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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)**

### **POSITIVE PROFIT ALERT**

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 preliminary assessment of the unaudited consolidated management accounts of the Group for the five months ended 31 May 2024 and information currently available to the Board, the Group is expected to record a net profit of about RMB280 million for the six months ending 30 June 2024 (the “**Period**”), as compared to the net loss of the Group for the six months ended 30 June 2023 of approximately RMB740 million.

The Group expects to record a net profit mainly due to the recovery in demand in the textile market, an increase in sales volume as a result, and a corresponding improvement in the utilization of production capacity in the Period when compared with the same period last year, such that, coupled with the consumption and sales of relatively high-cost inventories in 2023, the product gross profit margin has gradually improved during the Period. On the other hand, due to the depreciation of Vietnamese Dong during the Period, certain exchange losses are expected to be recorded for the six months ending 30 June 2024.

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 five months ended 31 May 2024, which have not been reviewed by the Company's auditors or the audit committee of the Board.

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 interim results for the Period will be announced by the end of August 2024 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, 20 June 2024

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

*Executive directors:*

Mr. Hong Tianzhu  
Mr. Zhu Yongxiang  
Mr. Ye Lixin

*Independent non-executive directors:*

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