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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)

COMPLETION OF DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF KNITTED GARMENT FABRICS FACTORY IN VIETNAM

On 30 November 2023, the parties entered into the Third Supplemental Agreement to the Sale & Purchase Agreement pursuant to which the parties thereto have agreed to waive certain conditions precedent and to amend the terms relating to the release of the Escrow Monies.

As all conditions precedent to the Sale & Purchase Agreement (as supplemented by the Third Supplemental Agreement) have been fulfilled or waived and Completion took place on 30 November 2023.

Reference is made to the announcements of Texhong International Group Limited (the “**Company**”) dated 4 August 2023, 28 September 2023 and 31 October 2023 in relation to the disposal of the entire equity interests in and the assignment of the loan outstanding and owing by Fashion Time Viet Nam Limited (together, the “**Announcements**”). Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

THIRD SUPPLEMENTAL AGREEMENT

On 30 November 2023, the parties entered into the third supplemental agreement (the “**Third Supplemental Agreement**”) to the Sale & Purchase Agreement, the terms of which are summarized below:

(1) Waiver of certain conditions precedent

The parties agree to waive the below conditions precedent:

- (1) Satisfactory compliance status of Personal Income Tax and Social Health & Unemployment Insurance of the Target Company under the applicable laws of Vietnam;
- (2) Updating of the schedule for investment and implementation of the Project in the investment registration certificate of the Target Company to which that certificate relates;
- (3) the obtaining of documents evidencing the fire prevention and fighting compliance, including (i) fire protection acceptance for phase 1 all built items of the Project, (ii) construction acceptance for phase 1 all built items of the Project, and (iii) property certificate for phase 1 all built items of the Project (the “**Fire Safety Condition**”); and
- (4) the land use right certificate of the Target Company relating to the Land having been amended and updated according to the manner specified by the Purchaser.

(2) Requirements for release of the balance of the Escrow Monies

The parties agree that delivery of documents by the Vendor evidencing the completion and satisfaction of the Fire Safety Condition be added as a requirement for the release of the Escrow Monies (subject to adjustments pursuant to the Sale & Purchase Agreement and taking into account the partial release of the below sum).

(3) Requirements for partial release of the Escrow Monies

Original release requirements:

In the event that the Vendor shall have delivered to the Purchaser a tax filing report with the relevant Vietnam tax authorities by the Vendor and the Target Company in relation to the transactions contemplated by the Sale & Purchase Agreement based on the Initial Share Consideration and the tax clearance certificate by the relevant Vietnam tax authorities indicating the tax arising therefrom (if any) and (where applicable) the due settlement thereof by the Vendor based on the Initial Share Consideration, the Purchaser shall procure that 50% of the Escrow Monies, excluding any accrued interest if any, held by the Escrow Agent be released to the

Vendor, and the balance of the Escrow Monies held by the Escrow Agent shall remain and continue to be dealt with in accordance with the terms of the Sale & Purchaser Agreement taking into account the partial release of the Escrow Monies made.

The Purchaser shall inform the Vendor in writing within three Business Days after receipt of the relevant documents provided by the Vendor proving completion of any tax filings and reporting and payment of any tax referred to above, as to whether the relevant release condition of the Escrow Monies or any part thereof is satisfied or not or is subject to further verification by the Purchaser, provided that failure on the part of the Purchaser to inform the Vendor in accordance with the foregoing provision that the relevant release condition of the Escrow Monies or any part thereof is not satisfied or is subject to further verification shall operate to deem such condition as satisfied.

Amended release requirements:

In the event that the investment registration certificate and the enterprise registration certificate of the Target Company have been updated to reflect the change in owner and legal representative of the Target Company as a result of the consummation of Completion, then the Purchaser shall procure an amount equal to US\$32,360,777 be released to the Vendor out of the Escrow Monies held by the Escrow Agent, and the balance of the Escrow Monies held by the Escrow Agent shall remain and continue to be dealt with the terms of the Sale & Purchaser Agreement taking into account the partial release of the Escrow Monies made.

The Purchaser shall inform the Vendor and the Escrow Agent in writing within three Business Days after receipt of the relevant document(s) provided by the Purchaser's lawyer proving the satisfaction of the release condition of US\$32,360,777 from the Escrow Monies referred to above.

Save as disclosed in the Announcements and as amended by the Third Supplemental Agreement, all other terms and conditions of the Sale & Purchase Agreement remain unchanged and in full force and effect.

The terms of the Third Supplemental Agreement were arrived at after arm's length negotiations between the parties. The Board considers that the amendments contemplated under the Third Supplemental Agreement would better address the concerns of the Purchaser and thereby facilitate Completion.

The Directors are of the view that the terms and conditions of the Third Supplemental Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the shareholders of the Company as a whole.

COMPLETION

The Company is pleased to announce that all conditions precedent to the Sale & Purchase Agreement (as supplemented by the Third Supplemental Agreement) have been fulfilled or waived and Completion took place on 30 November 2023.

Following Completion, the Target Company has ceased to be an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will no longer be consolidated into the financial statements of the Group.

By Order of the Board
Texhong International Group Limited
Hong Tianzhu
Chairman

Hong Kong, 30 November 2023

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

Executive directors:

Mr. Hong Tianzhu
Mr. Zhu Yongxiang
Mr. Tang Daoping

Independent non-executive directors:

Prof. Cheng Longdi
Prof. Tao Xiaoming
Mr. Shu Wa Tung, Laurence