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**PACIFIC TEXTILES HOLDINGS LIMITED**  
**互太紡織控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 01382)**

**DELAY IN DISPATCH OF CIRCULAR IN RELATION TO  
REVISED ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS  
WITH BRANDIX LANKA LIMITED**

**UPDATES ON PROPOSED SPIN-OFF AND SEPARATE LISTING OF  
TEXTURED JERSEY LANKA (PRIVATE) LIMITED ON  
THE MAIN BOARD OF THE COLOMBO STOCK EXCHANGE**

**POSSIBLE DISCLOSEABLE AND CONNECTED TRANSACTION  
IN RELATION TO  
THE PRE-IPO PRIVATE PLACEMENT AND PUBLIC OFFER OF SHARES IN  
TEXTURED JERSEY LANKA (PRIVATE) LIMITED**

**Delay in dispatch of circular**

According to the announcement dated 10 March 2011, the circular in relation to the proposed revised caps for the Brandix Continuing Connected Transactions will be dispatched to the Shareholders on or before 31 March 2011. The Company considers that it will be more cost effective and time saving to issue a combined circular and convene one extraordinary general meeting in relation to the proposed revised caps for the Brandix Continuing Connected Transactions and the Proposed Spin-off. The Company expects to despatch the Combined Circular on or before **11 April 2011**.

**Updates on the Proposed Spin-Off**

A subdivision of the PT Sri Lanka Shares was effected on 25 March 2011 resulting in an increase in the total number of PT Sri Lanka Shares in issue from 159,722,900 to 575,002,440. As of the date hereof, there are a total of 575,002,440 PT Sri Lanka Shares in issue, which are owned as to 60% by PTJH and 40% by Brandix.

On 30 March 2011, PTJH and Brandix entered into a shareholders' agreement relating to PT Sri Lanka whereby PTJH and Brandix agreed to effect the Pre-IPO Private Placement, the PT Sri Lanka IPO and the Proposed Listing in the structure as described in the Spin-off Announcement, except that the offer under the Pre-IPO Private Placement will be extended to institutional and non-institutional investors in and outside Sri Lanka.

\* For identification only

## **DELAY IN DESPATCH OF CIRCULAR**

Reference is made to the announcement made by Pacific Textiles Holdings Limited (the "**Company**") on 10 March 2011 (the "**Continuing Connected Transactions Announcement**") relating to the proposed revision of the annual caps for certain continuing connected transactions with Brandix Lanka Limited, its subsidiaries and associates for each of the three years ending 31 March 2013 (the "**Brandix Continuing Connected Transactions**").

Reference is also made to the announcement made by the Company on 18 March 2011 (the "**Spin-off Announcement**") relating to the proposed spin-off of Textured Jersey Lanka (Private) Limited for separate listing on the Main Board of the Colombo Stock Exchange. Terms used in this announcement shall, unless otherwise defined, have the same meaning as used in the Spin-off Announcement.

As disclosed in the Continuing Connected Transactions Announcement, the related circular will be dispatched to the Shareholders on or before 31 March 2011. As disclosed in the Spin-off Announcement, the related circular is expected to be dispatched to the Shareholders on or before 11 April 2011.

The Company considers that it will be more cost effective and time saving to combine the aforesaid two circulars into one document (the "**Combined Circular**") and convene one extraordinary general meeting for approving the various matters contemplated in the Continuing Connected Transactions Announcement and the Spin-off Announcement. The Company expects to despatch the Combined Circular on or before **11 April 2011**.

## **UPDATES ON PROPOSED SPIN-OFF**

A subdivision of the PT Sri Lanka Shares was effected on 25 March 2011 resulting in an increase in the total number of PT Sri Lanka Shares in issue from 159,722,900 to 575,002,440. As of the date hereof, there are a total of 575,002,440 PT Sri Lanka Shares in issue, which are owned as to 60% by PTJH and 40% by Brandix.

On 30 March 2011, PTJH and Brandix entered into a shareholders' agreement relating to PT Sri Lanka whereby PTJH and Brandix agreed to effect the Pre-IPO Private Placement, the PT Sri Lanka IPO and the Proposed Listing in the structure as described in the Spin-off Announcement, except that the offer of the existing 116,000,000 PT Sri Lanka Shares under the Pre-IPO Private Placement will be extended to institutional and non-institutional investors, whether in and outside Sri Lanka. As of the date hereof, no legally binding agreement has been entered into by PTJH or Brandix for the placing of their PT Sri Lanka Shares with any of such investors under the Pre-IPO Private Placement. It is still the proposal that the placees under the Pre-IPO Private Placement and their respective ultimate beneficial owners will be third parties independent of the Company and its connected persons.

**The Pre-IPO Private Placement and the PT Sri Lanka IPO are subject to, among other things, the independent Shareholders' approval, the Minority Shareholders' approval of the Waiver and the Colombo Stock Exchange's approval of the Proposed Listing. Accordingly, the Proposed Spin-off may or may not occur. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**LAM Hing Chau, Leon**  
*Company Secretary*

Hong Kong, 30 March 2011

*As at the date of this announcement, the executive Directors are Mr. WAN Wai Loi (Chairman), Mr. TSANG Kang Po, Mr. LAM Wing Tak, Dr. LAM King Man and Mr. LAM Hing Chau, Leon, the non-executive Directors are Mr. CHOI Kin Chung, Mr. IP Ping Im and Mr. LAU Yiu Tong and the independent non-executive Directors are Mr. CHAN Yue Kwong, Michael, Mr. NG Ching Wah and Mr. SZE Kwok Wing, Nigel.*