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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Pacific Textiles Holdings Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSALS FOR GENERAL MANDATES
TO ISSUE SHARES AND TO REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of the Company to be held at 7th Floor, Block B, Eastern Sea Industrial Building, 48-56 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong on Thursday, 8 August 2019 at 10:00 a.m. is set out on pages 14 to 17 of this circular. Proxy form for use in connection with the Annual General Meeting of the Company is enclosed herewith.

Whether or not you are able to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return it to the head office and principal place of the Company in Hong Kong at 7th Floor, Block B, Eastern Sea Industrial Building, 48-56 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong, not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting if you so wish.

* *For identification purpose only*

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“2019 AGM”	the annual general meeting of the Company to be held at 10:00 a.m. on Thursday, 8 August 2019 at 7th Floor, Block B, Eastern Sea Industrial Building, 48-56 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong
“AGM Notice”	the notice convening the 2019 AGM as set out on pages 14 to 17 of this circular
“Articles”	the Articles of Association of the Company, as amended from time to time
“Board”	the board of Directors of the Company
“CG Code”	Corporate Governance Code as set out in Appendix 14 of the Listing Rules
“Company”	Pacific Textiles Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Directors”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“INED(s)”	the independent non-executive Director(s) of the Company
“Latest Practicable Date”	3 July 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)

DEFINITIONS

“Share(s)”	share(s) with a nominal value of HK\$0.001 each in the capital of the Company
“Share Issue Mandate”	a general mandate proposed to be granted to the Directors to allot, issue and deal with additional Shares in the manner set out in the resolution numbered 5 of the AGM Notice
“Share Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares in the manner set out in the resolution numbered 6 of the AGM Notice
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial Shareholders”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. WAN Wai Loi

(Chairman and Chief Executive Officer)

Mr. Masaru OKUTOMI

(Vice Chairman)

Mr. TOU Kit Vai (Chief Financial Officer)

Mr. Toshiya ISHII

Registered office:

P. O. Box 309GT

Ugland House

South Church Street

George Town

Grand Cayman

Cayman Islands

Non-executive Director:

Mr. LAU Yiu Tong

*Head office and principal place of
business in Hong Kong:*

7th Floor, Block B

Eastern Sea Industrial Building

48-56 Tai Lin Pai Road

Kwai Chung

New Territories

Hong Kong

Independent Non-executive Directors:

Dr. CHAN Yue Kwong, Michael

Mr. NG Ching Wah

Mr. SZE Kwok Wing, Nigel

9 July 2019

Dear Shareholders,

PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES, AND RE-ELECTION OF RETIRING DIRECTORS

1. INTRODUCTION

The purpose of this circular is to provide you information regarding the resolutions to be proposed at the 2019 AGM of the Company in relation to the Share Issue Mandate, the Share Repurchase Mandate and the re-election of the retiring Directors and to give you the AGM Notice.

2. SHARE ISSUE MANDATE

At the last annual general meeting of the Company held on 9 August 2018, a general mandate was granted to the Directors to allot, issue and deal with Shares in accordance with the Listing Rules. Such general mandate will lapse at the conclusion of the 2019 AGM.

* For identification purpose only

LETTER FROM THE BOARD

An ordinary resolution no. 5 set out in the AGM Notice will be proposed at the 2019 AGM to grant Share Issue Mandate to the Directors so as to give the Directors the flexibility to issue Shares when it is in the interest of the Company. As at the Latest Practicable Date, the issued share capital of the Company comprised 1,446,423,000 fully paid-up Shares. If there is no allotment or repurchase of the Shares prior to the date of the 2019 AGM, the Company shall be authorized under the Share Issue Mandate to allot, issue and deal with a maximum of 144,642,300 Shares, being 10% of the Shares in issue as at the date of the 2019 AGM.

In addition, an ordinary resolution no. 7 as set out in the AGM Notice will be proposed at the 2019 AGM to grant to the Directors to extend the Share Issue Mandate by adding any Shares repurchased under the Share Repurchase Mandate to the total number of Shares which may be allotted and issued under the Share Issue Mandate.

3. SHARE REPURCHASE MANDATE

At the last annual general meeting of the Company held on 9 August 2018, a general mandate was given to the Directors to repurchase Shares in accordance with the Listing Rules. Such general mandate will lapse at the conclusion of the 2019 AGM.

An ordinary resolution no. 6 as set out in the AGM Notice will be proposed at the 2019 AGM to grant Share Repurchase Mandate to the Directors. If there is no allotment or repurchase of the Shares prior to the date of the 2019 AGM, the Company shall be authorized under the Share Repurchase Mandate to repurchase a maximum of 144,642,300 Shares, being 10% of the Shares in issue as at the date of the 2019 AGM.

An explanatory statement, as required by the Listing Rules, to provide Shareholders with all the information reasonably necessary for them to make an informed decision on the proposed resolution in relation to the Share Repurchase Mandate is set out in the Appendix I to this circular.

4. RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the Board comprises Mr. Wan Wai Loi, Mr. Masaru Okutomi, Mr. Tou Kit Vai and Mr. Toshiya Ishii who are executive Directors; Mr. Lau Yiu Tong who is non-executive Director; Dr. Chan Yue Kwong, Michael, Mr. Ng Ching Wah and Mr. Sze Kwok Wing, Nigel who are independent non-executive Directors.

Retirement by rotation

Pursuant to article 130 of the Articles, at every annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement at least once every three years. Accordingly, Mr. Wan Wai Loi (executive Director), Mr. Lau Yiu Tong (non-executive Director) and Mr. Ng Ching Wah (independent non-executive Director) will retire from the Board at the 2019 AGM and, being eligible, will offer themselves for re-election as Directors. Pursuant to article 114 of the

LETTER FROM THE BOARD

Articles, Mr. Masaru Okutomi, appointed as executive Director effective from 1 July 2019, will hold office until the next following general meeting of the Company and being eligible, will offer himself for re-election as Director.

Retirement of INEDs who have served for more than nine years

Mr. Ng Ching Wah (“Mr. Ng”), who has served the Company for more than nine years as an INED, will also retire at the Annual General Meeting and, being eligible, offer himself for re-election for the purpose of complying with Code Provision A.4.3. of the CG Code.

Mr. Ng was appointed as an INED in 2007. During his tenure of office for more than 9 years, Mr. Ng has been able to fulfill all the requirements regarding independence of an INED and has provided an annual confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules. To the best knowledge of the Directors, as at the Latest Practicable Date, the Company is not aware of any matters or events that may occur and affect the independence of Mr. Ng.

During his tenure of office, Mr. Ng had performed his duty as an INED to the satisfaction of the Board. The Board is of the opinion that Mr. Ng remains independent notwithstanding the length of his service and believes that his valuable professional knowledge and general business acumen will continue to generate significant contribution to the Board, the Company and the Shareholders as a whole.

Pursuant to Code Provision A.4.3 of the CG Code, a separate ordinary resolution will be proposed at the Annual General Meeting to approve the re-election of Mr. Ng as an INED.

Biographical details of the retiring Directors who proposed to be re-elected at 2019 AGM are set out in the Appendix II to this circular.

5. 2019 AGM

An AGM Notice convening the 2019 AGM is set out on pages 14 to 17 of this circular to consider, if thought fit, to pass the resolutions in relation to, inter alia, the Share Issue Mandate, the Share Repurchase Mandate, the extension of the Share Issue Mandate and the re-election of the retiring Directors.

6. VOTING BY POLL

Pursuant to the article 90 of the Articles, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded or otherwise required under the Listing Rules. A poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) at least five members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and entitled to vote; or

LETTER FROM THE BOARD

- (c) any member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (d) any member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Pursuant to the Rule 13.39(4) of the Listing Rules, any vote of Shareholders at general meeting of the Company must be taken by way of poll. The Chairman of the meeting will therefore demand a poll for every resolution put to the vote of the 2019 AGM in accordance with article 90 of the Articles. The results of the poll will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.pacific-textiles.com).

7. ACTIONS TO BE TAKEN

Proxy form for use at the 2019 AGM is enclosed with this circular. Whether or not you intend to be present at the 2019 AGM, you are requested to complete the proxy form and return it to the head office and principal place of business of the Company in Hong Kong at 7th Floor, Block B, Eastern Sea Industrial Building, 48-56 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong not less than 48 hours before the time appointed for holding the 2019 AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the 2019 AGM if you so wish.

8. RECOMMENDATION

The Board considers that the Share Issue Mandate, the Share Repurchase Mandate, the extension of the Share Issue Mandate and the re-election of the retiring Directors are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the 2019 AGM.

Yours faithfully
By order of the Board
Pacific Textiles Holdings Limited
Wan Wai Loi
Chairman & CEO

The following serves as an explanatory statement in compliance with the Listing Rules to give all the information reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution numbered 6 of the AGM Notice in relation to the Share Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was HK\$1,446,423 comprising 1,446,423,000 Shares.

Subject to the passing of the relevant ordinary resolution to approve the Share Repurchase Mandate (as set out in resolution numbered 6 of the AGM Notice) and on the basis that no further Shares are issued or repurchased, the Company would be authorized under the Share Repurchase Mandate to repurchase a maximum of 144,642,300 Shares during the period ending on the earliest of the date of the next annual general meeting following the 2019 AGM, the date by which the next annual general meeting following the 2019 AGM of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

2. REASONS FOR REPURCHASES

The Board wishes to state that it has no immediate plans to repurchase any Shares but consider that the Share Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per share of the Company and/or liquidity of the Shares.

There might be material adverse impact on the working capital or gearing position of the Company as compared with the financial position of the Company as at 31 March 2019 (being the date to which the latest audited financial statements of the Company were made up) in the event that the Share Repurchase Mandate is carried out in full during the proposed repurchase period. However, the Directors do not propose to exercise the Share Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association and all applicable laws of the Cayman Islands and the Listing Rules. Subject to the foregoing, any repurchases by the Company may be made out of its funds which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase.

4. MARKET PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the month during the previous twelve months up to the Latest Practicable Date were as follows:

	Highest Per Share	Lowest Per Share
	<i>HK\$</i>	<i>HK\$</i>
July 2018	6.91	6.52
August 2018	6.80	5.95
September 2018	7.00	5.75
October 2018	8.18	6.69
November 2018	8.20	7.43
December 2018	8.35	6.78
January 2019	7.00	6.46
February 2019	7.55	6.70
March 2019	7.48	6.85
April 2019	7.10	6.58
May 2019	7.21	6.30
June 2019	6.68	5.9
the Latest Practicable Date	6.26	6.18

5. DIRECTORS, ASSOCIATES AND CONNECTED PERSON

None of the Directors nor, to the best of their knowledge and having made all reasonable enquiries, any of their respective associates, has any present intention to sell any Shares to the Company or its subsidiaries under the Share Repurchase Mandate in the event that such mandate is approved by Shareholders.

No connected person, as defined in the Listing Rules, has notified the Company that he/she has a present intention to sell any Shares to the Company, nor has he/she undertaken not to do so in the event that the Share Repurchase Mandate is approved by Shareholders.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Repurchase Mandate in accordance with the Listing Rules, all applicable laws of the Cayman Islands and in accordance with the Memorandum and Articles of Association of the Company.

7. EFFECT OF TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (within the meaning of the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, Toray Industries, Inc. is beneficially interested in 405,394,000 Shares representing approximately 28.03% of the issued share capital of the Company.

In the event that the Directors exercise in full the power to repurchase Shares under the Share Repurchase Mandate, then, (if the shareholdings otherwise remain the same) the interest of Toray Industries, Inc. in the Company would be increased from approximately 28.03% to approximately 31.14% of the total issued share capital of the Company. In the opinion of the Directors, such increase would give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. The Directors have no present intention to exercise the Share Repurchase Mandate to an extent which may result in any possible mandatory offer being made under the Takeovers Code.

8. SHARES REPURCHASES MADE BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

The biographical details of four retiring Directors who are proposed to be re-elected at the 2019 AGM are set out below:

Mr. Wan Wai Loi (“Mr. Wan”)

Executive Director, aged 69.

Mr. Wan co-founded the Group in 1997 and has been appointed as a Director of the company since 2004. He is currently an executive Director, Chairman and a Chief Executive Officer of the Group. Moreover, he is a director of various subsidiaries of the Group and a non-executive director of Teejay Lanka Plc., an associated company of the Group, whose shares are listed on the Colombo Stock Exchange in Sri Lanka. He is responsible for leading the management team to oversee the overall production and operation of the Group, providing corporate directions and formulating business strategies of the Group. Mr. Wan obtains a Bachelor of Science Degree in Chemical Engineering from National Cheng Kung University in Taiwan. He has over 48 years of experience in the textiles industry.

Save as disclosed above, Mr. Wan had not held directorship in any public listed companies in the last three years.

Mr. Wan does not have relationship with other Directors, senior management or substantial Shareholders of the Company.

As at the Latest Practicable Date, Mr. Wan is deemed to be interested in 11,325,000 Shares within the meaning of Part XV of the SFO, representing approximately 0.78% of the issued capital of the Company.

Mr. Wan has been appointed for an initial term of two years on the terms and conditions of his appointment with effect from 1 April 2007. The term of the appointment has been extended thereafter and his existing term is two years up to 31 March 2021. His appointment is subject to retirement by rotation and re-election at the annual general meeting in accordance with the provisions of the Articles.

For the year ended 31 March 2019, the total amount of emoluments payable to Mr. Wan was approximately HK\$24,747,000. The amount of emoluments payable to Mr. Wan is determined having regard to his duties and responsibilities, the Company’s performance, prevailing market conditions and by reference to the emoluments for directors of other listed companies.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to Rules 13.51(2) of the Listing Rules in connection with the re-election of Mr. Wan.

Mr. Lau Yiu Tong (“Mr. Lau”)

Non-executive Director, aged 71.

Mr. Lau joined the Group in 1997 and became a non-executive Director in 2007. He has been re-designated as an executive Director and appointed as the Vice Chairman of the Group from 1 July 2017. During his tenure as executive Director, he was responsible for leading the sales and marketing function, managing business relationship, providing directions on marketing strategies and formulating business plans. From 1 June 2019, Mr. Lau has been re-designated as a non-executive Director of the Company and ceased to act as the Vice Chairman of the Board. Mr. Lau holds a Higher Diploma in Textile Technology from Hong Kong Institute of Vocational Education (formerly known as The Hong Kong Technical College). He has over 42 years of experience in the textiles industry, and he is now the Vice Chairman of Group 3 (Dyeing and Finishing) of Federation of Hong Kong Industries.

Save as disclosed above, Mr. Lau had not held directorship in any public listed companies in the last three years.

Mr. Lau does not have relationship with other Directors, senior management or substantial Shareholders of the Company.

As at the Latest Practicable Date, Mr. Lau is deemed to be interested in 53,393,000 Shares within the meaning of Part XV of the SFO, representing approximately 3.69% of the issued capital of the Company.

The current service contract between the Company and Mr. Lau took effect from 1 June 2019 for a period of two years, without director’s remuneration, renewable thereafter. His appointment is subject to retirement by rotation and re-election at the annual general meeting in accordance with the provisions of the Articles.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to Rules 13.51(2) of the Listing Rules in connection with the re-election of Mr. Lau.

Mr. Ng Ching Wah (“Mr. Ng”)

Independent Non-executive Director, aged 70.

Mr. Ng has been appointed as an Independent Non-executive Director of the Company since 2007. Mr. Ng has over 32 years of senior management experience in the telecommunications industry. Mr. Ng was a director and a member of the executive committee for Advanced Info Service Public Company Limited, a Thailand listed company. He was an independent director of China Digital TV Holding Co. Ltd., a New York Stock Exchange listed company and a non-executive director of HKC International Holdings Limited, a Hong Kong listed company. He was the chief executive officer of Hong Kong CSL Limited. He was the chief executive officer of SmarTone Telecommunications Holdings Limited, a Hong Kong listed company and the President of PCCW Mobility Services Limited. Mr. Ng is the Honorary Advisor of the Communications Association of Hong Kong and is the appointed member of Communications Authority, an independent statutory body established under the Communications Authority Ordinance in April 2012. Mr. Ng was a member of the Digital 21 Strategy Advisory Committee (D21SAC). Mr. Ng graduated from the Chinese University of Hong Kong in 1975, with a Bachelor of Business and Administration.

Save as disclosed above, Mr. Ng had not held directorship in any public listed companies in the last three years.

Mr. Ng does not have relationship with other Directors, senior management or substantial Shareholders of the Company.

As at the Latest Practicable Date, Mr. Ng does not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Ng has been appointed for an initial term of two years on the terms and conditions of his appointment with effect from 1 May 2007. The term of the appointment has been extended thereafter and his existing term is two years up to 30 April 2021. His appointment is subject to retirement by rotation and re-election at the annual general meeting in accordance with the provisions of the Articles.

In accordance with his appointment letter, Mr. Ng will receive a director’s fee of HK\$250,000 per annum, which is determined having regard to his duties and responsibilities with the Company, prevailing market conditions and by reference to emoluments for directors of other listed companies.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to Rules 13.51(2) of the Listing Rules in connection with the re-election of Mr. Ng.

Mr. Masaru Okutomi (“Mr. Okutomi”)

Executive Director, aged 61.

Mr. Okutomi has been appointed as an executive Director and Vice Chairman of the Group from 1 July 2019. He holds a bachelor’s degree in law from Hitotsubashi University in 1981 and after his graduation, he joined the merchandise sales department (textiles) of Toray Industries, Inc. (“Toray”). Toray is a company listed on the Tokyo Stock Exchange and is a substantial shareholder of the Company. He has been the managing director of Toray Industries (South China) Co., Ltd. and Toray Industries (H.K.) Ltd. from May 2016 to 30 June 2019, and the deputy managing director of Toray Industries (China) Co., Ltd., from May 2016 to 30 June 2019. Mr. Okutomi has extensive experience in management of textiles business.

Save as disclosed above, Mr. Okutomi had not held directorship in any other public listed companies in the last three years.

Mr. Okutomi does not have relationship with other Directors, senior management or substantial shareholders of the Company.

As at the Latest Practicable Date, Mr. Okutomi does not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Okutomi has been appointed for an initial term of two years on the terms and conditions of his appointment with effect from 1 July 2019. The term of the appointment could be extended thereafter and his existing term is two years up to 30 June 2021. His appointment is subject to retirement by rotation and re-election at the annual general meeting in accordance with the provisions of the Articles.

In accordance with his appointment letter, Mr. Okutomi will be entitled to fees and salaries amounted to approximately HK\$3,196,000 per annum which is determined having regard to his duties and responsibilities with the Company, prevailing market conditions and by reference to emoluments for directors of other public listed companies.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to Rules 13.51(2) of the Listing Rules in connection with the re-election of Mr. Okutomi.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at 7th Floor, Block B, Eastern Sea Industrial Building, 48-56 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong on Thursday, 8 August 2019 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditor for the year ended 31 March 2019.
2. To consider and declare a final dividend for the year ended 31 March 2019.
3. To re-elect the following retiring directors and authorize the board of directors to fix the remuneration of directors:
 - (a) Mr. Wan Wai Loi as an executive Director;
 - (b) Mr. Lau Yiu Tong as a non-executive Director;
 - (c) Mr. Ng Ching Wah as an independent non-executive Director; and
 - (d) Mr. Masaru Okutomi as an executive Director.
4. To re-appoint PricewaterhouseCoopers as auditor of the Company and authorize the board of directors to fix the remuneration of the auditor.
5. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company with or without modifications:

ORDINARY RESOLUTION

“THAT:

- (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements, options or warrants which would or might require shares to be issued, allotted or disposed of be and is hereby generally and unconditionally approved;

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options or warrants which would or might require shares to be issued, allotted or disposed of whether during the continuance of the Relevant Period or after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares upon the exercise of the subscription or conversion rights attaching to any warrants or any securities which are convertible into shares of the Company; or (iii) an issue of shares upon the exercise of options which may be granted under any option scheme or similar arrangement for the time being adopted for the issue of shares or rights to acquire shares of the Company; or (iv) any scrip dividend or other similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by its Articles of Association or any applicable laws of the Cayman Islands to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting;

and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company appearing on its register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

NOTICE OF ANNUAL GENERAL MEETING

6. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company with or without modifications:

ORDINARY RESOLUTION

“THAT:

- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase its own shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Stock Exchange and the Securities and Futures Commission for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or equivalent rules or regulations of such other stock exchange, as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the share capital of the Company to be purchased or agreed conditionally or unconditionally to be purchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by its Articles of Association or any applicable laws of the Cayman Islands to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

7. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company with or without modifications:

ORDINARY RESOLUTION

“**THAT** conditional upon resolutions numbered 5 and numbered 6 set out in the notice convening this meeting being passed, the exercise by the directors of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company in accordance with the general mandate granted pursuant to resolution numbered 5 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares of the Company purchased by the Company under the authority granted pursuant to resolution numbered 6 set out in the notice convening this meeting, provided that the amount of share capital repurchased by the Company shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution.”

By order of the Board
Pacific Textiles Holdings Limited
Chan Sau Yee
Company Secretary

Hong Kong, 9 July 2019

Notes:

- (i) Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
- (ii) In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof shall be deposited at the head office and principal place of business of the Company in Hong Kong at 7th Floor, Block B, Eastern Sea Industrial Building, 48-56 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong not less than 48 hours before the time for holding the annual general meeting or any adjourned meeting.
- (iii) The Register of the Members of the Company will be closed from 5 August 2019 to 8 August 2019 (both days inclusive) for the purpose of determining the identity of members who are entitled to attend and vote at the AGM, during which period no transfer of shares of the Company will be registered. In order to qualify for attending the AGM, all transfers accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 2 August 2019.
- (iv) The Register of Members of the Company will be closed from 15 August 2019 to 19 August 2019 (both days inclusive) for the purpose of determining the identity of members who are entitled to the final dividend for the year ended 31 March 2019, during which period no transfer of shares of the Company will be registered. In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 14 August 2019.
- (v) With regard to resolutions numbered 3 and 5 to 7, details of the re-election of Directors and general mandates to issue and to repurchase shares are set out in the circular to shareholders dated 9 July 2019.
- (vi) The translation into Chinese language of this notice is for reference only. In case of inconsistency, the English version shall prevail.