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天虹紡織集團有限公司 TEXHONG TEXTILE GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2678)

(1) PROFIT WARNING (2) PURCHASE OF 7.625% SENIOR NOTES DUE 2016

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

In view of the recent development of the PRC yarn market and based on a review of the Group's unaudited management accounts for the ten months ended 31 October 2011, it is expected that the Group may record a substantial decrease of profit, or even a loss in the worst case scenario, for the year ending 31 December 2011 as compared to the profit of the Group for the year ended 31 December 2010.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

PURCHASE OF 7.625% SENIOR NOTES DUE 2016

Up to the date of this announcement, the Company has made an on-market purchase of the Senior Notes for the aggregate principal amount of US\$7,000,000. All of the above Senior Notes purchased by the Company will be cancelled by the Company.

PROFIT WARNING

This announcement is made by Texhong Textile Group Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform shareholders of the Company and potential investors that in view of the recent development of the PRC yarn market and based on a review of the Group's unaudited management accounts for the ten months ended 31 October 2011, it is expected that the Group may record a substantial decrease of profit, or even a loss in the worst case scenario, for the year ending 31 December 2011 as compared to the profit of the Group for the year ended 31 December 2010. The recent PRC yarn market has been very sensitive to yarn selling prices

which leads to an increasing pressure on our product selling prices and sales volume. Nevertheless, the Group's financial position has remained solid. As of 31 October 2011, the Group's cash and cash equivalent (excluding pledged bank deposits) was about RMB850 million. Besides, the Group has not experienced any material bad debts.

The information contained in this announcement is only based on a preliminary assessment by the Board based on information currently available to it, including the unaudited consolidated management accounts of the Group for the ten months ended 31 October 2011, which have not yet been confirmed or reviewed by the Company's auditors or the audit committee of the Company and finalized as at the date of this announcement. The Directors wish to emphasize that the final results of the Group for the year ending 31 December 2011 will be affected by, among others, the cotton market price for the rest of 2011, which is subject to frequent fluctuation. Further announcement(s) will be made by the Company if there is any significant change of the Group's performance for the rest of 2011.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

PURCHASE OF 7.625% SENIOR NOTES DUE 2016

Reference is made to the announcement of the Company dated 12 January 2011 in connection with the issue of US\$200 million 7.625% senior notes due 2016 ("**Senior Notes**").

The Board wishes to inform the shareholders of the Company and potential investors that up to the date of this announcement, the Company has made an on-market purchase of the Senior Notes for the aggregate principal amount of US\$7,000,000. All of the above Senior Notes purchased by the Company will be cancelled by the Company before the end of this year.

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

Executive Directors:

Mr. Hong Tianzhu
Mr. Zhu Yongxiang
Mr. Tang Daoping
Mr. Gong Zhao

Independent non-executive Directors:

Ms. Zhu Lanfen
Prof. Cheng Longdi
Mr. Ting Leung Huel, Stephen

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

Hong Kong, 16 November 2011