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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)

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

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

Reference is made to the announcements made by the Company on 18 March 2011, 21 March 2011, 30 March 2011, 7 April 2011, 29 April 2011 and 20 June 2011 and the circular of the Company on 11 April 2011 (the "**Circular**") relating to the proposed spin-off of Textured Jersey Lanka Limited (formerly known as Textured Jersey Lanka (Private) Limited, "**PT Sri Lanka**") 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 Circular.

The Board is pleased to announce that the prospectus of PT Sri Lanka in respect of the PT Sri Lanka IPO is available on line today.

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*\* For identification only*

## **ISSUE OF PROSPECTUS**

Further to the announcement made on 20 June 2011 whereby the Board announced that PT Sri Lanka had obtained approval on 20 June 2011 from the Colombo Stock Exchange in respect of the PT Sri Lanka IPO, the Board is pleased to announce that the prospectus of PT Sri Lanka in respect of the PT Sri Lanka IPO (the “**Prospectus**”) has been published today on the website of the Colombo Stock Exchange at [www.cse.lk](http://www.cse.lk) and the website of PT Sri Lanka at [www.texturedjersey.com](http://www.texturedjersey.com). Hard copies of the Prospectus will be made available to the public in Sri Lanka on 27 June 2011.

### **1. Offering structure**

The offering structure of the PT Sri Lanka IPO described in the Prospectus is the one contemplated in the previous disclosure in the Circular, namely, PT Sri Lanka will offer 80,000,000 new PT Sri Lanka Shares to the public in Sri Lanka for subscription and the offer price is set at Rupees 15 per PT Sri Lanka Share. Minimum subscription per each application is 100 new PT Sri Lanka Shares. The subscription list for new PT Sri Lanka Shares will open at 9.00 a.m. on 7 July 2011 (Sri Lanka time) and shall remain open for 14 days on which the Colombo Stock Exchange is open for trading until closure at 4.30 p.m. on 27 July 2011 (Sri Lanka time), but in the event of an over subscription, the subscription list will be closed at 4.30 p.m. (Sri Lanka time) on the same day.

Immediately after completion of the PT Sri Lanka IPO, the shareholdings of PTJH and Brandix in PT Sri Lanka will drop from 45.57% to 40.00% and 34.26% to 30.08%, respectively.

### **2. Use of proceeds**

The total proceeds of issue of 80,000,000 new PT Sri Lanka Shares under the PT Sri Lanka IPO will amount to Rupees 1,200 million (approximately US\$11.008 million). The total estimated costs associated with the PT Sri Lanka IPO will be approximately Rupees 50 million (approximately US\$458,000).

The Prospectus discloses PT Sri Lanka 's total cost of the expansion will be approximately Rupees 1,400 million (approximately US\$ 13 million), which will partly be funded through such proceeds and through internally generated funds. Such expansion costs will be utilised for the following purposes (in order of priority):-

- i. To construct a modern production facility which will facilitate the proposed expansion at a cost of approximately Rupees 344 million (approximately US\$3.2 million). This facility will be in line with all modern production requirements and be built according to internationally accepted quality standards.
- ii. Approximately Rupees 1,000 million (approximately US\$9.2 million) will be utilized to purchase machinery which will enable PT Sri Lanka to increase its production efficiency.
- iii. Approximately Rupees 82 million (approximately US\$0.75 million) will be utilized for a water treatment plant of the new production facility.

*For the purpose of illustration only and unless otherwise stated, conversion of US\$ into HK\$ and US\$ into Rupees in this announcement are based on the exchange rate of US\$1 = HK\$7.8 and US\$1 = Rupee 109. Such conversions should not be construed as a representation that any amounts have been, could have been, or may be, exchanged at this or any other rate.*

By order of the Board  
**Pacific Textiles Holdings Limited**  
**Lam Hing Chau, Leon**  
Company Secretary

Hong Kong, 22 June 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.*