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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)**

## **REPURCHASE OF SHARES UNDER GENERAL MANDATE**

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 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 circular of the Company dated 9 July 2019 (the “**Circular**”) and the announcement of the Company dated 8 August 2019. Capitalised terms used herein have the same meanings as those defined in the Circular.

The Board was granted a general mandate (the “**Share Repurchase Mandate**”) by the Shareholders, pursuant to a resolution passed on 8 August 2019 at the annual general meeting of the Company (“**2019 AGM**”), to repurchase up to 144,642,300 Shares (i.e. 10% of the total number of issued Shares of the Company as at the date of the 2019 AGM, being 1,446,423,000 Shares). Since the 2019 AGM and up to the date of this announcement, the Company has repurchased 12,975,000 Shares, constituting approximately 8.97% of the Share Repurchase Mandate or approximately 0.897% of the total issued Shares as at the date of 2019 AGM.

The Board intends to further repurchase up to another 37,025,000 Shares, being approximately 2.56% of the total number of issued Shares as of the date of 2019 AGM, within a 9.5 months period commencing from 17 March 2020 until 31 December 2020 (the “**Proposed Share Repurchase**”). Any repurchase of Shares under the Proposed Share Repurchase after conclusion of the next annual general meeting of the Company is subject to successful renewal of Share Repurchase Mandate in the next annual general meeting. All Shares repurchased, if any, will be cancelled.

The Proposed Share Repurchase will be conducted in compliance with the Listing Rules, and all other applicable laws and regulations. The Proposed Share Repurchase will not result in the number of the Shares held by the public falling below the relevant minimum percentage prescribed by the Listing Rules.

Based on current market conditions and the recent trading price of the Shares, the Board is of the view that the prevailing trading prices of the Company do not reflect the intrinsic value of the Company, in terms of the Company’s long-term profitability and yield to shareholders. Having considered the current financial position of the Company, the Directors are of the opinion that the Proposed Share Repurchase would not have any material adverse effect on the working capital requirements of the Company.

The Board believes that the Proposed Share Repurchase would increase the earnings per Share of the Company. Based on the above, the Board considers that the Proposed Share Repurchase is in the interests of the Company and the Shareholders as a whole.

**Shareholders and potential investors of the Company should note that the Proposed Share Repurchase is subject to market conditions and the Board’s absolute discretion. The Proposed Share Repurchase may not proceed after conclusion of the next annual general meeting of the Company if the Share Repurchase Mandate is not renewed by Shareholders in the next annual general meeting. There is no assurance as to the timing, quantity or price of any Share so**

repurchased or whether the Proposed Share Repurchase would proceed at all. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Company's securities.

By order of the Board  
**Pacific Textiles Holdings Limited**  
**WAN WAI LOI**  
*Chairman & CEO*

Hong Kong, 16 March 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*