the Listing Rules;”

- (7) by deleting the definition of “Companies Law” in its entirety and replacing it with the following definition of “Companies Act”:

““Companies Act” shall mean the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands.”

- (8) By adding the words “shall mean” immediately after the words “Company’s website” in that definition.

- (9) by adding the following definitions immediately after the definition of “dividend”:

“electronic communication” a communication sent, transmitted, conveyed and received by wire, by radio, by optical means or by other electron magnetic means in any form through any medium.

““electronic meeting” shall mean a general meeting held and conducted wholly and exclusively by virtual attendance and participation by shareholders and/or proxies by means of electronic facilities.”

- (10) By deleting the definition of “holding company” and “subsidiary” in its entirety

- (11) By adding the following definitions immediately after “HK\$”:

““HKSCC” means Hong Kong Securities Clearing Company Limited.”

““hybrid meeting” shall mean a general meeting convened for the (i) physical attendance by shareholders and/or proxies at the Principal Meeting Place and where applicable, one or more Meeting Locations and (ii) virtual attendance and participation by shareholders and/or proxies by means of electronic facilities.”

- (12) by adding the following definitions immediately after “Listing Rules”:

““Meeting Location” has the meaning given to it in Article 71A.”

- (13) By adding the following definitions immediately after “paid”:

““Notice” shall mean written notice unless otherwise specifically stated and as further defined in these Articles;”

““physical meeting” shall mean a general meeting held and conducted by physical attendance and participation by shareholders and/or proxies at the Principal Meeting Place and/or where applicable, one or more Meeting Locations.”

““Principal Meeting Place” shall have the meaning given to it in Article 65.”

- (14) By adding the following definitions immediately after the definition of “shareholder”

““subsidiary” shall have the meaning ascribed to it by section 15 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) as in force at the adoption of these Articles;”

““substantial shareholder” shall mean a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the Listing Rules) of the voting power at any general meeting of the Company;”

Article 1(C)

(15) By deleting Article 1(C) in its entirety and replacing it with the following:

“(C) At all times during the Relevant Period (but not otherwise) a resolution shall be a Special Resolution when it has been passed by a majority of not less than three-fourths of the votes cast by such shareholders as, being entitled so to do, vote in person or by proxy or, in the cases of shareholders which are corporations, by their respective duly authorised representatives at a general meeting of which Notice has been duly given in accordance with Article 65.”

Article 1(D)

(16) By deleting Article 1(D) in its entirety and replacing it with the following:

“(D) A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of such shareholders as, being entitled so to do, vote in person or, in the case of any shareholder being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting held in accordance with these presents and of which Notice has been duly given in accordance with Article 65.”

Articles 1(H), 1(I) and 1(J)

(17) By adding the following as Articles 1(H), 1(I) and 1(J) respectively after Article 1(G):

“(H) A reference to a meeting: shall mean a meeting convened and held in any manner permitted by these Articles and any shareholder or Director attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting for all purposes of the Statutes and these Articles, and attend, participate, attending, participating, attendance and participation shall be construed accordingly.”

“(I) References to a person’s participation in the business of a general meeting include without limitation and as relevant the right (including, in the case of a corporation, through a duly authorised representative) to speak or communicate, vote, be represented by a proxy and have access in hard copy or electronic form to all documents which are required by the Statutes or these Articles to be made available at the meeting, and participate and participating in the business of a general meeting shall be construed accordingly.”

“(J) References to electronic facilities include, without limitation, website addresses, webinars, webcast, video or any form of conference call systems (telephone, video, web or otherwise).”

Article 2

(18) By replacing the word “presents” with the word “Articles” in Article 2.

Article 5

(19) By adding the words “or postponed meeting” immediately after the words “adjourned meeting” and the word “or postponed” immediately after the words “meeting adjourned” in Article 5(A).

Article 15

(20) By deleting the following words in Article 15 and replacing them with a full stop:

“provided that, in respect of a purchase of redeemable shares: (i) the price per share for purchases proposed to be made otherwise than by tender in the manner prescribed in (ii) below or on or through a stock exchange on which such shares are listed with the consent of the Company shall not exceed one hundred (100) per cent. of the average closing prices for dealings in one or more board lots of such shares on the principal stock exchange on which the shares are traded for the five (5) trading days immediately before the date on which the purchase is made (whether conditionally or otherwise); and (ii) where any such purchase is proposed to be made by tender, tenders shall be made available to all holders of such shares on the same terms;”

(21) By adding the following sentence at the end of Article 15:

“The Directors may accept the surrender for no consideration of any fully paid share.”

(22) By deleting Article 17(C) in its entirety and replacing it with the following:

“(C) The Register and branch register of shareholders, as the case may be, shall be open to inspection for at least two (2) hours during business hours by shareholders without charge or by any other person, upon a maximum payment of Hong Kong dollars 2.50 or such lesser sum specified by the Directors, at the Registered Office or such other place at which the principal register or branch register of the Company maintained in Hong Kong is kept in accordance with the Companies Act or, if appropriate, upon a maximum payment of Hong Kong dollars 1.00 or such lesser sum specified by the Directors at the Registration Office.

Article 41

(23) By adding the following as a new Article 41(D):

“41. (D) Notwithstanding the provisions of Articles 39 and 40 above, at all times during the Relevant Period, title to such listed shares may be evidenced and transferred in accordance with the laws applicable to and the Listing Rules that are or shall be applicable to such listed shares. The register of members of the Company in respect of its listed shares (whether the Register or a branch register) may be kept by recording the particulars required by Section 40 of the Act in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the Listing Rules that are or shall be applicable to such listed shares.”

Article 62

(24) By deleting Article 62 in its entirety and replacing it with the following:

“62. At all times during the Relevant Period (but not otherwise) the Company shall in each financial year hold a general meeting as its annual general meeting in addition to any other meeting in that financial year and shall specify the meeting as such in the notice calling it; and such annual general meeting must be held within six (6) months after the end of the Company’s financial year (or such longer period as may be permitted by the rules of the stock exchange on which any securities of the Company are listed with the permission of the Company).”

Article 63

(25) by adding the following wording at the end of Article 63:

“All general meetings (including an annual general meeting, any adjourned meeting or postponed meeting) may be held as a physical meeting in the Relevant Territory or in any part of the world and at one or more locations as provided in Article 71A, as a hybrid meeting or as an electronic meeting, as may be determined by the Board in its absolute discretion.”

Article 64

(26) By deleting Article 64 in its entirety and replacing it with the following:

“64. The Directors may, whenever they think fit, convene an Extraordinary General Meeting. Extraordinary General Meetings shall also be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than eight (8) per cent of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Directors or the Secretary for the purpose of requiring an Extraordinary General Meeting to be called by the Directors for the transaction of any business or resolution specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Directors fail to proceed to convene such meeting, the requisitionist(s) himself (themselves) may convene a physical meeting at only one location which will be the Principal Meeting Place, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Directors shall be reimbursed to the requisitionist(s) by the Company.”

Article 65

(27) By deleting Articles 65 in its entirety and replacing it with the following:

“65. An annual general meeting must be called by Notice of not less than twenty-one (21) clear days. All other general meetings (including an extraordinary general meeting) must be called by Notice of not less than fourteen (14) clear days. The Notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify (a) the day and the hour of meeting, (b) save for an electronic meeting, the place of the meeting and if there is more than one meeting location as determined by the Board pursuant to Article 71A the principal place of the meeting (the “**Principal Meeting Place**”), (c) if the general meeting is to be a hybrid meeting or an electronic meeting, the Notice shall include a statement to that effect and with details of the electronic facilities for attendance and participation by electronic means at the meeting or where such details will be made available by the Company prior to the meeting, and (d) particulars of resolutions to be considered at the meeting and, in case of special business, the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company, provided that a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called if it is so agreed:

- (i) in the case of a meeting called as the annual general meeting, by all the shareholders entitled to attend and vote thereat; and

- (ii) in the case of any other meeting, by a majority in number of the shareholders having a right to attend and vote at the meeting, being a majority representing holding not less than ninety-five (95) per cent. of the total voting rights at the meeting of all the Members.”

Article 68

- (28) By deleting Article 68 in its entirety and replacing it with the following:

“68. For all purposes the quorum for a general meeting shall be two shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy or, for quorum purposes only, two persons appointed by the clearing house as authorised representative or proxy, and entitled to vote. No business shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the meeting.”

Article 70

- (29) By deleting Article 70 in its entirety and replacing it with the following:

“70. The Chairman of the Board or if there is more than one Chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman at a general meeting. If at any meeting no chairman, is present within fifteen (15) minutes after the time appointed for holding the meeting, or is willing to act as chairman, the Deputy Chairman or Vice Chairman or if there is more than one Deputy Chairman or Vice Chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman. If no Chairman or Deputy Chairman or Vice Chairman is present or is willing to act as chairman of the meeting, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen shall retire from the chair, the Members present in person or by proxy and entitled to vote shall elect one of their number to be chairman of the meeting.”

Article 71

(30) By deleting Article 71 in its entirety and replacing it with the following:

“71. Subject to Article 71C, the Chairman of the meeting may, with the consent of any general meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time (or indefinitely) and/or from place to place(s) and/or from one form to another (a physical meeting, a hybrid meeting or an electronic meeting) as the meeting shall determine. Whenever a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days’ notice, specifying the details set out in Article 65 but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no notice of an adjournment or of the business to be transacted at any adjourned meeting needs to be given nor shall any shareholder be entitled to any such notice. No business shall be transacted at an adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.”

(31) By adding the followings Articles 71A, 71B, 71C, 71D, 71E, 71F and 71G:

“71A.(1) The Board may, at its absolute discretion, arrange for persons entitled to attend a general meeting to do so by simultaneous attendance and participation by means of electronic facilities at such location or locations (“**Meeting Location(s)**”) determined by the Board at its absolute discretion. Any shareholder or any proxy attending and participating in such way or any shareholder or proxy attending and participating in an electronic meeting or a hybrid meeting by means of electronic facilities is deemed to be present at and shall be counted in the quorum of the meeting.

(2) All general meetings are subject to the following and, where appropriate, all references to a “shareholder” or “shareholders” in this sub-paragraph (2) shall include a proxy or proxies respectively:

(a) where a shareholder is attending a Meeting Location and/or in the case of a hybrid meeting, the meeting shall be treated as having commenced if it has commenced at the Principal Meeting Place;

(b) shareholders present in person or by proxy at a Meeting Location and/or shareholders attending and participating in an electronic meeting or a hybrid meeting by means of electronic facilities shall be counted in the quorum for and entitled to vote at the meeting in question, and that meeting shall be duly constituted and its proceedings valid provided that the chairman of the meeting is satisfied that adequate electronic facilities are available throughout the meeting to ensure that shareholders at all Meeting Locations and Members participating in an electronic meeting or a hybrid meeting by means of electronic facilities are able to participate in the business for which the meeting has been convened;

- (c) where shareholders attend a meeting by being present at one of the Meeting Locations and/or where shareholders participating in an electronic meeting or a hybrid meeting by means of electronic facilities, a failure (for any reason) of the electronic facilities or communication equipment, or any other failure in the arrangements for enabling those in a Meeting Location other than the Principal Meeting Place to participate in the business for which the meeting has been convened or in the case of an electronic meeting or a hybrid meeting, the inability of one or more shareholders or proxies to access, or continue to access, the electronic facilities despite adequate electronic facilities having been made available by the Company, shall not affect the validity of the meeting or the resolutions passed, or any business conducted there or any action taken pursuant to such business provided that there is a quorum present throughout the meeting.
- (d) if any of the Meeting Locations is not in the same jurisdiction as the Principal Meeting Place and/or in the case of a hybrid meeting, the provisions of these Articles concerning the service and giving of Notice for the meeting, and the time for lodging proxies, shall apply by reference to the Principal Meeting Place; and in the case of an electronic meeting, the time for lodging proxies shall be as stated in the Notice for the meeting.

71B. The Board and, at any general meeting, the chairman of the meeting may from time to time make arrangements for managing attendance and/or participation and/or voting at the Principal Meeting Place, any Meeting Location(s) and/or participation in an electronic meeting or a hybrid meeting by means of electronic facilities (whether involving the issue of tickets or some other means of identification, passcode, seat reservation, electronic voting or otherwise) as it shall in its absolute discretion consider appropriate, and may from time to time change any such arrangements, provided that a shareholder who, pursuant to such arrangements, is not entitled to attend, in person or by proxy, at any Meeting Location shall be entitled so to attend at one of the other Meeting Locations; and the entitlement of any shareholder so to attend the meeting or adjourned meeting or postponed meeting at such Meeting Location or Meeting Locations shall be subject to any such arrangement as may be for the time being in force and by the Notice of meeting or adjourned meeting or postponed meeting stated to apply to the meeting.

71C. If it appears to the chairman of the general meeting that:

- (a) the electronic facilities at the Principal Meeting Place or at such other Meeting Location(s) at which the meeting may be attended have become inadequate for the purposes referred to in Article 71A(1) or are otherwise not sufficient to allow the meeting to be conducted substantially in accordance with the provisions set out in the Notice of the meeting; or

- (b) in the case of an electronic meeting or a hybrid meeting, electronic facilities being made available by the Company have become inadequate; or
- (c) it is not possible to ascertain the view of those present or to give all persons entitled to do so a reasonable opportunity to communicate and/or vote at the meeting; or
- (d) there is violence or the threat of violence, unruly behaviour or other disruption occurring at the meeting or it is not possible to secure the proper and orderly conduct of the meeting;

then, without prejudice to any other power which the chairman of the meeting may have under these Articles or at common law, the chairman may, at his/her absolute discretion, without the consent of the meeting, and before or after the meeting has started and irrespective of whether a quorum is present, interrupt or adjourn the meeting (including adjournment for indefinite period). All business conducted at the meeting up to the time of such adjournment shall be valid.

- 71D. The Board and, at any general meeting, the chairman of the meeting may make any arrangement and impose any requirement or restriction the Board or the chairman of the meeting, as the case may be, considers appropriate to ensure the security and orderly conduct of a meeting (including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place, determining the number and frequency of and the time allowed for questions that may be raised at a meeting). Shareholders shall also comply with all requirements or restrictions imposed by the owner of the premises at which the meeting is held. Any decision made under this Article shall be final and conclusive and a person who refuses to comply with any such arrangements, requirements or restrictions may be refused entry to the meeting or ejected (physically or electronically) from the meeting.
- 71E. If, after the sending of Notice of a general meeting but before the meeting is held, or after the adjournment of a meeting but before the adjourned meeting is held (whether or not Notice of the adjourned meeting is required), the Directors, in their absolute discretion, consider that it is inappropriate, impracticable, unreasonable or undesirable for any reason to hold the general meeting on the date or at the time or place or by means of electronic facilities specified in the Notice calling the meeting, they may change or postpone the meeting to another date, time and/or place and/or change the electronic facilities and/or change the form of the meeting (a physical meeting, an electronic meeting or a hybrid meeting) without approval from the shareholders. Without prejudice to the generality of the foregoing, the Directors shall have the power to provide in every Notice calling a general meeting the circumstances in which a postponement of the relevant general meeting may occur automatically without

further notice, including without limitation where a number 8 or higher typhoon signal, black rainstorm warning or other similar event is in force at any time on the day of the meeting. This Article shall be subject to the following:

- (a) when a meeting is so postponed, the Company shall endeavour to post a Notice of such postponement on the Company's website as soon as practicable (provided that failure to post such a Notice shall not affect the automatic postponement of a meeting);
- (b) when only the form of the meeting or electronic facilities specified in the Notice are changed, the Board shall notify the shareholders of details of such change in such manner as the Board may determine;
- (c) when a meeting is postponed or changed in accordance with this Article, subject to and without prejudice to Article 71, unless already specified in the original Notice of the meeting, the Board shall fix the date, time, place (if applicable) and electronic facilities (if applicable) for the postponed or changed meeting and shall notify the shareholders of such details in such manner as the Board may determine; further all proxy forms shall be valid (unless revoked or replaced by a new proxy) if they are received as required by these Articles not less than 48 hours before the time of the postponed meeting; and
- (d) Notice of the business to be transacted at the postponed or changed meeting shall not be required, nor shall any accompanying documents be required to be recirculated, provided that the business to be transacted at the postponed or changed meeting is the same as that set out in the original Notice of general meeting circulated to the shareholders.

71F. All persons seeking to attend and participate in an electronic meeting or a hybrid meeting shall be responsible for maintaining adequate facilities to enable them to do so. Subject to Article 71C, any inability of a person or persons to attend or participate in a general meeting by way of electronic facilities shall not invalidate the proceedings of and/or resolutions passed at that meeting.

71G. Without prejudice to other provisions in Article 71, a physical meeting may also be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.”

Article 72

(32) By deleting Article 72 in its entirety and replacing it with the following:

“72. (A) At any general meeting a resolution put to the vote of the meeting shall be decided by way of a poll save that in the case of a physical meeting the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every shareholder present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a shareholder which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its shareholders; and (ii) relate to the chairman’s duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all shareholders a reasonable opportunity to express their views. Votes (whether on a show of hands or by way of poll) may be cast by such means, electronic or otherwise, as the Directors or the chairman of the meeting may determine.

(B) In the case of a physical meeting where a show of hands is allowed, before or on the declaration of the result of the show of hands a poll may be demanded:

- (i) by at least three shareholders present in person or in the case of a shareholder being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (ii) by a shareholder or shareholders present in person or in the case of a shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one- tenth of the total voting rights of all shareholders having the right to vote at the meeting; or
- (iii) by a shareholder or shareholders present in person or in the case of a shareholder being a corporation, by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one- tenth of the total sum paid up on all shares conferring that right.

A demand by a person as proxy for a shareholder or in the case of a shareholder being a corporation by its duly authorised representative shall be deemed to be the same as a demand by the shareholder.”

Article 73

(33) By deleting article 73 in its entirety and replacing it with the following:

“73. Where a resolution is voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution. The result of the poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the Listing Rules.”

Article 74

(34) By deleting Article 74 in its entirety and replacing it with the words “Intentionally Deleted”.

Article 75

(35) By deleting Article 75 in its entirety and replacing it with the words “Intentionally Deleted”.

Article 76

(36) By deleting Article 76 in its entirety and replacing it with the following:

“76. In the case of an equality of votes, the Chairman of the meeting, shall be entitled to a second or casting vote. In case of any dispute as to the admission or rejection of any vote the Chairman shall determine the same, and such determination shall be final and conclusive.”

Article 77

(37) By deleting Article 77 in its entirety and replacing it with the words “Intentionally Deleted”.

Article 79

(38) By deleting Article 79 in its entirety and replacing it with the following:

“79. Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a poll every shareholder present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy, shall have one vote for every share of which he is the holder which is fully paid or credited as fully paid (but so that no amount paid or credited as paid on a share in advance of calls or instalments shall be treated for the purposes of this Article as paid on

the share). On a poll a shareholder entitled to more than one vote need not use all his votes or cast all his votes in the same way. A resolutions put to the vote of a meeting shall be decided by way of a poll save that the chairman of the meeting may, in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands, in which case every Member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views."

Article 80

(39) By adding the words "or postponed meeting," immediately after the words "adjourned meeting" in Article 80.

Article 82

(40) By deleting Article 82 in its entirety and replacing it with the following:

"82. A shareholder of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote, on a poll, by his committee, receiver, curator bonis or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other person may vote by proxy. Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall be delivered to such place or one of such places (if any) as is specified in accordance with these Articles for the deposit of instruments of proxy or, if no place is specified, at the Registration Office, not later than the latest time at which an instrument of proxy must, if it is to be valid for the meeting, be delivered."

Article 84

(41) By adding the words "or postponed meeting," immediately after the words "adjourned meeting" in Article 84(A).

(42) By re-lettering Article 84(B) as Article 84(C) and adding the following as Article 84 (B):

“84 (B) All shareholders have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a shareholder is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.”

Article 88

(43) By deleting Article 88 in its entirety and replacing it with the following:

“88. (A) The Company may, at its absolute discretion, provide an electronic address for the receipt of any document or information relating to proxies for a general meeting (including any instrument of proxy or invitation to appoint a proxy, any document necessary to show the validity of, or otherwise relating to, an appointment of proxy (whether or not required under these Articles) and notice of termination of the authority of a proxy). If such an electronic address is provided, the Company shall be deemed to have agreed that any such document or information (relating to proxies as aforesaid) may be sent by electronic means to that address, subject as hereafter provided and subject to any other limitations or conditions specified by the Company when providing the address. Without limitation, the Company may from time to time determine that any such electronic address may be used generally for such matters or specifically for particular meetings or purposes and, if so, the Company may provide different electronic addresses for different purposes. The Company may also impose any conditions on the transmission of and its receipt of such electronic communications including, for the avoidance of doubt, imposing any security or encryption arrangements as may be specified by the Company. If any document or information required to be sent to the Company under this Article is sent to the Company by electronic means, such document or information is not treated as validly delivered to or deposited with the Company if the same is not received by the Company at its designated electronic address provided in accordance with this Article or if no electronic address is so designated by the Company for the receipt of such document or information.

(B) The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the Notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate), or if the Company has provided an electronic address in accordance with the preceding paragraph, shall be received at the electronic address specified, not less than forty eight (48)

hours before the time appointed for holding the meeting or adjourned meeting or postponed meeting at which the person named in the instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting or postponed meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.”

Article 90

(44) By adding the words “or postponement,” immediately after the words “any adjournment,” where it appears in Article 90.

Article 91

(45) By adding the words “or postponed meeting,” immediately after the words “adjourned meeting,” where it appears in Article 91.

Article 92

(46) By deleting Article 92(B) in its entirety and replacing it with the following:

“(B). Where a shareholder is a clearing house (or its nominee(s)), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of shareholders provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and shall be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including, the right to speak and where a show of hands is allowed, the right to vote individually on a show of hands.”

Article 93

(47) By adding the words “or postponed meeting,” immediately after the words “or adjourned meeting,” wherever they appear in Article 93.

Article 104

(48) By deleting 104(B) in its entirety and replacing it with the following:

“(B) The Company shall not make any loan, directly or indirectly, to a Director or a body corporate controlled by a Director or his close associates if and to the extent it would be prohibited by the Companies Ordinance (Chapter 622 of the laws of Hong Kong) if the Company were a company incorporated in Hong Kong.”

Article 107

(49) By adding the word “close” immediately before the word “associates” or “associate(s)” in Articles 107(D), 107(E) and 107(G).

(50) By deleting Article 107(H) in its entirety and replacing it with the following:

“(H) A Director shall not vote (nor be counted in the quorum) on any resolution of the Directors approving any contract or arrangement or proposal in which he or his close associates is to his knowledge materially interested, and if he shall do so his vote shall not be counted (nor is he counted in the quorum for that resolution). Such Director shall physically absent himself from the relevant session of the meeting of the Directors at which matters relating to such contract or arrangement or proposal shall be considered by the Directors, before the other Directors discuss and decide on such matters, unless such Director is required to be present at that session of the meeting of the disinterested Directors by resolution of the remaining disinterested Directors (provided always that such Director may not vote and will not be counted in the quorum for the voting of the resolution relating to such contract or arrangement or proposal). The prohibition of this paragraph (H) shall not apply to any of the following matters namely:

- (i) the giving of any security or indemnity either:
 - (a) to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
or
 - (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

- (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
 - (iii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
 - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or
 - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to the Director, his close associate(s) and employee(s) of the Company or any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates;
 - (iv) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.”
- (51) By deleting Articles 107(I) and 107(J) in their entirety and replacing them with the words “Intentionally Deleted”.
- (52) By adding the word “close” immediately before the word “associates” wherever it appears in article 107(K).
- (53) By deleting the “, (I), (J)” and adding the word “close immediately before the word “associates in Article 107(L).

Article 111

- (54) By deleting article 111 in its entirety and replacing it with the following:

“111. Subject to the Statutes and the provisions of these Articles, the Company may from time to time in general meeting by Ordinary Resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director.”

Article 112

(55) By deleting Article 112 in its entirety and replacing it with the following:

“112. The Directors shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the shareholders in general meeting. Any Director so appointed shall hold office only until the next following annual general meeting of the Company after his appointment and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.”

Article 114

(56) By adding the word “annual” immediately before the words “general meeting” in Article 114.

Article 132

(57) By deleting Article 132 in its entirety and replacing it with the following:

“132. The Directors may from time to time elect or otherwise appoint one or more of them to the office of Chairman of the Company and another to be the Deputy or Vice Chairman (or two or more Deputy or Vice Chairman) and determine the period for which each of them is to hold office. The Chairman or, in his absence, the Deputy or Vice Chairman shall preside as chairman at meetings of the Directors, but if no such Chairman or Deputy or Vice Chairman be elected or appointed, or if at any meeting the Chairman or Deputy or Vice Chairman is not present within five minutes after the time appointed for holding the same and willing to act, the Directors present shall choose one of their number to be chairman of such meeting. All the provisions of Articles 103, 123, 124 and 125 shall mutatis mutandis apply to any Directors elected or otherwise appointed to any office in accordance with the provisions of this Article.”

Article 133

(58) By adding the words “, postpone,” immediately after the word “adjourn” in Article 133.

Article 142

(59) By adding the following wording at the end of Article 142(A):

“A notification of consent to such resolution given by a Director in writing to the Board by any means (including by means of electronic communication) shall be deemed to be his/her signature to such resolution in writing for the purpose of this Article.”

(60) By adding the following wording at the end of Article 142(B):

“Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.”

Article 153

(61) By adding the following Article as a new Article 153(D):

“153. (D) Notwithstanding any provisions in these Articles, the Board may resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including a share premium account and the profit and loss account) whether or not the same is available for distribution by applying such sum in paying up unissued shares to be allotted to (i) employees (including directors) of the Company and/or its affiliates (meaning any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than the Company) that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Company) upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the shareholders at a general meeting, or (ii) any trustee of any trust to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the shareholders at a general meeting.”

Article 175

(62) By adding the words “, at the same time as the notice of annual general meeting,” immediately after the words “before the date of the meeting be sent” in Article 175(B).

Article 176

(63) By deleting the last sentence of Article 176(A) and replacing it with the following:

“The remuneration of the Auditor shall be fixed by the Company by ordinary resolution in general meeting or in such manner as the Members may determine by a body that is independent of the Board and the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Directors.”

(64) By replacing the word “Special” with “Ordinary” in Article 176(B):

Article 180

(65) By deleting Article 180 in its entirety and replacing it with the following:

“180. (A) (1) Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the Listing Rules), whether or not, to be given or issued under these Articles from the Company to a shareholder shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication and any such Notice and document may be given or issued by the following means:

- (a) by serving it personally on the relevant person;
- (b) by sending it through the post in a prepaid envelope addressed to such shareholder at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose;
- (c) by delivering or leaving it at such address as aforesaid;
- (d) by placing an advertisement in appropriate Newspapers or other publication and where applicable, in accordance with the requirements of the stock exchange in the Relevant Territory;
- (e) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Article 180(A)(5), subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person;
- (f) by publishing it on the Company’s website to which the relevant person may have access, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person

and/or for giving notification to any such person stating that the notice, document or publication is available on the Company's computer network website (a "**notice of availability**"); or

- (g) by sending or otherwise making it available to such person through such other means to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations.
- (2) The notice of availability may be given to the shareholder by any of the means set out above other than by posting it on a website.
 - (3) In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.
 - (4) Every person who, by operation of law, transfer, transmission, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his name and address (including electronic address) being entered in the Register as the registered holder of such share, shall have been duly given to the person from whom he derives title to such share.
 - (5) Every shareholder or a person who is entitled to receive notice from the Company under the provisions of the Statutes or these Articles may register with the Company an electronic address to which notices can be served upon him.
 - (6) Subject to any applicable laws, rules and regulations and the terms of these Articles, any notice, document or publication, including but not limited to the documents referred to in Articles 175(B), 175(C) and 180 may be given in the English language only or in both the English language and the Chinese language.
- (B) Any Notice or other document:
- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Directors that the envelope or wrapper containing the Notice or other document was so addressed and put into the post shall be conclusive evidence thereof;

- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A Notice placed on the Company's website or the website of the stock exchange in the Relevant Territory, is deemed given by the Company to a shareholder on the day following that on which a notice of availability is deemed served on the shareholder;
- (c) if published on the Company's website, shall be deemed to have been served on the day on which the notice, document or publication first so appears on the Company's website to which the relevant person may have access or the day on which the notice of availability is deemed to have been served or delivered to such person under these Articles, whichever is later;
- (d) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch or transmission; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Directors as to the act and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof; and
- (e) if published as an advertisement in a Newspaper or other publication permitted under these Articles, shall be deemed to have been served on the day on which the advertisement first so appears."

Article 192

- (66) By adding the words "after two consecutive occasions on which such cheques or warrants have been left uncashed or" immediately after the words "dividend entitlements or dividend warrants" in Article 192.

Article 197

- (67) By adding the following as a new Article 197:

“FINANCIAL YEAR

197. Unless otherwise determined by the Directors, the financial year end of the Company shall be 31 December in each year.”

NOTICE OF THE ANNUAL GENERAL MEETING



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;

NOTICE OF THE ANNUAL GENERAL MEETING

- (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;

NOTICE OF THE ANNUAL GENERAL MEETING

“**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.”

NOTICE OF THE ANNUAL GENERAL MEETING

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

NOTICE OF THE ANNUAL GENERAL MEETING

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 notorially 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.