

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any 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 Texwinca Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or 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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TEXWINCA HOLDINGS LIMITED

德永佳集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 321)

**PROPOSED GENERAL MANDATES TO
BUY BACK SHARES AND TO ISSUE NEW SHARES
AND
PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an Annual General Meeting of Texwinca Holdings Limited to be held at World Trade Centre Club Hong Kong, 38/F., World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Thursday, 8 August 2019 at 10:30 a.m. is set out on pages 18 to 21 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and of the Company (www.texwinca.com).

Whether or not you intend to attend the Annual General Meeting, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Branch Share Registrar and Transfer Office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (will be changed to Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong with effect from 11 July 2019) as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting 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 if you so wish and in such event, the form of proxy shall be deemed to be revoked.

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DEFINITIONS

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

“Annual General Meeting”	an annual general meeting of the Company to be held at World Trade Centre Club Hong Kong, 38/F., World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Thursday, 8 August 2019 at 10:30 a.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 18 to 21 of this circular, or any adjournment thereof;
“Audit Committee”	the audit committee of the Board;
“Auditor”	the auditor of the Company;
“Board”	the board of Directors;
“Buy-back Mandate”	as defined in paragraph 2(a) of the Letter from the Board;
“Bye-laws”	the bye-laws of the Company in force from time to time;
“Company”	Texwinca Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“controlling shareholder”	as defined in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuance Mandate”	as defined in paragraph 2(b) of the Letter from the Board;
“Latest Practicable Date”	3 July 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Nomination Committee”	the nomination committee of the Board;
“Remuneration Committee”	the remuneration committee of the Board;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.05 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, share(s) forming part of the ordinary equity share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	as defined in the Listing Rules; and
“Takeovers Code”	The Code on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong.



TEXWINCA HOLDINGS LIMITED

德永佳集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 321)

Executive Directors:

Poon Bun Chak (*Executive Chairman*)
Ting Kit Chung (*Chief Executive Officer*)
Poon Ho Tak

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-executive Directors:

Au Son Yiu
Cheng Shu Wing
Law Brian Chung Nin

*Principal Place of Business in
Hong Kong:*

16th Floor, Metroplaza Tower II
223 Hing Fong Road
Kwai Chung
New Territories
Hong Kong

10 July 2019

To the Shareholders

Dear Sir/Madam,

**PROPOSED GENERAL MANDATES TO
BUY BACK SHARES AND TO ISSUE NEW SHARES
AND
PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) granting to the Directors of the Buy-back Mandate to buy back Shares; (ii) granting to the Directors of the Issuance Mandate to issue new Shares; (iii) extension of the Issuance Mandate by adding to it the aggregate number of the issued Shares bought back by the Company under the Buy-back Mandate; and (iv) re-election of the retiring Directors.

* *For identification purposes only*

LETTER FROM THE BOARD

2. PROPOSED GRANTING OF THE BUY-BACK AND ISSUANCE MANDATES

At the annual general meeting of the Company held on 9 August 2018, general mandates were granted to the Directors to buy back Shares and to issue new Shares respectively. Such mandates will lapse at the conclusion of the Annual General Meeting.

Ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of new general mandates to the Directors:

- (a) to buy back Shares on the Stock Exchange with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of such resolution (the "Buy-back Mandate"). As at the Latest Practicable Date, the issued share capital of the Company comprised of 1,381,696,104 Shares. Subject to the passing of the proposed ordinary resolution no. 5 contained in the notice of the Annual General Meeting as set out on pages 18 to 21 of this circular and on the assumption that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, the Directors would be authorised under the Buy-back Mandate to buy back a maximum of 138,169,610 Shares during the period in which the Buy-back Mandate remains in force.
- (b) to allot, issue and deal with additional Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company on the date of passing of such resolution (the "Issuance Mandate"). As at the Latest Practicable Date, the issued share capital of the Company comprised of 1,381,696,104 Shares. Subject to the passing of the proposed ordinary resolution no. 6 contained in the notice of the Annual General Meeting as set out on pages 18 to 21 of this circular and on the assumption that the issued share capital of the Company remains unchanged up to the date of the Annual General Meeting, the Directors would be authorised under the Issuance Mandate to allot, issue and deal with a maximum of 276,339,220 additional Shares during the period in which the Issuance Mandate remains in force.
- (c) to extend the Issuance Mandate by the addition to the number of Shares which may be allotted and issued thereunder of the aggregate number of Shares bought back by the Company pursuant to the Buy-back Mandate.

Each of the Buy-back Mandate and the Issuance Mandate, if approved, will continue in force until the earliest of: (a) the conclusion of the next annual general meeting of the Company following the passing of the resolutions to approve the same; (b) the revocation or variation of the authority given under such resolutions by an ordinary resolution of the Shareholders in a general meeting of the Company; or (c) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws to be held.

LETTER FROM THE BOARD

With reference to the Buy-back Mandate and the Issuance Mandate, the Directors wish to state that they have no immediate plan to buy back or issue any Shares pursuant thereto.

In accordance with the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Buy-back Mandate. The explanatory statement as required by the Listing Rules in connection with the Buy-back Mandate is set out in Appendix I to this circular.

3. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In accordance with Clause 87 of the Bye-laws, all Directors shall retire at each annual general meeting and the retiring Directors shall be eligible for re-election.

At the Annual General Meeting, Mr. Poon Bun Chak, Mr. Ting Kit Chung and Mr. Poon Ho Tak will retire as executive Directors and Mr. Au Son Yiu, Mr. Cheng Shu Wing and Mr. Law Brian Chung Nin will retire as independent non-executive Directors. All of them have offered themselves for re-election at the Annual General Meeting.

Mr. Au Son Yiu and Mr. Cheng Shu Wing, who have been serving as independent non-executive Directors for more than 9 years, have each provided an annual confirmation of his independence with reference to the factors set out in Rule 3.13 of the Listing Rules. Similarly, Mr. Law Brian Chung Nin, who has been serving as an independent non-executive Director for 8 years, has provided such annual confirmation of his independence as well. In light of the foregoing, the Company considers Mr. Au Son Yiu, Mr. Cheng Shu Wing and Mr. Law Brian Chung Nin are still independent in accordance with the independence guidelines as set out in the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

In proposing candidates of independent non-executive Directors for re-election at the Annual General Meeting, the Nomination Committee has considered their past performance, their written confirmations of independence to the Company under Rule 3.13 of Listing Rules as well as their skills, backgrounds, knowledge and experience.

In this respect, the Nomination Committee had evaluated the performance of each of the retiring independent non-executive Directors (being Mr. Au Son Yiu, Mr. Cheng Shu Wing and Mr. Law Brian Chung Nin) and found their performance satisfactory. The Nomination Committee has also assessed each of the independent non-executive Directors' written confirmation of independence under Rule 3.13 of Listing Rules, and confirmed that all of them remain independent. In addition, the Board is of the view that each of Mr. Au Son Yiu, Mr. Cheng Shu Wing and Mr. Law Brian Chung Nin would bring to the Board their own perspective, skills and experience, as further described in their respective details in Appendix II to this circular.

LETTER FROM THE BOARD

Given their unique and diverse background, skills and experience as discussed in Appendix II to this circular, the Company considers that each of Mr. Au Son Yiu, Mr. Cheng Shu Wing and Mr. Law Brian Chung Nin is a highly valued and respected member of the Board, and can contribute to the diversity of the Board with their strong and diversified educational backgrounds and professional experience in their expertise, including their in-depth knowledge in commercial and general management, professional accounting and audit, international experience, investment strategies and connections in various industries.

Details of the retiring Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

4. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 18 to 21 of this circular.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.texwinca.com). Whether or not you intend to attend the Annual General Meeting, you are requested to complete and sign the form of proxy in accordance with the instructions printed thereon and deposit it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's Branch Share Registrar and Transfer Office in Hong Kong, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (will be changed to Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong with effect from 11 July 2019), not less than 48 hours before the time appointed for holding the Annual General Meeting 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 if you so wish and in such event, the form of proxy shall be deemed to be revoked.

5. VOTING AT ANNUAL GENERAL MEETING

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted by a show of hands. 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 clause 66.1(a) of the Bye-laws.

An announcement on poll vote results will be published by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

6. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

7. RECOMMENDATION

The Directors consider that the proposed granting of the Buy-back Mandate, the granting/extension of the Issuance Mandate and re-election of the retiring Directors are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

8. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text in case of discrepancy.

Yours faithfully,
On behalf of the Board
Poon Bun Chak
Executive Chairman

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Buy-back Mandate.

1. REASONS FOR SHARE BUY-BACKS

Though the Directors have no present intention to buy back Shares, they believe that the flexibility afforded by the Buy-back Mandate would be beneficial to the Company and its Shareholders. At any time in the future when Shares are trading at a discount to their underlying value, the ability of the Company to buy back Shares will be beneficial to those Shareholders who retain their investment in the Company since their percentage interests in the assets of the Company would increase in proportion to the number of Shares bought back by the Company.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,381,696,104 Shares.

Subject to the passing of the proposed ordinary resolution no. 5 set out in the notice of Annual General Meeting and on the assumption that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, the Directors would be authorised under the Buy-back Mandate to buy back, during the period in which the Buy-back Mandate remains in force, a maximum of 138,169,610 Shares, representing 10% of the issued share capital of the Company at the date of the Annual General Meeting.

3. FUNDING OF SHARE BUY-BACKS

In a share buy-back, the Company may only apply funds legally available for such purpose in accordance with the Bye-laws and all applicable laws, including the laws of Bermuda.

Bermuda law provides that a share buy-back may only be effected out of the capital paid up on the shares to be bought back, out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares of the Company made for the purpose of the buy-back. Any amount of premium payable on the buy-back over the par value of the shares of the Company to be bought back must be provided for out of the funds of the Company which would otherwise be available for dividend or distribution or out of the Company's share premium account before the shares are bought back.

4. IMPACT OF SHARE BUY-BACKS

If the Buy-back Mandate was to be exercised in full at any time during the proposed buy-back period, there might be a material adverse effect on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements contained in the Annual Report of the Company for the

year ended 31 March 2019). However, the Directors do not intend to exercise the Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

5. GENERAL

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make buy-back of Shares pursuant to the Buy-back Mandate in accordance with the Listing Rules and laws of Bermuda.

None of the Directors nor, to the best of their knowledge and 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 in the event that the granting of the Buy-back Mandate is approved by the Shareholders.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he or she has a present intention to sell any Shares to the Company or has undertaken not to sell any Shares held by him/her to the Company, in the event that the granting of the Buy-back Mandate is approved by the Shareholders.

6. MARKET PRICES OF SHARES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the following months were as follows:

	Price per Share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2018		
July	3.56	3.20
August	3.66	3.22
September	3.75	3.02
October	3.16	2.35
November	3.28	2.58
December	3.23	2.51
2019		
January	3.14	2.53
February	3.10	2.96
March	3.06	2.76
April	3.16	2.86
May	3.17	2.47
June	2.52	2.35
July (up to the Latest Practicable Date)	2.49	2.41

7. TAKEOVERS CODE

If as a result of a buy-back of Shares pursuant to the Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and thereby become(s) obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, each of Mr. Poon Bun Chak and UBS Trustees (B.V.I.) Limited (as trustee of a discretionary family trust founded by Mr. Poon Bun Chak) was taken to have an interest in the same block of 665,320,104 Shares representing 48.15% of the issued share capital of the Company. In the event that the Directors exercise in full the power to buy back Shares in accordance with the Buy-back Mandate, the shareholding interests of Mr. Poon Bun Chak and UBS Trustees (B.V.I.) Limited would increase to approximately 53.50% of the issued share capital of the Company. Such increase in interest may give rise to an obligation on Mr. Poon Bun Chak and UBS Trustees (B.V.I.) Limited to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. The Directors have no intention to exercise the Buy-back Mandate to an extent that would make any of the aforesaid shareholders obligated to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. Further, the Directors do not propose to exercise the Buy-back Mandate to such an extent that the aggregate number of Shares held by the public shareholders would fall below the minimum percentage required by the Stock Exchange.

8. BUY-BACKS OF SHARES MADE BY THE COMPANY

The Company did not buy back any Shares (whether on the Stock Exchange or otherwise) in the preceding six months ending on the Latest Practicable Date.

(1) Mr. Poon Bun Chak, aged 70, executive Director*Experience and Position*

Mr. Poon Bun Chak is an executive Director and the executive chairman of the Company overseeing the planning and development of the Group. He is also a director of certain subsidiaries of the Company. He founded the Group in 1975 and has over 47 years of experience in the textile field. Mr. Poon Bun Chak did not hold any other directorship in companies listed in Hong Kong or overseas in the past three years.

Length of service

The length of service of Mr. Poon Bun Chak with the Group is 44 years. Mr. Poon Bun Chak has entered into service contracts with the Group. The service contracts shall continue unless and until terminated by either the employer or Mr. Poon Bun Chak by giving not less than 3 months' notice in writing or compensation in lieu. He is subject to retirement at each annual general meeting and is eligible for re-election in accordance with the Bye-laws.

Relationships

Mr. Poon Bun Chak is the father of Mr. Poon Ho Tak, an executive Director, and the father-in-law of Mr. Wu Chi Hang, a senior management of the Group. In addition, Mr. Poon Bun Chak is the founder of a discretionary family trust of which UBS Trustees (B.V.I.) Limited is the trustee. Mr. Poon Bun Chak is also a director of Poon's Holdings Limited and of Farrow Star Limited. Each of UBS Trustees (B.V.I.) Limited, Poon's Holdings Limited and Farrow Star Limited is a controlling shareholder of the Company. Save as disclosed above, Mr. Poon Bun Chak does not have any relationship with any other Directors, senior management, substantial shareholders, or controlling shareholders of the Company.

Interests in Shares

As at the Latest Practicable Date, Mr. Poon Bun Chak was interested or deemed to be interested in 665,320,104 Shares or underlying Shares pursuant to Part XV of the SFO.

Director's emoluments

Pursuant to the service contracts entered into between Mr. Poon Bun Chak and the Group, Mr. Poon Bun Chak is entitled to receive a basic annual salary of HK\$8,937,600, which was determined based on his expertise and experience in the field, and a director's fee which is to be fixed by the Board as authorised by the

Shareholders at each annual general meeting of the Company. Besides, depending on the performance of the Group, Mr. Poon Bun Chak is also entitled to receive a discretionary bonus to be decided by the Board. In addition, the Group is providing a living quarter to Mr. Poon Bun Chak.

Matters that need to be brought to the attention of the Shareholders

There is no information which is discloseable nor is Mr. Poon Bun Chak involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Poon Bun Chak that need to be brought to the attention of the Shareholders.

(2) Mr. Ting Kit Chung, aged 63, executive Director

Experience and Position

Mr. Ting Kit Chung is an executive Director, the chief executive officer of the Company and a member of the Nomination Committee and Remuneration Committee. He is also a director of certain subsidiaries of the Company. He is responsible for the general administration and financial management of the Group. He joined the Group in 1991 and has more than 10 years' banking experience. He holds a Bachelor of Arts degree from The University of Hong Kong. Mr. Ting Kit Chung did not hold any other directorship in companies listed in Hong Kong or overseas in the past three years.

Length of service

The length of service of Mr. Ting Kit Chung with the Group is 28 years. Mr. Ting Kit Chung has entered into service contracts with the Group. The service contracts shall continue unless and until terminated by either the employer or Mr. Ting Kit Chung by giving not less than 3 months' notice in writing or compensation in lieu. He is subject to retirement at each annual general meeting and is eligible for re-election in accordance with the Bye-laws.

Relationships

Other than the relationship arising from his being an executive Director, Mr. Ting Kit Chung does not have any relationship with any other Directors, senior management, substantial shareholders, or controlling shareholders of the Company.

Interests in Shares

As at the Latest Practicable Date, Mr. Ting Kit Chung was interested or deemed to be interested in 6,100,000 Shares or underlying Shares pursuant to Part XV of the SFO.

Director's emoluments

Pursuant to the service contracts entered into between Mr. Ting Kit Chung and the Group, Mr. Ting Kit Chung is entitled to receive a basic annual salary of HK\$6,444,000, which was determined based on his expertise and experience in the field, and a director's fee which is to be fixed by the Board as authorised by the Shareholders at each annual general meeting of the Company. Besides, depending on the performance of the Group, Mr. Ting Kit Chung is also entitled to receive a discretionary bonus to be decided by the Board. In addition, the Group is providing a living quarter to Mr. Ting Kit Chung.

Matters that need to be brought to the attention of the Shareholders

There is no information which is discloseable nor is Mr. Ting Kit Chung involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Ting Kit Chung that need to be brought to the attention of the Shareholders.

(3) Mr. Poon Ho Tak, aged 42, executive Director*Experience and Position*

Mr. Poon Ho Tak is an executive Director and a director of certain subsidiaries of the Company. He joined the Group as a management trainee in 2003 after his studies at The University of New South Wales, Australia. In October 2017, he was appointed as an executive director of the Company overseeing the overall general management of the textile business. Mr. Poon Ho Tak did not hold any other directorship in companies listed in Hong Kong or overseas in the past three years.

Length of service

The length of service of Mr. Poon Ho Tak with the Group is 16 years. Mr. Poon Ho Tak has entered into a service contract with the Group. The service contract shall continue unless and until terminated by either the employer or Mr. Poon Ho Tak by giving not less than 3 months' notice in writing or compensation in lieu. He is subject to retirement at each annual general meeting and is eligible for re-election in accordance with the Bye-laws.

Relationships

Mr. Poon Ho Tak is a son of Mr. Poon Bun Chak, an executive director and the executive chairman of the Group, and a brother-in-law of Mr. Wu Chi Hang, a senior management of the Group. Save as disclosed above, Mr. Poon Ho Tak does not have any relationship with any other Directors, senior management, substantial shareholders, or controlling shareholders of the Company.

Interests in Shares

As at the Latest Practicable Date, Mr. Poon Ho Tak was not interested or deemed to be interested in any Shares or underlying Shares pursuant to Part XV of the SFO.

Director's emoluments

Pursuant to the service contract entered into between Mr. Poon Ho Tak and the Group, Mr. Poon Ho Tak is entitled to receive a basic annual salary of HK\$2,400,000, which was determined based on his expertise and experience in the field, and a director's fee which is to be fixed by the Board as authorised by the Shareholders at each annual general meeting of the Company. Besides, depending on the performance of the Group and Mr. Poon Ho Tak, Mr. Poon Ho Tak is also entitled to receive a discretionary bonus to be decided by the Board.

Matters that need to be brought to the attention of the Shareholders

There is no information which is discloseable nor is Mr. Poon Ho Tak involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Poon Ho Tak that need to be brought to the attention of the Shareholders.

(4) Mr. Au Son Yiu, aged 73, independent non-executive Director*Experience and Position*

Mr. Au Son Yiu is an independent non-executive Director, member of the Nomination Committee and Audit Committee and the chairman of the Remuneration Committee.

Mr. Au Son Yiu has extensive experience in the securities industry. He is a director of The Association of Former Council Members of the Stock Exchange. Moreover, he was a consultant to Dao Heng Securities Limited (1989–2008), a member of the Election Committee for the financial services subsector election for the 1998 Legislative Council, a former deputy chairman of The Hong Kong Securities Clearing Company Limited (1992–1994) and a former council member of the Stock Exchange (1988–1994). Mr. Au Son Yiu is also an independent non-executive director of CEC International Holdings Limited, a company listed on the Stock Exchange.

Length of service

Mr. Au Son Yiu has been an independent non-executive Director since 31 July 1995. He does not have a service contract with the Company but he does have a letter of appointment for a term of one year. He is subject to retirement at each annual general meeting and is eligible for re-election in accordance with the Bye-laws.

Relationships

Other than the relationship arising from his being an independent non-executive Director, Mr. Au Son Yiu does not have any relationship with any other Directors, senior management, substantial shareholders, or controlling shareholders of the Company.

Interests in Shares

As at the Latest Practicable Date, Mr. Au Son Yiu was not interested or deemed to be interested in any Shares or underlying Shares pursuant to Part XV of the SFO.

Director's emoluments

Mr. Au Son Yiu is entitled to receive a director's fee which is to be fixed by the Board as authorised by the Shareholders at each annual general meeting of the Company with reference to his experience, responsibilities, workload and time devoted to the Company.

Matters that need to be brought to the attention of the Shareholders

There is no information which is discloseable nor is Mr. Au Son Yiu involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Au Son Yiu that need to be brought to the attention of the Shareholders.

(5) Mr. Cheng Shu Wing, aged 69, independent non-executive Director*Experience and Position*

Mr. Cheng Shu Wing is an independent non-executive Director, the chairman of the Nomination Committee and a member of the Remuneration Committee and Audit Committee. He holds a Bachelor of Business Administration degree from The Chinese University of Hong Kong and has more than 30 years' experience in the banking and securities industries in Hong Kong. Mr. Cheng did not hold any other directorship in companies listed in Hong Kong or overseas in the past three years.

Length of service

Mr. Cheng Shu Wing has been an independent non-executive Director since 6 July 1992. He does not have a service contract with the Company but he does have a letter of appointment for a term of one year. He is subject to retirement at each annual general meeting and is eligible for re-election in accordance with the Bye-laws.

Relationships

Other than the relationship arising from his being an independent non-executive Director, Mr. Cheng Shu Wing does not have any relationship with any other Directors, senior management, substantial shareholders, or controlling shareholders of the Company.

Interests in Shares

As at the Latest Practicable Date, Mr. Cheng Shu Wing was not interested or deemed to be interested in any Shares or underlying Shares pursuant to Part XV of the SFO.

Director's emoluments

Mr. Cheng Shu Wing is entitled to receive a director's fee which is to be fixed by the Board as authorised by the Shareholders at each annual general meeting of the Company with reference to his experience, responsibilities, workload and time devoted to the Company.

Matters that need to be brought to the attention of the Shareholders

There is no information which is discloseable nor is Mr. Cheng Shu Wing involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Cheng Shu Wing that need to be brought to the attention of the Shareholders.

(6) Mr. Law Brian Chung Nin, aged 61, independent non-executive Director*Experience and Position*

Mr. Law Brian Chung Nin is an independent non-executive Director, the chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee. Mr. Law Brian Chung Nin graduated from the University of Toronto in 1980 with a degree in Bachelor of Commerce. He has been a member of the Chartered Professional Accountants of Ontario, Canada since 1983.

Mr. Law Brian Chung Nin has worked for several major international accounting and financial institutions. Besides, he possesses extensive experience in auditing, corporate finance and private equity. Mr. Law Brian Chung Nin did not hold any other directorship in companies listed in Hong Kong or overseas in the past three years.

Length of service

Mr. Law Brian Chung Nin has been an independent non-executive Director since 1 April 2011. He does not have a service contract with the Company but he does have a letter of appointment for a term of one year. He is subject to retirement at each annual general meeting and is eligible for re-election in accordance with the Bye-laws.

Relationships

Other than the relationship arising from his being an independent non-executive Director, Mr. Law Brian Chung Nin does not have any relationship with any other Directors, senior management, substantial shareholders, or controlling shareholders of the Company.

Interests in Shares

As at the Latest Practicable Date, Mr. Law Brian Chung Nin was not interested or deemed to be interested in any Shares or underlying Shares pursuant to Part XV of the SFO.

Director's emoluments

Mr. Law Brian Chung Nin is entitled to receive a director's fee which is to be fixed by the Board as authorised by the Shareholders at each annual general meeting of the Company with reference to his experience, responsibilities, workload and time devoted to the Company.

Matters that need to be brought to the attention of the Shareholders

There is no information which is discloseable nor is Mr. Law Brian Chung Nin involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Law Brian Chung Nin that need to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



TEXWINCA HOLDINGS LIMITED

德永佳集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 321)

NOTICE IS HEREBY GIVEN that an Annual General Meeting of Texwinca Holdings Limited (the “Company”) will be held at World Trade Centre Club Hong Kong, 38/F., World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Thursday, 8 August 2019 at 10:30 a.m. for the following purposes:

1. To receive and consider the Audited Consolidated Financial Statements, the Report of the Directors and the Independent Auditor’s Report for the year ended 31 March 2019;
2. To declare final dividend of HK15.0 cents per ordinary share;
3. (a) To re-elect the retiring Directors (each pursuant to a separate resolution);

(b) To authorise the Board of Directors to fix the Directors’ remuneration;
4. To re-appoint the Auditor and to authorise the Board of Directors to fix its remuneration;
5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) of this resolution, a general mandate be and is hereby generally and unconditionally given to the Directors to exercise during the Relevant Period (as defined below) of all the powers of the Company to buy back its shares, subject to and in accordance with the applicable laws, rules and regulations;
- (b) the aggregate nominal amount of shares of the Company to be bought back pursuant to the mandate in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution and the said mandate shall be limited accordingly; and

* For identification purposes only

NOTICE OF ANNUAL GENERAL MEETING

- (c) for the purposes of this resolution, “Relevant Period” means the period from 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 revocation or variation of the authority given under this resolution by an ordinary resolution passed by the Company’s shareholders in general meeting; and
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws to be held.”;
6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the Directors during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;
- (b) the mandate in paragraph (a) above shall authorise the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company; and
 - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws,

NOTICE OF ANNUAL GENERAL MEETING

shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of this resolution and the said mandate shall be limited accordingly; and

- (d) for the purposes of this resolution, “Relevant Period” means the period from 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 revocation or variation of the authority given under this resolution by an ordinary resolution passed by the Company’s shareholders in general meeting; and
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws to be held; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any legal restrictions under the laws of any relevant jurisdiction or the requirements of any relevant regulatory body or any stock exchange).”; and

- 7. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of resolutions set out in items 5 and 6 of the notice convening this meeting (the “Notice”), the general mandate referred to in the resolution set out in item 6 of the Notice be and is hereby extended by the addition to the aggregate nominal amount of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate, of an amount representing the aggregate nominal amount of shares bought back by the Company pursuant to the mandate referred to in resolution set out in item 5 of the Notice, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution.”.

By Order of the Board
Chan Chi Hon
Company Secretary

Hong Kong, 10 July 2019

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (a) Any shareholder of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote on his or her behalf. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (b) To be valid, the form of proxy and the instrument appointing the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be lodged with the Company's Branch Share Registrar and Transfer Office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (will be changed to Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong with effect from 11 July 2019) not less than 48 hours before the time fixed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (c) The Register of Members of the Company will be closed from Monday, 5 August 2019 to Thursday, 8 August 2019 (both days inclusive) for the purpose of determining the entitlement to attend and vote at the Annual General Meeting. During such period no transfer of shares of the Company will be registered and no shares will be allotted and issued. In order to be eligible to attend and vote at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar and Transfer Office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (will be changed to Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong with effect from 11 July 2019) for registration not later than 4:00 p.m. on Friday, 2 August 2019.
- (d) The Register of Members of the Company will be closed from Monday, 19 August 2019 to Wednesday, 21 August 2019 (both days inclusive) for the purpose of determining the entitlement to the proposed final dividend for the year ended 31 March 2019. During such period no transfer of shares of the Company will be registered and no shares will be allotted and issued. In order to qualify for entitlement to the proposed final dividend for the year ended 31 March 2019, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar and Transfer Office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (will be changed to Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong with effect from 11 July 2019) for registration not later than 4:00 p.m. on Friday, 16 August 2019.
- (e) If tropical cyclone warning signal no. 8 or above remains hoisted or a black rainstorm warning signal is in force at 9:00 a.m. on the date of the Annual General Meeting, the Annual General Meeting will be postponed. Members are requested to visit the website of the Company (www.texwinca.com) for details of alternative meeting arrangements.

The Annual General Meeting will be held as scheduled when an amber or red rainstorm warning signal is in force.

Members should make their own decision as to whether they would attend the Annual General Meeting under bad weather conditions bearing in mind their own situation and if they should choose to do so, they are advised to exercise care and caution.
- (f) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.