

For Immediate Release



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

Pacific Textiles Increases stakes in PT Sri Lanka to 60%

For a Cash Consideration of US\$ 1,630,000

**Further enhance competitiveness in Garment Manufacturing through
geographic diversification**

Hong Kong, 28 January 2008 – **Pacific Textiles Holdings Limited** (“Pacific Textiles” or “the Group”; HKEX stock code: 1382), a leading manufacturer of customized knitted fabrics, today announced its acquisition of 8% of PT Sri Lanka for a cash consideration of US\$ 1,630,000 (approximately HK\$12,714,000), making its shareholdings in PT Sri Lanka increase from 52% to 60%.

Under the Agreement, Pacific Textiles has agreed to purchase 8% of sales shares of PT Sri Lanka from Brandix in a cash consideration of US\$ 1,630,000. The consideration for the acquisition will be funded by the internal resources of the Group.

Upon completion of the acquisition, Pacific Textiles and Brandix will own 60% and 40% of PT Sri Lanka respectively.

As part of the Company’s strategy to expand the production volume and the geographic scope of operations, Pacific Textiles acquired a controlling interest in knitting and dyeing facility in PT Sri Lanka in 2004, and have since expanded its annual production capacity.

The expansion plans of PT Sri Lanka have been proceeded as planned and the production capacity of PT Sri Lanka will be double that of the existing capacity upon the completion of the expansion plans (which is expected to be completed by March 2008). The acquisition will enable the Company to capitalize the benefits of the expansion plans of PT Sri Lanka.

“We believe Sri Lanka is an important location for garment manufacturing as it benefits from attractive trade arrangements with European Union and United States. In addition, many of our brand-owner customers employ garment manufacturers based in Sri Lanka. Increase in our interest in PT Sri Lanka will further improve our competitive position through geographic diversification.” said Mr. Wan Wai Loi, Chairman of Pacific Textiles.

Based on the audited financial statements of PT Sri Lanka, the net profits for the year ended 31 December 2006 was US\$2,004,990.

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For further enquiries, please contact Hill and Knowlton Asia Ltd.:-

Shari Lai

Tel: (852) 2894 6251/ 6622 7807

Email: shari.lai@hillandknowlton.com.hk

Sharis Siu

Tel: (852) 2894 6322/ 9316 8576

Email: sharis.siu@hillandknowlton.com.hk