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**PACIFIC TEXTILES HOLDINGS LIMITED**

**互太紡織控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01382)**

## **PROFIT WARNING**

This announcement is made by Pacific Textiles Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors of the Company (the “**Directors**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment of the currently available information, the profit attributable to equity holders of the Company may decrease by around 53.1%, from HK\$573 million for the year ended 31 March 2022 to around HK\$269 million for the year ended 31 March 2023 (the “**Reporting Period**”). The downturn was caused by many factors, inter alia, mainly due to (i) the decrease in sales volume and sales revenue by approximately 24.5% and approximately 17.3% respectively; (ii) higher fixed cost absorption arising from lower utilization of production facilities in Panyu plant; and (iii) an impairment loss of approximately HK\$46.6 million arising from the Company’s investment in Teejay Lanka PLC (an associate of the Company and whose shares are listed on the Colombo Stock Exchange of Sri Lanka (the “**Associate**”)) during the Reporting Period. The impairment loss relates to the carrying value of the Company’s investment in Associate, and is non-cash in nature and accordingly, will not have any impact on the Group’s current and future cash flow and daily operations.

As far as lower utilization of production facilities in Panyu plant is concerned, the management has, on one hand, tightened up cost management and streamlined working process, on the other hand, made relentless efforts to increase sales orders through expanding customer base in China. In addition, the Group has been launching new types of synthetic products to stimulate potential demand. Moreover, from the Reporting Period to now, the Group has been developing new products to transcend the traditional markets of fabrics for clothing. The recently developed fabrics for non-clothing applications such as beddings and mattresses, and fabrics for car interior have created new market opportunities for the Group’s potential organic growth in the coming years. The Group’s resources will be deployed flexibly among various products and markets so as to increase efficiency and optimize utilization rate of production facilities.

As at the date of this announcement, the Group is still in the process of finalising the results for the Reporting Period (“**2022/23 Annual Results**”). The information contained in this announcement is only based on the preliminary review of unaudited consolidated management accounts of the Group and the information presently available to the Board, which have not been reviewed by the Company’s auditors of the Company. The 2022/23 Annual Results may be different from what is disclosed in this announcement. It is expected that the Company’s announcement for 2022/23 Annual Results will be released on 23 June 2023.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the**

**Company.**

By order of the Board  
**Pacific Textiles Holdings Limited**  
**MASARU OKUTOMI**  
Chairman & CEO

Hong Kong, 14 June 2023

*As at the date of this announcement, the Executive Directors are Mr. Masaru OKUTOMI, Mr. TOU Kit Vai and Mr. Kyuichi FUKUMOTO; and the Independent Non-executive Directors are Dr. CHAN Yue Kwong, Michael, Mr. NG Ching Wah, Mr. SZE Kwok Wing, Nigel and Ms. LING Chi Wo Teresa.*

\* *For identification purposes only*