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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)**

### **CONTINUING CONNECTED TRANSACTION IN RELATION TO MASTER SUPPLY AND SERVICES FRAMEWORK AGREEMENT FOR WASTEWATER TREATMENT, UTILITIES SUPPLY AND PHOTOVOLTAIC POWER PLANT POWER MANAGEMENT**

On 24 December 2025, Texhong Industrial Park and the Company (for itself and on behalf of members of the Group) entered into the Master Supply and Services Framework Agreement pursuant to which Texhong Industrial Park shall provide wastewater treatment service, supply Utilities and charge photovoltaic power plant power management service fees to the Group for the Texhong Production Facilities at Hai Ha Industrial Park for a term of three years from 1 January 2026 to 31 December 2028.

#### **LISTING RULES IMPLICATIONS**

Texhong Industrial Park is a connected person of the Company by virtue of its being an associate of Mr. Hong Tianzhu, the chairman of the Company and an executive Director. Therefore, the transactions contemplated under the Master Supply and Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

All of the applicable percentage ratios of the transactions contemplated under the Master Supply and Services Framework Agreement are less than 5%, but the largest proposed annual cap in respect of the continuing connected transactions contemplated under the Master Supply and Services Framework Agreement is more than HK\$3,000,000. Accordingly, such transactions are subject to the announcement and annual review requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **MASTER SUPPLY AND SERVICES FRAMEWORK AGREEMENT FOR WASTEWATER TREATMENT, UTILITIES SUPPLY AND PHOTOVOLTAIC POWER PLANT POWER MANAGEMENT**

Reference is made to the announcements of the Company dated 25 August 2021, 17 January 2023, 3 February 2023 and 24 March 2025 in relation to, among others, the following agreements entered into between the Company (for itself and on behalf of members of the Group) and Texhong Industrial Park: (a) the master supply agreement for the supply of Utilities and thermal oil, and the provision of wastewater treatment services and administrative services by Texhong Industrial Park to the Group from 1 January 2022 to 31 December 2022; (b) the framework agreement for the provision of wastewater treatment service and administrative services by Texhong Industrial Park to the Group from 1 January 2023 to 31 December 2025; (c) the framework agreement for the supply of Utilities and thermal oil by Texhong Industrial Park to the Group from 1 January 2023 to 31 March 2023; and (d) the framework agreement for the supply of Utilities by Texhong Industrial Park to the Group from 1 April 2025 to 31 December 2025.

To ensure (among others) continual wastewater treatment services and supply of Utilities to the Texhong Production Facilities, on 24 December 2025, Texhong Industrial Park and the Company (for itself and on behalf of members of the Group) entered into the Master Supply and Services Framework Agreement pursuant to which Texhong Industrial Park shall provide wastewater treatment service, supply Utilities and charge photovoltaic power plant power management service fees to the Group for the Texhong Production Facilities for a term of three years from 1 January 2026 to 31 December 2028.

## **Principal terms of the Master Supply and Services Framework Agreement**

### **Date**

24 December 2025

### **Parties**

- (a) Texhong Industrial Park as supplier; and
- (b) the Company (for itself and on behalf of members of the Group) as customer.

### **Transactions and Fees**

#### ***(1) Wastewater treatment services***

##### *(a) Production wastewater*

Treatment of production wastewater shall be charged to the Group at the unit price of USD0.85 per cubic meter, USD0.65 per cubic meter, or USD0.30 per cubic meter, and the applicability of the relevant unit price depends on the component of the wastewater which is assessed by the agreed parameters including but not limited to the temperature, colour, pH value, chemical oxygen demand (COD) level, suspended solids content, total radioactivity (alpha and beta) and prescribed chemical component levels. The Group shall conduct pre-treatment of the wastewater such that it shall fall within the agreed parameters before being accepted for processing by Texhong Industrial Park. Pre-treatment services for wastewater conducted by Texhong Industrial Park (if required) shall be charged to the Group at the unit price of USD0.55 per cubic meter.

##### *(b) Domestic wastewater*

Treatment of domestic wastewater shall be charged to the Group at the unit price of USD0.50 per cubic meter.

The unit price(s) above had been determined with reference to the relevant operating costs by Texhong Industrial Park and the prevailing market prices for comparable wastewater treatment services provided by other independent service providers in other industrial parks located in Vietnam, provided that the terms of service shall not be less favourable than those terms offered by Texhong Industrial Park to its independent third party customers. The unit price(s) may be subject to adjustment from time to time with reference to the factor(s) mentioned above.

***(2) Supply of steam***

Texhong Industrial Park shall procure the supply of low-pressure and medium-pressure steam to the Group at the unit prices of USD30 per tonne and USD39 per tonne, respectively.

The unit price(s) above had been determined with reference to the relevant operating costs by Texhong Industrial Park and the prevailing market prices of coal. The unit price(s) may be subject to adjustment from time to time with reference to the factor(s) mentioned above.

***(3) Supply of water for industrial use***

Texhong Industrial Park shall procure the supply of water for industrial use to the Group at the unit price of USD0.30 per cubic meter.

The unit price(s) above had been determined with reference to the relevant operating costs by Texhong Industrial Park and the water resources fee prescribed by the Vietnam government. The unit price(s) may be subject to adjustment from time to time with reference to the factor(s) mentioned above.

***(4) Supply of liquefied petroleum gas***

Texhong Industrial Park shall procure the supply of liquefied petroleum gas to the Group at the unit price of VND28,000 per kilogram or VND67,437 per normal cubic meter.

The unit price(s) above had been determined with reference to the relevant operating costs by Texhong Industrial Park and the prevailing market prices of liquefied petroleum gas. The unit price(s) may be subject to adjustment from time to time with reference to the factor(s) mentioned above.

***(5) Photovoltaic power plant power management service***

The Group has set up PV Power Plants inside the Hai Ha Industrial Park to internally generate power for its own operations. Texhong Industrial Park is responsible for the construction, maintenance, and management of the general power infrastructure within the Hai Ha Industrial Park. Due to the connection of the PV Power Plants to the power grid of Hai Ha Industrial Park, Texhong Industrial Park will incur additional costs for ensuring the stability and safety of the overall power supply within Hai Ha Industrial Park, and will charge service fees to the Group (the “**PV Fees**”) for the resulting increased upkeep and general management and maintenance of Hai Ha Industrial Park’s basic power infrastructure.

The PV Fees shall be based on the actual electricity output fed into the grid by the PV Power Plants and shall be charged on VND100 per kilowatt-hour.

The unit price(s) above had been determined with reference to the relevant operating costs by Texhong Industrial Park. The unit price(s) may be subject to adjustment from time to time with reference to the factor(s) mentioned above.

The unit price(s) above are exclusive of tax and environmental fee payable to the government (if any). The fees payable by the Group shall be settled in VND on a monthly basis.

### **Internal Control Measures**

The Group has adopted the following internal control measures in respect of the Master Supply and Services Framework Agreement:

- (a) the Group shall from time to time collect market information from independent third-party suppliers and/or publicly available information on the prevailing market prices in respect of the Utilities and the services supplied under the Master Supply and Services Framework Agreement;
- (b) the Group shall use the market information collected in paragraph (a) above to negotiate with Texhong Industrial Park on the price of the Utilities or services supplied under the Master Supply and Services Framework Agreement to ensure that it will be comparable to and no less favourable than the market prices of similar Utilities or services offered by independent third-party suppliers to the Group;
- (c) the prices of all transactions contemplated under the Master Supply and Services Framework Agreement shall be reviewed by the Group's relevant department; and
- (d) Director(s) with interest in the relevant transaction(s) shall abstain from voting on the relevant Board resolution(s).

The Company considers that the above internal control measures are sufficient to ensure that the transactions contemplated under the Master Supply and Services Framework Agreement will be conducted on normal commercial terms or better and not prejudicial to the interests of the Company and the non-interested shareholders of the Company.

### **Term**

The Master Supply and Services Framework Agreement has a term commencing from 1 January 2026 and expiring on 31 December 2028 (both dates inclusive).

### **Historical Amounts**

In respect of the wastewater treatment services, the actual transaction amounts incurred under the current supply framework agreement for the two years ended 31 December 2023 and 2024 and the eleven months ended 30 November 2025 were approximately RMB18,383,000, RMB14,959,000 and RMB17,835,000, respectively. In respect of the

supply of Utilities, the actual transaction amount incurred under the current supply framework agreement for the eight months ended 30 November 2025 was approximately RMB11,375,000.

### **Proposed Annual Cap**

The Directors anticipate that the aggregate fees payable to Texhong Industrial Park under the Master Supply and Services Framework Agreement for the three years ending 31 December 2026, 2027 and 2028 are approximately RMB97 million, RMB95 million and RMB99 million, respectively.

The above proposed annual caps are determined with reference to:

- (a) the historical transaction amounts of the previous continuing connected transactions in respect of the wastewater treatment services and the supply of Utilities;
- (b) the prevailing market prices of the Utilities and services under the Master Supply and Services Framework Agreement; and
- (c) the estimated demand for the Utilities and services under the Master Supply and Services Framework Agreement to be received by the Group annually, taking into account the estimated output from the available production capacity of the production facilities therein and the business development plans of the Group.

### **INFORMATION ABOUT PARTIES**

The Group is principally engaged in the manufacture and distribution of quality yarn, grey fabrics and garment fabrics as well as garments, especially high value-added core-spun yarn.

Texhong Industrial Park was established in Vietnam and is ultimately owned as to 78% by Mr. Hong Tianzhu, the chairman of the Company and an executive Director, and as to 22% by Mr. Zhu Yongxiang, the vice chairman and the chief executive officer of the Company and an executive Director. Texhong Industrial Park is principally engaged in infrastructure development.

### **REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS**

The Group conducts manufacturing operations at the Texhong Production Facilities in Hai Ha Industrial Park. The Directors are of the view that it is for the commercial benefit of the Group to source wastewater treatment services and Utilities directly from Texhong Industrial Park instead of incurring capital expenditure or additional cost for constructing its own additional facilities or sourcing from third party suppliers, given that the wastewater treatment fees will be determined by the volume of wastewater outputted and the Utilities fees will be based on the actual usage by the Group as determined by separate meters for measuring the amount of the Utilities consumed.

Regarding the photovoltaic power plant power management service, the Directors are of the view that the PV Fees are a necessary expense for deploying the PV Power Plants for the internal supply of electricity in respect of the Texhong Production Facilities, given that the PV Fees will be based on the actual electricity output fed into the grid by the PV Power Plants.

The Directors (including the independent non-executive Directors) are of the view that the continuing connected transactions contemplated under the Master Supply and Services Framework Agreement are:

- (a) in the ordinary and usual course of business of the Group;
- (b) on normal commercial terms or better;
- (c) on fair and reasonable terms; and
- (d) in the interests of the Company and the Shareholders as a whole.

#### **LISTING RULES IMPLICATIONS**

Texhong Industrial Park is a connected person of the Company by virtue of its being an associate of Mr. Hong Tianzhu, the chairman of the Company and an executive Director. Therefore, the transactions contemplated under the Master Supply and Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

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Mr. Hong Tianzhu and Mr. Zhu Yongxiang have material interests in the transactions contemplated under the Master Supply and Services Framework Agreement and have abstained from voting on the Board resolution. Save as disclosed above, none of the Directors had a material interest in such transactions and had abstained from voting on the Board resolution.



## DEFINITIONS

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

“associate”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“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
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hai Ha Industrial Park”	Texhong Hai Ha Industrial Park and Ports, Quang Ha township, Hai Ha District, Quang Ninh Province, Vietnam
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Supply and Services Framework Agreement”	the master supply agreement dated 24 December 2025 and entered into between Texhong Industrial Park and the Company (for itself and on behalf of members of the Group) for provision of wastewater treatment service, supply of Utilities and charging PV Fees to the Group
“PV Fees”	shall have the meaning ascribed to it in the section headed “Transactions and Fees” in this announcement
“PV Power Plants”	the photovoltaic power plants owned and operated by the Group within Hai Ha Industrial Park
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



“Texhong Industrial Park”	Texhong Industrial Park Vietnam Limited (天虹工業園區越南有限公司), a company established in Vietnam which is ultimately owned as to 78% by Mr. Hong Tianzhu, the chairman of the Company and an executive Director, and as to 22% by Mr. Zhu Yongxiang, the vice chairman and the chief executive officer of the Company and executive Director
“Texhong Production Facilities”	the production facilities operated by the Group at Texhong Industrial Park, Hai Ha District, Quang Ninh Province, Vietnam
“USD”	United States dollars, the lawful currency of the United States of America
“Utilities”	steam, water and liquefied petroleum gas
“Vietnam”	the Socialist Republic of Vietnam
“VND”	Vietnamese dong, the lawful currency of Vietnam
“%”	per cent.

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

Hong Kong, 24 December 2025

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

<i>Executive Directors:</i>	Mr. Hong Tianzhu Mr. Zhu Yongxiang Mr. Ye Lixin
<i>Independent non-executive Directors:</i>	Prof. Tao Xiaoming Prof. Cheng Longdi Mr. Shu Wa Tung, Laurence