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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)**

**PROFIT WARNING**

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). Reference is made to the profit warning announcement of Texhong Textile Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 29 July 2019 (the “**Interim Profit Warning Announcement**”).

Similar to the factors as set out in the Interim Profit Warning Announcement, due to the macroeconomic uncertainties caused by the Sino-US trade disputes which had led to an unfavourable and unstable market environment in the textile industry in 2019, based on a review of the Group’s unaudited management accounts for the year ended 31 December 2019 (the “**Year**”), the board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that the Group may record an approximately 25% decrease in the profit attributable to Shareholders for the Year as compared to that of the year ended 31 December 2018.

The Group will closely monitor the market situation and will continue to pursue its corporate strategy of optimizing its existing product mix, developing new products that cater for the trend and demand of the market in order to improve the financial performance of the Group. However, the Directors wish to emphasize that the performance of the Group can be affected by market environment, including cotton market price, the status of the Sino-US trade disputes, the recent spread of coronavirus in China and foreign exchange rate of Renminbi.

The information contained in this announcement is only based on a preliminary assessment by the Board based on information currently available to it, including the unaudited consolidated management accounts of the Group for the Year, which have not been reviewed nor audited by the Company’s auditors or the audit committee of the Company and finalized as at the date of this announcement. Detailed financial results of the Group for the Year will

be disclosed in the annual results announcement which is expected to be published in March 2020. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board  
**Texhong Textile Group Limited**  
**Hong Tianzhu**  
*Chairman*

Hong Kong, 19 February 2020

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

*Executive directors:*

Mr. Hong Tianzhu  
Mr. Zhu Yongxiang  
Mr. Tang Daoping  
Mr. Hui Tsz Wai  
Mr. Ji Zhongliang

*Independent non-executive directors:*

Prof. Cheng Longdi  
Prof. Tao Xiaoming  
Mr. Ting Leung Huel, Stephen