



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

Pacific Textiles in partnership to invest USD80 million in fabric and garment manufacturing facilities in Bangladesh

A key step to further diversify production base and expand overseas market by benefiting from Europe and Japan's trade concessions for Bangladesh

Hong Kong, 28 November 2008 – **Pacific Textiles Holdings Limited** ("Pacific Textiles" or "the Group"; HKEX stock code: 1382), a leading manufacturer of knitted fabrics, today announced the formation of a joint venture ("JV") with three partners to establish fabric and garment manufacturing facilities in Bangladesh. The total capital investment in the facilities is USD80 million, to be contributed by each party in proportion to their respective ownership in the joint venture. Pacific Textiles will hold an effective 42.33% interest in the joint venture and will finance its investment from internal resources.

The other three parties to this investment are Fast Retailing Co., Ltd., the holding company of UNIQLO Japan, Crystal International Limited and Trendit Corporation. The first phase of the production facilities, including a fabric production factory, a power plant, water treatment facilities, a garment production factory and information technology systems, is expected to commence operation in 2010.

To ensure the supply of quality yarns, the JV will separately co-invest with Bros Eastern Company Limited, a top-dyed mélange yarn producer in China, in a yarn manufacturing facility in Bangladesh. The JV will hold 15% of the yarn facility while Bros will hold the remaining 85%.

"The alliance with our partners on the value chain allows us to capture new opportunities and to explore new market with minimal risk. Moreover, this strategic partnership enables the exchange of expertise and technical know-how on all levels along the value chain, providing synergistic benefits to Pacific Textiles' existing business" said Mr. Wan Wai Loi, Chairman of Pacific Textiles.

Bangladesh is the world's third largest readymade garment exporter. In the first half of

2008, Bangladesh exported a total of US\$10.7 billion worth of readymade garment, representing approximately 76% of the country's total export value in the period. Bangladesh is an ideal destination for the facilities as it enjoys access to European markets and Japan with no tariffs and quota barriers. Furthermore, its cost effective production capacity and low raw material costs provide Bangladesh's textiles industry with a strong competitive advantage.

"This investment is a major step in our growth strategy. This joint venture does not only improve our competitive position through geographic diversification, it also provides a platform for the Group's further expansion into the Japanese market, Mr. Wan added.

As part of the Group's strategy to diversify its production base and to increase its production capacity incrementally, Pacific Textiles acquired a controlling interest in a knitting and dyeing facility in Sri Lanka in 2004 and have since doubled its annual production capacity.

About Pacific Textiles Holdings Limited

Pacific Textiles is a leading manufacturer of customized knitted fabrics, with a focus on complex and value-added fabrics that are used in a broad range of garments. It also offers warp and weft knitting along with printing services. In 2007, Pacific Textiles diversified into non-apparel products through SPM Automotive to manufacture automotive fabrics. Currently, the Group's production plants are located in Panyu, China and Avissawella, Sri Lanka. The Company was listed on the Hong Kong Stock Exchange on 18 May 2007.

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

Carol Mak

Tel: (852) 2894 6283 / 6126 5261

Email: carol.mak@hillandknowlton.com

Christy Lee

Tel: (852) 2894 6254 / 6181 8496

Email: christy.lee@hillandknowlton.com

Additional information

About Fast Retailing Co. Ltd.

Fast Retailing is a group of apparel-related companies, which includes Japan's biggest casual clothing chain UNIQLO, which has a 4% market share of the Japanese clothing retail market. UNIQLO offers a full range of casual garments with clothes to suit differing age groups. Fast Retailing was listed on the Tokyo Stock Exchange in July 1997.

About Crystal International Limited

Crystal International is a garment trading and manufacturing company with an annual production capacity of 200 million pieces of garment. It provides OEM and ODM services for world-renowned fashion brands including, M&S, GAP, UNIQLO etc.

About Trendit Corporation

Trendit Corporation is owned and managed by a group of renowned and experienced businessmen in Bangladesh. Its shareholders also own Ananta Group - a fast-growing garment manufacturer in Bangladesh with a wide range of product development capabilities. The Group has an annual production capacity of 12 million pieces of garment and employs over 6,000 direct staff in its state-of-the-art facilities. Ananta's customers include top brand retailers from the United States and Western European countries including GAP and H&M.

About Bros Eastern Company Limited

Bros Eastern is a producer of top-dyed melange yarn with operations in Xinjiang, Shangdong, Jiangsu, Hebei and Zhejiang with an annual production capacity of 120,000 tons. It also operates a number of cotton processing factories in Xinjiang to ensure the quality of its cotton supply. Its cotton-dyeing factories in Ningbo use environment-safe, pollution-free reactive dyes on its heather yarns.

###