

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.*



## 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)**

### **PLACING OF EXISTING SHARES BY SUBSTANTIAL SHAREHOLDER**

This announcement is made by Texhong Textile Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (“**SFO**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that it has been informed by Trade Partner Investments Limited (the “**Vendor**”), a substantial shareholder of the Company, that it entered into a placing agreement (the “**Placing Agreement**”) with a placing agent holding the requisite licences under the SFO to conduct the Placing as agent of the Vendor (the “**Placing Agent**”) on 9 September 2013 pursuant to which the Vendor has agreed to sell, and the Placing Agent has agreed to procure, on a best effort basis, purchasers (including professional, institutional and other investors) to purchase up to a total of 8,900,000 ordinary shares (the “**Placing Shares**”) of HK\$0.10 each (the “**Shares**”) at the placing price of HK\$11.04 per Placing Share (the “**Placing**”), representing approximately 1.01% of the issued share capital of the Company as at the date of this announcement.

The Vendor is a substantial shareholder of the Company holding 163,500,000 Shares (including the Placing Shares), representing approximately 18.48% of the existing issued share capital of the Company as at the date of this announcement. The Vendor is controlled as to approximately 51.36% by Mr. Hong Tianzhu and approximately 41.36% by Mr. Zhu Yongxiang, both executive Directors.

Immediately after completion (the “**Completion**”) of the Placing which is expected to take place on 11 September 2013, and assuming the Placing Shares are fully placed under the Placing, the shareholding of the Vendor in the Company will be reduced to 154,600,000 Shares, representing approximately 17.47% of the existing issued share capital of the Company, and the interest of Mr. Hong Tianzhu and Mr. Zhu Yongxiang in the Shares within the meaning of Part XV of the SFO, including their deemed interest in the Shares through their interest in the Vendor, will be accordingly reduced to approximately 60.52% and 25.16%, respectively.

The Vendor has undertaken to the Placing Agent that (except for (i) the sale of the Placing Shares pursuant to the Placing Agreement; and (ii) the transfer of shares of the Vendor immediately after the Completion among its shareholders as a result of the reduced shareholding of the Vendor in the Company) from the date of the Placing Agreement and on or prior to the date being 45 days after the date of Completion, it will not and will procure that none of its nominees and, any trust associated with it, and persons or companies controlled by it will, (i) offer, issue, lend, sell, contract to sell, sell any contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, pledge, or otherwise transfer or dispose of, or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Vendor or any of its affiliate or any person in privity with the Vendor or any of its affiliate, (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (excluding the Placing Shares) or any equity securities of the Company or any securities convertible into or exercisable or exchangeable for any such Shares or equity securities of the Company; (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise; or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above, except with the prior written consent of the Placing Agent.

The Vendor informed the Board that the Placing was made based on its own business decision. The Board does not expect the Placing to have any material impact on the business or operations of the Group.

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

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 Beina  
Prof. Cheng Longdi  
Mr. Ting Leung Huel, Stephen

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

Hong Kong, 10 September 2013