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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)

PROPOSED ISSUE OF USD SENIOR NOTES

The Company proposes to conduct an international offering of the Notes and will commence a series of roadshow presentations beginning on 5 April 2013 to institutional investors. The Proposed Notes Issue will only be offered outside the United States in compliance with Regulation S under the Securities Act.

Completion of the Proposed Notes Issue is subject to market conditions and investors' interest. Pricing of the Notes will be determined through a book building exercise to be conducted by the Joint Bookrunners. As at the date of this announcement, the amount, terms and conditions of the Proposed Notes Issue have yet to be determined. Upon finalization of the terms of the Proposed Notes Issue, the Joint Bookrunners and the Company, among others, will enter into the Purchase Agreement.

The Company currently intends to use approximately 50% of the net proceeds of the Notes for capital expenditures, and the remaining for working capital and general corporate purposes.

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialize. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcements in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

THE PROPOSED NOTES ISSUE

Introduction

The Company proposes to conduct an international offering of the Notes and will commence a series of roadshow presentations beginning on 5 April 2013 to institutional investors.

The Proposed Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States. The Proposed Notes Issue will only be offered outside the United States, in compliance with Regulation S under the Securities Act. None of the Notes will be offered to the public in Hong Kong, and none of the Notes will be placed to any connected persons of the Company.

Completion of the Proposed Notes Issue is subject to, inter alia, market conditions and investors' interest. Pricing of the Notes Issue will be determined through a book building exercise to be conducted by the Joint Bookrunners. The Notes, if issued, will be repayable at maturity, unless earlier redeemed or repurchased pursuant to their terms. As at the date of this announcement, the amount, terms and conditions of the Proposed Notes Issue have yet to be determined. Upon finalization of the terms of the Proposed Notes Issue, the Joint Bookrunners, the Company, and certain subsidiary guarantors set forth therein will enter into the Purchase Agreement, pursuant to which the Joint Bookrunners will be the initial purchasers of the Notes. Further announcements in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

Proposed use of proceeds

The Company currently intends to use approximately 50% of the net proceeds of the Notes for capital expenditures, and the remaining for working capital and general corporate purposes.

Listing

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

GENERAL

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialize. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcements in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

DEFINITIONS

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

“Board”	board of Directors
“Company”	Texhong Textile Group Limited (天虹紡織集團有限公司), a company incorporated under the laws of the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Deutsche Bank”	Deutsche Bank AG, Singapore Branch, one of the joint bookrunners and joint lead managers in respect of the Proposed Notes Issue
“Directors”	directors of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“J.P. Morgan”	J.P. Morgan Securities plc, one of the joint bookrunners and joint lead managers in respect of the Proposed Notes Issue
“Joint Bookrunners”	Deutsche Bank, J.P. Morgan and Standard Chartered Bank
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	the USD senior notes to be issued by the Company subject to the terms and conditions of the Purchase Agreement
“Proposed Notes Issue”	the proposed issue of the Notes by the Company

“Purchase Agreement”	the agreement proposed to be entered into between the Joint Bookrunners, the Company and certain subsidiary guarantors set forth therein in relation to the Proposed Notes Issue
“Securities Act”	the United States Securities Act of 1933, as amended
“Standard Chartered Bank”	Standard Chartered Bank, one of the joint bookrunners and joint lead managers in respect of the Proposed Notes Issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States”	United States of America
“USD”	United States dollars

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

Hong Kong, 5 April 2013

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