HINGTEX HOLDINGS LIMITED
興紡控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1968)

PROFIT WARNING

This announcement is made by Hingtex Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the "**Board**") of the Company wishes to inform shareholders of the Company (the "**Shareholders**") and potential investors that, based on a preliminary assessment of the unaudited consolidated management accounts of the Group and information currently available to the Board, the Group is expected to report a decrease of over 90% in its net profit for the year ended 31 December 2019 (the "**Financial Year 2019**"), as compared with its financial results for the year ended 31 December 2018.

Based on the relevant information currently available to the Board, the Board considers such expected decrease in net profit for the Financial Year 2019 is mainly due to (a) the delay of denim fabric shipments to the Group's garment manufacturing customers as requested by the U.S. brand owners, who use the Group's denim fabric in their products. As a result of the worsened Sino-U.S. trade war during 2019, additional U.S. import tariffs have been imposed on denim garments manufactured in the PRC. Aiming to minimise the impact arising out of the aforementioned tariffs, the U.S. brand owners requested the Group to hold off deliveries of denim fabric as they were in the process of engaging qualified garment manufacturers located outside the PRC; and (b) the undertaking of denim fabric orders at competitive selling prices and lower profit margin by the Group in order to optimise production capacity utilisation in light of the delay in denim fabric shipments as mentioned above.

The Group is still in the process of preparing and finalising the annual results of the Group for the Financial Year 2019. The information contained in this announcement is only based on a preliminary assessment by the management of the Company with reference to the information currently available including the unaudited consolidated management accounts of the Group, which have not been reviewed or audited by the independent auditors of the Company and are subject to possible adjustments arising from further review or audit. Shareholders and potential investors are advised to read carefully the consolidated annual results of the Group for the Financial Year 2019, which are expected to be announced by the Company before the end of March 2020.

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

By order of the Board
HINGTEX HOLDINGS LIMITED
Tung Tsun Hong
Chairman and executive Director

Hong Kong, 10 March 2020

As at the date of this announcement, the chairman and executive Director is Mr. Tung Tsun Hong, the executive Directors are Mr. Tung Wai Ting Stephen and Mr. Tung Cheuk Ming Stanley, and the independent non-executive Directors are Mr. Tsang Ling Biu Gilbert, Mr. Cheung Che Kit Richard and Mr. Leung Wang Ching Clarence, J.P..