

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**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  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of the Company to be held at 2:30 p.m. at Gloucester Room I, 3/F, The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on 26 April 2018 is set out on pages 14 to 18 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 24 April 2018 (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.

23 March 2018

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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 Gloucester Room I, 3/F, The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on 26 April 2018, the notice of which is set out on pages 14 to 18 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 Law”	the Companies Law, Cap. 22 (Law 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
“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”	15 March 2018, 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 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)*

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*Executive Directors:*

Hong Tianzhu  
Zhu Yongxiang  
Tang Daoping  
Hui Tsz Wai  
Ji Zhongliang

*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 9, 31st Floor  
Dorset House, Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

23 March 2018

*To the Shareholders*

Dear Sir/Madam

**PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES  
RE-ELECTION OF DIRECTORS  
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; and (b) ordinary resolutions relating to the proposed re-election of the Directors.

## **LETTER FROM THE BOARD**

### **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 915,000,000 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 183,000,000 Shares.

### **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 Repurchase Mandate and the Issue 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 Law 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.

### **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. Hui Tsz Wai, Prof. Tao Xiaoming and Mr. Ting Leung Huel, Stephen will retire as Directors at the Annual General Meeting, and they, being eligible, will offer themselves for re-election at the Annual General Meeting. Particulars of Mr. Hui Tsz Wai, Prof. Tao Xiaoming and Mr. Ting Leung Huel, Stephen 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, among other matters, the following:

- (a) the proposed grant of the Issue Mandate, Repurchase Mandate and Extension Mandate; and
- (b) the proposed re-election of Directors.

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 24 April 2018 (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 of association of the Company. 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 and the re-election of Directors 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.

## LETTER FROM THE BOARD

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 2017, 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 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 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 21 April 2018 to 26 April 2018, 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 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 20 April 2018.

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 4 May 2018 to 8 May 2018, 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 registrar, Boardroom Share Registrars (HK) Limited at the address stated above not later than 4:30 p.m. on 3 May 2018.

### **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 Textile Group Limited**  
**Hong Tianzhu**  
*Chairman*



*This Appendix I serves as an explanatory statement, as required by the Listing Rules, to provide requisite information as to the proposed Repurchase Mandate.*

## **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 915,000,000 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 91,500,000 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 Law 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 2017, 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 the Latest Practicable Date are as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
March 2017	11.86	10.04
April 2017	10.52	9.35
May 2017	10.00	9.09
June 2017	9.84	9.08
July 2017	9.72	8.13
August 2017	9.12	8.31
September 2017	10.78	8.40
October 2017	11.38	10.40
November 2017	11.10	9.72
December 2017	10.30	9.61
January 2018	11.78	10.04
February 2018	11.06	9.30
March 2018 ( <i>Note</i> )	11.00	10.06

*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 Mr. Hong Tianzhu, New Green Group Limited, Trade Partner Investments Limited and Wisdom Grace Investments Limited (all being the companies controlled by Mr. Hong Tianzhu and/or Mr. Zhu Yongxiang, two of the substantial shareholders) 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, Mr. Zhu Yongxiang, 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. In addition, 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
Mr. Hong Tianzhu	5,400,000 Shares <i>(Note 1)</i>	0.59%	0.66%
New Green Group Limited	392,842,400 Shares <i>(Note 2)</i>	42.93%	47.70%
Trade Partner Investments Limited	151,900,000 Shares <i>(Note 3)</i>	16.60%	18.45%
Wisdom Grace Investments Limited	68,000,000 Shares <i>(Note 4)</i>	7.43%	8.26%
	Total:	<u>67.55%</u>	<u>75.07%</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 beneficially 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 (an executive Director) 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, an executive Director.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in 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 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 of the Company has notified the Company that he 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. HUI TSZ WAI, AGED 44**

Mr. Hui Tsz Wai first joined the Group in 2004 as the company secretary of the Company and the chief financial officer of the Group and was appointed as an executive Director on 1 February 2015 and the company secretary of the Company on 28 August 2017.

Mr. Hui Tsz Wai entered into a service contract dated 1 February 2015 with the Company to act as an executive Director for an initial term of three years commencing from 1 February 2015, and continued thereafter for successive terms of one year until terminated by not less than three month's 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 HK\$3.78 million which is covered under his service contract, and mandatory provident fund scheme contribution of HK\$0.378 million per annum. The emolument of Mr. Hui is determined by the Board with reference to his duties, responsibilities, performance and the results of the Group.

Mr. Hui graduated from the Chinese University of Hong Kong with a bachelor of business administration (honours) degree. He is a fellow member of the Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. He is also a Chartered Financial Analyst and a Certified Fraud Examiner. He has more than 20 years working experience in finance related area. Mr. Hui had been working at one of the big four international accounting firms for about nine years before joining the Group in November 2004.

As at the Latest Practicable Date, Mr. Hui has been granted 4,500,000 Shares pursuant to the share option scheme adopted by the Company at the annual general meeting on 7 April 2014. Furthermore, Mr. Hui is not related to any other Directors, senior management, or substantial or controlling shareholders of the Company. Mr. Hui did not hold directorship in other listed public companies in the last three years.

**PROFESSOR TAO XIAOMING, AGED 60**

Professor Tao Xiaoming was appointed as an independent non-executive Director on 3 March 2014.

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 the recipient of two prestigious individual awards of the field: the honorary fellowship by The Textile Institute in November 2010 and the founder award of the Fiber Society of the United States in November 2013. With seven academic monographs, over 800 research papers published and over 30 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 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 HK\$180,000 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, nor was she related to any other Directors, senior management, or substantial or controlling shareholders of the Company. Professor Tao did not hold directorship in other listed public companies in the last three years.

**MR. TING LEUNG HUEL, STEPHEN, AGED 64**

Mr. Ting Leung Huel, Stephen was appointed as an independent non-executive Director on 21 November 2004.

Mr. Ting is an accountant in public practice and has more than 30 years' experience in this field. Currently he is a Partner and Director of Messrs Ting Ho Kwan & Chan, Certified Public Accountants (Practising) and Ting Ho Kwan & Chan CPA Limited respectively. He is currently an independent non-executive director of six other listed companies in Hong Kong, namely, China SCE Property Holdings Limited (stock code: 01966), Computer and Technologies Holdings Limited (stock code: 00046), Dongyue Group Limited (stock code: 00189), New Silkroad Culturaltainment Limited (stock code: 00472), Tong Ren Tang Technologies Company Limited (stock code: 01666) and Tongda Group Holdings Limited (stock code: 00698) respectively. He is also a non-executive director of Chow Sang Sang Holdings International Limited (stock code: 00116), a listed company in Hong Kong. Save as disclosed above, Mr. Ting did not hold directorship in other listed public companies in the last three years.

Mr. Ting 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\$300,000 which was determined by reference to his experience, duties and responsibilities.

As at the Latest Practicable Date, Mr. Ting 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 of the Company.

**GENERAL**

There are no other matters concerning any of the above Directors that need to be brought to the attention of the Shareholders in relation to their re-election and there is no information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

## NOTICE OF 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. at Gloucester Room I, 3/F, The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on 26 April 2018 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 2017;
2. to approve the declaration of a final dividend for the year ended 31 December 2017 of HK\$0.21 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. Hui Tsz Wai;
  - (b) Prof. Tao Xiaoming; and
  - (c) Mr. Ting Leung Huel, Stephen;
4. to authorise the board of directors of the Company to fix the directors’ remuneration;
5. to appoint 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 as ordinary 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 the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares (the “**Shares**”) of HK\$0.10 each in the



## NOTICE OF ANNUAL GENERAL MEETING

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 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 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 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 (the “**Shares**”) 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 Law, Chapter 22 (Law 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 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.”

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

Hong Kong, 23 March 2018

*Registered office:*

Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place  
of business in Hong Kong:*

Unit 9, 31st Floor  
Dorset House, Taikoo Place  
979 King’s Road  
Quarry Bay  
Hong Kong

*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 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 24 April 2018 (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 21 April 2018 to 26 April 2018, 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 register in Hong Kong at the address stated in note 2 above not later than 4:30p.m. on 20 April 2018 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 4 May 2018 to 8 May 2018, 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 register in Hong Kong at the address stated in note 2 above not later than 4:30 p.m. on 3 May 2018 for registration.

## NOTICE OF ANNUAL GENERAL MEETING

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. 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.
8. 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.