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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) INSIDE INFORMATION STATUS OF THE PRODUCTION FACILITIES OF THE GROUP IN VIETNAM

(2) RESUMPTION OF TRADING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

During the midnight of 14 May 2014, some persons, who are believed to be protestors of the South China Sea dispute between China and Vietnam, entered into the South Vietnam Facilities and damaged some of the Group's properties therein during the course of their protest. After a preliminary assessment by the Group, minor damage was caused to the Group's properties, including panels of machinery in relation to less than 20,000 spindles, some scrapped cotton and certain windows and computers. Other than the above, no damage has been caused to the inventory and finished goods and no employee of the Group was injured during the incident.

Due to the protest, the Group has temporarily halted its production in the South Vietnam Facilities. The South Vietnam Facilities has about 490,000 spindles producing yarn, which contributes about 26% of the Group's total production facilities of yarn. As only minor damage has been done, the South Vietnam Facilities may resume to normal operation within a short period of time after cessation of the protest. If however the protest continues for a considerable period of time, the Group will adjust its production plan in other production facilities in Vietnam and the PRC in order to minimise the disruption to the operation of the Group.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares and Senior Notes have been halted from 9:13 a.m. on 14 May 2014 pending the release of this announcement. An application has been made by the Company to The Stock Exchange of Hong Kong Limited for the resumption of trading in the Shares and Senior Notes from 9:00 a.m. on 15 May 2014.

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 (“**Listing Rules**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that during the midnight of 14 May 2014, some persons, who are believed to be protestors of the South China Sea dispute between China and Vietnam, entered into the production facilities of the Group in Southern Vietnam (the “**South Vietnam Facilities**”) and damaged some of the Group’s properties therein during the course of their protest. After a preliminary assessment by the Group, minor damage was caused to the Group’s properties, including panels of machinery in relation to less than 20,000 spindles, some scrapped cotton and certain windows and computers. Other than the above, no damage has been caused to the inventory and finished goods and no employee of the Group was injured during the incident.

Other than the South Vietnam Facilities, the Group also has production facilities in Northern Vietnam which have not been affected during the protest and are in normal operation.

Due to the protest, the Group has temporarily halted its production in the South Vietnam Facilities. The South Vietnam Facilities has about 490,000 spindles producing yarn, which contributes about 26% of the Group’s total production facilities of yarn. As only minor damage has been done, the South Vietnam Facilities may resume to normal operation within a short period of time after cessation of the protest. If however the protest continues for a considerable period of time, the Group will adjust its production plan in other production facilities in Vietnam and the PRC in order to minimise the disruption to the operation of the Group.

The Board is closely monitoring the status of the protest and will inform the shareholders of the Company and public investors if there is any major update to the status of the South Vietnam Facilities.

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

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company (stock code: 2678) (the “**Shares**”) and the senior notes of the Company (stock code: 5925) (the “**Senior Notes**”) have been halted from 9:13 a.m. on 14 May 2014 pending the release of this announcement. An application has been made by the Company to The Stock Exchange of Hong Kong Limited for the resumption of trading in the Shares and Senior Notes from 9:00 a.m. on 15 May 2014.

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

Hong Kong, 14 May 2014

As at the date of this announcement, the executive Directors are Mr. Hong Tianzhu, Mr. Zhu Yongxiang and Mr. Tang Daoping, and the independent non-executive Directors are Mr. Ting Leung Huel, Stephen, Prof. Cheng Longdi and Ms. Tao Xiaoming.