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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

The Board of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 September 2025 together with the comparative figures for the six months ended 30 September 2024.

INTERIM FINANCIAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2025

		Six months ended 30 September	
		2025	2024
		HK\$'000	HK\$'000
	<i>Note</i>	(Unaudited)	(Unaudited)
Revenue	3	2,524,461	2,706,449
Cost of sales	5	(2,315,164)	(2,467,091)
Gross profit		209,297	239,358
Other income and other losses – net	4	13,834	(1,029)
Provision for impairment loss on trade receivables		(542)	(2,289)
Distribution and selling expenses	5	(25,366)	(27,358)
General and administrative expenses	5	(87,442)	(78,450)
Operating profit		109,781	130,232
Finance income		9,481	16,223
Finance costs		(27,405)	(34,226)
Share of profits of associates		2,265	7,316
Profit before income tax		94,122	119,545
Income tax expense	6	(10,810)	(15,355)
Profit for the period		83,312	104,190

* For identification purposes only

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Cont'd)*For the six months ended 30 September 2025*

		Six months ended 30 September	
		2025	2024
		HK\$'000	HK\$'000
	<i>Note</i>	(Unaudited)	(Unaudited)
Profit for the period attributable to:			
Equity holders of the Company		79,322	106,862
Non-controlling interests		3,990	(2,672)
		83,312	104,190
Earnings per share for profit attributable to equity holders of the Company during the period			
– basic (HK\$)	7	0.06	0.08
– diluted (HK\$)	7	0.06	0.08

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the six months ended 30 September 2025*

		Six months ended 30 September	
		2025	2024
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Profit for the period		83,312	104,190
Other comprehensive income:			
<i>Item that may be reclassified to profit or loss</i>			
Currency translation differences		17,072	6,601
Total comprehensive income for the period		100,384	110,791
Total comprehensive income/(loss) for the period attributable to:			
Equity holders of the Company		99,337	113,351
Non-controlling interests		1,047	(2,560)
		100,384	110,791

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 September 2025

		30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		2,367,203	2,316,482
Right-of-use assets		157,065	161,021
Interests in associates	9	257,904	263,997
Financial assets at fair value through other comprehensive income		427	427
Deferred income tax assets		25,126	25,427
Prepayment for property, plant and equipment		46,740	73,304
		<u>2,854,465</u>	<u>2,840,658</u>
Current assets			
Inventories		1,110,104	990,962
Trade and bills receivables	10	1,095,982	743,534
Deposits, prepayments and other receivables		86,454	67,659
Amounts due from associates		1,363	1,046
Short-term bank deposits		87,624	–
Cash and cash equivalents		386,063	666,507
		<u>2,767,590</u>	<u>2,469,708</u>
Total assets		<u><u>5,622,055</u></u>	<u><u>5,310,366</u></u>
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		1,389	1,391
Share premium		1,265,020	1,268,039
Reserves		1,643,116	1,613,260
		<u>2,909,525</u>	<u>2,882,690</u>
Non-controlling interests		<u>1,251</u>	<u>204</u>
Total equity		<u><u>2,910,776</u></u>	<u><u>2,882,894</u></u>

CONDENSED CONSOLIDATED BALANCE SHEET (Cont'd)

As at 30 September 2025

		30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
	Note		
LIABILITIES			
Non-current liabilities			
Borrowings		125,498	125,428
Lease liabilities		6,683	6,715
Deferred income tax liabilities		51,830	53,497
Other non-current payable		155,310	154,538
		<u>339,321</u>	<u>340,178</u>
Current liabilities			
Borrowings		1,322,012	1,220,904
Trade and bills payables	11	775,740	634,210
Accruals and other payables		196,626	161,861
Lease liabilities		621	856
Financial liabilities at fair value through profit or loss		810	143
Current income tax liabilities		76,149	69,320
		<u>2,371,958</u>	<u>2,087,294</u>
Total liabilities		<u>2,711,279</u>	<u>2,427,472</u>
Total equity and liabilities		<u>5,622,055</u>	<u>5,310,366</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 BASIS OF PREPARATION

This interim condensed consolidated financial information as at and for the six-month period ended 30 September 2025 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting”. It should be read in conjunction with the annual financial statements for the year ended 31 March 2025, which has been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

Comparative amounts in the condensed consolidated financial information have been reclassified to conform with the current period’s presentation. The Company has reclassified certain other income to revenue for both financial periods.

2 ACCOUNTING POLICIES

The accounting policies applied to this condensed consolidated interim financial information are consistent with those of the annual financial statements for the year ended 31 March 2025 (the “Annual Financial Statement”) as described in those annual financial statements except that income tax is accrued using the tax rate that would be applicable to the expected total annual earnings and the adoption of new and amended standards as set out below.

- (a) The group has applied the following new and amended standards the financial period beginning 1 April 2025 and currently relevant to the Group:

HKAS 21	HKFRS 1	Lack of Exchangeability (amendments)
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The adoption of the above amendments to standards does not have any significant impact to the results and financial position of the Group.

- (b) The following new and amended standards and interpretations have been issued but are not effective for the financial period beginning 1 April 2025 and have not been early adopted by the Group:

		Effective for annual periods on or after
HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments (amendments)	1 April 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 April 2026
HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity (amendments)	1 April 2026
HKFRS 18	Presentation and Disclosure in Financial Statements (new standard)	1 April 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures (new standard)	1 April 2027
HK Int 5	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (amendments)	1 April 2027
HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)	A date to be determined by the IASB

Management is in the process of assessing the financial impact of the adoption of the above new and amended standards and interpretations. The Group will adopt the new and amended standards and interpretations when they become effective.

3 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the Company collectively, who determine the operating segments of the Group and review the Group's internal reporting in order to assess performance and allocate resources.

All of the Group's business operations relate to the manufacturing and trading of textile products with similar economic characteristics. Accordingly, the executive directors review the performance of the Group as a single segment, which covers operations conducted by subsidiaries in Hong Kong, Macau, the PRC and Vietnam, and associates in the PRC and Sri Lanka. The executive directors review resources allocation and assess performance of the Group on a regular basis based on the following financial information:

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue – sales of goods (recognised at a point in time)	2,484,220	2,681,218
Sales and distribution of steam	34,932	20,476
Others	5,309	4,755
Gross profit	209,297	239,358
Gross profit margin (%)	8.3%	8.8%
EBITDA (<i>Note ii</i>)	231,914	251,040
EBITDA margin (%)	9.2%	9.3%
Operating expenses	113,350	108,097
Operating expenses/Revenue (%)	4.5%	4.0%
Profit attributable to equity holders of the Company	79,322	106,862
Net profit margin (%)	3.1%	3.9%
Total assets	5,622,055	5,563,295
Equity attributable to equity holders of the Company	2,909,525	2,992,711
Cash and bank balances	473,687	548,407
Borrowings	1,447,510	1,222,195
Inventories	1,110,104	1,125,113
Inventories turnover days (<i>Note iii</i>)	83	80
Trade and bills receivables	1,095,982	989,154
Trade and bills receivables turnover days (<i>Note iv</i>)	66	58
Trade and bills payables	775,740	872,825
Trade and bills payables turnover days (<i>Note iii</i>)	56	56

3 SEGMENT INFORMATION (Cont'd)

Notes:

- (i) To supplement the condensed consolidated financial information of the Group prepared in accordance with HKAS 34, certain financial measures, including gross profit margin, EBITDA margin, net profit margin, inventories turnover days, trade and bills receivables turnover days, and trade and bills payables turnover days have been presented in this announcement. The Company's management believes that the financial measures provide investors with clearer view on the Group's financial information, and with useful supplementary information to assess the performance of the Group's strategic operations. Nevertheless, the use of these financial measures has limitations as an analytical tool. These financial measures should be considered in addition to, not as a substitute for, analysis of the Company's condensed consolidated financial information prepared in accordance with HKAS 34.
- (ii) EBITDA is defined as profit for the period before finance income, finance costs, income tax expense, depreciation and amortisation.
- (iii) The turnover days are calculated by the simple average of the beginning of the period and the end of the period balances over costs of sales.
- (iv) The turnover days are calculated by the simple average of the beginning of the period and the end of the period balances over revenue.

A reconciliation of EBITDA to total profit before income tax is provided as follows:

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
EBITDA	231,914	251,040
Depreciation	(119,868)	(113,492)
Finance income	9,481	16,223
Finance costs	(27,405)	(34,226)
Profit before income tax	94,122	119,545

The Group's revenue represents sales of goods. Analysis of revenue by geographical location, as determined by the destination where the products are delivered, is as follows:

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
South East Asia	1,625,415	1,586,835
PRC	620,724	795,290
Bangladesh	82,781	70,258
Sri Lanka	77,940	66,476
Hong Kong	48,074	40,162
Others	69,527	147,428
	2,524,461	2,706,449

For the period ended 30 September 2025, the top two customers accounted for approximately 49% (2024: 43%) and 16% (2024: 21%) of the Group's revenue, respectively. No other customer individually accounted for more than 10% of the Group's revenue for the periods ended 30 September 2025 and 2024.

3 SEGMENT INFORMATION (Cont'd)

The Group's non-current assets (excluding interests in associates and deferred income tax assets) are located in the following geographical locations:

	As at	
	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Vietnam	1,572,856	1,553,960
PRC	982,637	985,651
Hong Kong	15,942	11,623
	<u>2,571,435</u>	<u>2,551,234</u>

4 OTHER INCOME AND OTHER LOSSES – NET

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Other income:		
Insurance indemnity income	9,393	–
Government grants	14,678	1,977
Consultancy fee	873	1,047
Sundry income	2,384	3,450
	<u>27,328</u>	<u>6,474</u>
Other losses:		
Losses on derivative financial instruments		
– forward foreign exchange contracts	(674)	–
Net foreign exchange losses	(8,201)	(69)
Loss on disposal of property, plant and equipment	(4,619)	(4,326)
Impairment loss of property, plant and equipment	–	(3,108)
	<u>(13,494)</u>	<u>(7,503)</u>
	<u>13,834</u>	<u>(1,029)</u>

5 EXPENSES BY NATURE

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Depreciation of property, plant and equipment	117,080	110,497
Depreciation of right-of-use assets	2,788	2,995
Cost of raw materials and consumables used	2,007,257	2,139,196
Employee benefits expenses (including directors' emoluments)	234,751	239,311
Provision for slow-moving and obsolete inventories	941	13,397
Other expenses	65,155	67,503
	<u>2,427,972</u>	<u>2,572,899</u>
Total cost of sales, distribution and selling expenses and general and administrative expenses	<u>2,427,972</u>	<u>2,572,899</u>

6 INCOME TAX EXPENSE

Income tax expense is recognised based on management best estimate of the weighted average annual income tax rates expected for the full financial year. The amount of income tax expense in the condensed consolidated statement of profit or loss represents:

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Current income tax		
– Hong Kong profits tax	8,190	1,054
– Overseas corporate income tax	4,272	13,344
– Over-provision in prior years	–	(2,840)
Deferred income tax	(1,652)	3,797
	<u>10,810</u>	<u>15,355</u>

7 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit for the period attributable to equity holders of the Company by the weighted average number of shares in issue during the period.

	Six months ended 30 September	
	2025 (Unaudited)	2024 (Unaudited)
Profit attributable to the equity holders of the Company (HK\$'000)	<u>79,322</u>	<u>106,862</u>
Weighted average number of shares in issue (thousands)	<u>1,391,296</u>	<u>1,397,269</u>
Basic earnings per share (HK\$ per share)	<u>0.06</u>	<u>0.08</u>

7 EARNINGS PER SHARE (Cont'd)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all dilutive potential ordinary shares. The Company has share options to employees for period ended 30 September 2023 which was expired on 16 October 2023.

For the period ended 30 September 2023, since the average market price of the Company's shares during the period is less than the assumed exercise price of the share options, the potential ordinary shares were not included in the calculation of the diluted earnings per share as their inclusion would be anti-dilutive. For the period ended 30 September 2025, there are no potential dilutive shares in issue during the period. Accordingly, diluted earnings per share for the periods ended 30 September 2024 and 2025 is the same as basic earnings per share of the respective period.

8 DIVIDENDS

	Six months ended 30 September	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Interim dividend of HK\$5 cents per share (2024: HK\$7 cents per share)	69,481	97,703

On 28 November 2025, the Board declared an interim dividend of HK\$5 cents per share (2024: HK\$7 cents per share) for the six-month period ended 30 September 2025. This interim dividend amounting to HK\$69,481,000 (2024: HK\$97,703,000) has not been recognised as a liability in this interim financial information.

9 INTERESTS IN ASSOCIATES AND BALANCES WITH ASSOCIATES

Movement in interests in associates is as follows:

	Six months ended 30 September	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Balance at 1 April	263,997	251,112
Share of profit for the period	2,265	7,316
Dividends received from associates	(8,358)	(7,513)
Balance at 30 September	257,904	250,915

Note: As at 30 September 2025, the quoted market value of the Group's interest in PT Sri Lanka, which is listed on the Colombo Stock Exchange in Sri Lanka, was approximately HK\$207,861,000 (At 31 March 2025: HK\$244,813,000).

10 TRADE AND BILLS RECEIVABLES

	As at	
	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Trade receivables	1,066,727	718,831
Bills receivables	31,414	26,314
	<u>1,098,141</u>	<u>745,145</u>
Less: provision for impairment of trade and bill receivables	(2,159)	(1,611)
	<u>1,095,982</u>	<u>743,534</u>

Majority of the Group's sales are made with credit terms of 30 to 120 days. Trade and bills receivables, based on invoice date, were aged as follows:

	As at	
	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
0–60 days	954,356	669,725
61–120 days	139,197	73,644
121 days–1 year	4,588	1,776
	<u>1,098,141</u>	<u>745,145</u>

As at 30 September 2025, the top two customers accounted for approximately 45% (As at 31 March 2025: 42%) and 15% (As at 31 March 2025: 29%), respectively, of the Group's trade and bills receivables. All other customers individually accounted for less than 7% (As at 31 March 2025: 4%) of the Group's trade and bills receivables as at 30 September 2025 and 31 March 2025.

The fair value of trade and bills receivables approximate the net book carrying amounts.

Movements in the Group's provision for impairment of trade receivables are as follows:

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
At 1 April	1,611	2,000
Currency translation differences	6	13
Provision for impairment of trade and bill receivables	542	2,289
	<u>2,159</u>	<u>4,302</u>
At 30 September	<u>2,159</u>	<u>4,302</u>

11 TRADE AND BILLS PAYABLES

	As at	
	30 September	31 March
	2025	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Trade payables	772,215	622,942
Bills payables	3,525	11,268
	<u>775,740</u>	<u>634,210</u>

Credit periods granted by the creditors generally range from 30 to 90 days. Trade and bills payables, based on invoice dates, were aged as follows:

	As at	
	30 September	31 March
	2025	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
0–60 days	749,391	618,176
61–120 days	23,098	11,146
121 days–1 year	2,853	4,646
Over 1 year	398	242
	<u>775,740</u>	<u>634,210</u>

The carrying amounts of trade and bills payables approximate their fair values.

12 CAPITAL COMMITMENTS

Capital expenditure at the balance sheet date, contracted for but not yet incurred, is as follows:

	As at	
	30 September	31 March
	2025	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Contracted but not provided for:		
Property, plant and equipment	98,883	123,145

As at 30 September 2025, the Group did not have any significant share of capital commitments of its associates (As at 31 March 2025: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

Pacific Textiles Holdings Limited and its subsidiaries are principally engaged in manufacturing and trading of textiles products, including high quality cotton and synthetic knitted fabrics.

Revenue

During the period under review, revenue of the Group was approximately HK\$2,524.5 million (2024: approximately HK\$2,706.4 million) representing a decrease of approximately 6.7% as compared with the period ended 30 September 2024, as a result of the combined effect of an increase of 3.5% in average sales price and a decrease of 10.5% in sales volume.

Revenue generated from sales of goods from different geographical locations (as determined by where the products were delivered to) is set out in note 3 to the financial information of this announcement.

Other incomes comprising, among others, government grants and insurance indemnity income are set out in note 4 to the financial information of this announcement.

Cost of sales

Cost of sales of the Group was approximately HK\$2,315.2 million (2024: approximately HK\$2,467.1 million) representing a decrease of 6.2% as compared with the period ended 30 September 2024 which was consistent with decrease in revenue.

Profit

During the period under review, the profit attributable to equity holders of the Company was approximately HK\$79.3 million (2024: approximately HK\$106.9 million) representing a decrease of approximately 25.8% as compared with the period ended 30 September 2024.

The downturn during the period under review was mainly due to various factors, including but not limited to:

- (i) the decrease in sales order. This decline in profit was particularly triggered by a drastic fall in sales order during April to June 2025 as U.S. announced huge increase in import tariff to 46% on goods imported from Vietnam, causing certain U.S. customers either to withhold or cancel sales orders which were placed with the Group's Vietnamese factories; and
- (ii) higher fixed cost absorption arising from lower utilization of production facilities in the factories.

Distribution and selling expenses

During the period under review, selling and distribution expenses including impairment loss on trade receivables decreased to HK\$25.9 million (2024: HK\$29.6 million), mainly due to decrease in expense on freight charge which was consistent with decrease in revenue.

Administration expenses

During the period under review, the administration expenses increased to HK\$87.4 million (2024: HK\$78.5 million), which was mainly attributable to an increase in the depreciation of property, plant and equipment for non-production purpose at Vietnam Ninh Binh Plant.

Finance costs

During the period under review, finance costs decreased by approximately 19.9% to HK\$27.4 million (2024: HK\$34.2 million). This decrease was primarily due to a decline in interest rates, which resulted in lower interest expenses on bank loans.

Trade receivables and trade payables turnover days

Trade receivables turnover days was 66 days while trade payables turnover days was 56 days.

Income tax

The Group recorded an income tax expense of approximately HK\$10.8 million during the period under review (2024: HK\$15.4 million). The average effective tax rate of the Group during the period under review was approximately 11.5% which was lower than the period ended 30 September 2024 (2024: 12.8%).

Assets

As at 30 September 2025, the total assets of the Group were HK\$5,622.1 million (31 March 2025: HK\$5,310.4 million). The total assets comprised non-current assets of HK\$2,854.5 million (31 March 2025: HK\$2,840.7 million) and current assets of HK\$2,767.6 million (31 March 2025: HK\$2,469.7 million).

Key financial ratios are set out below:

	For the six months ended 30 September	
	2025	2024
Gross Profit Margin ⁽¹⁾	8.3%	8.8%
Return on Equity ⁽²⁾	2.9%	3.5%
Interest Coverage Ratio ⁽³⁾	5.1	4.8

Notes:

- (1) The calculation of Gross Profit Margin is based on gross profit divided by revenue and multiplied by 100%.
- (2) The calculation of Return on Equity is based on profit for the period divided by total equity and multiplied by 100%.
- (3) The calculation of Interest Coverage Ratio is based on profit before interest expenses on bank loans and tax expenses divided by interest expenses on bank loans.

Liquidity and financial resources and capital structure

As at 30 September 2025, the Group was in a net debt position (cash and bank balances and time deposits less total borrowings) of HK\$973.8 million (31 March 2025: net debt position of HK\$679.8 million). The increase in a net debt position was due to increase in trade receivables and inventories.

The Group's principal source of working capital was cash generated from sales of its products, supplemented with bank borrowings and a shareholder's loan contributed by our joint venture partner for the Vietnam Hai Phong Plant.

As at 30 September 2025, the Group had total cash and bank balances and time deposits of HK\$473.7 million (31 March 2025: HK\$666.5 million) comprising of HK\$6.0 million, the equivalent of HK\$336.6 million denominated in US\$, the equivalent of HK\$112.8 million denominated in RMB, the equivalent of HK\$17.6 million denominated in VND and the equivalent of HK\$0.7 million denominated in other currencies. The cash and bank balances and time deposits were to finance the Group's working capital and capital expenditure plans.

The Group had bank loans of HK\$1,322.0 million (31 March 2025: HK\$1,220.9 million) and shareholder's loan of HK\$125.5 million (31 March 2025: HK\$125.4 million) contributed by our joint venture partner to the Vietnam Hai Phong Plant. The said shareholder's loan was of equity nature and was not repayable within one year. The Group did not pledge any of its assets for bank borrowing (31 March 2025: Nil).

For the period ended 30 September 2025, the Group's total assets amounted to HK\$5,622.1 million (31 March 2025: HK\$5,310.4 million). Non-current assets and current assets were HK\$2,854.5 million and HK\$2,767.6 million respectively. The above assets were financed by current liabilities of HK\$2,372.0 million, non-current liabilities of HK\$339.3 million and equity attributable to Shareholders of HK\$2,909.5 million.

Capital expenditure and capital commitment

The Group had been adopting cautious measures and fine-tuned its capital expenditure in response to the market demand. During the period under review, total capital expenditure increased by approximately 35.6% to HK\$169.0 million (2024: HK\$124.6 million). This increase was mainly due to the replacement of certain production facilities at Vietnam Hai Phong Plant which damaged by the hit of typhoon on 7 September 2024.

Details of the capital commitments are set out in note 12 to the financial information of this announcement.

Key liquidity or leverage ratios:

	As at 30 September 2025	As at 31 March 2025
Current Ratio ⁽⁴⁾	1.2	1.2
Quick Ratio ⁽⁵⁾	0.7	0.7
Gearing Ratio ⁽⁶⁾	50.1%	47.1%
Debt to Equity Ratio ⁽⁷⁾	93.1%	84.2%

Notes:

- (4) The calculation of Current Ratio is based on current assets divided by current liabilities.
- (5) The calculation of Quick Ratio is based on current assets minus inventories divided by current liabilities.
- (6) The calculation of Gearing Ratio is based on total borrowings and bills payable divided by total equity multiplied by 100%.
- (7) The calculation of Debt to Equity Ratio is based on total liabilities divided by total equity multiplied by 100%.

Risk Management on Foreign Exchange and Interest Exposure

The Group had been exposed to foreign exchange risk arising from various currency exposures with respect to the US Dollars, Renminbi and Vietnamese Dongs primarily. The Group managed its foreign exchange risks by performing regular review and monitoring its foreign exchange exposures. The Group would hedge against certain of its exposures in order to reduce the risk involved as appropriate.

The Group mainly operated in Hong Kong, mainland China, Macau and Vietnam. Except for certain cash and bank balances and certain inter-company receivables denominated in foreign currencies, transactions were generally conducted in a functional currency of the respective group entity. The foreign currency risk arising from recognised assets and liabilities was considered by the Directors to be minimal.

The Group had been using forward foreign currency contracts to hedge part of its foreign exchange risk. These forward foreign currency contracts did not qualify for hedge accounting and were accounted for at fair value through profit or loss.

Pledge of Assets

No assets were pledged to obtain financing as at 31 March 2025 and 30 September 2025 respectively.

Segmental Information

Details of segmental information are set out in note 3 to the financial information of this announcement.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

There was no material acquisition or disposal of the Company's subsidiaries, associates and joint ventures during the six months ended 30 September 2025.

Contingent Liabilities

As at 30 September 2025, the Group had no material contingent liabilities (31 March 2025: Nil).

Events Subsequent to the Period

There was no significant event undertaken by the Company or by the Group after 30 September 2025 and up to the date of this announcement.

Employees and Remuneration Policies

As at 30 September 2025, the Group had 5,136 full-time employees (31 March 2025: 5,115). There was no significant change in the Group's remuneration policy. The Group's remuneration package for its employees included salary, bonuses, allowances and retirement benefits based on the performance, skills and knowledge of each employee. The Group also provided additional benefits to its employees, for instance, subsidized accommodation and meals for those working in production facilities, accident and medical insurance, etc.

The Group will continue to provide regular trainings and competitive remuneration package to employees in order to enhance their incentive and motivation to work.

Prospects and Outlook

The financial performance of the Group for the six months ended 30 September 2025 (the "Reporting Period") has recorded a decrease in the profit attributable to equity holders of the Company by 25.8% as compared with that of the six months ended 30 September 2024 (the "Corresponding Period").

The downturn during the Reporting Period was caused by many factors, inter alia, mainly attributable to:

- (i) the decrease in sales order. This decline in profit was particularly triggered by a drastic fall in sales order during April to June 2025 as U.S. announced huge increase in import tariff, causing certain U.S. customers either to withhold or cancel sales orders which were placed with the Group's Vietnamese factories; and
- (ii) higher fixed cost absorption arising from lower utilization of production facilities in the factories.

The impact of the U.S. import tariff was moderated as the rate imposed on Vietnam was reduced to 20% from the initially announced 46%. Consequently, the Group's sales order levels have recovered to those recorded in March 2025. A noticeable turnaround was observed at the Group's Vietnamese factories in July 2025, with sales orders exhibiting an upward trend thereafter, particularly in synthetic fabrics and other high-margin products. Both the stabilization of external market conditions and the Group's efforts to optimize its product mix have worked. As of the date of this announcement, the utilization rates of the Vietnam production facilities have rebounded to approximately 80%–90%.

The China Nansha Plant has achieved a modest increase in new product lines, including high-quality bedding fabrics, while maintaining its primary focus on sports and leisure wear fabrics. The management anticipates continued steady improvement in the performance of the China Nansha Plant as its local customer base broadens. To improve profitability, the Company has reinforced cost management and implemented cost restructuring measures. Through optimizing workforce structure, which involves streamlining of headcount and introduction of flexible-hour labor, the Company has successfully converted a substantial portion of fixed labor costs into variable costs linked to production levels. This flexibility has effectively reduced the breakeven point for profit and enhanced operational efficiency.

Despite near-term challenges, the Company remains confident in the potential for long-term growth of its operations in Vietnam and will sustain capital investment for the capacity growth of its two production facilities. The Vietnam Hai Phong Plant (formerly known as Vietnam Hai Duong Plant) will expand its site, boosting production capacity by approximately 50%. Concurrently, the Group will launch the second phase development plan for the Vietnam Ninh Binh Plant (formerly known as Vietnam Nam Dinh Plant) to increase warp knitting and printing capabilities. Following these expansions, the profit margin from the Vietnam factories is projected to rise to higher levels.

As the impact of the U.S. tariffs has been calming down, fluctuation in orders from U.S. customers is expected to moderate in the short term. However, challenges remain. Geopolitical tensions continue to create a lot of uncertainties on business environment and market sentiment. Added to this, uncertainties stemming from high inflation and economic slowdowns in key markets such as the U.S. and some European countries, may continue to restrain consumer spending.

The management will persist in implementing stringent cost control measures to contain rising expenses and will achieve further cost reductions through the advancement of digitalization initiatives and the streamlining of production processes. For example, our factories have optimized the use of AI-enabled machinery to detect fabric defects, ensuring the highest possible product quality in a time-efficient manner while minimizing human errors. In addition, productivity gains from our multi-site operations are expected to be further enhanced following the expansion of our production facilities in Vietnam.

The Group remains dedicated to raising its environmental, social and governance (ESG) performance. To advance its emission reduction and energy efficiency objectives, the China Nansha Plant has implemented a smart-controlled central air-conditioning system to optimize energy usage. In addition, it has launched energy storage and green fuel substitution projects. Furthermore, the Group-wide solar power initiatives now cover China Nansha Plant as well as the two production facilities in Vietnam. Collectively, these projects support the Group's efforts to lower energy costs and promote sustainable operations.

Management is confident in its ability to enhance profitability in the second half of financial year 2025/26, underpinned by ongoing operational improvement, disciplined cost-control measures, and more positive market outlook. These initiatives are expected to drive stronger financial performance and deliver long-term value for shareholders.

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERIM DIVIDEND

The Board has declared an interim dividend of HK\$5 cents per Share (2024: HK\$7 cents per Share) for the six months ended 30 September 2025. The interim dividend will be paid on 30 December 2025 to Shareholders whose names appear on the Register of Members of the Company at the close of business on 17 December 2025.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 15 December 2025 to 17 December 2025 (both days inclusive) during which period no transfer of shares of the Company will be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 12 December 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 September 2025, the Company repurchased a total of 2,000,000 Shares on the Stock Exchange at an aggregate consideration of (excluding expenses) HK\$3,000,000. Such repurchased shares were subsequently cancelled on 26 September 2025. The issued share capital of the Company was reduced by the par value thereof. Details of the repurchases of shares were as follows:

Month of repurchase	Number of Shares repurchased	Price per Share		Aggregate consideration (excluding expenses) HK\$
		Highest	Lowest	
		<i>HK\$</i>	<i>HK\$</i>	
August 2025	2,000,000	1.50	1.50	3,000,000

The repurchase of shares was made by the Directors, pursuant to the general mandate granted by the Shareholders at the annual general meeting held on 14 August 2025 with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share.

Save as disclosed above, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares) during the six months ended 30 September 2025 and up to the date of this announcement.

CORPORATE GOVERNANCE

The Company had complied with all applicable code provisions set out in the CG Code contained in Appendix C1 to the Listing Rules except for the following deviations throughout the period for the six months ended 30 September 2025.

During the period under review, Mr. Masaru Okutomi served the roles of Chairman and the Chief Executive Officer of the Company simultaneously, hence the Company did not comply with the code provision C.2.1 of the CG Code which requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Although the roles of the chairman and the chief executive officer of the Company have not been segregated, powers and authorities have not been over-concentrated as all major decisions are made in consultation with Board members and senior management who possess the relevant knowledge and expertise, as well as appropriate Board committees. Hence, the current arrangements are subject to adequate checks and balances notwithstanding such deviation. While the dual role arrangement has provided strong and consistent leadership and facilitated the implementation of the Group's business strategies, the Company will nevertheless review the structure from time to time in light of the prevailing circumstance.

Under the code provision C.1.6 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. Sze Kwok Wing Nigel, the independent non-executive director of the Company, was unable to attend the annual general meeting of the Company held on 14 August 2025 due to illness.

Note: The amendments to the CG Code effective on 1 July 2025 will apply to corporate governance reports and annual reports of the Company for financial years commencing on or after 1 July 2025. For this interim report, the Company shall refer to the then effective CG Code.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the standard of Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiries of all Directors, all Directors confirmed that they had complied with the required standard set out in such Code throughout their tenure during the six months ended 30 September 2025.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the CG Code. The members of the audit committee are Mr. Sze Kwok Wing Nigel, Mr. Ng Ching Wah, Dr. Chan Yue Kwong Michael and Ms. Ling Chi Wo Teresa (who are Independent Non-executive Directors). Mr. Sze Kwok Wing Nigel, a Fellow of CPA Australia, is the chairman of the audit committee.

The audit committee is responsible for reviewing, overseeing and supervising the effectiveness of the Group's financial reporting process, internal control systems, risk management and whistleblowing policy. The audit committee has reviewed the unaudited condensed consolidated results of the Group for the six months ended 30 September 2025 in conjunction with management of the Company.

The interim financial information has been reviewed by the external auditor of the Company in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF FINANCIAL INFORMATION

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.pacific-textiles.com). The Interim Report of the Company for the six months ended 30 September 2025 will be dispatched to the Company’s Shareholders and will be available on the above websites in due course.

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

Hong Kong, 28 November 2025

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

GLOSSARY

In this announcement (other than the Interim Financial Information), unless the context otherwise requires, the following expressions shall have the following meanings:

“Articles”	The Articles of Association of the Company, as amended from time to time
“Board”	The board of Directors of the Company
“CG Code” or “Corporate Governance Code”	The Corporate Governance Code, stated in the Appendix C1 to the Main Board Listing Rules
“China” or “PRC”	The People’s Republic of China
“China Nansha Plant” or “Panyu Plant” or “Panyu Factory”	The factory run by Pacific (Panyu) Textiles Limited located in Nansha District of Guangzhou City, the PRC
“Company”	Pacific Textiles Holdings Limited, an exempted company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“Director(s)”	The director(s) of the Company
“Group”	The Company and its subsidiaries
“HKD” or “\$” or “HK\$”	Hong Kong Dollar
“HKSAR” or “Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“INED(s)”	The Independent Non-executive Director(s) of the Company
“Listing Rules” or “Main Board Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“LKR” or “RS”	Sri Lankan Rupee
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers, Appendix C3 to the Main Board Listing Rules
“RMB” or “CNY”	Renminbi/Chinese Yuan
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Shareholder(s)”	The Company’s Shareholder(s)

“Shares”	Shares of the Company, with a nominal value of HK\$0.001 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Teejay Lanka PLC” or “Teejay”	Teejay Lanka PLC (formerly known as Textured Jersey Lanka PLC and Textured Jersey Lanka (Private) Limited), a limited liability company incorporated under the laws of Sri Lanka and whose shares are listed on the Colombo Stock Exchange of Sri Lanka
“Toray”	Toray Industries, Inc., a company incorporated under the laws of Japan and whose shares are listed on the Tokyo Stock Exchange in Japan, a substantial Shareholder of the Company
“USD” or “US\$”	United States Dollar
“U.S.”	United States or United States of America
“Vietnam Hai Phong Plant (formerly known as Vietnam Hai Duong Plant)”	The factory run by Pacific Crystal Textiles Limited located in Lai Khe Commune of Hai Phong City, Vietnam
“Vietnam Ninh Binh Plant (formerly known as Vietnam Nam Dinh Plant)”	The factory run by TOP Textiles Limited located in Rang Dong Commune of Ninh Binh Province, Vietnam
“VND”	Vietnamese Dong