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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)

CONNECTED TRANSACTION IN RELATION TO PHOTOVOLTAIC AND ENERGY STORAGE SUPPLY CHAIN MANAGEMENT CONSULTING SERVICE AGREEMENT

THE 2026 PHOTOVOLTAIC AND ENERGY STORAGE SUPPLY CHAIN MANAGEMENT CONSULTING SERVICE AGREEMENT

On 24 July 2026, Shanghai Hongguang (for itself and on behalf of other members of the Group) and the Service Provider (for itself and on behalf of its affiliates) entered into the 2026 Supply Chain Agreement for the provision of customised supply chain management consulting and agency services in relation to photovoltaic and/or energy storage projects by the Service Provider Entities to the Contracting Members at a maximum aggregate consideration of RMB60 million.

IMPLICATIONS UNDER THE LISTING RULES

Each of the Service Provider Entities is a connected person of the Company by virtue of its being an associate of Mr. Hong, the chairman of the Company and an executive Director. Therefore, the transactions contemplated under the 2026 Supply Chain Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the 2026 Supply Chain Agreement and 2024 Supply Chain Agreement shall be aggregated since the latter was completed within a 12-month period and both agreements were entered into by the Group with the same party or with parties connected or otherwise associated with one another in relation to, among others, provision of customised supply chain management consulting and agency services for photovoltaic projects.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of (a) the transactions contemplated under 2026 Supply Chain Agreement and the 2024 Supply Chain Agreement on an aggregated basis did not result in a higher classification than the transactions contemplated under the 2024 Supply Chain Agreement as disclosed in the Announcement; and (b) the transactions contemplated under the 2026 Supply Chain Agreement on a standalone basis is more than 0.1% but less than 5%, the 2026 Supply Chain Agreement constitutes a connected transaction of the Company subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE 2026 PHOTOVOLTAIC AND ENERGY STORAGE SUPPLY CHAIN MANAGEMENT CONSULTING SERVICE AGREEMENT

The Board hereby announces that, on 24 July 2026, Shanghai Hongguang (for itself and on behalf of other members of the Group) and the Service Provider (for itself and on behalf of its affiliates) entered into the 2026 Supply Chain Agreement.

The principal terms of the 2026 Supply Chain Agreement are set out as follows:

Date

24 July 2026

Parties

(1) Shanghai Hongguang (for itself and on behalf of other members of the Group), as customer; and

(2) the Service Provider (for itself and on behalf of its affiliates), as service provider.

The Service Provider Entities are ultimately owned as to 78% by Mr. Hong, the chairman of the Company and an executive Director and as to 22% by Mr. Zhu, the vice chairman of the Company, the chief executive officer of the Group and an executive Director.

Scope of work

Pursuant to the 2026 Supply Chain Agreement, the Service Provider Entities shall provide customised supply chain management consulting services, as well as implementation and execution agency services to the Contracting Members in respect of photovoltaic projects and/or energy storage projects. The precise scope shall be subject to the individual circumstances, needs and location of the project specified in the Order Confirmations, and may include planning and design of the relevant projects, project registration, assistance with grid connection approvals, trade and procurement of equipment, business coordination, supplier management, installation and grid connection work, and project operation and maintenance.

As the 2026 Supply Chain Agreement only sets out the general framework for the provision of the consulting and agency services, in respect of each specific photovoltaic and/or energy storage project to be established for the Group, the Contracting Members shall enter into further specific Order Confirmations with the Service Provider Entities to determine, among others, the exact scope of work, individual project specifications, consideration payable and detailed terms and conditions on the delivery of the particular services.

In the event of conflicts between the terms of the specific Order Confirmations and the terms of the 2026 Supply Chain Agreement, the terms of the 2026 Supply Chain Agreement shall prevail.

Consideration and pricing policy

The total consideration of all Order Confirmations to be executed shall not exceed RMB60 million, which shall be exclusive of any service fees payable by the Contracting Members to third party service providers sourced by the Service Provider Entities pursuant to separate service contracts to be entered into directly with the Contracting Members (if any). The consideration payable for each Order Confirmation shall be calculated according to the cost of products and/or services actually provided by the Service Provider Entity as stated in the particular Order Confirmation, and the unit price for each product or service shall not exceed the price charged for the same or similar products or services offered by independent third parties.

The payment terms and schedule in respect of each photovoltaic and/or energy storage project shall be more specifically determined in the corresponding Order Confirmation.

The consideration for the Order Confirmations under the 2026 Supply Chain Agreement shall be financed by the internal resources of the Group as well as external financing.

INFORMATION ABOUT THE PARTIES

The Group is one of the world's largest cotton textile manufacturers and is a leading textile enterprise focusing on manufacturing high value-added core-spun textile products. The Group is principally engaged in the manufacture and distribution of quality yarns, grey fabrics and garment fabrics.

The Service Provider and its affiliates, to the best knowledge of the Directors upon making reasonable enquiries, are principally engaged in the provision of trading and related services, including in the energy industry, as well as industrial energy planning and development services. The Service Provider Entities are ultimately owned as to 78% by Mr. Hong, the chairman of the Company and an executive Director and as to 22% by Mr. Zhu, the vice chairman of the Company, the chief executive officer of the Group and an executive Director.

REASONS FOR AND BENEFITS OF THE 2026 SUPPLY CHAIN AGREEMENT

Reference is made to the announcement of the Company dated 26 July 2024 in relation to the 2024 Supply Chain Agreement (the "**Announcement**").

As disclosed in the Announcement, in light of the increasing installed capacity of the photovoltaic power plants of the Group and in order to further enhance the operational efficiency and lower costs, Shanghai Hongguang previously entered into the 2024 Supply Chain Agreement. This allowed the Service Provider Entities to provide technical services and act as agents for the Contracting Members utilizing their brand resources and sourcing third-party service providers to undertake specific photovoltaic project works specified in order confirmations executed under the 2024 Supply Chain Agreement. Having reviewed the performance of the Service Provider Entities under the 2024 Supply Chain Agreement, and considering the consequent energy cost savings achieved, the Board is of the view that it would be in the interests of the Group to further contract for the consulting and agency services in respect of additional photovoltaic projects across other production facilities of the Group. Additionally, the introduction of the newly-added energy storage projects pursuant to the 2026 Supply Chain Agreement would complement the existing photovoltaic energy generation facilities of the Group, and is expected to provide back-up capacity and excess power storage, minimizing the risk of power supply disruptions to the Group's operations. Furthermore, such energy storage projects would also optimise the Group's energy usage through peak-load shifting and demand charges reduction, thereby further improving cost efficiency.

In view of the foregoing, the Directors (including the independent non-executive Directors) are of the view that, although the 2026 Supply Chain Agreement is not in the ordinary and usual course of business of the Group due to its nature, the connected transactions contemplated under 2026 Supply Chain Agreement are:

(a) on normal commercial terms;

(b) on fair and reasonable terms; and

(c) in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Each of the Service Provider Entities is a connected person of the Company by virtue of its being an associate of Mr. Hong, the chairman of the Company and an executive Director. Therefore, the transactions contemplated under the 2026 Supply Chain Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the 2026 Supply Chain Agreement and 2024 Supply Chain Agreement shall be aggregated since the latter was completed within a 12-month period and both agreements were entered into by the Group with the same party or with parties connected or otherwise associated with one another in relation to, among others, provision of customised supply chain management consulting and agency services for photovoltaic projects.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of (a) the transactions contemplated under 2026 Supply Chain Agreement and the 2024 Supply Chain Agreement on an aggregated basis did not result in a higher classification than the transactions contemplated under the 2024 Supply Chain Agreement as disclosed in the Announcement; and (b) the transactions contemplated under the 2026 Supply Chain Agreement on a standalone basis is more than 0.1% but less than 5%, the 2026 Supply Chain Agreement constitutes a connected transaction of the Company subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Hong and Mr. Zhu have material interests in the transactions contemplated under the 2026 Supply Chain Agreements 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:

"2024 Supply Chain Agreement"	the agreement dated 26 July 2024 entered into between Shanghai Hongguang (for itself and on behalf of other members of the Group) and the Service Provider (for itself and on behalf of its affiliates) for the provision of customised supply chain management consulting services and agency services in respect of photovoltaic projects to the Group
"2026 Supply Chain Agreement"	the agreement dated 24 July 2026 entered into between Shanghai Hongguang (for itself and on behalf of other members of the Group) and the Service Provider (for itself and on behalf of its affiliates) for the provision of customised supply chain management consulting services, as well as implementation and execution agency services in respect of photovoltaic and/or energy storage projects to the Group
"affiliates"	subsidiaries of the Service Provider and/or other companies outside of the Group which are directly and/or indirectly owned as to 78% by Mr. Hong and as to 22% by Mr. Zhu
"Announcement"	shall have the meaning ascribed to it under the section headed "Reasons for and Benefits of the 2026 Supply Chain Agreement"

"associate"	has the same meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Company"	Texhong International Group Limited (天虹國際集團有限公司), 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
"Contracting Member(s)"	member(s) of the Group who shall enter into Order Confirmations with the Service Provider Entities pursuant to 2026 Supply Chain Agreement from time to time
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Hong"	Mr. Hong Tianzhu, the chairman of the Company and an executive Director
"Mr. Zhu"	Mr. Zhu Yongxiang, the vice chairman of the Company, the chief executive officer of the Group and an executive Director
"Order Confirmation(s)"	order confirmation(s) to be executed by the relevant Contracting Members with such needs with the Service Provider Entity under the 2026 Supply Chain Agreement
"PRC"	The People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Service Provider"	Shanghai Hongyun Engineering Construction Co., Ltd* (上海虹雲工程建設有限公司), a company established in the PRC with limited liability
"Service Provider Entities"	the Service Provider and its affiliates (each, a "**Service Provider Entity**") who shall provide the services to the Contracting Members pursuant to the Order Confirmations

"Shanghai Hongguang"	Shanghai Hongguang Yinyu New Energy Technology Co., Ltd.* (上海虹光銀宇新能源科技有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Shareholders"	shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent.

* *For identification purposes only*

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

Hong Kong, 24 July 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