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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)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025**

#### **FINANCIAL HIGHLIGHTS**

- Revenue decreased by approximately 1.4% to approximately RMB22.7 billion
- Gross profit margin increased by approximately 1.4 percentage points to approximately 13.8%
- Net profit increased by approximately 63.4% to approximately RMB972.2 million
- Profit attributable to owners of the Company increased by approximately 63.0% to approximately RMB913.0 million
- Basic earnings per share increased by approximately 62.3% to approximately RMB0.99

The Board of the Company is pleased to present the audited consolidated results of the Group for the financial year ended 31 December 2025.

**CONSOLIDATED INCOME STATEMENT**  
*For the year ended 31 December 2025*

		<b>Year ended 31 December</b>	
		<b>2025</b>	2024
			(restated)
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
Revenue	3	<b>22,715,627</b>	23,029,033
Cost of sales	5	<b>(19,577,958)</b>	(20,165,661)
<b>Gross profit</b>		<b>3,137,669</b>	2,863,372
Selling and distribution costs	5	<b>(640,236)</b>	(650,054)
General and administrative expenses	5	<b>(1,126,018)</b>	(1,148,506)
Net accrual of impairment losses on financial assets		<b>(21,666)</b>	(48,384)
Other income	4	<b>204,813</b>	186,907
Other losses — net	4	<b>(170,928)</b>	(10,420)
<b>Operating profit</b>		<b>1,383,634</b>	1,192,915
Finance income	6	<b>108,268</b>	86,193
Finance costs	6	<b>(274,458)</b>	(474,186)
Finance costs — net		<b>(166,190)</b>	(387,993)
Share of profits/(losses) of investments accounted for using the equity method		<b>4,280</b>	(23,368)
<b>Profit before income tax</b>		<b>1,221,724</b>	781,554
Income tax expense	7	<b>(249,546)</b>	(186,490)
<b>Profit for the year</b>		<b>972,178</b>	595,064
<b>Attributable to:</b>			
Owners of the Company		<b>913,010</b>	559,971
Non-controlling interests		<b>59,168</b>	35,093
		<b>972,178</b>	595,064
<b>Earnings per share for profit attributable to owners of the Company</b>			
— Basic earnings per share	8	<b>RMB0.99</b>	RMB0.61
— Diluted earnings per share	8	<b>RMB0.99</b>	RMB0.61

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Year ended 31 December	
	2025	2024
		(restated)
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Profit for the year</b>	<b>972,178</b>	595,064
<b>Other comprehensive income</b>		
<i>Item that may be reclassified to profit or loss</i>		
Share of the other comprehensive income of investments accounted for using the equity method	516	5,959
Currency translation differences	<u>(17,975)</u>	<u>14,527</u>
<b>Total comprehensive income for the year</b>	<b><u>954,719</u></b>	<b><u>615,550</u></b>
<b>Attributable to:</b>		
Owners of the Company	898,322	576,094
Non-controlling interests	<u>56,397</u>	<u>39,456</u>
	<b><u>954,719</u></b>	<b><u>615,550</u></b>

## CONSOLIDATED BALANCE SHEET

As at 31 December 2025

		As at 31 December		As at
		2025	2024	1 January
			(restated)	(restated)
Note	RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
		102,393	104,718	109,393
		8,096,197	8,093,918	8,299,560
		338,046	373,608	377,447
		1,091,666	1,197,311	1,264,074
		54,434	58,095	61,756
		349,049	361,629	379,038
		248,847	312,433	397,104
		38,022	18,057	15,903
		<u>10,318,654</u>	<u>10,519,769</u>	<u>10,904,275</u>
<b>Current assets</b>				
	10	4,744,712	4,543,107	5,244,583
		358,545	261,510	415,549
	11	1,320,823	1,403,935	1,571,477
	12	256,891	375,631	336,761
		740,674	681,717	1,826,291
	15	11,563	100,652	84,792
		7,735	23,908	66,208
		2,487,669	2,880,283	2,161,795
		<u>9,928,612</u>	<u>10,270,743</u>	<u>11,707,456</u>
<b>Total assets</b>		<u><u>20,247,266</u></u>	<u><u>20,790,512</u></u>	<u><u>22,611,731</u></u>

		As at 31 December		As at
		2025	2024	1 January
			(restated)	(restated)
<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>EQUITY</b>				
<b>Equity attributable to owners of the Company</b>				
		96,958	96,958	96,958
		462,059	462,059	462,059
		909,080	918,499	867,488
		(3,950)	—	—
		8,768,504	7,977,506	7,535,924
		<u>10,232,651</u>	<u>9,455,022</u>	<u>8,962,429</u>
<b>Non-controlling interests</b>		<u>290,991</u>	<u>502,048</u>	<u>606,279</u>
<b>Total equity</b>		<u>10,523,642</u>	<u>9,957,070</u>	<u>9,568,708</u>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
		2,461,009	3,196,353	3,577,553
		98,045	131,111	162,270
		3,483	2,572	—
		158,030	143,448	185,302
		<u>2,720,567</u>	<u>3,473,484</u>	<u>3,925,125</u>
<b>Current liabilities</b>				
	13	925,254	886,393	868,848
	14	1,790,133	2,111,445	2,495,882
		390,256	232,090	481,177
		783,752	811,473	849,954
		92,424	28,501	222,293
		2,920,852	3,199,142	4,145,651
	15	54,255	42,025	7,055
		46,131	48,889	47,038
		<u>7,003,057</u>	<u>7,359,958</u>	<u>9,117,898</u>
<b>Total liabilities</b>		<u>9,723,624</u>	<u>10,833,442</u>	<u>13,043,023</u>
<b>Total equity and liabilities</b>		<u>20,247,266</u>	<u>20,790,512</u>	<u>22,611,731</u>

## 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 since 9 December 2004.

The annual results set out in this announcement do not constitute the Group’s consolidated financial statements for the year ended 31 December 2025 but are extracted from those financial statements.

These consolidated financial statements are presented in Chinese Renminbi (“**RMB**”), unless otherwise stated. These consolidated financial statements have been approved and authorised for issue by the Board of Directors of the Company on 26 March 2026.

### 2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The consolidated financial statements of the Company 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
- Hong Kong Accounting Standards, and
- Interpretations developed by the Hong Kong Institute of Certified Public Accountants.

These consolidated financial statements have been prepared under the historical cost convention, as modified by the financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss (“**FVPL**”), financial assets at fair value through other comprehensive income (“**FVOCI**”), which are carried at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

## 2.2 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2024, as described in the annual financial statements, except for the change in the accounting policy of buildings as disclosed in note 2.2(a) and the adoption of amended standard as disclosed in note 2.2(b).

### *(a) Change in the accounting policy of buildings*

In accordance with HKAS 16 Property, Plant and Equipment, buildings can either be accounted for using the cost model or the revaluation model after their initial recognition.

The Group accounted for its buildings for self-use as factories and offices using the revaluation model in prior years. With effect from 1 January 2025, the Group aligned its accounting policy with the industry practice and measured its buildings at cost less accumulated depreciation and any impairment losses. The adoption of the cost model would avoid fluctuations in the Group's financial information resulting from the cyclical volatility associated with the valuation of its buildings and the Group's financial performance and financial position could be more comparable on a year-on-year basis. In the opinion of the Directors, this change in the accounting policy enables the Group to provide reliable and more relevant information on the financial statements about its performance and financial position.

As a result of the adoption of the cost model under HKAS 16, the Group has changed its accounting policy with respect to buildings. This change in accounting policy has been applied retrospectively by restating the balances as at 31 December 2024 and 1 January 2024, and the results for the year ended 31 December 2024.

(i) Effect on the consolidated income statement for the year ended 31 December 2024:

	As previously reported <i>RMB'000</i>	Effect of adopting cost model under HKAS 16 <i>RMB'000</i>	As restated <i>RMB'000</i>
Revenue	23,029,033	—	23,029,033
Cost of sales	<u>(20,165,661)</u>	<u>—</u>	<u>(20,165,661)</u>
<b>Gross profit</b>	2,863,372	—	2,863,372
Selling and distribution costs	(650,054)	—	(650,054)
General and administrative expenses	(1,155,553)	7,047	(1,148,506)
Net accrual of impairment losses on financial assets	(48,384)	—	(48,384)
Other income	186,725	182	186,907
Other losses — net	<u>(10,420)</u>	<u>—</u>	<u>(10,420)</u>
<b>Operating profit</b>	<u>1,185,686</u>	<u>7,229</u>	<u>1,192,915</u>
Finance income	86,193	—	86,193
Finance costs	<u>(474,186)</u>	<u>—</u>	<u>(474,186)</u>
Finance costs — net	<u>(387,993)</u>	<u>—</u>	<u>(387,993)</u>
Share of losses of investments accounted for using the equity method	<u>(23,368)</u>	<u>—</u>	<u>(23,368)</u>
<b>Profit before income tax</b>	774,325	7,229	781,554
Income tax expense	<u>(185,696)</u>	<u>(794)</u>	<u>(186,490)</u>
<b>Profit for the year</b>	<u><u>588,629</u></u>	<u><u>6,435</u></u>	<u><u>595,064</u></u>
<b>Attributable to:</b>			
Owners of the Company	553,536	6,435	559,971
Non-controlling interests	<u>35,093</u>	<u>—</u>	<u>35,093</u>
	<u><u>588,629</u></u>	<u><u>6,435</u></u>	<u><u>595,064</u></u>
<b>Earnings per share for profit attributable to owners of the Company</b>			
— Basic earnings per share	<u>RMB0.60</u>	<u>RMB0.01</u>	<u>RMB0.61</u>
— Diluted earnings per share	<u>RMB0.60</u>	<u>RMB0.01</u>	<u>RMB0.61</u>

(ii) Effect on the consolidated statement of comprehensive income for the year ended 31 December 2024:

	As previously reported RMB'000	Effect of adopting cost model under HKAS 16 RMB'000	As restated RMB'000
<b>Profit for the year</b>	588,629	6,435	595,064
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Share of other comprehensive income of investments accounted for using the equity method	5,959	—	5,959
Currency translation differences	14,527	—	14,527
<b>Total comprehensive income for the year</b>	<u>609,115</u>	<u>6,435</u>	<u>615,550</u>
<b>Attributable to:</b>			
Owners of the Company	569,659	6,435	576,094
Non-controlling interests	39,456	—	39,456
	<u>609,115</u>	<u>6,435</u>	<u>615,550</u>

(iii) Effect on the consolidated balance sheet as at 31 December 2024:

	As previously reported RMB'000	Effect of adopting cost model under HKAS 16 RMB'000	As restated RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Freehold land	104,718	—	104,718
Property, plant and equipment	8,282,247	(188,329)	8,093,918
Investment properties	377,491	(3,883)	373,608
Right-of-use assets	1,197,311	—	1,197,311
Intangible assets	58,095	—	58,095
Investments accounted for using the equity method	361,629	—	361,629
Deferred income tax assets	312,433	—	312,433
Financial assets at fair value through profit or loss	18,057	—	18,057
	<u>10,711,981</u>	<u>(192,212)</u>	<u>10,519,769</u>

	As previously reported <i>RMB'000</i>	Effect of adopting cost model under HKAS 16 <i>RMB'000</i>	As restated <i>RMB'000</i>
<b>Current assets</b>			
Inventories	4,543,107	—	4,543,107
Properties under development	261,510	—	261,510
Trade and bills receivables	1,403,935	—	1,403,935
Financial assets at fair value through other comprehensive income	375,631	—	375,631
Prepayments, deposits and other receivables	681,717	—	681,717
Derivative financial instruments	100,652	—	100,652
Pledged bank deposits	23,908	—	23,908
Cash and cash equivalents	2,880,283	—	2,880,283
	<u>10,270,743</u>	<u>—</u>	<u>10,270,743</u>
<b>Total assets</b>	<u><u>20,982,724</u></u>	<u><u>(192,212)</u></u>	<u><u>20,790,512</u></u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital: nominal value	96,958	—	96,958
Share premium	462,059	—	462,059
Other reserves	1,098,714	(180,215)	918,499
Retained earnings	7,977,506	—	7,977,506
	<u>9,635,237</u>	<u>(180,215)</u>	<u>9,455,022</u>
<b>Non-controlling interests</b>	<u>502,048</u>	<u>—</u>	<u>502,048</u>
<b>Total equity</b>	<u><u>10,137,285</u></u>	<u><u>(180,215)</u></u>	<u><u>9,957,070</u></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	3,196,353	—	3,196,353
Lease liabilities	131,111	—	131,111
Employee benefit obligations	2,572	—	2,572
Deferred income tax liabilities	155,445	(11,997)	143,448
	<u>3,485,481</u>	<u>(11,997)</u>	<u>3,473,484</u>

	As previously reported <i>RMB'000</i>	Effect of adopting cost model under HKAS 16 <i>RMB'000</i>	As restated <i>RMB'000</i>
<b>Current liabilities</b>			
Trade and bills payables	886,393	—	886,393
Supply chain financing	2,111,445	—	2,111,445
Contract liabilities	232,090	—	232,090
Accruals and other payables	811,473	—	811,473
Current income tax liabilities	28,501	—	28,501
Borrowings	3,199,142	—	3,199,142
Derivative financial instruments	42,025	—	42,025
Lease liabilities	48,889	—	48,889
	<u>7,359,958</u>	<u>—</u>	<u>7,359,958</u>
<b>Total liabilities</b>	<u>10,845,439</u>	<u>(11,997)</u>	<u>10,833,442</u>
<b>Total equity and liabilities</b>	<u>20,982,724</u>	<u>(192,212)</u>	<u>20,790,512</u>

(iv) Effect on the consolidated balance sheet as at 1 January 2024:

	As previously reported <i>RMB'000</i>	Effect of adopting cost model under HKAS 16 <i>RMB'000</i>	As restated <i>RMB'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Freehold land	109,393	—	109,393
Property, plant and equipment	8,493,748	(194,188)	8,299,560
Investment properties	382,700	(5,253)	377,447
Right-of-use assets	1,264,074	—	1,264,074
Intangible assets	61,756	—	61,756
Investments accounted for using the equity method	379,038	—	379,038
Deferred income tax assets	397,104	—	397,104
Financial assets at fair value through profit or loss	15,903	—	15,903
	<u>11,103,716</u>	<u>(199,441)</u>	<u>10,904,275</u>

	As previously reported <i>RMB'000</i>	Effect of adopting cost model under HKAS 16 <i>RMB'000</i>	As restated <i>RMB'000</i>
<b>Current assets</b>			
Inventories	5,244,583	—	5,244,583
Properties under development	415,549	—	415,549
Trade and bills receivables	1,571,477	—	1,571,477
Financial assets at fair value through other comprehensive income	336,761	—	336,761
Prepayments, deposits and other receivables	1,826,291	—	1,826,291
Derivative financial instruments	84,792	—	84,792
Pledged bank deposits	66,208	—	66,208
Cash and cash equivalents	2,161,795	—	2,161,795
	<u>11,707,456</u>	<u>—</u>	<u>11,707,456</u>
<b>Total assets</b>	<u>22,811,172</u>	<u>(199,441)</u>	<u>22,611,731</u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital: nominal value	96,958	—	96,958
Share premium	462,059	—	462,059
Other reserves	1,054,138	(186,650)	867,488
Retained earnings	7,535,924	—	7,535,924
	<u>9,149,079</u>	<u>(186,650)</u>	<u>8,962,429</u>
<b>Non-controlling interests</b>	<u>606,279</u>	<u>—</u>	<u>606,279</u>
<b>Total equity</b>	<u>9,755,358</u>	<u>(186,650)</u>	<u>9,568,708</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	3,577,553	—	3,577,553
Lease liabilities	162,270	—	162,270
Employee benefit obligations	—	—	—
Deferred income tax liabilities	198,093	(12,791)	185,302
	<u>3,937,916</u>	<u>(12,791)</u>	<u>3,925,125</u>

	As previously reported RMB'000	Effect of adopting cost model under HKAS 16 RMB'000	As restated RMB'000
<b>Current liabilities</b>			
Trade and bills payables	868,848	—	868,848
Supply chain financing	2,495,882	—	2,495,882
Contract liabilities	481,177	—	481,177
Accruals and other payables	849,954	—	849,954
Current income tax liabilities	222,293	—	222,293
Borrowings	4,145,651	—	4,145,651
Derivative financial instruments	7,055	—	7,055
Lease liabilities	47,038	—	47,038
	<u>9,117,898</u>	<u>—</u>	<u>9,117,898</u>
<b>Total liabilities</b>	<u>13,055,814</u>	<u>(12,791)</u>	<u>13,043,023</u>
<b>Total equity and liabilities</b>	<u><u>22,811,172</u></u>	<u><u>(199,441)</u></u>	<u><u>22,611,731</u></u>

**(b) Amended standard adopted by the Group**

An amended standard 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 HKAS 21 ‘Lack of Exchangeability’, effective for annual periods beginning on or after 1 January 2025.

**(c) The following new standards and amendments to standards that have been issued but not effective for the financial year beginning on 1 January 2025 and have not been early adopted by the Group:**

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.

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

HKFRS 19 and amendments to 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 HKFRS 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 these consolidated financial statements upon adoption, except HKFRS 18, which mainly impacts the presentation of the Group’s consolidated statement of comprehensive income.

HKFRS 18 will replace HKAS 1 ‘Presentation of Financial Statements’, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group’s consolidated financial statements. From the high-level preliminary assessment performed, although the adoption of HKFRS 18 will have no impact on the group’s net profit, the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported.

The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles.

From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

### **3. REVENUE AND SEGMENT INFORMATION**

The chief operating decision-maker has been identified as the Committee of Executive Directors of the Company. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Committee of Executive Directors reviews the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Committee of Executive Directors considers the business from both a product and geographical perspective. From a product perspective, management assesses the performance from sales of yarns, grey fabrics, non-woven fabrics and garment fabrics.

China now includes Mainland China, Hong Kong and Macao. Southeast Asia now includes Vietnam. Americas now includes United States, Mexico, Nicaragua and Honduras.

The revenues from external end customers in Asia and Americas accounted for 91.5% and 8.0% (2024: 91.7% and 7.7%) of the Group's total revenue respectively.

The Committee of Executive Directors assesses the performance of the operating segments based on revenue and operating profit.

The segment information for the year ended 31 December 2025 is as follows:

	Year ended 31 December 2025														Total
	Yarns				Garment fabrics			Grey fabrics		Non-woven fabrics		Others			
	Southeast		China	Asia	Americas	Southeast		China	Asia	Southeast		China	Asia		
	RMB'000	RMB'000				RMB'000	RMB'000			RMB'000	RMB'000			RMB'000	
Total revenue	21,898,516	7,704,831	646,009	319,273	2,512,444	1,153,814	1,069,926	337,380	—	111,920	193,697	50	133,334	36,081,194	
Inter-segment revenue	(6,546,877)	(4,996,801)	(247,516)	(22,387)	(48,247)	(935,232)	(300,500)	(37,453)	—	—	(147,505)	—	(83,049)	(13,365,567)	
<b>Revenue (from external customers)</b>	<b>15,351,639</b>	<b>2,708,030</b>	<b>398,493</b>	<b>296,886</b>	<b>2,464,197</b>	<b>218,582</b>	<b>769,426</b>	<b>299,927</b>	<b>—</b>	<b>111,920</b>	<b>46,192</b>	<b>50</b>	<b>50,285</b>	<b>22,715,627</b>	
Timing of revenue recognition															
— At a point in time	15,351,639	2,708,030	398,493	296,886	2,464,197	218,582	769,426	299,927	—	111,920	46,192	50	50,285	22,715,627	
<b>Segment results</b>	<b>538,984</b>	<b>761,698</b>	<b>23,749</b>	<b>(38,654)</b>	<b>110,832</b>	<b>118,932</b>	<b>25,652</b>	<b>58,752</b>	<b>—</b>	<b>(7,466)</b>	<b>(119,667)</b>	<b>(26,135)</b>	<b>23,635</b>	<b>1,470,312</b>	
Unallocated losses														(86,678)	
<b>Operating profit</b>														<b>1,383,634</b>	
Finance income														108,268	
Finance costs														(274,458)	
Share of profits of investments															
— accounted for using the equity method														4,280	
Income tax expense														(249,546)	
<b>Profit for the year</b>														<b>972,178</b>	
Depreciation and amortisation	(400,875)	(262,740)	(66,939)	(21,490)	(67,302)	(59,681)	(31,604)	(6,420)	—	—	(31,175)	(61)	(12,809)	(961,096)	

The segment information for the year ended 31 December 2024 is as follows:

	Year ended 31 December 2024 (restated)														Total
	Yarns				Garment fabrics and Garments			Grey fabrics		Non-woven fabrics		Others			
	Southeast		Americas	Others	Southeast		Americas	Southeast		Southeast		Southeast			
	China	Asia			China	Asia		China	Asia	China	Asia	China	Asia		
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
Total revenue	21,814,080	7,572,361	500,976	390,185	2,771,338	992,791	1,052,533	445,559	560,542	73,427	126,224	251,065	186,192	36,737,273	
Inter-segment revenue	(6,290,868)	(5,166,451)	(271,617)	(4,229)	(72,444)	(805,282)	(314,656)	(37,318)	(559,492)	—	(105,304)	(2,185)	(78,394)	(13,708,240)	
<b>Revenue (from external customers)</b>	<b>15,523,212</b>	<b>2,405,910</b>	<b>229,359</b>	<b>385,956</b>	<b>2,698,894</b>	<b>187,509</b>	<b>737,877</b>	<b>408,241</b>	<b>1,050</b>	<b>73,427</b>	<b>20,920</b>	<b>248,880</b>	<b>107,798</b>	<b>23,029,033</b>	
Timing of revenue recognition															
— At a point in time	15,523,212	2,405,910	229,359	385,956	2,698,894	187,509	737,877	408,241	1,050	73,427	20,920	248,880	107,798	23,029,033	
<b>Segment results</b>	698,677	337,333	(70,854)	(11,655)	123,349	53,077	46,968	(9,644)	4,692	(13,313)	(20,863)	51,521	4,722	1,194,010	
Unallocated losses														(1,095)	
<b>Operating profit</b>														1,192,915	
Finance income														86,193	
Finance costs														(474,186)	
Share of losses of investments accounted for using the equity method														(23,368)	
Income tax expense														(186,490)	
<b>Profit for the year</b>														<b>595,064</b>	
Depreciation and amortisation	(426,774)	(283,871)	(67,863)	(20,704)	(68,516)	(43,788)	(34,855)	(6,814)	(19,000)	—	(31,468)	(490)	(11,873)	(1,016,016)	

The segment assets and liabilities as at 31 December 2025 are as follows:

	As at 31 December 2025														Total
	Yarns				Garment fabrics			Grey fabrics		Non-woven fabrics		Others			
	Southeast		Americas	Others	Southeast		Americas	Southeast		Southeast		Southeast			
	China	Asia			China	Asia		China	Asia	China	Asia	China	Asia		
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
Total segment assets	8,164,491	5,663,650	1,042,507	570,460	1,623,585	634,907	623,956	274,409	—	5,802	394,754	479,749	291,823	19,770,093	
Unallocated assets														477,173	
<b>Total assets of the Group</b>														<b>20,247,266</b>	
Total segment liabilities	(3,598,828)	(1,774,870)	(800,453)	(279,855)	(267,993)	(367,233)	(314,804)	(89,519)	—	(1,690)	(551,116)	(376,091)	(252,986)	(8,675,438)	
Unallocated liabilities														(1,048,186)	
<b>Total liabilities of the Group</b>														<b>(9,723,624)</b>	
Addition to non-current assets	440,939	538,057	30,218	4,131	5,147	34,005	40,101	1,262	—	—	59,773	—	11,511	1,165,144	

The segment assets and liabilities as at 31 December 2024 are as follows:

	As at 31 December 2024 (restated)														Total
	Yarns				Garment fabrics and Garments			Grey fabrics		Non-woven fabrics		Others			
	Southeast		Americas	Others	Southeast		Americas	Southeast		Southeast		Southeast			
	China	Asia			China	Asia		China	Asia	China	Asia	China	Asia		
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
<b>Total segment assets</b>	8,721,838	4,793,990	992,908	697,642	1,896,003	654,122	653,231	214,729	449,211	5,347	470,960	445,215	350,760	20,345,956	
Unallocated assets														444,556	
<b>Total assets of the Group</b>														<u>20,790,512</u>	
<b>Total segment liabilities</b>	(3,503,558)	(2,392,262)	(807,359)	(358,540)	(256,588)	(464,970)	(386,742)	(93,505)	(354,110)	(742)	(492,871)	(242,594)	(332,572)	(9,686,413)	
Unallocated liabilities														(1,147,029)	
<b>Total liabilities of the Group</b>														<u>(10,833,442)</u>	
Addition to non-current assets	227,562	340,083	23,746	53,702	12,115	32,597	27,234	3,182	3,035	—	4,547	106,544	—	834,347	

#### 4. OTHER INCOME AND OTHER LOSSES — NET

	2025	2024
	<b>RMB'000</b>	<b>RMB'000</b>
		(restated)
Other income — net		
Subsidy income (a)	<b>168,485</b>	166,230
Rental income	<b>71,309</b>	49,257
Depreciation of investment properties and rented property, plant and equipment	<b>(34,981)</b>	(28,580)
<b>Total other income — net</b>	<u><b>204,813</b></u>	<u>186,907</u>
Other losses — net		
Gains on disposal of property, plant and equipment and land use rights	<b>77,846</b>	11,136
Derivative financial instruments at fair value through profit or loss:		
— Realised gains	<b>105,292</b>	150,662
— Unrealised losses	<b>(101,320)</b>	(19,110)
Financial assets at fair value through profit or loss:		
— Realised gains	<b>3,335</b>	2,602
— Unrealised gains	<b>1,866</b>	2,154
Foreign exchange losses — net	<b>(271,694)</b>	(159,467)
Fees generated from certain returned assets	<b>(3,143)</b>	(29,828)
Compensation for order cancellation	<b>2,480</b>	14,348
Others	<b>14,410</b>	17,083
<b>Total other losses — net</b>	<u><b>(170,928)</b></u>	<u>(10,420)</u>

- (a) The subsidy income was mainly related to incentives for development in Mainland China provided by municipal governments based on special subsidies and the amounts of value added tax and income tax paid. The Group has received all the subsidy income and there was no future obligation related to this subsidy income.

## 5. EXPENSES BY NATURE

	2025	2024
	<i>RMB'000</i>	(restated) <i>RMB'000</i>
Raw materials and consumables used	15,359,634	16,018,473
Changes in inventories of finished goods and work in progress	233,967	183,532
Employment benefit expenses	2,325,763	2,329,459
Utilities	1,566,358	1,623,713
Depreciation and amortisation	926,115	987,436
Transportation costs	361,975	372,076
Impairment charges on property, plant and equipment	154,461	21,498
Office expenses	95,845	98,335
Auditor's remuneration		
— Annual audit services	3,500	3,500
— Non-audit services	1,368	3,884
Rental expenses for buildings, machinery and others	2,564	2,896
Net accrual/(reversal) of provision for decline in value of inventories	24,214	(56,708)
Other expenses	288,448	376,127
	<u>21,344,212</u>	<u>21,964,221</u>
Total cost of sales, selling and distribution costs and general and administrative expenses	<u>21,344,212</u>	<u>21,964,221</u>

## 6. FINANCE COSTS — NET

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest expenses		
— Borrowings	334,091	442,838
— Lease liabilities	5,185	6,324
	<u>339,276</u>	449,162
Net exchange (gains)/losses on financing activities	(64,818)	29,334
Less: finance costs capitalised in building and machinery in property, plant and equipment	—	(4,310)
	<u>274,458</u>	474,186
Finance costs	<u>274,458</u>	474,186
Interest income		
— Interest income on bank deposits	(108,268)	(86,193)
	<u>166,190</u>	<u>387,993</u>
Net finance costs	<u>166,190</u>	<u>387,993</u>

## 7. INCOME TAX EXPENSE

The amount of income tax charged to the consolidated income statement represents:

	<b>2025</b>	2024
	<i>RMB'000</i>	(restated) <i>RMB'000</i>
Current tax on profits for the year	<b>171,378</b>	143,673
Deferred income tax	<b>78,168</b>	42,817
	<b>249,546</b>	186,490

### (a) Hong Kong profits tax

Subsidiaries incorporated in Hong Kong are subject to profits tax at a rate of 16.5% (2024: 16.5%).

### (b) Mainland China enterprise income tax

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 (“HANTE”) status and are entitled to a preferential tax rate of 15% during the year (2024: sixteen subsidiaries). The status is subject to a requirement that these subsidiaries reapply for HANTE 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% (2024: 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 year (2024: nil to 20%).

### (d) Other income or profits tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands. No provision for Cayman Islands profits tax has been made as the Group had no assessable profit arising in or derived from Cayman Islands during the year (2024: nil).

The Company's subsidiaries established in the British Virgin Islands were incorporated under the International Business Companies Acts or the Business Companies Acts, 2004 of the British Virgin Islands. No provision for British Virgin Islands profits tax has been made as the Group had no assessable profit arising in or derived from British Virgin Islands during the year (2024: nil).

The Company's subsidiary established in Macao is subject to an income tax rate of 12% (2024: 12%).

The Company's subsidiary established in Uruguay is subject to an income tax rate of 25% (2024: 25%). No provision for Uruguay profits tax has been made as the Group had no assessable profit arising in or derived from Uruguay during the year (2024: nil).

The Company's subsidiaries established in Nicaragua are subject to income tax at the rate of 30% (2024: 30%). As approved by relevant tax bureau in Nicaragua, the subsidiaries are entitled to exemption from profits tax during the year (2024: exempted).

The Company's subsidiaries established in Samoa are exempted from profits tax during the year (2024: exempted).

The Company's subsidiary established in Turkey is subject to income tax at the rate of 25% (2024: 25%).

The Company's subsidiaries established in the United States are subject to income tax at the rate of 29.84% to 30% (2024: 27.5% to 30%).

The Company's subsidiaries established in Mexico are subject to income tax at the rate of 30% (2024: 30%).

The Company's subsidiaries established in Honduras are subject to income tax at the rate of 25% (2024: 25%).

## 8. 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 year.

	2025	2024 (restated)
Profit attributable to owners of the Company ( <i>RMB'000</i> )	<u>913,010</u>	<u>559,971</u>
Weighted average number of ordinary shares in issue ( <i>thousands</i> )	<u>917,850</u>	<u>918,000</u>
Basic earnings per share ( <i>RMB per share</i> )	<u>0.99</u>	<u>0.61</u>

**(b) Diluted**

Diluted earnings per share is the same as the basic earnings per share since the Company does not have dilutive shares.

**9. DIVIDENDS**

The dividend paid in 2025 was RMB83,666,000 (2024: RMB83,474,000), being HKD0.10 per ordinary share (2024: HKD0.10 per ordinary share) that was related to the year ended 31 December 2024.

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Final dividend for the year ended 31 December 2024 of HKD0.10 per ordinary share	<b>83,666</b>	—
Interim dividend for the year ended 31 December 2024 of HKD0.10 per ordinary share	—	83,474
	<u><b>83,666</b></u>	<u>83,474</u>

For the year ended 31 December 2025, no proposed final dividend (2024: HKD0.10 per ordinary share amounting to a total dividend of RMB85,007,000) is to be presented for approval at the annual general meeting of the Company.

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Proposed final dividend for the year ended 31 December 2025 of HKDnil (2024: HKD0.10) per ordinary share	—	85,007
	<u>—</u>	<u>85,007</u>

**10. INVENTORIES**

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Raw materials	<b>2,961,638</b>	2,501,852
Work-in-progress	<b>307,349</b>	342,277
Finished goods	<b>1,785,526</b>	1,984,565
	<u><b>5,054,513</b></u>	<u>4,828,694</u>
Less: provision for write-down of inventories to net realisable value	<u><b>(309,801)</b></u>	<u>(285,587)</u>
	<u><b>4,744,712</b></u>	<u>4,543,107</u>

The cost of inventories recognized as expense and included in cost of sales amounted to RMB15,593,601,000 (2024: RMB16,202,005,000).

Accrual of write-downs of inventories to net realisable value amounted to RMB24,214,000 (2024: reversal of RMB56,708,000). These amounts have been included in 'cost of sales' in the consolidated income statement.

#### 11. TRADE AND BILLS RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	1,006,826	1,188,956
Bills receivable	<u>423,604</u>	<u>302,898</u>
	<u>1,430,430</u>	<u>1,491,854</u>
Less: provision for impairment	<u>(109,607)</u>	<u>(87,919)</u>
	<u><u>1,320,823</u></u>	<u><u>1,403,935</u></u>

As at 31 December 2025, included in the trade receivables were amounts due from related parties of RMB28,296,000 (2024: RMB32,076,000).

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. 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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 30 days	732,721	792,344
31 to 90 days	537,235	506,811
91 to 180 days	59,122	87,595
181 days to 1 year	8,202	9,619
Over 1 year	<u>93,150</u>	<u>95,485</u>
	<u>1,430,430</u>	<u>1,491,854</u>
Less: provision for impairment	<u>(109,607)</u>	<u>(87,919)</u>
Trade and bills receivables — net	<u><u>1,320,823</u></u>	<u><u>1,403,935</u></u>

## 12. FINANCIAL ASSETS AT FVOCI

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current — bills receivables	<u>256,891</u>	<u>375,631</u>

Bills receivables held both by collecting contractual cash flows and selling of these assets are classified as financial assets at FVOCI.

## 13. TRADE AND BILLS PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	718,457	792,006
Bills payable	<u>206,797</u>	<u>94,387</u>
	<u>925,254</u>	<u>886,393</u>

As at 31 December 2025, included in trade payables were amounts due to related parties of RMB37,071,000 (2024: RMB36,429,000).

Due to the short-term nature of 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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 90 days	808,525	809,439
91 to 180 days	76,561	37,547
181 days to 1 year	30,153	28,604
Over 1 year	<u>10,015</u>	<u>10,803</u>
	<u>925,254</u>	<u>886,393</u>

#### 14. SUPPLY CHAIN FINANCING

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Current</b>		
Guaranteed	1,740,133	1,911,445
Unguaranteed	<u>50,000</u>	<u>200,000</u>
	<u><u>1,790,133</u></u>	<u><u>2,111,445</u></u>

*Note:*

The guaranteed supply chain financing of RMB1,740,133,000 (2024: RMB1,911,445,000) as at 31 December 2025 was guaranteed by certain subsidiaries of the Group.

At 31 December 2025, the Group's supply chain financing were repayable within 1 year.

#### 15. DERIVATIVE FINANCIAL INSTRUMENTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Assets:</b>		
Forward foreign exchange contracts ( <i>Note (b)</i> )	6,036	99,963
Cotton option contracts ( <i>Note (c)</i> )	3,926	689
Cotton future contracts ( <i>Note (d)</i> )	<u>1,601</u>	<u>—</u>
	<u><u>11,563</u></u>	<u><u>100,652</u></u>
<b>Liabilities:</b>		
Cross currency swap contracts ( <i>Note (a)</i> )	32,680	2,040
Forward foreign exchange contracts ( <i>Note (b)</i> )	4,891	39,451
Cotton option contracts ( <i>Note (c)</i> )	16,684	—
Cotton future contract ( <i>Note (d)</i> )	<u>—</u>	<u>534</u>
	<u><u>54,255</u></u>	<u><u>42,025</u></u>

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

*Notes:*

- (a) The cross currency swap contracts as at 31 December 2025 comprised four contracts with notional principal amounts totaling RMB809,517,000 (2024: two contracts with notional principal amounts totaling RMB324,114,000).

- (b) The forward foreign exchange contracts as at 31 December 2025 comprised fifty-eight contracts with notional principal amounts totaling RMB1,478,785,000 (2024: ninety-seven contracts with notional principal amounts totaling RMB5,360,201,000).
- (c) The cotton option contracts as at 31 December 2025 comprised seventeen contracts with notional principal amounts totaling USD3,476,000 (2024: three contracts with notional principal amounts totaling USD2,555,000).
- (d) The cotton future contract as at 31 December 2025 comprised one contract with notional principal amount of USD5,174,000 (2024: one contract with notional principal amount of USD4,580,000).

## CHAIRMAN’S STATEMENT

### RESULTS

The global economy entered a phase of structural realignment in 2025. While transitioning beyond short-term post-pandemic shocks to achieve a sluggish yet resilient performance, it sustained moderate growth. Meanwhile, the trade landscape underwent profound changes, with the deepening of regional supply chains ushering in a new normal for the market environment. Turning to China, as the domestic economy progressed toward high-quality growth and the application of high-tech innovations continued to advance, the textile industry demonstrated notable structural resilience. However, shifting international trade policies stemming from U.S. “reciprocal tariffs” continued to pressure export channels.

In the meantime, overseas markets experienced a cautious recovery, with consumers shifting from impulsive spending of recent years toward more rational, purpose-driven consumption that prioritizes practicality and long-term value. Additionally, the blurring line between professional and active lifestyles accelerated the demand for “workleisure” — high-performance clothing that integrates features like thermal regulation and moisture-wicking into traditional professional silhouettes, perfectly aligning with modern life. These trends have fostered a “quality over quantity” mindset and favored manufacturers with advanced technological capabilities and the ability to produce high-value added functional products.

Building on the strong recovery and positive momentum of 2024, which saw the Group recover from post-pandemic challenges, it entered a new phase of high-quality, efficient growth in 2025. The Group has maintained near-full capacity utilization and has started to benefit from the technological and process upgrades carried out over the past years. Also, by allocating greater resources to newly developed, high-value-added differentiated products, the Group has further decoupled its profit growth from mere volume expansion. At the same time, the stabilizing cotton market has allowed for a more consistent and cost-effective procurement strategy, keeping the Group’s material costs under control.

The Group’s long-term strategy of globalized manufacturing has continued to prove its worth amid escalating trade frictions and policy uncertainties. Our established capacity layout in Vietnam and the Americas has provided the Group with a critical advantage, serving as a resilient buffer against supply chain instabilities that have impacted the industry in recent years. As global supply chains shift toward regionalization and “nearshoring” transformation, we believe that strategically positioning our production around the world is no longer just a cost-saving measure, but a necessity for maintaining market leadership and ensuring supply chain resilience in an unpredictable geopolitical climate.

In 2025, the Group recorded overall revenue of approximately RMB22.7 billion, net profit of approximately RMB972.2 million, profit attributable to owners of the Company of approximately RMB913.0 million, and basic earnings per share of RMB0.99.

## **OUTLOOK**

Looking ahead to 2026, the textile industry will place greater emphasis on long-term planning where sustainability and AI integration will transition from emerging trends to core operational standards. As market demand stabilizes, the Group is well-positioned for growth. Our operational strategy prioritizes the internal resource integration as a foundation, while simultaneously driving proactive market expansion, aiming to forge a new paradigm of dual-track synergetic transformation. We will continue leveraging our strategic global layout while concurrently identifying new production frontiers and market opportunities to further expand our global footprint. By grounding our future in technological excellence and a resilient manufacturing network, we remain committed to delivering long-term, stable value and returns for our shareholders.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **OVERVIEW**

Looking back at the international economic landscape in 2025, the global political and economic landscape underwent a profound reshaping, marked by frequent geopolitical conflicts, intensified competition among major powers, and a global governance system under significant strain.

On the one hand, the Russia-Ukraine conflict has entered a new phase, with diplomatic tensions escalating as both sides engage in a tug-of-war over territorial and security arrangements during negotiations. In addition, military operations by Israel in the Middle East have severely disrupted global logistics networks. Coupled with the closure of key maritime shipping routes, the stability of global supply chains has been significantly undermined, further exacerbating volatility in financial markets.

On the other hand, the “reciprocal tariffs” policy introduced by the U.S. continued to challenge the global trade order, emerging as a key uncertainty in economy throughout the Year. Its implementation involved numerous complex legal issues, constantly altering the dynamics of international negotiations and exerting an unprecedented impact on global economic development. These macroeconomic uncertainties and challenges have rendered the conventional globalized supply chain model unsustainable, forcing enterprises to abandon traditional trade patterns and drastically adjust their production capacity footprint toward emerging markets.

In terms of global monetary policy, a pronounced divergence emerged across different countries during the Year. While China maintained a prudent yet moderately accommodative stance, supporting the real economy through structural policy tools, Japan was forced to raise interest rates to a three-decade high, becoming a “contrarian” in global monetary policy due to lagging inflationary pressures. The U.S. and Europe initiated a cycle of interest rate cuts to hedge against global economic downside risks, spurring a modest recovery in consumer demand.

Despite facing multiple challenges, the global textile industry demonstrated robust resilience, with structural improvements in production, trading, and innovation.

In the domestic market, to address external uncertainties, China has continuously strengthened the intensity of proactive counter-cyclical adjustment policies, which became a core driver of manufacturing investment growth and domestic demand expansion. Supported by both macroeconomic policies and innovations in consumption scenarios, the domestic market for the textile industry has shown sound development resilience and momentum. However, consumer data indicates that households remain cautious in their spending, and the fundamental issue of insufficient consumer confidence has yet to see an improvement.

Against this backdrop, the divergence within the textile industry has become increasingly pronounced. The upstream sector indicated relatively strong performance, benefiting from growth in exports of intermediate goods to overseas markets. In contrast, the downstream apparel manufacturing sector remained subdued, impacted by persistently weak export demand. At the same time, domestic consumption has also exhibited signs of deep divergence. Traditional consumption patterns have cooled and shifted toward emerging ones, with consumers becoming less motivated by status-driven spending and more motivated by self-fulfillment. This shift was particularly evident among younger generations, driving a more rational approach to material consumption and leading to a notable slowdown in the luxury goods sector. Furthermore, the divergence between price and volume was intensifying. Although consumption of household goods has increased, the overall price levels continued to face downward pressure due to consumers’ general preference for products offering value for money, coupled with fierce price competition among major retailers.

In overseas markets, the U.S. and European economies experienced a moderate recovery, although growth momentum remained relatively weak. Specifically, the U.S. economy maintained modest growth, supported by solid consumer spending and a robust services sector. Meanwhile, the Eurozone’s industrial sector began to show preliminary signs of recovery, benefiting from a more stable energy market compared with the last year.

Despite the complex global economic environment, the Group leveraged its exceptional execution capabilities and balanced global production footprint to lay a solid foundation for improving its overall performance. By maintaining flexibility and adaptability, the Group successfully seized opportunities arising from the rebound in domestic and overseas orders during the Year. Consequently, sales volume and capacity utilization rates improved compared with the last year, driving growth in operating results.

As a result of the above factors, the trend in the Group's sales revenue shifted, with a notable divergence between price and volume. Although the recovery in market demand led to an increase in sales volume for the Year compared with the last year, the revenue growth was partially offset by a decrease in the Group's average selling price. This reflected fluctuations in raw material prices during the Year, as well as the intensely competitive pricing environment stemming from the broader industry shift towards "value-for-money" consumption. Consequently, the Group's overall revenue decreased by approximately 1.4% from approximately RMB23.0 billion last year to approximately RMB22.7 billion for the Year.

During the Year, the Group strived to improve the utilization rate of existing production capacity, especially at its overseas factories, and further enhanced production efficiency and reduced production costs through strengthening the automation transformation and upgrading of equipment. Consequently, the Group's overall gross profit margin rose from approximately 12.4% for the last year to approximately 13.8% for the Year. On the other hand, the Group continued to optimize its asset-liability structure to enhance financial flexibility, and significantly reduced interest expenses during the Year through active capital management measures. Meanwhile, the Group closely followed changes in consumption trends, accurately seized market opportunities brought by structural products, and further bolstered corporate profitability through targeted research and development. These measures drove a substantial increase in net profit by approximately 63.4% from approximately RMB595.1 million (restated) for the last year to approximately RMB972.2 million for the Year. Profit attributable to the owners of the Company increased by approximately 63.0% from approximately RMB560.0 million (restated) for the last year to approximately RMB913.0 million for the Year. Basic earnings per share rose by approximately 62.3% from approximately RMB0.61 (restated) for the last year to approximately RMB0.99 for the Year.

## **INDUSTRY REVIEW**

According to the National Bureau of Statistics of the People's Republic of China, in 2025, large-scale textile enterprises achieved total sales of approximately RMB2,232.3 billion, representing a year-on-year decrease of approximately 6.4%, with a total net profit of approximately RMB73.8 billion, representing a year-on-year decrease of approximately 12.0%. The total sales of sizeable textile garment and apparel enterprises amounted to approximately RMB1,112.0 billion, representing a year-on-year decrease of approximately 12.7%, with a net profit of approximately RMB45.1 billion, representing a year-on-year decrease of approximately 27.3%.

According to data from the General Administration of Customs of the PRC, the PRC exported around US\$142.6 billion worth of textile products in 2025, up approximately 0.5% year-on-year, while exported garments amounted to approximately US\$151.2 billion, a year-on-year decrease of approximately 5.0%.

According to statistics from Vietnam Customs, the export volume of yarns and staple fibers manufactured in Vietnam rose by approximately 3.8% to approximately 1.95 million tonnes in 2025, generating revenue of approximately US\$4.3 billion, a decrease of approximately 2.1% compared with 2024. Garment exports increased by approximately 7.0% to approximately US\$39.6 billion in 2025.

## **BUSINESS REVIEW**

The Group's revenue is primarily derived from the sale of yarns, grey fabrics, and garment fabrics. During the Year, yarn sales remained the Group's primary source of revenue, accounting for approximately 79.7% of total revenue, amounting to approximately RMB18.1 billion. This represents a year-on-year increase of approximately 1.1%. The growth was mainly attributable to the recovery in market demand and the strategic advantages of the Group's global production capacity deployment.

In 2025, the global yarn market recorded steady overall growth, although the operating environment remained complex and increasingly fragmented, impacted by multiple factors including a moderate recovery in end-user demand, fluctuations in raw material prices, geopolitical risks, and ongoing technological advancements. The Asia-Pacific region maintained its position as the world's largest yarn production hub, with China serving as the core driver for both the regional and global markets. Meanwhile, the Middle East and Africa emerged as the fastest-growing regions, benefiting from cost advantages and geographic proximity to key consumer markets, thereby intensifying market competition.

Thanks to its natural properties, cotton yarn continued to be the preferred choice for consumers worldwide, maintaining a dominant position in core application areas such as apparel and home textiles. Polyester yarn became one of the fastest-growing product segments, fueled by increasing demand for athleisure and functional apparel. In response to intensifying competition and rising trade barriers in the global textile market, the Group leveraged its overseas production layout to expand international sales. At the same time, the Group actively responded to market demand by leading research and development efforts and manufacturing products tailored to evolving demand.

Benefiting from its differentiated market operation strategy and the advantage of rapidly adjusting product structure, the Group drove a growth of approximately 6.3% in yarn sales volume to approximately 820,000 tonnes. However, due to fluctuations in raw material prices and shifts in product mix, revenue from yarns increased slightly by approximately 1.1% year-on-year to around RMB18.1 billion during the Year. During the Year, the Group's capacity utilization rate — particularly at its overseas facilities — improved significantly compared with the last year. Coupled with flexible raw material procurement strategies and enhanced production efficiency through automated equipment upgrades, the average gross profit margin for yarns rose from approximately 11.7% for the last year to around 14.2%.

Woven garment fabric production and sales markets are mainly concentrated overseas. Benefiting from the front-loading effect triggered by the U.S. “reciprocal tariffs” policy in the first half of the Year, as well as the recovery in market demand driven by interest rate cuts in the second half, demand in the overseas workwear market rebounded. Combined with the Group’s nearshore supply advantage stemming from its overseas production layout, sales volume of woven garment fabrics increased by approximately 4.8% to around 100 million meters during the Year, with corresponding sales revenue rising by approximately 1.2% to approximately RMB2.2 billion. Capitalizing on the longer order cycles typical of woven garment fabrics and the decline in cotton yarn costs during the second quarter, the Group actively ramped up capacity utilization and strictly controlled energy consumption. As a result, the gross profit margin for woven garment fabrics increased from 19.5% for the last year to 23.3% for the Year.

Regarding knitted garment fabrics, following the disposal of the Group’s Vietnam factory in November 2023, the business has primarily served the domestic market. During the Year, intensified competition in the domestic market, affected by reduced exports to the U.S., led to a decrease in knitted garment fabrics sales volume from approximately 10,900 tonnes for the last year to approximately 6,600 tonnes. Sales revenue declined by 40.4% from approximately RMB551.6 million to approximately RMB328.6 million. The Group has been actively restructuring the organizational framework and product mix of this business, aiming to enhance brand loyalty through an optimized product portfolio, thereby securing higher-margin orders and improving overall profitability.

Trading operations mainly comprise the trading of yarns, fabrics, and garments, with a focus on denim fabrics and apparel for the U.S. market. The Group engaged in cotton and yarn trading in a timely manner in line with market conditions, contributing to a slight increase in revenue compared with the last year. Overall, sales revenue from trading operations increased by 2.3% to approximately RMB1.6 billion. Due to a shift in the sales mix, the gross profit margin decreased from 10.9% for the last year to 10.0% for the Year.

In recent years, global inflation has driven up the cost of living, and the non-woven fabrics business, as a non-essential category, has not performed as expected since the end of the pandemic. The Group has been gradually transitioning its non-woven fabrics product mix from basic fabrics to higher-value-added downstream products. Furthermore, it has actively explored overseas markets, particularly by capitalizing on opportunities in overseas non-woven capacity arising from China-U.S. tariff dynamics during the Year, and by advancing strategic partnerships with leading customers to broaden its customer base and secure market orders. During the Year, sales revenue from non-woven fabrics increased from approximately RMB94.3 million for the last year to approximately RMB158.1 million.

## PROSPECTS

As of December 31, 2025, the Group's major production facilities were equipped with approximately 4.26 million spindles, of which 2.45 million were in China and 1.81 million were overseas (mainly in Vietnam), alongside more than 1,700 weaving and knitting machines and related dyeing equipment. Yarn production capacity expanded slightly due to the completion and commissioning of several construction projects.

From a macro perspective, the global textile industry will be reshaped in 2026. First, the escalation of geopolitical tensions will accelerate the regional restructuring of the supply chain. Moreover, the ongoing escalation of trade restrictions that Western countries have imposed on China is driving the global textile supply chain towards a trend of "regionalization and nearshoring". Enterprises in the industry are accelerating their expansion into Southeast Asia, Africa and Latin America to build multi-hub production networks that mitigate tariff risks and provide close proximity to end markets. Having already established production layouts in China, Vietnam, Europe and the Americas, the Group is well-positioned to capture these opportunities and further expand its market share.

Second, environmental standards have become a basic requirement. The phased implementation of the EU's Carbon Border Adjustment Mechanism (CBAM) and the Corporate Sustainability Due Diligence Directive (CSDDD) now requires companies to disclose product carbon footprints, labor compliance and environmental standards. These developments are accelerating the industry's green transformation, driving the adoption of recycled fibers and low-carbon production processes, and promoting the establishment of textile waste recycling systems.

On the demand side, domestic market is set to benefit from several policy initiatives in 2026. The consumer goods trade-in program and measures to increase the income of urban and rural residents outlined in the government work report are expected to inject fresh momentum into the textile and apparel market, supporting industry recovery. Additionally, the report's call to curb "involutional" competition through capacity adjustments and the phasing out of outdated production aims to prevent low-value, redundant construction and shift the industry's focus from volume and price to design, quality and innovation. This shift will help enterprises build sustainable competitive advantages.

In overseas markets, the recovery momentum is mild but still weak, with growth momentum concentrated in high-end, sustainable and functional products, while the mass fast fashion category is facing weak consumption and inventory pressure. Markets in Europe and the U.S. are transitioning from volume-driven growth to value-driven growth, with eco-friendly products, small-order quick-response (SOQR) capabilities and localized services becoming key competitive factors, while demand for functional and smart textiles continues to rise.

Overall, the global textile industry is entering a new phase in 2026, characterized by structural reconfiguration and value upgrade, driven by factors such as geopolitical volatility, intensifying green trade measures, policy tailwinds in emerging markets, and the accelerating adoption of smart manufacturing. Growth momentum is expected to shift further toward emerging economies in Asia, Africa and Latin America, while sustainability and technological innovation will become central to corporate strategy.

The Group plans to advance its digital transformation in 2026 by deepening the application of digital technologies in production and supply chain management, with the aim of enhancing efficiency, improving product quality and reducing costs. At the same time, the Group will maintain a prudent approach to investment, restructuring underperforming or low-margin assets and businesses to sharpen its focus on core operations and reinforce its competitive position, simultaneously driving proactive market expansion, aiming to forge a new paradigm of dual-track synergetic transformation. Based on current market conditions and excluding trading business volumes, the Group expects to sell approximately 830,000 tonnes of yarn, 100 million meters of woven garment fabrics and 6,000 tonnes of knitted garment fabrics in 2026.

Regarding new investments, the Group anticipates adding approximately 100,000 spindles of yarn production capacity in Vietnam in 2026 to further enhance the utilization rate of its Vietnamese plants, thereby increasing the Group's total yarn production capacity to approximately 4.35 million spindles. In response to the global low-carbon transition, the Group will continue to invest in energy storage facilities and distributed photovoltaic (PV) systems to reduce carbon emissions and energy costs. As at the end of 2025, the Group had installed approximately 181MW of distributed PV capacity at its domestic and overseas factories, with plans to add approximately 20MW in 2026 to support its environmental and sustainability objectives. Concurrently, the Group will continue to pursue automation upgrades and smart manufacturing initiatives to further improve production efficiency and cost competitiveness.

With the strategies and business plans outlined above, the Group is well-prepared to navigate market dynamics and capture emerging opportunities, while leveraging its resources and production capabilities to deliver long-term, stable value and returns for our shareholders.

## FINANCIAL REVIEW

### Sales

During the Year, the sales of the Group mainly comprised the sales of yarns, grey fabrics, non-woven fabrics and garment fabrics. Yarns continued to be the Group's major product. Given the increase in sales volume of yarns, the revenue of yarns in 2025 increased by approximately 1.1% as compared to that of 2024. Analysis of the Group's sales by products is shown below.

	<b>2025</b>	2024	Revenue
	<b>RMB'000</b>	RMB'000	change
Yarns	<b>18,109,376</b>	17,908,950	1.1%
Grey fabrics	<b>299,927</b>	409,291	-26.7%
Woven garment fabrics	<b>2,197,958</b>	2,172,849	1.2%
Knitted garment fabrics	<b>328,585</b>	551,559	-40.4%
Trading	<b>1,571,334</b>	1,535,359	2.3%
Non-woven fabrics	<b>158,112</b>	94,347	67.6%
Others	<b>50,335</b>	356,678	-85.9%
Total	<b><u>22,715,627</u></b>	<u>23,029,033</u>	<u>-1.4%</u>

	Sales Volume		Selling price		Gross profit margin	
	2025	2024	2025	2024	2025	2024
Yarns (Tonne/RMB per tonne)	<b>818,807</b>	770,388	<b>22,117</b>	23,247	<b>14.2%</b>	11.7%
Grey fabrics (Million metres/RMB per metre)	<b>45.3</b>	50.6	<b>6.6</b>	8.1	<b>8.8%</b>	12.0%
Woven garment fabrics (Million metres/RMB per metre)	<b>100.3</b>	95.7	<b>21.9</b>	22.7	<b>23.3%</b>	19.5%
Knitted garment fabrics (Tonne/RMB per tonne)	<b>6,623</b>	10,926	<b>49,613</b>	50,481	<b>-5.1%</b>	8.1%
Non-woven fabrics (Tonne/RMB per tonne)	<b><u>6,573</u></b>	<u>3,736</u>	<b><u>24,055</u></b>	<u>25,253</u>	<b><u>-82.7%</u></b>	<u>-24.2%</u>

The Chinese textile market is the Group's major market, and accounted for approximately 63.7% of our total sales of 2025. Due to the significant increase in demand for textiles in overseas markets compared with last year, the percentage for the Group's domestic sales has decreased in 2025 compared with approximately 66.4% in 2024.

As at the date of this annual results announcement, the Group has more than 5,000 customers. As the Group produces differentiated products, the Group does not rely on orders from a particular customer. The top ten largest customers of the Group only accounted for approximately 16.1% of the total sales of the Group for the year ended 31 December 2025.

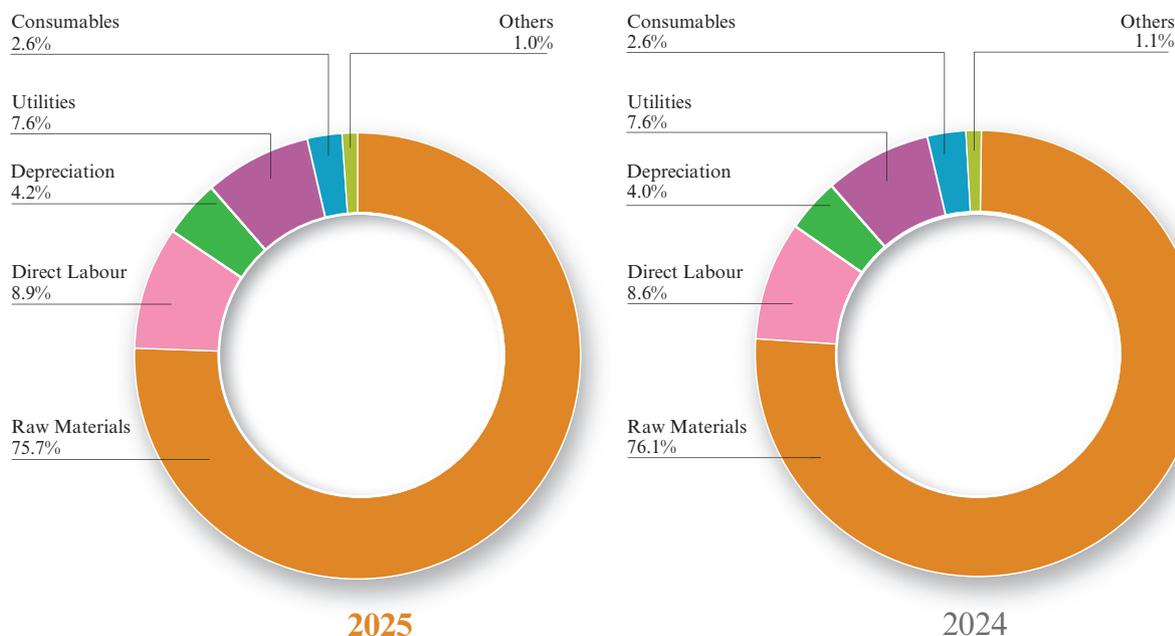
### Gross profit and gross profit margin

For the year ended 31 December 2025, gross profit of the Group increased from approximately RMB2,863.4 million for 2024 to approximately RMB3,137.7 million for 2025. The overall gross profit margin increased by approximately 1.4 percentage points to approximately 13.8% as compared to that of 2024. In 2025, the recovery of market demand for the textile industry led to an increase in the sales volume and capacity utilization of the Group’s yarns and woven garment fabrics, coupled with the adoption of a flexible raw material procurement strategy, driving the increase in the Group’s overall gross profit margin.

### Cost structure

For the year ended 31 December 2025, cost of sales decreased by approximately 2.9% to approximately RMB19.6 billion when compared with 2024. Raw materials cost accounted for about 75.7% of the total cost of sales of 2025. Cotton is our major raw material.

The breakdown of our cost of sales in 2025 and 2024 is shown below:



## Selling and distribution costs

For the year ended 31 December 2025, the Group's selling and distribution costs decreased by approximately 1.5% to approximately RMB640.2 million when compared to that of 2024. This was mainly attributable to the Group's active expense control policy, as well as the decrease in warehousing costs as a result of lower inventory levels.

## General and administrative expenses

For the year ended 31 December 2025, the Group's general and administrative expenses amounted to approximately RMB1,126.0 million, which represented a decrease of approximately 2.0% when compared with 2024, and accounted for approximately 5.0% of the Group's revenue. This was mainly attributable to the Group's active expense control policy, which resulted in a reduction in daily administrative expenses.

## Cash flows

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Net cash generated from operating activities	<b>4,304,363</b>	4,480,352
Net cash (used in)/generated from investing activities	<b>(921,753)</b>	535,306
Net cash used in financing activities	<b>(3,739,754)</b>	(4,320,426)
Effect of foreign exchange rate changes	<b>(35,470)</b>	23,256
	<u><b>2,487,669</b></u>	<u>2,880,283</u>
Cash and cash equivalents at end of the year		

For the year ended 31 December 2025, net cash generated from operating activities of the Group amounted to approximately RMB4,304.4 million, mainly attributable to the increase in operating profit resulting from the improvement in the sales volume and capacity utilization of the Group's yarns and woven garment fabrics in 2025, as well as the reduction in working capital occupation through improved working capital efficiency. Net cash used in investing activities amounted to approximately RMB921.8 million, which was mainly applied to the renovation and upgrading of the Group's yarn factory equipment, the construction in progress in Vietnam and the investment in photovoltaic equipment. During the Year, net cash used in financing activities amounted to approximately RMB3,739.8 million, which was mainly used for the repayment of bank borrowings by the Group to optimize the asset-liability structure.

## Liquidity and financial resources

As at 31 December 2025, bank and cash balances of the Group (including pledged bank deposits) amounted to approximately RMB2,495.4 million (as at 31 December 2024: RMB2,904.2 million).

As at 31 December 2025, inventories and trade and bills receivables (including financial assets at fair value through other comprehensive income) of the Group increased by approximately RMB201.6 million to approximately RMB4,744.7 million and decreased by approximately RMB201.9 million to approximately RMB1,577.7 million, respectively (as at 31 December 2024: approximately RMB4,543.1 million and approximately RMB1,779.6 million, respectively). Inventory turnover days and trade and bills receivables turnover days were 85 days and 27 days, respectively, as compared to 87 days and 29 days, respectively, for 2024. In 2025, benefiting from a rebound in textile industry demand, the Group secured a substantial order book and achieved robust sales, which accelerated inventory turnover. At the same time, the Group did not relax its credit control measures over its customers, ensuring prompt payment collections. As a result, both inventory turnover days and trade and bills receivables turnover days in 2025 decreased compared to the last year.

As at 31 December 2025, trade and bills payables (including supply chain financing) of the Group decreased by approximately RMB282.5 million to approximately RMB2,715.4 million (as at 31 December 2024: RMB2,997.8 million). Trade payables turnover days were 53 days, as compared to 57 days for 2024. The decrease in trade payables and the corresponding turnover days was mainly due to the Group's early settlement of payments under letters of credit.

As at 31 December 2025, total bank borrowings of the Group decreased by approximately RMB1,013.6 million to approximately RMB5,381.9 million. Current bank borrowings decreased by approximately RMB278.3 million to approximately RMB2,920.9 million, while non-current bank borrowings decreased by approximately RMB735.3 million to approximately RMB2,461.0 million. The decrease in bank borrowings was mainly due to the significant improvement in the Group's operating results, which enabled the early repayment of bank borrowings to optimize the asset-liability structure.

As at 31 December 2025 and 2024, the key financial ratios of the Group were as follows:

	<b>2025</b>	2024 (restated)
Current ratio	<b>1.42</b>	1.40
Debt to equity ratio <sup>1</sup>	<b>0.53</b>	0.68
Net debt to equity ratio <sup>2</sup>	<b>0.28</b>	0.37
Gearing ratio <sup>3</sup>	<b>0.48</b>	0.52

<sup>1</sup> Based on total borrowings over total equity attributable to owners of the Company

<sup>2</sup> Based on total borrowings net of cash and cash equivalents and pledged bank deposits over total equity attributable to owners of the Company

<sup>3</sup> Based on total liabilities over total assets

## **Borrowings**

As at 31 December 2025, total bank borrowings of the Group amounted to approximately RMB5,381.9 million, of which approximately RMB3,597.5 million (66.8%) was denominated in Renminbi (“**RMB**”), approximately RMB282.7 million (5.3%) was denominated in United States dollars (“**US\$**”), approximately RMB1,140.1 million (21.2%) was denominated in Hong Kong dollars (“**HK\$**”) and approximately RMB361.6 million (6.7%) was denominated in Vietnamese Dong (“**VND**”). Such bank borrowings bore interest at annual rates ranging from 1.12% to 5.20% (2024: 1.23% to 5.79%).

As at 31 December 2025, current bank borrowings of the Group amounted to approximately RMB2,920.9 million (as at 31 December 2024: approximately RMB3,199.1 million). The decrease in current bank borrowings was mainly due to the improvement in the Group’s operating results, which enabled the effective reduction of working capital levels and the repayment of short-term working capital borrowings.

In respect of the Group’s borrowings, the Group has to comply with certain restrictive financial covenants.

As at 31 December 2025, no bank borrowings were secured (2024: bank borrowings of RMB200,000,000 were secured by export tax rebates entitled to be collected).

## **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 a 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 year ended 31 December 2025, capital expenditure of the Group amounted to approximately RMB1,165.1 million (2024: approximately RMB834.3 million), which was mainly related to the Group’s investment in photovoltaic equipment, the renovation and upgrading of yarn factory equipment and the construction in progress in Vietnam during the Year.

## **Contingent liabilities**

As at 31 December 2025, the Group had no material contingent liabilities.

## **Human resources**

As at 31 December 2025, the Group had 24,656 employees (as at 31 December 2024: 26,655), of whom 14,215 were located at the sales headquarters and production plants in Mainland China. The remaining 10,441 employees were stationed in regions outside Mainland China, including Vietnam, Turkey, the Americas, Hong Kong, China and Macau, China. As at 31 December 2025, the Group had a total of 11,814 female employees, representing 47.9% of the total workforce. During the Year, total staff costs incurred by the Group amounted to approximately RMB2.3 billion (2024: approximately RMB2.3 billion).

The Group will continue to optimize its human resources structure and offer competitive remuneration packages to employees with reference to prevailing market conditions, the Group's performance and individual merits, regardless of gender, race, age or religion. The Group's success depends on its various functional departments comprising skilled and motivated employees. As such, the Group is committed to fostering a culture of learning and sharing within the organization, and attaches great importance to personal training and development of employees as well as 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 a sustainable dividend policy, the Board endeavours to strike a balance between meeting shareholders' expectations and maintaining prudent capital management.

During the Year, 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 2025.

After the end of the financial year, for the same reasons mentioned above with consideration of driving proactive market expansion, the Board resolved to recommend no dividend be paid in respect of the financial year ended 31 December 2025.

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

References are made to the announcements of the Company dated 10 December 2018 and 6 June 2025 (the “**Put Option Announcements**”) in relation to, among others, the grant to and exercise of a put option (the “**Put Option**”) in Winnitex International Group Limited (the “**JV**”) by Mr. Wai Chi Wah, Nelson (“**Mr. Nelson Wai**”) pursuant to a term sheet dated 7 December 2018 entered into between the Company, Mr. Wai Chi Kwok, Jacob, Mr. Nelson Wai and the JV (the “**JV Term Sheet**”). On 6 June 2025, Mr. Nelson Wai served a written notice to the Company to exercise his Put Option to sell his entire shareholding in the JV, being 10% of the total issued share capital of the JV (the “**NW Option Shares**”), to the Company in accordance with the terms of the JV Term Sheet. Completion of the sale and purchase of the NW Option Shares took place on 7 July 2025. The total consideration of approximately HK\$261.8 million was paid to Mr. Nelson Wai and his nominee during the Year. For further details regarding the grant and exercise of the Put Option, please refer to the Put Option Announcements.

Save as disclosed above and elsewhere in this annual results announcement, during the Year, 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, the Company’s shareholders granted a general mandate to the Directors to repurchase shares of the Company (the “**Repurchase Mandate**”), pursuant to which the Company is allowed to repurchase up to 10% of the total number of issued shares of the Company as at the date of the annual general meeting.

During the Year, the Company repurchased under the Repurchase Mandate a total of 956,500 Shares on the Stock Exchange, representing approximately 0.1042% of the total issued shares of the Company (i.e. 918,000,000 shares) as at 31 December 2025, with the aggregate price paid amounting to approximately HK\$4,354,240 which was paid out from the Company’s reserves. All Shares repurchased during the Year were held as treasury shares (as defined in the Listing Rules), 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 Cayman Islands and the Listing Rules. During the Year, no treasury shares have been resold and accordingly, there were 956,500 Shares held by the Company in treasury as at 31 December 2025.

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 Year are as follows:

Month	Number of the shares repurchased	Purchase price paid		Aggregate price paid (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
October 2025	421,500	4.58	4.52	1,916,100
December 2025	<u>535,000</u>	<u>4.66</u>	<u>4.49</u>	<u>2,438,140</u>
Total	<u>956,500</u>	<u>4.66</u>	<u>4.49</u>	<u>4,354,240</u>

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 year ended 31 December 2025.

## **CORPORATE GOVERNANCE**

The Group is committed to maintaining a high level of corporate governance with an emphasis on 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 Year, the Company had complied with the then applicable 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, 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.

Save as disclosed above, there is no other information required to be disclosed by the Company pursuant to Rule 13.51B(1) of the Listing Rules for the Year (and up to the date of this annual 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 management's 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 Year. During the Year, no incident of non-compliance with the code of conduct regarding the Directors' securities transactions was noted by the Company.

## **REVIEW OF ANNUAL RESULTS**

The annual results, including the audited consolidated financial statements for the year ended 31 December 2025, 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](http://www.texhong.com) and Hong Kong Exchanges and Clearing Limited's HKEXnews website at [www.hkexnews.hk](http://www.hkexnews.hk). An annual report for the year ended 31 December 2025 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.

## **ANNUAL GENERAL MEETING**

The forthcoming annual general meeting of the Company will be held on 22 May 2026. Notice of the annual general meeting will be issued and disseminated to shareholders in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

The record date for determining the shareholders' eligibility to attend and vote at the forthcoming annual general meeting is 22 May 2026. For such purpose, the transfer books and register of members of the Company will be closed from 19 May 2026 to 22 May 2026, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong not later than 4: 30 p.m. on 18 May 2026 for registration.

## 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 Year.

## DEFINITIONS

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

“ <b>Audit Committee</b> ”	the audit committee of the Company
“ <b>Board</b> ”	the board of directors of the Company
“ <b>CG Code</b> ”	Corporate Governance Code set out in Appendix C1 to the Listing Rules
“ <b>China/The PRC/ Mainland China</b> ”	The People’s Republic of China
“ <b>Company</b> ”	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
“ <b>Director(s)</b> ”	Director(s) of the Company
“ <b>Group</b> ”	the Company and its subsidiaries
“ <b>Hong Kong</b> ”	the Hong Kong Special Administrative Region of the Peoples Republic of China
“ <b>Listing Rules</b> ”	the Rules Governing the Listing of Securities on the Stock Exchange
“ <b>Model Code</b> ”	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“ <b>SFO</b> ”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“ <b>Share(s)</b> ”	ordinary share(s) of HKD0.1 each in the share capital of the Company

“**Stock Exchange**”            The Stock Exchange of Hong Kong Limited

“**Year**”                        the year ended 31 December 2025

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

Hong Kong, 26 March 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:*

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