SHENZHOU INTERNATIONAL GROUP HOLDINGS LIMITED
(申洲國際集團控股有限公司*)
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 2313)

INSIDE INFORMATION
PROFIT WARNING

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

The board of directors of the Company (the "**Board**") wishes to inform the shareholders (the "**Shareholders**") and potential investors of the Company that based on a preliminary review of the unaudited consolidated financial statements of the Group for the six months ended 30 June 2026 (the "**Period**"), the Group is expected to record a decrease of approximately 38% to 43% in its profit attributable to owners of the parent (the "**Profit**") for the Period, as compared with the Profit of approximately RMB3,176,836,000 for the corresponding period in 2025.

Based on the Group's currently available information, the aforementioned decline in Profit was primarily attributable to the multiple challenges facing the operating environment of the Group's business. During the Period, rising raw material and labour costs, coupled with the significant appreciation of the Renminbi against the US dollar and a slight decline in sales volume due to weak demand, had a negative impact on the Group's gross profit margin and resulted in foreign exchange losses for the Period (foreign exchange gains in the same period of 2025). A further analysis is set out below:

1. **Impact of the appreciation of the Renminbi against the US dollar:** In the first half of 2026, the average exchange rate of Renminbi appreciated by approximately 4 per cent against the US dollar as compared with that for the same period in 2025. The Group's principal business is export-oriented, with trade revenue primarily denominated in US dollars, whilst the financial statements are prepared in Renminbi. The rapid appreciation of the Renminbi during the Period had an adverse impact on both the Group's trading activities and the revaluation of its net current assets denominated in US dollars (primarily comprising bank balances and trade receivables);

2. **Impact of rising labour and pension costs and raw material costs:** During the Period, the Group's wage and pension costs increased across all regions. The expansion of the Group's production capacity in Vietnam and Cambodia has led to an increase in the Group's overall workforce. These new production facilities are still in the ramp-up phase, and there is room for improvement in production efficiency. At the same time, the cost of yarn raw materials has risen in line with international oil prices. The combined effect of rising labour-related costs and higher yarn raw material prices has driven up overall labour and manufacturing costs; and

3. **Weak demand and external factors:** Owing to macroeconomic uncertainty, tariff policies and inflationary risks, end-user restocking demand has been subdued and brand clients have adopted a more cautious approach to placing orders. This has led to increased volatility in order demand during the Period, resulting in a decline in the Group's revenue as compared with that of the same period last year, whilst tariff sharing have also had a negative impact.

The Group will continue to closely monitor developments in the global political and economic environment and, with a focus on rapid response, will balance domestic and international production capacity requirements and improve operational efficiency in order to address these developments.

The information contained in this announcement is only based on a preliminary assessment by the Board with reference to the unaudited consolidated financial statements of the Group for the Period currently available which have not been audited or reviewed by the external auditor of the Company nor reviewed by the audit committee of the Company. As the Company is in the process of finalizing the unaudited consolidated financial statements of the Group for the Period, the actual results may be adjusted upon further review, and may be different from the information contained in this announcement. Shareholders and potential investors are advised to refer to the unaudited consolidated results announcement of the Group for the Period, which will be announced on 25 August 2026.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
Shenzhou International Group Holdings Limited
Jianrong Ma
Chairman

Hong Kong, 7 August 2026

As at the date of this announcement, the five executive directors of the Company are Mr. Jianrong Ma, Mr. Guanlin Huang, Mr. Renhe Ma, Mr. Cunbo Wang and Mr. Jijun Hu; and the four independent non-executive directors are Ms. Feirong Wang, Mr. Bingsheng Zhang, Mr. Xinggao Liu and Ms. Chunhong Liu.

** For identification purposes only*