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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)**

## **VOLUNTARY ANNOUNCEMENT**

### **POTENTIAL DISPOSAL OF THE ENTIRE INTERESTS IN KING JUMBO AND FORTUNE JOY**

#### **POTENTIAL DISPOSAL OF THE ENTIRE INTERESTS IN KING JUMBO AND FORTUNE JOY**

Goodscore (as vendor), a wholly-owned subsidiary of the Company, and the Company (as guarantor) on the one hand, are in negotiation with Justice Faith (as purchaser) on the other hand, the Disposal Agreement pursuant to which Goodscore will agree to dispose of and Justice Faith will agree to purchase the Sale Shares at a total price of US\$6,580,354, and the Company will agree to guarantee to Justice Faith the performance of Goodscore's obligations in accordance with the Disposal Agreement.

Justice Faith is wholly-owned by Crystal, which is a substantial shareholder of a non-wholly-owned subsidiary of the Company, and hence a connected person of the Company at the subsidiary level. The Disposal is conducted on normal commercial terms and all the applicable percentage ratios are less than 1%, the Disposal upon Completion will therefore be an exempted connected transaction pursuant to Rule 14A.76(1) of the Listing Rules.

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#### **DISPOSAL**

## **The Disposal Agreement**

### **Date**

The Directors expect that the Disposal Agreement will be signed by end of March 2015.

### **Parties**

- (1) Goodscore as the vendor.
- (2) Justice Faith as the purchaser. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, (i) Justice Faith is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding; and (ii) Justice Faith is wholly-owned by Crystal, which is a substantial shareholder of a non-wholly-owned subsidiary of the Company, and hence a connected person of the Company at the subsidiary level.
- (3) The Company as guarantor.

### **Assets to be disposed of**

Goodscore will agree to sell the Sale Shares which will comprise:

- (a) the Fortune Joy Shares: 51 ordinary shares of par value US\$1.00 each in the capital of Fortune Joy, being 51% of the entire issued share capital of Fortune Joy; and
- (b) the King Jumbo Shares: 7,350,000 ordinary voting shares of par value US\$1.00 each in the capital of King Jumbo, and 300,000 ordinary non-voting shares of par value US\$1.00 each in the capital of King Jumbo, collectively 51% of the entire issued share capital of King Jumbo.

### **Consideration and Payment Terms**

The total price for the Disposal will be US\$6,580,354 which is determined on arm's length negotiations between the parties and comprises:

- (a) the repayment of the Shareholder Loan in the amount of US\$3,184,950, which will be repaid in full by King Jumbo to Goodscore at Completion; and
- (b) the payment of the Cash Consideration in the amount of US\$3,395,404, being the aggregate of:
  - (i) the sum of US\$3,395,353 in respect of the King Jumbo Shares, representing 51% of the total shareholder's equities as set out in the consolidated balance sheet of King Jumbo as at 31 December 2014; and
  - (ii) the sum of US\$51 in respect of the Fortune Joy Shares,

which will be paid in full to Goodscore at Completion.

### **Guarantee**

The Company will agree to guarantee to Justice Faith the performance of Goodscore's obligations in accordance with the Disposal Agreement.

### **Unconditional Agreement**

The Disposal will not be subject to any conditions precedent.

### **Completion**

The Completion will take place immediately upon signing of the Disposal Agreement, which is expected to take place by end of March 2015. Upon Completion, Goodscore will cease to have any shareholding in Fortune Joy and King Jumbo.

### **INFORMATION OF KING JUMBO AND FORTUNE JOY**

Each of King Jumbo and Fortune Joy is a company incorporated in the British Virgin Islands and is principally engaged in investment holding.

Immediately before the Completion, each of King Jumbo and Fortune Joy is held as to 51% by Goodscore and 49% by the Purchaser, and is accounted for as a joint venture of the Company.

King Jumbo and Fortune Joy together holds 100% shareholding of CPAT (Singapore) Private Ltd., which in turns wholly owns Kingston Bangladesh Limited, Amigo Bangladesh Ltd. and Queenston Bangladesh Limited. The Joint Venture Group does not have any material business operations and the major asset of the Joint Venture Group is a piece of land held by Amigo Bangladesh Ltd, the net asset value of which is approximately US\$6,658,000 as at 31 December 2014.

### **POTENTIAL FINANCIAL EFFECT OF THE DISPOSAL**

The net proceeds from the Disposal (after deduction of relevant costs and expenses) will amount to approximately US\$6.5 million. It is intended that the net proceeds from the Disposal will be applied towards the general working capital of the Group.

As a result of the Disposal, the Group is expected to record a gain of approximately US\$3,589,000, which represents the difference between the total price of the Disposal and the carrying value of the cost of investment of the Joint Venture Group.

### **INFORMATION OF THE GROUP AND REASONS FOR AND BENEFIT OF THE DISPOSAL**

The Group is currently engaged in manufacturing and trading of textile products.

The Board is of the view that it is in the interests of the Company and its Shareholders as a whole to withdraw its investment in the Joint Venture Group so that the Group can focus its

resources on its existing businesses. The Disposal can also increase the cash resources of the Group for further development and expansion of its businesses and for other better investment opportunities as and when they arise.

**IMPLICATIONS UNDER THE LISTING RULES**

As Justice Faith is wholly-owned by Crystal, which is a substantial shareholder of a non-wholly-owned subsidiary of the Company, and hence a connected person of the Company at the subsidiary level. The Disposal is conducted on normal commercial terms and all the applicable percentage ratios are less than 1%, the Disposal upon Completion will therefore be an exempted connected transaction pursuant to Rule 14A.76(1) of the Listing Rules.

No Directors have a material interest in the Disposal and will need to abstain from voting on the relevant resolution(s) in the Board meeting to approve the Disposal Agreement.

Shareholders of the Company and/or investors should note that the Disposal Agreement is still subject to negotiation and the Disposal may or may not materialize and are advised to exercise caution when dealing in the Company’s securities.

**DEFINITIONS**

“Board”	the board of directors of the Company
“Cash Consideration”	the cash consideration for the Sale Shares in the aggregate amount of US\$3,395,404
“Company”	Pacific Textiles Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1382)
“Completion”	completion of the Disposal in accordance to the terms and conditions of the Disposal Agreement
“Crystal”	Crystal International Limited, which through its wholly-owned subsidiary, Crystal Peak International Limited, holds 25% shareholding in PCGT Limited, a non-wholly-owned subsidiary of the Company, and hence a connected person of the Company at the subsidiary level for the purpose of the Listing Rules
“Directors”	the directors of the Company
“Disposal”	the potential sale of the Sale Shares by Goodscore to Justice Faith pursuant to the Disposal Agreement
“Disposal Agreement”	the sale and purchase agreement to be entered into between Goodscore (as vendor) and the Company (as guarantor) on the one hand and Justice Faith (as purchaser) on the other hand in

	relation to the potential sale and purchase of the Sale Shares
“Fortune Joy”	Fortune Joy Investment Limited (福愉投資有限公司), a company incorporated in the British Virgin Islands with limited liability
“Fortune Joy Shares”	51 ordinary shares of par value US\$1.00 each in the capital of Fortune Joy, being 51% of the entire issued share capital of Fortune Joy
“Goodscore”	Goodscore Limited (高績有限公司), a company incorporated in the British Virgin Islands with limited liability which is a directly wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region
“Joint Venture Group”	King Jumbo and Fortune Joy together with their subsidiaries
“Justice Faith”	Justice Faith Holdings Limited (正信控股有限公司), a company incorporated in the British Virgin Islands and is a connected person of the Company at the subsidiary level
“King Jumbo”	King Jumbo Investment Limited, a company incorporated in the British Virgin Islands with limited liability
“King Jumbo Shares”	7,350,000 ordinary voting shares of par value US\$1.00 each in the capital of King Jumbo, and 300,000 ordinary non-voting shares of par value US\$1.00 each in the capital of King Jumbo, collectively 51% of the entire issued share capital of King Jumbo
“Listing Rules”	The Rules Governing the Listing of the Securities on the Stock Exchange
“Sale Shares”	the Fortune Joy Shares and the King Jumbo Shares
“Shares”	ordinary shares of HK\$0.001 each in the share capital of the Company
“Shareholders”	holder of the Shares
“Shareholder Loan”	the loan owing by King Jumbo to Goodscore the outstanding amount of which is US\$3,184,950
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

On behalf of the Board  
**Pacific Textile Holdings Limited**  
**Wan Wai Loi**  
Chairman

Hong Kong, 17 March 2015

*As at the date of this announcement, the executive Directors are Mr. Wan Wai Loi (Chairman), Mr. Tsang Kang Po and Mr. Lam Wing Tak, 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.*