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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)

INSIDE INFORMATION POTENTIAL ACQUISITION

This announcement is made by the board of directors (the “**Board**”) of Pacific Textiles Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (“**SFO**”) (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

Reference is made to the announcement of the Company dated 12 February 2015 (the “**Announcement**”) in relation to Potential Acquisition. Capitalized terms used herein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

THE TRANSACTIONS

The board of directors of Textured Jersey Lanka PLC (“**TJL**”), a company listed on the Colombo Stock Exchange and 40% owned by the Company, has decided to proceed with the acquisition of a controlling stake in Quenby Lanka Prints (Pvt) Ltd (“**Quenby Lanka**”). Following the valuation and due diligence study (together, the “**Study**”), a purchase price of US\$3,500,000 has been agreed between the relevant parties. The entire consideration is to be paid in cash to the shareholders of Quenby Lanka for this transaction. The transaction will be concluded upon the completion of all regulatory approvals and formalities.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Quenby Lanka, a joint venture of Brandix Lanka Limited and Trust Family Industries, Inc., in which each owns 50% of its shareholding interests, is a fabric printer based in Sri Lanka. It is located in the Seethawaka International Industrial Park which is close to TJL. We believe that it will enhance TJL’s printing capability and offer potential for further capacity optimization and margin improvement through synergies.

Quenby Lanka is a strategically located vendor which has a strong working relationship with TJL developed over the past years. We believe that this acquisition will help expedite the business integration process and potentially launch TJL to the next level of solution provision and innovation, adding significant long-term value to its shareholders.

OTHER TRANSACTIONS

The valuation discussions and negotiations for Ocean India (Pvt) Ltd are currently underway between the relevant parties. Further updates on this will be provided if and when necessary under the SFO and the Listing Rules.

By order of the Board
Pacific Textiles Holdings Limited
Wan Wai Loi
Chairman

Hong Kong, 27 May 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.

* *For identification purpose only*