

Cha Textiles Ltd. Granted Exclusive License by the China Space Foundation

HONG KONG, October 12, 2004 – Cha Textiles Ltd. announces that the China Space Foundation has granted an exclusive license - “Cooperative Partner of China Space” and “The China Space Special-Use Clothing” to apply the China Space logo on Cha Textiles Ltd.’s textile and apparel products. Cha Textiles Ltd. is the first Hong Kong enterprise being granted this exclusive license.

The company will be sponsoring and creating a series of work apparel for China Aerospace Science and Technology Corporation (CASC) research and development team. Each set of apparel requires adherence to a stringent set of national standards carrying authentication certificates during the manufacturing process.

Cha Textiles Ltd. will also be developing a line of leisure wear carrying China Space logo and its first foray into the commercial market will be distributed through Baleno Kingdom Ltd.’s vast network of retail outlets in both Hong Kong and Mainland China. The leisure wear head-to-toe line comprises of casual clothing; ranging from hats, T-shirts and jackets to trousers and socks. Mainland Headwear Holdings Limited will also be developing and manufacturing a line of hats bearing the China Space logo for sale in their ‘Lids’ retail stores both in Hong Kong and Mainland China.

To create enhanced awareness for China’s aerospace industry and to also foster increased interest from children in aerospace technology, a drawing contest titled “My Aerospace China” is being planned. Children from Mainland China, Hong Kong and Macau are invited to submit entries and winning designs will be printed on selected leisure wear apparel. Details on the contest will be announced soon.