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TEXHONG INTERNATIONAL GROUP LIMITED

天虹國際集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2678)

PROFIT WARNING

This announcement is made by Texhong International Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2022, it is expected that the net profit of the Group will record a significant decrease of more than 90% as compared to the net profit of the Group of approximately RMB2.7 billion for the year ended 31 December 2021.

The decrease in net profit of the Group was mainly attributable to the decrease in raw materials prices and product selling prices and a weaker market demand for yarns in 2022 as compared to 2021. In addition, certain foreign exchange loss arising from the depreciation of Renminbi is expected to be recorded for the year ended 31 December 2022.

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 ended 31 December 2022, which have not been reviewed by the Company’s auditors or the audit committee of the Company.

The Board also wishes to emphasize that the performance of the Group can be affected by market environment, including, but not limited to, cotton market price, foreign policy of the United States of America towards the People’s Republic of China and the foreign exchange rate of Renminbi. The Group’s final results for the year ended 31 December 2022 will be announced by the end of March 2023 in compliance with the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 2 February 2023

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

Executive directors:

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

Independent non-executive directors:

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