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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)

BUSINESS UPDATES INSIDE INFORMATION ANNOUNCEMENT

This announcement is made by Pacific Textiles Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the provisions of Disclosure of Inside Information under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong). Reference is made to the announcement of the Company dated 12 February 2020, unless the context otherwise requires, terms used in this announcement shall have the same meanings as those defined in that announcement.

Following the resumption of operation of the Group’s factory in Panyu of the Guangdong Province on 12 February 2020 (“**Resumption**”), the workers have gradually returned to their original working positions. As the number of returned workers has increased, the productivity of the Panyu factory rose from 40% (as at 14 February 2020) to more than 80% (as at 25 February 2020) of its original production level.

It is estimated that the temporary production halt which lasted for three weeks prior to the Resumption and the shortfall of production gap have posed temporary impact on the Group’s overall productivity. Based on the information available to the board of directors and a preliminary assessment on the financial impact of the temporary production halt, it is estimated that there was an approximate of 400 to 450 million Hong Kong dollar decrease in the sales revenue as compared with the original production plan before the Chinese New Year Holidays.

It is estimated that the impact of the Epidemic on business is temporary. The Group has adopted business strategies to widen its customer base by exploring business cooperation with sports brands to increase the utilization rate in Panyu, and to expand the production scale in Vietnam by setting up a new production site in the Nam Dinh province of Vietnam. The Group will also maintain its current dividend policy of providing long term returns to its shareholders.

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
WAN WAI LOI
Chairman & CEO

Hong Kong, 25 February 2020

As at the date of this announcement, the Executive Directors are Mr. WAN Wai Loi, Mr. Masaru OKUTOMI, Mr. TOU Kit Vai and Mr. Toshiya ISHII; the Non-executive Director is 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 purposes only