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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 approximately 60.6%, from HK\$268.6 million for the financial year ended 31 March 2023 to around HK\$105.9 million for the financial year ended 31 March 2024 (the “**Reporting Period**”). The downturn during the Reporting Period was caused by many factors, inter alia, mainly attributable to (i) higher net interest expenses of approximately HK\$47.4 million; (ii) preliminary operating loss incurred in the setting up stage of the new Vietnam factory of approximately HK\$32.1 million; and (iii) a total of the share of results of Teejay Lanka PLC (“**Teejay**”, an associate of the Company and whose shares are listed on the Colombo Stock Exchange of Sri Lanka ) and an impairment loss arising from the Company’s investment in Teejay of approximately HK\$120 million. The impairment loss and the share of results of Teejay relate to the carrying value of the Company’s investment in Teejay and are non-cash in nature. Accordingly, the impairment loss and the share of results of Teejay will not have any impact on the Company’s current and future cash flow and daily operations.

With the effort of management, the issues of low utilization rate of Panyu factory during the financial year has been eased from March 2024 and the utilization rate is on the rise. Once the Company launches full scale production for the new Vietnam factory, the revenue and the profit attributable to equity holders of the Company are expected to show an upturn arising from the surge in overall production capacity of the Company and the increasing demands for new products. As for impairment loss, the Company believes that impairment loss for the coming financial year, if any, is estimated to be immaterial. The Company is confident in the outlook of Teejay and believes in the continuous recovery of the Sri Lanka’s economy and the business prospect of Teejay. The average interest rate and net interest expenses of the Group for the coming financial year are expected to drop as certain existing banking facilities will be replaced by lower cost facilities in 2024/25.

The Company has confidence in the prospect and there is no plan to change its dividend policy.

As at the date of this announcement, the Group is still in the process of finalising the results for the Reporting Period (“**2023/24 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 or the audit committee of the Company. The 2023/24 Annual Results may be different from what is disclosed in this announcement. It is expected that the Company’s announcement for 2023/24 Annual Results will be

released in June 2024.

**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, 24 May 2024

*As at the date of this announcement, the Executive Directors are Mr. Masaru OKUTOMI, Mr. TOU Kit Vai and Mr. Kyuichi FUKUMOTO; 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*