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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

- Revenue increased by approximately 6.4% to approximately RMB11.7 billion
- Gross profit margin increased by approximately 2.6 percentage point to approximately 16.8%
- Net profit increased by approximately 78.9% to approximately RMB829.2 million
- Profit attributable to owners of the Company increased by approximately 94.0% to approximately RMB812.5 million
- Basic earnings per share increased by approximately 93.5% to approximately RMB0.89

CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited	
		Six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
Revenue	*4*	**11,738,522**	11,034,056
Cost of sales	*6*	**(9,761,092)**	(9,468,405)
Gross profit		**1,977,430**	1,565,651
Selling and distribution costs	*6*	**(323,596)**	(303,479)
General and administrative expenses	*6*	**(610,392)**	(606,965)
Net reversal/(accrual) of impairment losses on financial assets		**1,169**	(24,900)
Other income	*5*	**65,997**	130,086
Other losses — net	*5*	**(105,901)**	(99,367)
Operating profit		**1,004,707**	661,026
Finance income	*7*	**32,155**	71,131
Finance costs	*7*	**(55,662)**	(144,953)
Finance costs — net	*7*	**(23,507)**	(73,822)
Share of losses of investments accounted for using the equity method		**(8,576)**	(13,586)
Profit before income tax		**972,624**	573,618
Income tax expense	*8*	**(143,409)**	(110,108)
Profit for the period		**829,215**	463,510
Attributable to:			
Owners of the Company		**812,523**	418,834
Non-controlling interests		**16,692**	44,676
		829,215	463,510
Earnings per share for profit attributable to owners of the Company			
— Basic earnings per share	*9*	**RMB0.89**	RMB0.46
— Diluted earnings per share	*9*	**RMB0.89**	RMB0.46

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Profit for the period	**829,215**	463,510
Other comprehensive income		
Items that may be reclassified to profit or loss		
Share of other comprehensive income of investments accounted for using the equity method	**(3,318)**	1,934
Currency translation differences	**(110,465)**	7,634
Total comprehensive income for the period	**715,432**	473,078
Attributable to:		
Owners of the Company	**701,700**	430,235
Non-controlling interests	**13,732**	42,843
	715,432	473,078

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**Unaudited 30 June 2026** *RMB'000*	Audited 31 December 2025 *RMB'000*
ASSETS			
Non-current assets			
Freehold land		**175,387**	102,393
Property, plant and equipment		**8,413,603**	8,096,197
Investment properties		**257,821**	338,046
Right-of-use assets		**1,067,972**	1,091,666
Intangible assets		**52,603**	54,434
Investments accounted for using the equity method		**344,364**	349,049
Deferred income tax assets		**243,159**	248,847
Financial assets at fair value through profit or loss		**36,843**	38,022
		10,591,752	10,318,654
Current assets			
Inventories	*11*	**5,570,032**	4,744,712
Properties under development		**241,092**	358,545
Trade and bills receivables	*12*	**1,652,995**	1,320,823
Financial assets at fair value through other comprehensive income	*13*	**322,781**	256,891
Prepayments, deposits and other receivables		**644,358**	740,674
Derivative financial instruments	*16*	**28,440**	11,563
Financial assets at fair value through profit or loss		**110,000**	—
Restricted cash		**1,768**	7,735
Cash and cash equivalents		**2,738,475**	2,487,669
		11,309,941	9,928,612
Total assets		**21,901,693**	20,247,266

	Note	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
EQUITY			
Equity attributable to owners of the Company			
Share capital: nominal value		**96,958**	96,958
Share premium		**462,059**	462,059
Other reserves		**798,257**	909,080
Less: treasury shares		**(4,661)**	(3,950)
Retained earnings		**9,581,027**	8,768,504
		10,933,640	10,232,651
Non-controlling interests		**298,614**	290,991
Total equity		**11,232,254**	10,523,642
LIABILITIES			
Non-current liabilities			
Borrowings		**3,365,086**	2,461,009
Lease liabilities		**98,109**	98,045
Employee benefit obligations		**4,033**	3,483
Deferred income tax liabilities		**174,264**	158,030
Deferred grants		**45,660**	—
		3,687,152	2,720,567
Current liabilities			
Trade and bills payables	*14*	**1,170,337**	925,254
Supply chain financing	*15*	**2,287,409**	1,790,133
Contract liabilities		**278,567**	390,256
Accruals and other payables		**786,393**	783,752
Current income tax liabilities		**91,323**	92,424
Borrowings		**2,227,987**	2,920,852
Derivative financial instruments	*16*	**93,230**	54,255
Lease liabilities		**47,041**	46,131
		6,982,287	7,003,057
Total liabilities		**10,669,439**	9,723,624
Total equity and liabilities		**21,901,693**	20,247,266

NOTES:

1. GENERAL INFORMATION

Texhong International Group Limited (the "Company") and its subsidiaries (together, the "Group") are principally engaged in the manufacturing and sales of yarns, grey fabrics, non-woven fabrics and garment fabrics.

The Company was incorporated in the Cayman Islands on 12 July 2004 as an exempted company with limited liability under the Companies Law of Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 9 December 2004.

The interim results set out in this announcement do not constitute the Group's condensed consolidated financial statements for the six months ended 30 June 2026 but are extracted from those financial statements.

These condensed consolidated financial statements are presented in Chinese Renminbi ("RMB"), unless otherwise stated.

These condensed consolidated financial statements have been approved and authorised for issue by the board ("Board") of directors ("Directors") of the Company on 27 August 2026.

These condensed consolidated financial statements are unaudited.

2. BASIS OF PREPARATION

These condensed consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with HKAS 34, 'Interim Financial Reporting', issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). These condensed consolidated financial statements does not include all of the notes normally included in annual consolidated financial statements. Accordingly, these condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2025, which have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants, and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

HKFRS Accounting Standards comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards ("HKFRS"),
- Hong Kong Accounting Standards ("HKAS"),
- Interpretations developed by the HKICPA.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2025.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total earnings.

(a) Amendments to standards adopted by the Group

The following amendments to standards became applicable for the current reporting period. The Group did not have to change its accounting policies as a result of adopting this standard.

Amendments to HKFRS 9 and HKFRS 7 'Amendments to the Classification and Measurement of Financial Instruments', effective for annual periods beginning on or after 1 January 2026.

Amendments to HKFRS 9 and HKFRS 7 'Contracts-referencing nature-dependent electricity', effective for annual periods beginning on or after 1 January 2026.

Annual improvements project 'Annual improvements to HKFRS Accounting Standards-volumes 11', effective for annual periods beginning on or after 1 January 2026.

(b) The following new standards and amendments to standards have been issued but are not effective for the financial year beginning on 1 January 2026 and have not been early adopted by the Group:

HKFRS 18 'Presentation and Disclosure in Financial Statements', effective for annual periods beginning on or after 1 January 2027.

HKFRS 19 'Subsidiaries without Public Accountability: Disclosures', effective for annual periods beginning on or after 1 January 2027.

Amendment to HKAS 21 'Translation to a Hyperinflationary Presentation Currency', effective for annual periods beginning on or after 1 January 2027.

Amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 'Disclosures about Uncertainties in the Financial Statements', effective for annual periods which to be determined.

Amendments to HKFRS 10 and HKAS 28 'Sale or Contribution of Assets between an Investor and its Associate or Joint venture', effective for annual periods which to be determined.

The directors of the Company anticipate that the application of the above new standards, amendments and interpretations will have no material impact on the consolidated financial statements upon adoption, except HKFRS 18, which mainly impacts the presentation of the Group's consolidated statement of comprehensive income and the Group is still in the process of assessing the impact.

4. REVENUE

From a product perspective, management assesses the performance from sales of yarns, grey fabrics, non-woven fabrics and garment fabrics as well as garments.

Analysis of the Group's sales by products is shown as below:

	unaudited	
	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Yarns	**9,688,591**	8,937,557
Garment fabrics and Garments	**1,588,516**	1,857,752
Grey fabrics	**139,749**	137,194
Non-woven fabrics	**116,195**	69,065
Others	**205,471**	32,488
	11,738,522	11,034,056

5. OTHER INCOME AND OTHER LOSSES — NET

	Unaudited	
	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Other income — net		
Subsidy income	**46,539**	107,076
Rental income	**31,718**	36,288
Depreciation of investment properties and rented property, plant and equipment	**(12,260)**	(13,278)
Total other income — net	**65,997**	130,086
Other losses — net		
Derivative financial instruments at fair value through profit or loss:		
— Realised profits	**39,424**	73,163
— Unrealised losses	**(22,098)**	(63,394)
Financial assets at fair value through profit or loss		
— Realised profits	**12,237**	2,770
Foreign exchange losses — net	**(141,315)**	(127,622)
Fees generated from the certain returned assets	**—**	(3,143)
Others	**5,851**	18,859
Total other losses — net	**(105,901)**	(99,367)

6. EXPENSES BY NATURE

The following expenses items have been included in cost of sales, selling and distribution costs and general and administrative expenses in the condensed consolidated income statement.

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Cost of inventories	**7,865,514**	7,492,346
Employment benefit expenses	**1,238,969**	1,253,332
Utilities	**711,463**	741,496
Depreciation and amortisation	**476,641**	474,909
Transportation costs	**189,171**	174,051

7. FINANCE COSTS — NET

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interest expenses		
— Borrowings	**136,583**	177,636
— Lease liabilities	**1,947**	2,843
	138,530	180,479
Net exchange gains on financing activities	**(82,868)**	(35,526)
Finance costs	**55,662**	144,953
Finance income — interest income on bank deposits	**(32,155)**	(71,131)
Finance costs — net	**23,507**	73,822

8. INCOME TAX EXPENSE

	Unaudited	
	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current tax on profits for the period	**121,487**	65,559
Deferred income tax	**21,922**	44,549
	143,409	110,108

(a) Hong Kong profits tax

Subsidiaries established in Hong Kong are subject to profits tax at rate of 16.5% (for the six months ended 30 June 2025: 16.5%).

(b) Mainland China enterprise income tax ("EIT")

Effective from 1 January 2008, the subsidiaries established in Mainland China are required to pay income tax at a rate of 25% in accordance with the Corporate Income Tax Law of the PRC.

As approved by the relevant tax bureau in Mainland China, sixteen subsidiaries of the Company in the PRC obtained High and New Technology Enterprises ("HNTE") status and are entitled to a preferential tax rate of 15% during the period (for the six months ended 30 June 2025: sixteen subsidiaries). The status is subject to a requirement that these subsidiaries reapply for HNTE status every three years.

(c) Vietnam income tax

As approved by the relevant tax bureau in Vietnam, subsidiaries established in Vietnam are entitled to four years' exemption for income taxes followed by nine years of a 50% tax reduction based on the income tax rate of 20% (for the six months ended 30 June 2025: 20%), commencing from the first profitable year after offsetting the losses carried forward from the previous years, and are entitled to a preferential income tax rate of 10% for 15 years, commencing from the first year generating income from the operation.

The applicable tax rates for all subsidiaries in Vietnam range from nil to 20% during the period (for the six months ended 30 June 2025: nil to 20%).

(d) Other income or profits tax

Taxation for other oversea subsidiaries is charged based on the applicable tax rate and the assessable profits under the relevant taxation rulings.

(e) OECD Pillar Two model rules

The Group has operations mainly in Mainland China, Hong Kong, Vietnam and Americas. It is within the scope of the OECD Pillar Two model rules. As of the reporting date, there is no public announcement in Mainland China and Americas. In Hong Kong, the Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 was enacted on 6 June 2025 to implement the Global Anti-Base Erosion ('GloBE') rules, which comprises the income inclusion rule ("IIR") and undertaxed profits rule ("UTPR"), as well as the Hong Kong minimum top-up tax ("HKMTT"). IIR and HKMTT apply to a fiscal year beginning on or after 1 January 2025, while the UTPR will take effect from a date to be specified by the Secretary for Financial Services and the Treasury at a later stage.

Since the Pillar Two legislation was not effective in Mainland China and Americas at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to HKAS 12 issued in July 2023.

Under the legislation, the Group is liable to pay a top-up tax for the difference between the GloBE effective tax rate for each jurisdiction and the 15% minimum rate.

The Group's assessment indicates that for Vietnam the weighted average effective tax rate based on accounting profit is below 15% for the six months ended 30 June 2026. Considering the impact of specific adjustments in the Pillar Two legislation, the Group was exposed to paying Pillar Two income taxes in relation to Vietnam and recognised current income tax expense of RMB19,197,000 for the period in this regard.

For the six months ended 30 June 2026, the top-up tax for Hong Kong and other jurisdictions was deemed to be zero as one of the tests has been met under the transitional Country-by Country Reporting safe harbour.

In addition, based on the current assessment, there is no material impact from exposure to Pillar Two legislation on the going concern assessment or on any asset impairment.

9. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Unaudited Six months ended 30 June	
	2026	2025
Profit attributable to owners of the Company *(RMB'000)*	**812,523**	418,834
Weighted average number of ordinary shares in issue *(thousands)*	**916,882**	918,000
Basic earnings per share *(RMB per share)*	**0.89**	0.46

(b) Diluted

For the six months ended 30 June 2026 and 2025, diluted earnings per share was the same as the basic earnings per share since the Company did not have diluted shares.

10. DIVIDENDS

During the period, no dividend that is related to the year ended 31 December 2025 has been recognized as a liability in these financial statements (2025: RMB83,666,000).

In addition, no interim dividend (2025: nil) was proposed by the Board.

11. INVENTORIES

	Unaudited 30 June 2026	Audited 31 December 2025
	RMB'000	*RMB'000*
Raw materials	**3,931,334**	2,961,638
Work-in-progress	**321,226**	307,349
Finished goods	**1,601,067**	1,785,526
	5,853,627	5,054,513
Less: provision for write-down of inventories to net realisable value	**(283,595)**	(309,801)
	5,570,032	4,744,712

12. TRADE AND BILLS RECEIVABLES

	Unaudited 30 June 2026	Audited 31 December 2025
	RMB'000	*RMB'000*
Trade receivables	**1,238,670**	1,006,826
Bills receivable	**523,303**	423,604
	1,761,973	1,430,430
Less: provision for impairment	**(108,978)**	(109,607)
	1,652,995	1,320,823

As at 30 June 2026, included in the trade receivables were amounts due from related parties of RMB25,536,000 (31 December 2025: RMB28,296,000).

Due to the short-term nature of the trade and bills receivables, their carrying amount is considered to be the same as their fair value.

The Group generally grants credit terms of less than 90 days to its customers in Mainland China and 120 days to its customers in other countries and regions. The ageing analysis of the trade and bills receivables (including amounts due from related parties of trading in nature) based on invoice date is as follows:

	Unaudited 30 June 2026 *RMB'000*	Audited 31 December 2025 *RMB'000*
Within 30 days	**917,805**	732,721
31 to 90 days	**624,855**	537,235
91 to 180 days	**119,214**	59,122
181 days to 1 year	**2,673**	8,202
Over 1 year	**97,426**	93,150
	1,761,973	1,430,430
Less: provision for impairment	**(108,978)**	(109,607)
Trade and bills receivables — net	**1,652,995**	1,320,823

There is no concentration of credit risk with respect to trade and bills receivables, as the Group has a large number of customers.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Unaudited 30 June 2026 *RMB'000*	Audited 31 December 2025 *RMB'000*
Current — bills receivables	**322,781**	256,891

Bills receivables held both by collecting contractual cash flows and selling of these assets are classified as financial assets at fair value through other comprehensive income.

14. TRADE AND BILLS PAYABLES

	Unaudited 30 June 2026 *RMB'000*	Audited 31 December 2025 *RMB'000*
Trade payables	**988,826**	718,457
Bills payable	**181,511**	206,797
	1,170,337	925,254

As at 30 June 2026, included in the trade payables were amounts due to related parties of RMB56,648,000 (31 December 2025: RMB37,071,000).

Due to the short-term nature of the trade and bills payables, their carrying amount is considered to be the same as their fair value.

The ageing analysis of the trade and bills payables (including amounts due to related parties of trading in nature) based on invoice date is as follows:

	Unaudited 30 June 2026 *RMB'000*	Audited 31 December 2025 *RMB'000*
Within 90 days	**1,065,208**	808,525
91 to 180 days	**56,380**	76,561
181 days to 1 year	**41,384**	30,153
Over 1 year	**7,365**	10,015
	1,170,337	925,254

15. SUPPLY CHAIN FINANCING

	Unaudited 30 June 2026 *RMB'000*	Audited 31 December 2025 *RMB'000*
Current		
Guaranteed *(Note (a))*	**2,287,409**	1,740,133
Unguaranteed	**—**	50,000
	2,287,409	1,790,133

Note:

(a) As at 30 June 2026, supply chain financing of RMB2,287,409,000 (31 December 2025: RMB1,740,133,000) were guaranteed by certain subsidiaries of the Group.

The carrying amounts of the supply chain financing are denominated in RMB, USD and EUR.

At 30 June 2026, the Group's supply chain financing was repayable within 1 year.

16. DERIVATIVE FINANCIAL INSTRUMENTS

	Unaudited 30 June 2026 *RMB'000*	Audited 31 December 2025 *RMB'000*
Assets:		
Forward foreign exchange contracts *(Note (a))*	**8,201**	6,036
Cotton option contracts *(Note (c))*	**19,831**	3,926
Cotton future contracts *(Note (d))*	**408**	1,601
	28,440	11,563
Liabilities:		
Cross currency swap contracts *(Note (b))*	**53,594**	32,680
Forward foreign exchange contracts *(Note (a))*	**8,409**	4,891
Cotton option contracts *(Note (c))*	**31,080**	16,684
Cotton future contracts *(Note (d))*	**147**	—
	93,230	54,255

Non-hedging derivatives are classified as current assets or liabilities.

Notes:

(a) The forward foreign exchange contracts as at 30 June 2026 comprised thirty-seven contracts with notional principal amounts totaling RMB781,731,000 (31 December 2025: fifty-eight contracts with notional principal amounts totaling RMB1,478,785,000).

(b) The cross currency swap contracts as at 30 June 2026 comprised four contracts with notional principal amounts totaling RMB818,951,000 (31 December 2025: four contracts with notional principal amounts totaling RMB809,517,000).

(c) The cotton option contract as at 30 June 2026 comprised seventy-eight contracts with notional principal amount totaling USD11,286,000 (31 December 2025: seventeen contracts with notional principal amounts totaling USD3,476,000).

(d) The cotton future contract as at 30 June 2026 comprised three contracts with notional principal amounts totaling RMB23,782,000 (31 December 2025: one contract with notional principal amount totaling USD5,174,000).

OVERVIEW

The Group is pleased to report to the shareholders of the Company its interim results for the six months ended 30 June 2026.

In the first half of 2026, the international political and economic landscape underwent profound adjustments. Geopolitical conflicts and trade friction between major powers continued to escalate, accelerating the regionalization and localization of global supply chains amid multiple challenges, making the overall operating environment increasingly complex.

During the Review Period, the spillover effects triggered by the ongoing conflicts in regions such as Russia and Ukraine, and the Middle East, disrupted key maritime routes and drove freight rate volatility, severely impacting global supply chain stability. Concurrently, uncertainties regarding trade policies and tariff barriers remained key variables affecting the global trade order. Amid turbulence in international markets, the global manufacturing sector's "front-loading" and advanced inventory replenishment reached a cyclical peak in the first half of 2026, significantly altering the short-term dynamics of international trade. Supply chains also gradually diverged from the integrated model of the past, giving rise to a multi-center capacity structure that is expanding into emerging markets such as Southeast Asia and the Americas.

Regarding monetary policy, there has been a marked divergence between central bank policies and expectations of interest rate cuts. The People's Bank of China maintained a prudent yet accommodative monetary policy stance, flexibly employing structural monetary policy tools to offer targeted support for the real economy and manufacturing upgrades. Conversely, major economies such as Europe and the United States faced persistent high core inflation and commodity prices that remain volatile at elevated levels caused by geopolitical tensions. This stalled interest rate reductions not only constrained global private capital liquidity, but also hampered a substantive rebound in end-market consumer confidence.

Against this backdrop, the global textile industry marked distinct structural optimization and polarization.

From an overall end-market perspective, due to elevated living costs and weak consumer sentiment, mass-market fast-fashion and non-essential categories faced the dual challenges of sluggish end-market demand and slow inventory de-stocking. In contrast, demand for premium, functional and eco-friendly textiles has bucked the trend, driven by consumers becoming more rational and value-oriented in their purchasing decisions.

From the manufacturing perspective, the inventory structure of the global textile industry also exhibited distinct polarization, with the overall supply chain presenting a "light upstream, heavy downstream" pattern. While downstream brands and retailers remained in the final stages of clearing persistent and accumulated inventories, upstream sectors such as yarn manufacturing consistently maintained an operational state characterized by low inventory and high turnover.

In the domestic market, in response to uncertainties in external market, the government enhanced counter-cyclical efforts, implemented targeted fiscal policies, and introduced various measures to stimulate consumption and boost incomes. These measures served as the primary drivers of investment growth in the textile manufacturing sector and the recovery in domestic demand during the Review Period. At the same time, policy guidance actively discouraged and prevented destructive competition within the industry, while accelerating the phasing out of obsolete capacity. Additionally, polarization within the industry worsened, with a growing divergence between sales volume and pricing. While upstream sectors benefited from export growth in certain intermediate products, costs remained high due to rising prices of key raw materials such as cotton; the downstream garment and fabric sectors, meanwhile, were weighed down by weak end-market demand, putting downward pressure on average selling prices.

Regarding overseas markets, while major economies maintained a modest recovery, growth momentum remained sluggish. Core export markets such as Europe and the United States have been accelerating their transition from the former "volume and scale expansion" model to one driven by "value and efficiency", making strategically agile supply chain layouts and highly flexible localized services the new key competitive edge.

Despite macroeconomic volatility, the Group demonstrated exceptional resilience against external risks, backed by outstanding strategy execution and a balanced global manufacturing footprint. During the Review Period, the Group proactively leveraged its production matrix across China, Vietnam, Europe, and the Americas to fully exploit the advantages of "nearshore supply" and diversified overseas capacity for alternative sourcing options. This not only effectively mitigated geopolitical and trade barrier risks, but also successfully secured business orders from core overseas clients. At the same time, the Group further deepened its internal digital transformation and automation upgrades, rigorously enforced cost control and energy saving measures, and maintained efficient and stable production capacity utilization, laying a solid foundation for strengthening overall profitability and realizing dual-synergistic strategic transformation.

Demand in the textile market remained solid in the first half of 2026. Thus, the Group maintained a healthy order book, achieving growth in both product sales volume and capacity utilization rate compared with the first half of 2025, alongside a notable increase in gross profit. Additionally, benefiting from the continuous optimization of the Group's asset-liability structure, finance costs for the first half of 2026 decreased significantly.

As such, the Group's sales revenue rose by approximately 6.4% from approximately RMB11.0 billion for the corresponding period of last year to approximately RMB11.7 billion. The overall gross profit margin increased from approximately 14.2% for the corresponding period of last year to approximately 16.8% for the Review Period. Net profit increased by approximately 78.9% from approximately RMB463.5 million for the corresponding period of last year to approximately RMB829.2 million for the Review Period. Profit attributable to the owners of the Company surged by approximately 94.0% from approximately RMB418.8 million for the corresponding period of last year to approximately RMB812.5 million for the Review Period. Basic earnings per share sharply rose by approximately 93.5% from approximately RMB0.46 for the corresponding period of last year to approximately RMB0.89 for the Review Period. During the Review Period, the Group's current assets increased moderately. It was mainly because inventory was at a relatively low level at the end of last year, while the inventory level was reasonably raised during the Review Period to align with order deliveries and optimize supply chain security, leading to a corresponding change in the scale of current assets. The Group's gearing ratio as at 30 June 2026 stood at 49%, compared with 48% at the end of last year.

INDUSTRY REVIEW

According to data from the National Bureau of Statistics of the People's Republic of China, between January and June 2026, large enterprises in the textile industry recorded an aggregate revenue of approximately RMB1,059.5 billion, representing a year-on-year increase of approximately 2.6%, with net profit of approximately RMB28.8 billion, representing a year-on-year increase of approximately 16.6%. Large garment and apparel enterprises recorded revenue of approximately RMB477.1 billion, representing a year-on-year decrease of approximately 2.8%, with net profit of approximately RMB12.2 billion, representing a year-on-year decrease of approximately 28.0%. In terms of production volume, between January and June 2026, yarn production amounted to approximately 10.8 million tonnes, representing a year-on-year increase of approximately 2.4%; fabric production amounted to approximately 14.5 billion metres, up by approximately 3.0% year-on-year; synthetic fiber production amounted to approximately 42.0 million tonnes, representing a year-on-year increase of approximately 1.6%.

According to statistics from the General Administration of Customs of the PRC, between January and June 2026, the aggregate export value of textile apparel was approximately US$146.0 billion, representing a year-on-year increase of approximately 1.4%. Among these exports, textile exports amounted to approximately US$73.0 billion, representing a year-on-year increase of approximately 3.5%, while garment exports amounted to approximately US$73.0 billion, down by approximately 0.7% year-on-year.

According to statistics from the General Department of Vietnam Customs, between January and June 2026, the export volume of yarns manufactured in Vietnam increased by approximately 2.4% to approximately 952,000 tonnes, with an increase of approximately 10.3% in revenue to approximately US$2.3 billion. Also, the revenue of textiles and garments exports increased by approximately 0.9% to approximately US$18.9 billion.

BUSINESS REVIEW

The Group's revenue is mainly derived from the sale of yarns, grey fabrics and garment fabrics. During the Review Period, total revenue was approximately RMB11.7 billion, representing growth of approximately 6.4% compared with the corresponding period of last year. Yarn sales remained the Group's primary source of revenue, accounting for approximately 79.6% of total revenue, amounting to approximately RMB9.3 billion and representing a year-on-year growth of approximately 8.4%. The growth was mainly attributable to the year-on-year increase in sales volume and average selling price.

During the first half of 2026, the global yarn and textile product market demonstrated resilience amid a complex and fragmented operating environment, maintaining overall mild growth. Impacted by the macroeconomic slowdown and inflationary pressures, end-market apparel demand became more cautious, exhibiting significant structural divergence. At the same time, the industry faced external challenges, including raw material price volatility, geopolitical risks, and technological shifts. Supported by its well-developed supply chain ecosystems, the Asia-Pacific region solidified its position as the world's largest yarn production and supply hub, with China serving as the core engine for the regional and global textile industry, backed by sustained momentum for industrial upgrading.

Yarn operation

For yarns, cotton yarns remained the preferred choice among global consumers for yarns due to its natural comfort and eco-friendly attributes, and continued to dominate core traditional application areas such as apparel and home textiles. On the other hand, the price war for homogenized categories, such as low-count yarns and carded yarns, intensified fiercely. Small and medium-sized manufacturers were deeply mired in the dual pressures of capacity shakeouts and margin compression. Meanwhile, as the global athleisure trend persisted, market demand for functional apparel surged. Functional filaments and high-performance yarns closely aligned with the global consumer trends of "light outdoor wear, high-warmth sportswear, and urban social apparel". Facing a shortage of supply, these categories have emerged as the core engine driving the industry's profit growth.

During the Review Period, the Group expanded its global market share through its flexible multi-regional production capacity. Simultaneously, by keeping pace with consumption trends, the Group increased its R&D investment and optimized its product mix, leading the production of green and functional yarn products that meet high-growth demand in order to capture emerging market opportunities. Consequently, yarn sales volume increased by approximately 7.7% compared with the corresponding period of last year to approximately 415,000 tonnes, while the average selling price rose by approximately 0.7% compared with the corresponding period of last year.

The order volume and capacity utilization rate for the Group's yarn business (particularly at its overseas facilities) also increased year-on-year. Together with a flexible raw material procurement strategy, the average gross profit margin for yarns improved significantly from 13.9% in the corresponding period of last year to 17.3%.

Woven garment fabric operation

The production and sales markets for the Group's woven garment fabrics are primarily concentrated overseas. During the Review Period, overseas customers adopted conservative procurement and inventory management strategies. This trend, compounded by fluctuations in upstream raw material prices, stringent bargaining power of downstream apparel brands and price competition intensifying across the sector, exerted pressure on the overall selling prices of fabric products. Nevertheless, by leveraging its overseas production capacities to provide localized services, the Group responded swiftly to changes in demand in its core markets, effectively cushioning the impact of the sectoral downturn. The Group has been cultivating core and emerging markets, expanding diverse customer channels, in order to explore the potential in incremental markets. As a result of these combined factors, sales volume of woven garment fabrics decreased by approximately 5.3% to approximately 48.3 million metres, compared with approximately 51.0 million metres for the corresponding period of last year, and the average selling price fell by approximately 10.9% compared with the corresponding period of last year, resulting in a decline in sales revenue of approximately 15.7% to approximately RMB985.1 million.

Impacted by geopolitical factors and supply-side constraints, the prices of key raw materials around the world, such as cotton, reversed their low-level fluctuations from 2025 and shifted toward a volatile upward trend, driving up production costs. Coupled with inherently longer order cycles, selling prices for major orders delivered during the Review Period had already been locked in advance, resulting in a time lag relative to the rise in raw material costs. Moreover, the decline in selling prices offset the benefits derived from enhanced capacity utilization, internal energy-saving and consumption-reduction initiatives. The Group continues to optimize its product portfolio matrix, focusing on developing differentiated fabric products aligned with fashion trends to enhance market competitiveness. As a result of these combined factors, the gross profit margin of woven garment fabrics decreased from 23.5% for the corresponding period of last year to 21.7%.

Knitted garment fabric operation

The Group's knitted fabric business mainly serves the Mainland China market. During the Review Period, intensified competition in the domestic market, combined with the impact of proactive order structure optimization by the Group, caused the sales volume of knitted garment fabrics to fall from approximately 3,800 tonnes for the corresponding period of last year to approximately 2,600 tonnes. Sales revenue also decreased by 33.8% from approximately RMB185.9 million for the corresponding period of last year to approximately RMB123.2 million. The Group has been actively restructuring the segment's organizational structure, optimizing its product portfolio and deepening cooperation with brand clients, so as to increase the proportion of high-margin orders, thereby improving profitability. Coupled with the baseline effect of the impairment provision for the relevant fixed assets made in the corresponding period of last year, the gross profit margin for knitted garment fabrics successfully turned around from −4.2% in the corresponding period of last year to 9.8%.

Trading operation

Trading operations mainly comprise the trading of yarns, fabrics, and garments, with a focus on denim fabrics and apparel for the United States market. The Group engaged in the trading of cotton and yarns in a timely manner in line with market conditions, contributing to a slight increase of 0.3% in the business segment revenue for the Review Period to approximately RMB821.2 million. Due to changes in the sales mix, the gross profit margin decreased slightly from 10.3% for the corresponding period of last year to 9.9%.

Non-woven fabric operation

In recent years, escalating global inflation, rising living costs, and cautious consumer spending on non-essential items have put short-term pressure on the non-woven fabric business. From another perspective, driven by increasingly stringent global environmental policies, the market demand for biodegradable non-woven fabrics experienced explosive growth in 2026, with overseas buyers listing "green compliance" as a core admission criterion in their procurement processes.

The Group has continuously optimized its product structure and effectively enhanced the value added to products by expanding downstream processing capacity. Concurrently, leveraging green and eco-friendly products as a core breakthrough point, the Group has actively explored diversified overseas markets to tap into opportunities arising from overseas capacity as alternative sourcing options. It has also accelerated strategic cooperation with renowned multinational customers in the industry, successfully broadening its customer base and securing new orders. During the Review Period, sales revenue from non-woven fabrics increased to approximately RMB116.2 million from approximately RMB69.1 million for the corresponding period of last year.

Meanwhile, during the Review Period, the Group implemented a revitalization strategy for the idle assets of this business segment. Standard industrial plants were constructed and then leased out on certain idle land, effectively revitalizing non-performing assets and further significantly improving overall asset utilization.

The operation data of the Group's products for the Review Period as compared with the corresponding period of last year is set out below:

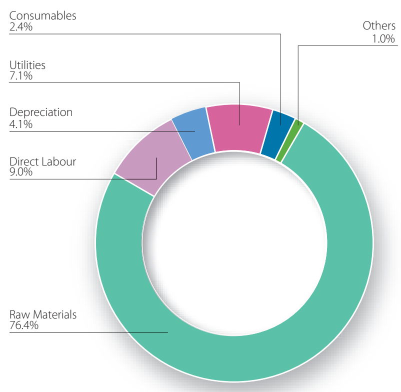
	Revenue from January to June 2026 *RMB'000*	Revenue from January to June 2025 *RMB'000*	Revenue change
Yarns	**9,347,634**	8,622,192	8.4%
Grey fabrics	**139,749**	137,194	1.9%
Woven garment fabrics	**985,114**	1,168,704	−15.7%
Knitted garment fabrics	**123,165**	185,926	−33.8%
Trading	**821,194**	818,487	0.3%
Non-woven fabrics	**116,195**	69,065	68.2%
Others	**205,471**	32,488	532.5%
Total	**11,738,522**	11,034,056	6.4%

	Sales volume		**Selling price**		**Gross profit margin**	
	January to June 2026	January to June 2025	**January to June 2026**	January to June 2025	**January to June 2026**	January to June 2025
Yarns (Tonne/RMB per tonne)	**414,926**	385,437	**22,528**	22,370	**17.3%**	13.9%
Grey fabrics (Million metres/ RMB per metre)	**22.6**	19.9	**6.2**	6.9	**21.2%**	11.1%
Woven garment fabrics (Million metres/RMB per metre)	**48.3**	51.0	**20.4**	22.9	**21.7%**	23.5%
Knitted garment fabrics (Tonne/RMB per tonne)	**2,575**	3,840	**47,831**	48,418	**9.8%**	−4.2%
Non-woven fabrics (Tonne/ RMB per tonne)	**4,938**	2,853	**23,531**	24,208	**6.9%**	−21.2%

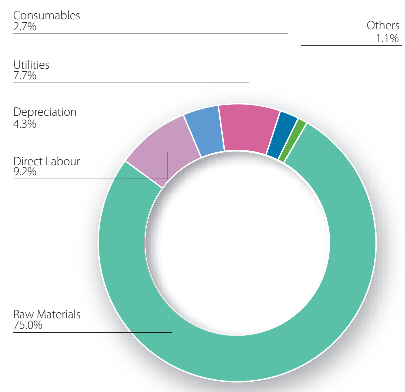
The Group's overall gross profit margin increased from approximately 14.2% for the six months ended 30 June 2025 to approximately 16.8% for the six months ended 30 June 2026. During the Review Period, market demand for textile products remained steady. The Group's yarn business had sufficient orders, and both yarn's sales volume and capacity utilization rate increased compared to the corresponding period of last year, thereby contributing to a notable improvement in Group's gross profit margin.

The Group's cost of sales amounted to approximately RMB9,761.1 million during the Review Period. The cost of raw materials accounted for approximately 76.4% of the total cost of sales for the six months ended 30 June 2026.

The breakdown of the Group's cost of sales for the six months ended 30 June 2026 as compared with the cost of sales for the six months ended 30 June 2025 is shown below:



January to June 2026



January to June 2025

The Group will continue to implement its established corporate strategies, optimize its existing product mix and develop new products that address market trends and needs. In addition, the Group will also enhance the level of vertical integration among its various business segments to further improve its financial performance.

Currently, the domestic and overseas apparel consumption markets are undergoing a structural upgrade, with end-markets continuously iterating their demands for fabrics. While retaining the texture of natural materials, consumers increasingly value practical attributes such as comfort, skin-friendliness, wrinkle resistance, and easy care, thereby raising expectations for ingredient diversification and multi-scenario adaptability. Fully focusing on industry pain points, the Group has launched the "tex-wool" multi-component wool yarn series through cotton-blending innovation and technological upgrades. While preserving wool's core natural advantages of loftiness and warm touch, this series flexibly combines wool with various fibers such as polyester, viscose, lyocell, diacetate, nylon, and spandex. This significantly enhances the comfort, wrinkle resistance, and easy-care performance of the yarn, effectively addressing traditional industry shortcomings such as rigid specifications, single-component structures, and high care requirements, while endowing fabrics with excellent fluffiness, softness, and crisp drape, rendering the products widely applicable to multiple categories including knitted garment fabrics and woven garment fabrics.

Asia and the Americas markets continue to be the Group's major markets. In the first half of 2026, the revenue from external customers in Asia and the Americas accounted for approximately 90.4% and approximately 9.1% of the Group's total revenue respectively, compared with approximately 89.7% and approximately 9.8% respectively for the corresponding period of last year. The Group's ten largest customers accounted for approximately 14.0% of its total revenue for the six months ended 30 June 2026.

PROSPECTS

As of 30 June 2026, the Group's major production facilities comprised a total of approximately 4.37 million spindles, of which 2.48 million were located in China and 1.89 million were located overseas (mainly in Vietnam), as well as over 1,700 weaving and knitting machines and corresponding dyeing and finishing equipment. During the Review Period, the Group achieved a moderate increase in its overseas yarn production capacity. This initiative was primarily aimed at revitalizing the idle assets of the Vietnam production base and further optimizing overall asset utilization. During the Review Period, the Group successfully completed the supplementary installation and commissioning of yarn production equipment at the Vietnam production base.

Looking ahead to the second half of 2026, with the escalation of trade restrictions on China by Europe and the United States, the global textile supply chain will continue to accelerate its transition toward "regionalization" and "nearshoring", with industry peers actively establishing capacity networks across emerging markets such as Southeast Asia, Africa, and Latin America. The Group established a multi-regional production capacity matrix across China, Vietnam, Europe, and the Americas at an early stage, demonstrating a high degree of strategic flexibility. Building on this foundation, the Group will continue to seize the opportunities arising from supply chain restructuring, flexibly allocate production capacity across regions, thereby mitigating tariff and policy risks, and striving to further expand its market share.

With the full implementation of stringent regulations such as the EU Carbon Border Adjustment Mechanism (CBAM) and the Corporate Sustainability Due Diligence Directive (CSDDD), low-carbon operations, labor compliance, and disclosure of product carbon footprints have become prerequisites for entering international markets. Viewing this as an opportunity for upgrading, the Group will deepen its green transition, expand application of eco-friendly fabrics such as recycled fibers, implement low-carbon manufacturing processes, and accelerate construction of a recycling ecosystem for textile waste, thereby securing international premium customers through its leading environmental standards.

The Group remains committed to formulating tailored strategies to meet the distinct demands of domestic and overseas markets. For the domestic market, the Group will capitalize on policy benefits stemming from consumption-boosting initiatives and industry regulation. The Group will deepen its focus on high value-added products with technological barriers, so as to consolidate its core competitiveness.

For the overseas markets, the overall recovery momentum remains uneven, but demand for premium, functional, and sustainable textiles remain strong. To capture the "value-driven" structural transformation, the Group will focus on a deep collaboration model with strategic customers and localized services, strategically positioning itself in the functional and smart textile sectors.

To ensure the successful achievement of annual targets, the Group will comprehensively advance digital cost reduction and efficiency enhancement, deepen application of digital technologies in production and logistics supply chain management, practice precise cost control, and maintain industry-leading product quality. Meanwhile, the Group will focus on optimizing asset allocation while adhering to prudent financial management principle. By decisively restructuring inefficient assets and divesting low-profitability business segments, the Group will concentrate resources on strengthening its core business advantages. Furthermore, the Group will proactively expand its market footprint, driving dual synergies between internal optimization and external expansion.

Based on current market conditions, excluding the trading operation, the Group expects to sell approximately 430,000 tonnes of yarns, 50 million metres of woven fabrics, and 2,500 tonnes of knitted fabrics in the second half of 2026.

In the face of a complex and ever-changing macro environment, the Group has formulated a clear strategy and will flexibly deploy its global resources and multi-regional production capacity to turn external challenges into growth opportunities, and to create long-term and stable returns for shareholders.

SUBSEQUENT EVENTS AFTER THE REVIEW PERIOD

On 24 July 2026, Shanghai Hongguang Yinyu New Energy Technology Co., Ltd.（上海虹光銀宇新能源科技有限公司）, an indirect wholly-owned subsidiary of the Company, （for itself and on behalf of other members of the Group, and collectively the "Contracting Members"） and Shanghai Hongyun Engineering Construction Co., Ltd（上海虹雲工程建設有限公司）, a company established in the PRC with limited liability and a connected person of the Company, (for itself and on behalf of its affiliates, and collectively the "Service Provider Entities"） entered into an agreement for the provision of customised supply chain management consulting and agency services in relation to photovoltaic and/or energy storage projects by the Service Provider Entities to the Contracting Members at a maximum aggregate consideration of RMB60 million.

For further details, please refer to the announcement of the Company dated 24 July 2026.

FINANCIAL REVIEW

Liquidity and financial resources

As at 30 June 2026, the Group's bank and cash balances (including restricted cash) amounted to approximately RMB2,740.2 million (as at 31 December 2025: RMB2,495.4 million). The increase in bank and cash balances was primarily due to the decrease in cash outflow of financing activities during the Review Period.

As at 30 June 2026, the Group's inventories increased by approximately RMB825.3 million to approximately RMB5,570.0 million (as at 31 December 2025: RMB4,744.7 million), and trade and bills receivables (including financial assets at fair value through other comprehensive income) increased by approximately RMB398.1 million to approximately RMB1,975.8 million (as at 31 December 2025: RMB1,577.7 million). The inventory turnover days and trade and bills receivables turnover days were approximately 95 days and 27 days for the Review Period respectively, as compared with approximately 85 days and 27 days for the year ended 31 December 2025, respectively. The increase in inventory turnover days was primarily due to the Group's adoption of a flexible procurement strategy, which led to an increase in overseas raw material procurement during the Review Period. The trade and bills receivables turnover days for the Review Period were the same as those in the corresponding period of last year.

As at 30 June 2026, the trade and bills payables of the Group (including supply chain financing) increased by approximately RMB742.4 million to approximately RMB3,457.7 million (as at 31 December 2025: RMB2,715.4 million), the trade and bills payables turnover days were approximately 57 days, as compared with approximately 53 days for the year ended 31 December 2025. The increase in trade and bills payables and their turnover days was mainly due to the increase in the balance of the amount of letter of credit payable at the end of June 2026 due to the increase in the Group's procurement of raw materials overseas during the Review Period.

As at 30 June 2026, the Group's borrowings increased by approximately RMB211.2 million to approximately RMB5,593.1 million (as at 31 December 2025: RMB5,381.9 million), which was mainly due to the Group's optimization of its liability structure by increasing long-term borrowings. Such borrowings were denominated in the following currencies: approximately RMB3,330.7 million in RMB, approximately RMB1,271.0 million in Hong Kong dollars (“HK$” or “HKD”), approximately RMB984.9 million in U.S. dollars (“US$” or “USD”) and approximately RMB6.4 million in Vietnamese dong (“VND”).

As at 30 June 2026 and 31 December 2025, the Group's key financial ratios were as follows:

	As at 30 June 2026	As at 31 December 2025
Current ratio	**1.62**	1.42
Debt to equity ratio[1]	**0.51**	0.53
Net debt to equity ratio[2]	**0.26**	0.28
Gearing ratio[3]	**0.49**	0.48

1 Based on total borrowings over total equity attributable to owners of the Company

2 Based on total borrowings net of cash and cash equivalents and restricted cash over total equity attributable to owners of the Company

3 Based on total liabilities over total assets

Foreign exchange risk

The Group mainly operates in the PRC and Vietnam. Most of the Group's transactions, assets and liabilities are denominated in RMB, USD and HKD. Foreign exchange risk may arise from future commercial transactions, recognized assets and liabilities and net investments in relation to foreign operations. The Group's exposure to foreign exchange risk is mainly attributable to its bank borrowings and payments for raw material procurement denominated in USD and HKD. The Group manages its foreign exchange risks by performing regular reviews and closely monitoring its foreign exchange exposures.

To mitigate the depreciation risk of RMB, the Group has entered into certain amount of forward foreign exchange contracts and cross currency swap contracts so that a significant part of its foreign currency exposure is hedged.

Capital expenditure

For the six months ended 30 June 2026, the capital expenditure of the Group amounted to approximately RMB843.6 million (for the six months ended 30 June 2025: RMB340.0 million). This was mainly related to equipment upgrades and renovations at factories in Mainland China and overseas as well as the construction of new production capacity in Vietnam during the Review Period.

Charges on assets

As at 30 June 2026, the Group had no charges on assets (as at 31 December 2025: nil).

Contingent liabilities

As at 30 June 2026, the Group had no material contingent liabilities (as at 31 December 2025: nil).

Human resources

As at 30 June 2026, the Group had a total workforce of 25,125 employees (as at 31 December 2025: 24,656), of whom 11,760 were female employees, accounting for 46.8% of the total number of employees. During the Review Period, the Group's total staff costs was approximately RMB1,239.0 million (for the six months ended 30 June 2025: approximately RMB1,253.3 million).

The Group will continue to optimize its human resources structure and offer a competitive remuneration package to its employees making reference to factors including the prevailing market conditions and the performance of the Group and the merits of the employees regardless of their gender, race, age or religion. As the Group's success is dependent on the contribution of a group of skillful and motivated employees who form functional departments, the Group is committed to creating a learning and sharing culture in the organization, placing strong emphasis on the training and development of individual staff and team building.

Dividend

The Company has adopted a dividend policy to enable shareholders to participate in the Company's profit and allow the Company to retain adequate reserves for future growth. Through the sustainable dividend policy, the Board endeavours to strike a balance between meeting shareholders' expectations and maintaining prudent capital management.

During the Review Period, the Group demonstrated robust operating performance and maintained a healthy cash flow. However, to effectively address the uncertainties in the international trade environment, the Group intends to further reduce its debt levels in order to lower operational risk while also reducing its financing costs, thereby enhancing profitability. Accordingly, the Board resolved not to declare any interim dividend in respect of the six months ended 30 June 2026.

Significant investments held, material acquisitions and disposals and other significant transactions

Please refer to the section headed "Contractual Arrangements entered into by the Group" of this interim results announcement for details of the contractual arrangement(s) entered into by the Group during the Review Period.

Save as disclosed above and elsewhere in this interim results announcement, during the Review Period, there were no significant investments held, no material acquisitions or disposal of subsidiaries, associates and joint ventures, nor were there any other significant transactions.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company believes that in addition to the sustained increase of earnings per share and the intrinsic value per share, the repurchase of the Company's shares at the appropriate timing could also be an important metric to enhance long-term value of the shareholders of the Company.

At the annual general meeting on 23 May 2025 ("2025 AGM"), the Company's shareholders granted a general mandate to the Directors to repurchase shares of the Company (the "2025 Repurchase Mandate"), pursuant to which the Company is allowed to repurchase up to 10% of the total number of issued shares of the Company (excluding treasury shares, if any) as at the date of 2025 AGM for the period up to the conclusion of the next annual general meeting of the Company. At the annual general meeting on 22 May 2026 ("2026 AGM"), the Company's shareholders granted a general mandate to the Directors to repurchase shares of the Company (the "2026 Repurchase Mandate"), pursuant to which the Company is allowed to repurchase up to 10% of the total number of issued shares of the Company (excluding treasury shares, if any) as at the date of 2026 AGM for the period up to the conclusion of the next annual general meeting of the Company.

During the Review Period, the Company repurchased under the 2025 Repurchase Mandate and the 2026 Repurchase Mandate a total of 166,500 Shares on the Stock Exchange, representing approximately 0.0181% of the total issued shares of the Company (including treasury shares) (i.e. 918,000,000 shares) as at 30 June 2026, with the aggregate price paid amounting to approximately HK$796,785 which was paid out from the Company's reserves. All Shares repurchased during the Review Period were held as treasury shares, which may be resold on the market at market prices to raise funds for the Company, or transferred or used for other purposes, subject to compliance with the articles of association of the Company, the applicable laws of the Cayman Islands and the Listing Rules. During the Review Period, no treasury shares were resold. As at 30 June 2026, there were 1,123,000 Shares held by the Company in treasury.

The share repurchases reflected the Company's solid financial position and the Board's strong confidence in the Company's future business prospects. The Directors believed that the share repurchases were in the best interest of the Company and the shareholders as a whole.

Details of the shares of the Company repurchased on the Stock Exchange during the Review Period are as follows:

Month	Number of the Shares repurchased	Purchase price paid per Share Highest *(HK$)*	Purchase price paid per Share Lowest *(HK$)*	Aggregate price paid *(HK$)*
January 2026	**166,500**	**4.81**	**4.74**	**796,785**
Total	**166,500**	**4.81**	**4.74**	**796,785**

Save as disclosed above, there was no purchase, sale or redemption of the Company's listed securities (including sale of treasury shares) by the Company or its subsidiaries during the six months ended 30 June 2026.

CONTRACTUAL ARRANGEMENTS ENTERED BY THE GROUP

On 2 April 2026, a wholly-owned subsidiary of the Company, Haiha Energy Vietnam Company Limited (海河能源越南有限公司) (the "Project Company"), Haihe Industrial Park Holdings Limited (海河工業園控股有限公司), Haihe International Investment Limited (海河國際投資有限公司) and HaiHa Industrial Park Vietnam Limited (海河工業園區越南有限公司) ("Haiha Industrial Park VN") entered into a framework agreement (the "Framework Agreement", and the contractual arrangements contemplated under the Framework Agreement, the "Contractual Arrangements") to implement the restructuring of the shareholding of the Project Company (the "Restructuring") and its assets, rights, obligations and interests (collectively, the "Owned Assets") (including a cogeneration thermal power project (the "50MW Project")) and to establish the Contractual Arrangements on the terms and conditions set out therein. Such had been entered into in order for Haiha Industrial Park VN to make the applications for certain regulatory procedures so that the Group can implement the 50MW Project.

Aside from terms as to Restructuring, to ensure that the Group is able to maintain control over the Project Company, the Owned Assets and the successor entity of the Project Company to be incorporated pursuant to the Restructuring during the relevant period under the Contractual Arrangement, certain measures (including undertakings provided by certain of the counterparties) have been implemented pursuant to the Framework Agreement.

For further details, please refer to the announcement of the Company dated 2 April 2026.

CORPORATE GOVERNANCE

The Group is committed to maintaining high level of corporate governance with an emphasis of the principles of transparency, accountability and independence. The Board believes that good corporate governance is essential to the success of the Group and the enhancement of shareholders' value.

During the Review Period, the Company had complied with all the code provisions of the CG Code set out in the Listing Rules.

CHANGES OF INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Mr. Shu Wa Tung, Laurence, an independent non-executive Director, (1) resigned as an independent non-executive director of Twintek Investment Holdings Limited (a company listed on the Stock Exchange, stock code: 6182) with effect from 5 January 2026; and (2) resigned as an executive director and the chief financial officer of ContiOcean Environment Tech Group Co., Ltd (a company listed on the Stock Exchange, stock code: 2613) with effect from 1 June 2026.

Save as disclosed above, there was no other information required to be disclosed by the Company pursuant to Rule 13.51B(1) of the Listing Rules for the Review Period (and up to the date of this interim results announcement).

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code set out in Appendix C3 to the Listing Rules. Our employee dealings in the Company's securities are also subject to the code of conduct for those who have access to potential inside information. After specific enquiry made by the Company, all of the Directors confirmed that they had complied with the required standard set out in the Model Code and the code of conduct regarding the Directors' securities transactions during the Review Period. During the Review Period, no incident of non-compliance with the code of conduct regarding the Directors' securities transactions was noted by the Company.

AUDIT COMMITTEE

The Audit Committee comprises three INEDs, namely, Professor Tao Xiaoming, Professor Cheng Longdi and Mr. Shu Wa Tung, Laurence. Mr. Shu Wa Tung, Laurence is the chairman of the Audit Committee. The Audit Committee is principally responsible for, among others, reviewing and supervising the Group's financial reporting process and internal control system, and providing advice and recommendations to the Board.

REMUNERATION COMMITTEE

The Remuneration Committee comprises three INEDs, namely Professor Tao Xiaoming, Professor Cheng Longdi and Mr. Shu Wa Tung, Laurence. Mr. Shu Wa Tung, Laurence is the chairman of the Remuneration Committee. The Remuneration Committee is principally responsible for, among others, formulating the Group's policy and structure for all remuneration of the Directors and senior management, and providing advice and recommendations to the Board.

NOMINATION COMMITTEE

The Nomination Committee comprises Mr. Hong Tianzhu (the chairman of the Board and an executive Director), and three INEDs, namely Professor Tao Xiaoming, Professor Cheng Longdi and Mr. Shu Wa Tung, Laurence. Mr. Hong Tianzhu is the chairman of the Nomination Committee. The Nomination Committee is principally responsible for, among others, reviewing the structure, size and composition of the Board, identifying individuals suitably qualified to become Board members, assessing the independence of INEDs, supporting the Company's regular evaluation of the Board's performance, and providing advice and recommendation to the Board.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

The ESG Committee comprises four members, namely, Mr. Zhu Yongxiang, Professor Tao Xiaoming, Professor Cheng Longdi and Mr. Shu Wa Tung, Laurence. Mr. Zhu Yongxiang is the chairman of the ESG Committee. The ESG Committee is principally responsible for, among others, overseeing and reporting to the Board on matters relating to ESG of the Group, and providing advice and recommendations to the Board.

REVIEW OF INTERIM RESULTS

The interim results of the Group, including the unaudited condensed consolidated financial statements for the six months ended 30 June 2026, has been reviewed by the Audit Committee and approved by the Board. The Audit Committee has no disagreement on the accounting treatment or standards adopted by the Company.

PUBLICATIONS OF RESULTS ANNOUNCEMENT

This results announcement is published on the Company's website at www.texhong.com and Hong Kong Exchanges and Clearing Limited's HKEXnews website at www.hkexnews.hk. The interim report for the six months ended 30 June 2026 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and available on the websites mentioned above in due course.

ACKNOWLEDGEMENT

The Directors would like to take this opportunity to express our sincere thanks to all the shareholders and business partners for their continuous support, and the entire staff for their dedication and contribution to the Group during the Review Period.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"**Audit Committee**"	The audit committee of the Company
"**Board**"	The board of directors of the Company
"**CG Code**"	Corporate Governance Code set out in Appendix C1 to the Listing Rules
"**China/PRC/ Mainland China**"	The People's Republic of China
"**Company**"	Texhong International Group Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange
"**Director(s)**"	Director(s) of the Company
"**ESG**"	Environmental, social and governance
"**ESG Committee**"	The environmental, social and governance committee of the Company
"**Group**"	The Company and its subsidiaries
"**Hong Kong**"	The Hong Kong Special Administrative Region of the People's Republic of China
"**INED(s)**"	Independent non-executive director(s) of the Company
"**Listing Rules**"	The Rules Governing the Listing of Securities on the Stock Exchange
"**Model Code**"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules

“**Nomination Committee**”	The nomination committee of the Company
“**Remuneration Committee**”	The remuneration committee of the Company
“**Review Period**”	Six months ended 30 June 2026
“**Share(s)**”	Ordinary share(s) of HKD0.1 each in the share capital of the Company
“**Stock Exchange**”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 27 August 2026

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