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

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

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TEXHONG INTERNATIONAL GROUP LIMITED

天虹國際集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2678)

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

A notice convening the annual general meeting of the Company to be held at 2:30 p.m. at Function Room 1, 11th Floor, Nina Hotel Tsuen Wan West, 8 Yeung Uk Road, Tsuen Wan, Hong Kong on 25 May 2023 is set out on pages 17 to 21 of this circular.

Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time of the annual general meeting (i.e., at or before 2:30 p.m. on 23 May 2023 (Hong Kong time)) or any adjournment thereof to the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at 2:30 p.m. at Function Room 1, 11th Floor, Nina Hotel Tsuen Wan West, 8 Yeung Uk Road, Tsuen Wan, Hong Kong on 25 May 2023, the notice of which is set out on pages 17 to 21 of this circular, and any adjournment thereof
“Articles”	the articles of association of the Company as amended from time to time
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Companies Act”	the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Texhong International Group Limited (formerly known as Texhong Textile Group Limited) a company incorporated in the Cayman Islands and the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the total number of Shares which may be allotted and issued under the Issue Mandate may be increased by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate
“Group”	the Company and its subsidiaries
“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

DEFINITIONS

“Latest Practicable Date”	13 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to enable them to repurchase the Shares on the Stock Exchange which shall not exceed 10% of the total number of issued Shares as at the date of passing the relevant resolution at the Annual General Meeting
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“%”	per cent.



TEXHONG INTERNATIONAL GROUP LIMITED

天虹國際集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2678)

Executive Directors:

Hong Tianzhu
Zhu Yongxiang
Tang Daoping

Independent non-executive Directors:

Cheng Longdi
Tao Xiaoming
Ting Leung Huel, Stephen

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

21 April 2023

To the Shareholders

Dear Sir/Madam

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

INTRODUCTION

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

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.

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

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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. Hong Tianzhu, Professor Tao Xiaoming and Mr. Ting Leung Huel, Stephen will retire as Directors at the Annual General Meeting, and Mr. Hong Tianzhu and Professor Tao Xiaoming, being eligible, will offer themselves for re-election at the Annual General Meeting. Mr. Ting Leung Huel, Stephen has informed the Board that he will retire as a Director with effect from the conclusion of the Annual General Meeting and will not offer himself for re-election at the Annual General Meeting. Mr. Ting Leung Huel, Stephen confirmed that he has no disagreement with the Board and there are no other matters that need to be brought to the attention of the Shareholders in relation to his proposed cessation of office.

Recommendations to the Board for the proposal for re-election of each of Mr. Hong Tianzhu as an executive Director and Professor Tao Xiaoming as an independent non-executive Director were made by the nomination committee of the Board (“**Nomination Committee**”), after having considered a range of diversity factors including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service, as set out in the board diversity policy of the Company (the “**Board Diversity Policy**”).

Pursuant to the code provision B.2.3 of Appendix 14 of the Listing Rules, if an independent non-executive director serves more than nine years, any further appointment of such independent non-executive director should be subject to a separate resolution to be approved by the shareholders. Professor Tao Xiaoming has served for more than 9 years, accordingly a separate resolution will be proposed at the Annual General Meeting for her re-election as an independent non-executive Director. The Nomination Committee has assessed and affirmed her independence in accordance with Rule 3.13 of the Listing Rules. The Board reviewed Professor Tao Xiaoming’s professional qualifications that she has made valuable contribution to the Company.

Pursuant to code provision B.2.4 of Appendix 14 to the Listing Rules, where all the independent non-executive directors of the Company have served more than nine years on the board, the Company should disclose the length of tenure of each existing independent non-executive Director on a named basis as below:

Name of Directors	Date of appointment	Length of tenure as at the Latest Practicable Date
Professor Tao Xiaoming	3 March 2014	More than 9 years
Professor Cheng Longdi	21 November 2004	More than 18 years
Mr. Ting Leung Huel, Stephen	21 November 2004	More than 18 years

(Note)

Note: Mr. Ting Leung Huel, Stephen will retire as, and cease to be, an independent non-executive Director with effect from the conclusion of the Annual General Meeting.

Particulars of Mr. Hong Tianzhu and Professor Tao Xiaoming are set out in Appendix II to this circular.

LETTER FROM THE BOARD

The Nomination Committee had assessed and reviewed the written confirmation of independence of Professor Tao Xiaoming, the independent non-executive Director who has offered herself for re-election at the Annual General Meeting based on the independence criteria as set out in Rule 3.13 of the Listing Rules and were satisfied that she remains independent in accordance with Rule 3.13 of the Listing Rules notwithstanding that she has served as an independent non-executive Director for more than nine years. In addition, the Nomination Committee had evaluated her performance and professional qualifications and is of the view that she has provided valuable contributions to the Company and has demonstrated her abilities to provide independent, balanced and objective view to the Company's affairs. Furthermore, since her appointment, Professor Tao Xiaoming has remained independent of the management of the Group and free of any relationship which could materially interfere with the exercise of her independent judgment.

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

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

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

PROPOSED ELECTION OF A NEW INDEPENDENT NON-EXECUTIVE DIRECTOR

Pursuant to code provision B.2.4 of Appendix 14 to the Listing Rules, where all the independent non-executive directors of the Company have served more than nine years on the board, a new independent non-executive director shall be appointed at the forthcoming annual general meeting.

The Nomination Committee has evaluated the curriculum vitae and independence of Mr. Shu Wa Tung, Laurence, the proposed candidate to be elected as an independent non-executive Director at the Annual General Meeting, during the process of identifying a new independent non-executive Director. Having considered the directors' nomination policy of the Company and the criteria set out in Rule 3.13 of the Listing Rules, the Nomination Committee has confirmed its satisfaction with the character, competence, experience, integrity, time commitment and independence of Mr. Shu Wa Tung, Laurence. Given his experience in audit, corporate finance and financial management as well as directorship experience in listed companies, the Nomination Committee also determined that Mr. Shu Wa Tung, Laurence has requisite perspectives, skills and experience that he could contribute to the diversity and performance of the Board in accordance with the Board Diversity Policy. Based on the above, the Nomination Committee recommended Mr. Shu Wa Tung, Laurence to the Board for consideration.

LETTER FROM THE BOARD

Therefore, the Board, with the recommendation of the Nomination Committee, is of the view that Mr. Shu Wa Tung, Laurence is a suitable candidate for election as independent non-executive Director and recommends that he be elected as independent non-executive Director by the Shareholders at the Annual General Meeting.

Details of Mr. Shu Wa Tung, Laurence are set out in Appendix II to this circular.

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; (b) the proposed re-election of Directors; and (c) the proposed election of a Director.

Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time for the Annual General Meeting (i.e., at or before 2:30 p.m. on 23 May 2023 (Hong Kong time)) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

VOTING AT THE ANNUAL GENERAL MEETING

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

RECOMMENDATION

The Directors believe that the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the proposed re-election of Directors and the proposed election of a Director 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.

LETTER FROM THE BOARD

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 2022, 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 and election of Directors 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 22 May 2023 to 25 May 2023, 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 19 May 2023.

BAD WEATHER ARRANGEMENTS

If typhoon signal No. 8 or above, or a black rainstorm warning is in effect at 12:30 p.m. on the date of the AGM, the meeting will be postponed. The Company will post an announcement on its website (www.texhong.com) and designated website of the Stock Exchange (www.hkexnews.hk) to notify the Shareholders of the date, time and place of the rescheduled meeting.

GENERAL INFORMATION

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

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

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

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

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

2. SHARE CAPITAL

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

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

3. REASONS FOR THE REPURCHASE

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

4. FUNDING OF REPURCHASES

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

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 December 2022, 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>
April 2022	10.20	8.90
May 2022	9.84	7.80
June 2022	9.20	8.21
July 2022	8.59	7.20
August 2022	7.60	6.97
September 2022	7.42	5.30
October 2022	6.00	5.05
November 2022	6.44	5.05
December 2022	6.97	6.12
January 2023	7.40	6.24
February 2023	7.44	6.05
March 2023	6.99	5.90
April 2023 (<i>Note</i>)	6.00	4.86

Note: up to the Latest Practicable Date

6. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

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

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

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

Notes:

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

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

7. SHARE REPURCHASE MADE BY THE COMPANY

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

8. GENERAL

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

The Directors 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/her to the Company in the event that the Repurchase Mandate is granted.

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

MR. HONG TIANZHU

Mr. Hong Tianzhu, aged 55, is the founder of the Group and has been appointed as an executive Director and Chairman of the Group since 21 November 2004. He also serves as the director of various subsidiaries of the Company.

Mr. Hong Tianzhu entered into a service contract dated 21 November 2015 with the Company to act as an executive Director for an initial term of one year commencing from 21 November 2015, and continued thereafter for successive terms of one year until terminated by not less than three months' notice in writing served by either party on the other expiring at the end of the initial term or at any time thereafter. He is subject to the rotational retirement and re-election requirements at the annual general meetings of the Company pursuant to the Articles. Under the service contract, he shall be entitled to a monthly salary and, in respect of each financial year of the Company, a management bonus in such sum as the Board may in its absolute discretion determine provided that the aggregate amount of management bonuses payable to all Directors in respect of any financial year of the Company shall not exceed 5% of the audited consolidated or combined net profit of the Company (after taxation and minority interests and payment of such bonuses but excluding extraordinary and exceptional items) in respect of each financial year. As at the Latest Practicable Date, he was entitled to a monthly salary of RMB84,100 which is covered under his service contract. The emolument of Mr. Hong is determined by the Board with reference to his duties, responsibilities, performance and results of the Group.

Mr. Hong Tianzhu has over 20 years of experience in the textile industry. Prior to establishing the Group, Mr. Hong Tianzhu was a vice general manager of 晉江藝豐服裝織造有限公司 (Jinjiang Yifeng Garment Weaving Company Limited). Mr. Hong Tianzhu is a director and the 100% beneficial owner of Texhong Group Holdings Limited ("**Texhong Group**"), and the sole director of New Green Group Limited, which is 100% owned by Texhong Group. Mr. Hong Tianzhu is also a director of Trade Partner Investments Limited, which is owned as to 57.44% by him. Each of New Green Group Limited and Trade Partner Investments Limited was the beneficial owner of 392,842,400 and 151,900,000 Shares as at the Latest Practicable Date respectively. In addition, he is also the beneficial owner of 5,400,000 Shares as at the Latest Practicable Date.

Save as disclosed herein, as at the Latest Practicable Date, Mr. Hong 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. Mr. Hong is not related to any other Directors, senior management, or substantial or controlling shareholders of the Company. Mr. Hong had not been a director of any public companies listed in Hong Kong or overseas in the three years preceding the Latest Practicable Date.

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

PROFESSOR TAO XIAOMING

Professor Tao Xiaoming, aged 65, was appointed as an independent non-executive Director on 3 March 2014 and a member of each of the audit committee, remuneration committee, nomination committee and environmental, social and governance committee of the Board.

Professor Tao Xiaoming is an elected fellow of The Textile Institute, the American Society of Mechanical Engineers, the Royal Academy of Arts and Design and Commerce of the United Kingdom, and has been the Chair Professor in Textile Technology at the Institute of Textiles and Clothing of the Hong Kong Polytechnic University since April 2002. She was elected as the world president of The Textile Institute for a tenure of three years from May 2007. Professor Tao received a bachelor's degree in textile engineering from China Textile University (中國紡織大學) (currently known as Donghua University (東華大學)) of the PRC in January 1982 and a doctorate degree in textile physics from University of New South Wales in August 1987. From September 1987 to September 1988 and from October 1990 to September 1994, she had been a scientist of the Commonwealth Scientific and Industrial Research Organisation of Australia. From October 1988 to January 1990, she had been a lecturer of Donghua University. Professor Tao was a recipient of prestigious individual awards of the field: the honorary fellowship of the Textile Institute in 2010, the founder award of the Fiber Society of the United States in 2013, and Guanghua Engineering Scientific and Technological Award of Chinese Academy of Engineering in 2020. With seven academic monographs, over 800 research papers published and over 41 patents granted, she has been internationally recognised in particular for her pioneering work on smart textiles and clothing and textile engineering such as low-twist yarns, solo spun yarns and fabric sensing technology which have been widely applied in the textile industry.

Professor Tao Xiaoming entered into an appointment letter dated 3 March 2014 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, she was entitled to an annual director's fee of HK180,000 under her appointment letter which was determined by reference to her experience, duties and responsibilities.

As at the Latest Practicable Date, Professor Tao did not have any interest in the shares, underlying shares or debenture in the Company within the meaning of Part XV of the SFO. Professor Tao is not related to any other Directors, senior management, or substantial or controlling shareholders (as defined in the Listing Rules) of the Company. Professor Tao did not hold directorship in other listed public companies in the three years preceding the Latest Practicable Date.

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

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

MR. SHU WA TUNG, LAURENCE

Mr. Shu Wa Tung, Laurence, aged 50 has over 20 years of experience in audit, corporate finance and financial management. He is an independent non-executive Director of Chengdu Expressway Co., Ltd. (a company listed on the Stock Exchange, stock code: 1785) from November 2016 to September 2022, Riverine China Holdings Limited (a company listed on the Stock Exchange, stock code: 1417) since November 2017, Twintek Investment Holdings Limited (a company listed on the Stock Exchange, stock code: 6182) since December 2017, Goldstream Investment Limited (a company listed on the Stock Exchange, stock code: 1328) since December 2019 and Termbray Industries International (Holdings) Limited (a company listed on the Stock Exchange, stock code: 0093) since April 2022.

Mr. Shu was accountant, semi-senior accountant of assurance & advisory department, senior accountant of corporate advisory services department, and senior accountant, associate manager and manager of reorganization services group of Deloitte Touche Tohmatsu from March 1994 to October 2000. Mr. Shu was a manager of Deloitte & Touche Corporate Finance Ltd (a corporate finance service company of Deloitte Touche Tohmatsu) from July 2001 to November 2002. Mr. Shu was an associate director of Goldbond Capital (Asia) Limited from November 2002 to April 2005. Mr. Shu was the chief financial officer and the company secretary of the Company from May 2005 to July 2008, overseeing the group's financial management functions. Mr. Shu served as the chief financial officer of Jiangsu Rongsheng Heavy Industries Holding Co., Ltd (江蘇熔盛重工控股有限公司) from July 2008 to June 2010. Mr. Shu served as the chief financial officer of Petro-king Oilfield Services Limited (a company listed on the Stock Exchange, stock code: 2178) from July 2010 to July 2018. From August 2018 to November 2019, Mr. Shu was the chief financial officer of Brainhole Technology Limited (formerly known as Top Dynamic International Holdings Limited) (a company listed on the Stock Exchange, stock code: 2203). Mr. Shu joined ContiOcean Environment Tech Co., Ltd. as the chief financial officer since September 2020.

Mr. Shu graduated from Deakin University, Australia in September 1994 and obtained his bachelor's degree in business majoring in accounting, and completed his CFO Programme at China Europe International Business School (中歐國際工商學院) in November 2009. Mr. Shu was accredited as a certified public accountant associate by Hong Kong Institute of Certified Public Accountants in September 1997. Mr. Shu was admitted as a member to the Hong Kong Independent Non-executive Director Association in May 2019.

Subject to Mr. Shu being elected as an independent non-executive Director by the Shareholders at the Annual General Meeting, a letter of appointment will be entered into between the Company and Mr. Shu for acting as independent non-executive Director from the date of the Annual General Meeting 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. He will be entitled to receive an annual director's fee of HK\$200,000 upon his election which is determined by reference to his experience, duties and responsibilities. Such fees shall be proportionate to the length of his period in office for the year ending 31 December 2023.

As at the Latest Practicable Date, Mr. Shu was the beneficial owner of 80,000 Shares. Save as disclosed herein, as at the Latest Practicable Date, Mr. Shu did not have any other interests in the Shares, underlying shares or debenture in the Company within the meaning of Part XV of the SFO. Mr. Shu is not related to any other Directors, senior management, or substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed, Mr. Shu did not hold directorship in other listed public companies in the three years preceding the Latest Practicable Date, and there is no information which is discloseable nor is/was Mr. Shu 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. Shu that need to be brought to the attention of the Shareholders.



TEXHONG INTERNATIONAL GROUP LIMITED

天虹國際集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2678)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Texhong International Group Limited (“**Company**”) will be held at 2:30 p.m. at Function Room 1, 11th Floor, Nina Hotel Tsuen Wan West, 8 Yeung Uk Road, Tsuen Wan, Hong Kong on 25 May 2023 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 2022;
2. (a) to re-elect Mr. Hong Tianzhu as an executive director of the Company;
(b) to re-elect Professor Tao Xiaoming as an independent non-executive director of the Company;
(c) to elect Mr. Shu Wa Tung, Laurence as an independent non-executive director of the Company;
3. to authorise the board of directors of the Company to fix the directors’ remuneration;
4. to re-appoint PricewaterhouseCoopers as the Company’s auditors and to authorise the board of directors to fix their remuneration;

NOTICE OF THE ANNUAL GENERAL MEETING

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

ORDINARY RESOLUTIONS

5. **“THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), the exercise by the directors of Texhong International Group Limited (“**Company**”) during the Relevant Period of all the powers of the Company to allot, issue and deal with the unissued shares (each, a “**Share**”) of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of any options granted under all share option schemes of the Company adopted on 7 April 2014 or similar arrangement adopted by the Company from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares shall not exceed the aggregate of:
 - (aa) 20 per cent. of the total number of issued Shares on the date of the passing of this resolution; and
 - (bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the total number of issued Shares purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the total number of issued Shares on the date of the passing of this resolution),

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

NOTICE OF THE ANNUAL GENERAL MEETING

(d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable law of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution;

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

6. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of Texhong International Group Limited (“**Company**”) during the Relevant Period of all powers of the Company to purchase shares (each, a “**Share**”) of HK\$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Act, Chapter 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

NOTICE OF THE ANNUAL GENERAL MEETING

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

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

Hong Kong, 21 April 2023

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. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the offices of the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong not later than 48 hours before the time of the above meeting (i.e., at or before 2:30 p.m. on 23 May 2023 (Hong Kong time)) or any adjourned meeting.
3. For the purpose of determining members who are qualified for attending the annual general meeting, the register of members of the Company will be closed from 22 May 2023 to 25 May 2023, 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 19 May 2023 for registration.
4. In relation to proposed resolutions numbered 5 and 7 above, approval is being sought from the shareholders for the grant to the directors of a general mandate to authorise the allotment and issue of shares under the Listing Rules. The directors wish to state that they will exercise the powers conferred thereby to allot and issue shares of the Company in circumstances which they deem appropriate for the benefit of the Company and its shareholders as a whole.
5. In relation to proposed resolution numbered 6 above, the directors wish to state that they will exercise the powers conferred thereby to purchase shares of the Company in circumstances which they deem appropriate for the benefit of the Company and its shareholders as a whole. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in the Appendix I in this circular of which this notice of the annual general meeting forms part.
6. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
7. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto to if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
8. If any Shareholders have any particular access request or special needs for participating in the above meeting, please contact the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited (telephone: +852 2153 1688) on or before 19 May 2023.