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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)**

**DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES**

This announcement is made by Texhong Textile Group Limited (“**Company**” and together with its subsidiaries, the “**Group**”) in compliance with the disclosure requirements under Rule 13.18 of the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited.

The board (“**Board**”) of directors (“**Directors**”) of the Company announces that by an agreement dated 18 May 2015 (“**Facility Agreement**”) entered into by, among others, the Company as borrower and a syndicate of banks and financial institutions as lenders, the lenders have agreed to grant a term loan facility (“**Facility**”) of up to the aggregate principal amount of US\$110,000,000. The purpose is for all amounts borrowed under the Facility to be applied towards any refinancing, repayment, redemption, purchase or repurchase of the US\$200,000,000 7.625% senior notes due in January 2016 issued by the Company, in whole or part, at or before their maturity.

The Facility shall be fully repaid in May 2018 and is guaranteed by certain subsidiaries of the Company. The amount of the Facility represents approximately 27% of the total amount of banking/credit facilities (including the Facility) presently available to the Group.

The Facility Agreement contains the usual cross default provisions and a further requirement that Mr. Hong Tianzhu (“**Mr. Hong**”) shall be and continue to be the chairman of the Board, directly or indirectly beneficially own not less than 25% of the total voting shares issued by the Company, and be and remain the single largest holder of the voting shares issued by the Company. A breach of such requirement will constitute an event of default under the Facility Agreement, and as a result, the Facility is liable to be declared immediately due and payable. The occurrence of such circumstance may trigger the cross default provisions of other banking/credit facilities available to the Group and, as a possible consequence, these other facilities may also be declared to be immediately due and payable.

As at the date of this announcement, Mr. Hong and his associates together own(s) approximately 62.19% of the voting share capital of the Company. Mr. Hong is a controlling shareholder of the Company for the purpose of the disclosure obligation under Rule 13.18 of the Listing Rules.

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. Hui Tsz Wai

*Independent non-executive Directors:*

Prof. Tao Xiaoming  
Prof. Cheng Longdi  
Mr. Ting Leung Huel, Stephen

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

Hong Kong, 18 May 2015