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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”) pursuant to 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 20 April 2016 (“Facility Agreement”) entered into by, among others, Texhong Galaxy Technology Limited (“Texhong Galaxy”), a wholly-owned subsidiary of the Company, as borrower and a syndicate of banks and financial institutions as lenders, the lenders have agreed to grant a facility (“Facility”) in the aggregate principal amount of up to US\$103,000,000 to finance the development of Texhong Galaxy’s production plant in Haiha District, Quang Ninh Province, Vietnam.

The Facility shall be fully repaid in April 2023 and is guaranteed by the Company. The amount of the Facility represents approximately 13.11% of the total amount of banking/credit facilities (including the Facility) presently available to the Group.

The Facility Agreement contains a requirement that Mr. Hong Tianzhu (“Mr. Hong”) shall maintain, directly or indirectly, the status of the largest individual shareholder of the Company and maintain the position of chairman of the Group. 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 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
Mr. Ji Zhongliang

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, 20 April 2016