

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. Potential investors should read the prospectus dated May 7, 2007, (the "Prospectus") issued by Pacific Textiles Holdings Limited (the "Company") for detailed information about the Public Offer and International Placing described below before deciding whether or not to invest in the shares thereby being offered.

The information contained in this announcement is not for distribution, directly or indirectly, in or into the United States (including its territories and dependencies, any State of the United States and the District of Columbia). These materials do not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Shares mentioned herein have not been, and will not be, registered under the United States Securities Act of 1933 (the "Securities Act").

The Shares may not be offered or sold in the United States except pursuant to registration or an exemption from the registration requirements of the Securities Act. No public offering of the securities will be made in the United States.

The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and Hong Kong Securities Clearing Company Limited ("HKSCC") take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Prospective investors of the Offer Shares should note that the Joint Global Coordinators (on behalf of the other Hong Kong Underwriters) are entitled, after prior consultation with the Company, to terminate their obligations under the Hong Kong Underwriting Agreement by notice in writing to the Company, upon the occurrence of any of the events set out in the sections headed "Underwriting – Underwriting Arrangements and Expenses – Public Offer – Grounds for Termination" in the Prospectus, at any time prior to 8:00 a.m. (Hong Kong time) on the date on which dealings in Shares first commence on the Stock Exchange (which is currently expected to be on Friday, May 18, 2007).

In connection with the Global Offering, Citigroup Global Markets Asia Limited ("Citi") as stabilising manager, or any person acting for it, on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilising or maintaining the market price of the Shares at a level higher than that which might otherwise prevail in the open market for a limited period commencing from the Listing Date. There is no obligation on Citi or any person acting for it to do this. Such stabilisation action, if commenced, will be conducted at the absolute discretion of Citi or any person acting for it and may be discontinued at any time, and is required to be brought to an end within 30 days of the last day for the lodging of applications under the Public Offer. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements. The details of the intended stabilisation and how it will be regulated under the Securities and Futures (Price Stabilising) Rules of the SFO are contained in the Prospectus.

Potential investors should be aware that stabilizing action cannot be taken to support the price of the Shares for longer than the stabilisation period which begins on the commencement of trading of the Shares on the Stock Exchange which is expected to be on Friday, May 18, 2007 and ends on Friday, June 8, 2007, being the last business day immediately before the 30th day after the last day for the lodging of applications under the Public Offer. After Friday, June 8, 2007, when no further stabilising action may be taken, demand for the Shares, and therefore its market price, could fall.

In connection with the Global Offering, Citi may over-allocate up to and not more than an aggregate of 53,735,000 additional Shares (representing approximately 15% of the total number of the Shares initially available under the Global Offering). Such over-allocations (if any) in the International Placing may be covered by exercising the Over-allotment Option on behalf of the International Underwriters (at the discretion of the Joint Global Coordinators) within 30 days after the last day for lodging applications under the Public Offer, or by making purchases in the secondary market or by a combination of purchase in the secondary market and a partial exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised, a press announcement will be made. As of the date of this announcement, the Over-allotment Option has not been exercised.

Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the Prospectus.



**PACIFIC TEXTILES HOLDINGS LIMITED**

**互太紡織控股有限公司\***

(incorporated in the Cayman Islands with limited liability)

## GLOBAL OFFERING

<b>Number of Offer Shares under the Global Offering</b>	<b>:</b>	<b>358,234,000 Shares (subject to adjustment and the Over-allotment Option)</b>
<b>Number of Public Offer Shares</b>	<b>:</b>	<b>107,472,000 Shares (as adjusted after clawback)</b>
<b>Number of International Placing Shares</b>	<b>:</b>	<b>250,762,000 Shares (as adjusted after clawback and subject to the Over-allotment Option)</b>
<b>Offer Price</b>	<b>:</b>	<b>HK\$5.35 per Offer Share, plus brokerage fee of 1.0%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%</b>
<b>Nominal value</b>	<b>:</b>	<b>HK\$0.001 per Share</b>
<b>Stock code</b>	<b>:</b>	<b>1382</b>

*Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and Joint Sponsors*



**Morgan Stanley**

\* For identification purposes only