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ANNOUNCEMENT INSIDE INFORMATION FURTHER DEVELOPMENTS REGARDING INTERRUPTION OF BUSINESS OF FACTORY IN VIETNAM

This announcement is made by Pacific Textiles Holdings Limited (the "Company") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance. Reference is made to the announcements of the Company dated 19 April 2017, 5 May 2017 and 22 May 2017 (the "Announcements") in relation to the Issue. Terms defined in the Announcements bear the same meanings in this announcement unless the context requires otherwise.

As of today, the gateway of the Company's factory in Vietnam is still blocked by the villagers. Some senior government officials in Vietnam met with the villagers in the week of 25 May 2017. During the meeting, no agreement was reached with the villagers to resolve the Issue. We believe that more time is required to clear the blockage.

The Company considers that there is some significant financial impact to the Company in relation to this temporary suspension of operation of our Vietnam factory, since more time is required to resolve the Issue.

The Board will closely monitor the situation and will make further announcements in relation to any new decisions or developments regarding this matter.

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

Hon Kong, 5 June 2017

As at the date of this announcement, the executive Directors are Mr. WAN Wai Loi (Chairman & CEO), Mr. TSANG Kang Po, 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 Dr. CHAN Yue Kwong, Michael, Mr. NG Ching Wah and Mr. SZE Kwok Wing, Nigel.

* For identification only