

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



**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 ANNUAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

The Board of the Company is pleased to announce the audited consolidated results of the Group for the year ended 31 March 2025 together with the comparative figures for the year ended 31 March 2024 as follows:

### **FINANCIAL INFORMATION**

#### **CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*For the Year ended 31 March 2025*

	<i>Note</i>	<b>2025</b> <b>HK\$'000</b>	<b>2024</b> <b>HK\$'000</b> <i>(Note 1.1)</i>
Revenue	2	<b>5,057,570</b>	4,739,010
Cost of sales	4	<b>(4,673,585)</b>	(4,241,573)
<b>Gross profit</b>		<b>383,985</b>	497,437
Other income and other gains – net	3	<b>36,979</b>	15,576
Reversal of/(provision for) impairment of trade receivables		<b>367</b>	(724)
Distribution and selling expenses	4	<b>(55,737)</b>	(42,478)
General and administrative expenses	4	<b>(165,280)</b>	(194,285)
<b>Operating profit</b>		<b>200,314</b>	275,526
Finance income	5	<b>34,204</b>	42,388
Finance costs	5	<b>(61,630)</b>	(60,481)
Share of profits of associates		<b>21,369</b>	9,625
Impairment of interests in an associate		<b>–</b>	(64,196)
<b>Profit before income tax</b>		<b>194,257</b>	202,862
Income tax expense	6	<b>(34,840)</b>	(30,404)
<b>Profit for the year</b>		<b>159,417</b>	172,458
Profit attributable to:			
Equity holders of the Company		<b>167,597</b>	167,118
Non-controlling interests		<b>(8,180)</b>	5,340
		<b>159,417</b>	172,458
Earnings per share attributable to equity holders of the Company for the year (expressed in HK\$ per share)			
– basic	7	<b>0.12</b>	0.12
– diluted	7	<b>0.12</b>	0.12

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the Year ended 31 March 2025*

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Profit for the year</b>	<b>159,417</b>	172,458
Other comprehensive income: <i>Items that have been or may be reclassified to profit or loss:</i>		
Currency translation differences	(64,296)	(123,876)
<b>Total comprehensive income for the year</b>	<b>95,121</b>	48,582
Attributable to:		
Equity holders of the Company	107,099	50,113
Non-controlling interests	(11,978)	(1,531)
	<b>95,121</b>	48,582

# CONSOLIDATED BALANCE SHEET

As at 31 March 2025

		2025	2024
	Note	HK\$'000	HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		2,316,482	2,290,690
Right-of-use assets		161,021	169,059
Interests in associates		263,997	251,112
Financial assets at fair value through other comprehensive income		427	427
Deferred income tax assets		25,427	17,211
Prepayments for property, plant and equipment		73,304	88,136
		<u>2,840,658</u>	<u>2,816,635</u>
<b>Current assets</b>			
Inventories		990,962	1,031,258
Trade and bills receivables	9	743,534	735,683
Deposits, prepayments and other receivables		67,659	86,120
Amounts due from associates		1,046	1,096
Financial assets at fair value through profit or loss		–	239
Short-term bank deposits		–	1,051
Cash and cash equivalents		666,507	893,889
		<u>2,469,708</u>	<u>2,749,336</u>
<b>Total assets</b>		<u><u>5,310,366</u></u>	<u><u>5,565,971</u></u>

# **CONSOLIDATED BALANCE SHEET (Cont'd)**

*As at 31 March 2025*

	<i>Note</i>	<b>2025</b> <b>HK\$'000</b>	<b>2024</b> <b>HK\$'000</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		<b>1,391</b>	1,398
Share premium		<b>1,268,039</b>	1,279,221
Reserves		<b>1,613,260</b>	1,673,653
		<b>2,882,690</b>	2,954,272
<b>Non-controlling interests</b>		<b>204</b>	12,182
<b>Total equity</b>		<b>2,882,894</b>	2,966,454
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings		<b>125,428</b>	126,156
Lease liabilities		<b>6,715</b>	125
Deferred income tax liabilities		<b>53,497</b>	43,521
Other non-current liabilities		<b>154,538</b>	181,594
		<b>340,178</b>	351,396
<b>Current liabilities</b>			
Borrowings		<b>1,220,904</b>	1,354,491
Trade and bills payables	10	<b>634,210</b>	629,757
Accruals and other payables		<b>161,861</b>	178,759
Lease liabilities		<b>856</b>	7,683
Financial liabilities at fair value through profit or loss		<b>143</b>	294
Current income tax liabilities		<b>69,320</b>	77,137
		<b>2,087,294</b>	2,248,121
<b>Total liabilities</b>		<b>2,427,472</b>	2,599,517
<b>Total equity and liabilities</b>		<b>5,310,366</b>	5,565,971

# NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

## GENERAL INFORMATION

Pacific Textiles Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in manufacturing and trading of textile products with production base located in the People’s Republic of China (the “PRC”) and Vietnam.

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 26 June 2025.

## 1 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The consolidated financial statements have been prepared under the historical cost basis, except for financial assets at fair value through other comprehensive income and derivative financial instruments which were measured at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

Comparative amounts in the consolidated financial statements have been reclassified to conform with the current year’s presentation. The Company has reclassified certain other income to revenue for both financial years.

#### (a) *Amended standards and Interpretations adopted by the Group*

The Group has applied the following amendments to standards, annual improvements and guideline for the first time for the reporting period commencing 1 April 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenant
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The adoption of these amended standards, does not have any significant change to the accounting policies or any significant effect on the results and financial position of the Group.

# 1 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

## 1.1 Basis of preparation (Cont'd)

### (b) *New and amended standards and interpretations that have been issued but are not effective*

The following amended standards and interpretations have been issued but are not effective for the financial year beginning on 1 April 2025 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

None of the above new and amended standards and interpretation is expected to have a material impact on the consolidated financial statements of the Group in the current or future reporting periods and on foreseeable future transactions.

## 2 SEGMENT INFORMATION

The chief operating decision-maker (“CODM”) has been identified as the executive directors of the Company collectively, who review the Group’s internal reporting in order to assess performance and allocate resources.

As all of the Group’s business operations relate to the manufacturing and trading of textile products with similar economic characteristics, 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. The executive directors review resources allocation and assess performance of the Group on a regular basis based on the following financial information:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue – sales of goods (recognised at a point in time) ( <i>Note (iii)</i> )	4,985,019	4,691,347
Sales and distribution of steam	39,464	41,709
Service fee income	22,530	–
Others	10,557	5,954
	<b>5,057,570</b>	4,739,010
Gross profit	383,985	497,437
Gross profit margin (%)	7.6%	10.5%
Operating expenses	220,650	237,487
Operating expenses/Revenue (%)	4.4%	5.0%
EBITDA ( <i>Note (ii)</i> )	473,414	420,960
EBITDA/Revenue (%)	9.4%	8.9%
Finance income	34,204	42,388
Finance costs	61,630	60,481
Depreciation (included in cost of sales and operating expenses)	251,731	200,005
Share of profits of associates	21,369	9,625
Income tax expense	34,840	30,404
Profit attributable to equity holders of the Company	167,597	167,118
Net profit margin (%)	3.3%	3.5%
Total assets	5,310,366	5,565,971
Equity attributable to equity holders of the Company	2,882,690	2,954,272
Cash and bank balances	666,507	894,940
Borrowings	1,346,332	1,480,647
Inventories	990,962	1,031,258
Inventory turnover days ( <i>Note (iv)</i> )	79	86
Trade and bills receivables	743,534	735,683
Trade and bills receivables turnover days ( <i>Note (v)</i> )	53	61
Trade and bills payables	634,210	629,757
Trade and bills payables turnover days ( <i>Note (iv)</i> )	49	54

## 2 SEGMENT INFORMATION (Cont'd)

Notes:

- (i) To supplement the consolidated results of the Group prepared in accordance with HKFRS, certain non-HKFRS financial measures, including EBITDA, EBITDA/Revenue, 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 non-HKFRS financial measures provide investors with clearer view on the Group's financial results, and with useful supplementary information to assess the performance of the Group's strategic operations. Nevertheless, the use of these non-HKFRS financial measures has limitations as an analytical tool. These non-HKFRS financial measures should be considered in addition to, not as a substitute for, analysis of the Company's financial performance prepared in accordance with HKFRS.
- (ii) EBITDA is defined as profit for the year before finance income, finance costs, income tax expense, depreciation and amortisation.
- (iii) For the year ended 31 March 2025, the Group recognised revenue of HK\$8,332,000 (2024: HK\$7,517,000) related to carried-forward contract liabilities.
- (iv) The turnover days are calculated by the simple average of the beginning of the year and the end of the year balances over costs of sales.
- (v) The turnover days are calculated by the simple average of the beginning of the year and the end of the year balances over revenue.

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

	2025 HK\$'000	2024 HK\$'000
EBITDA	473,414	420,960
Depreciation	(251,731)	(200,005)
Finance income	34,204	42,388
Finance costs	(61,630)	(60,481)
Profit before income tax	<u>194,257</u>	<u>202,862</u>

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

	2025 HK\$'000	2024 HK\$'000
Vietnam	2,568,849	2,329,801
PRC	1,372,531	1,224,907
Indonesia	234,020	151,641
Bangladesh	211,605	278,172
Cambodia	190,000	178,175
Sri Lanka	108,692	127,470
Jordan	106,887	80,310
Africa	90,932	61,247
Hong Kong	75,833	139,698
India	30,919	33,738
America	29,119	70,845
Haiti	20,103	36,285
Other Asian countries	17,674	26,039
Others non-Asian countries	406	682
	<u>5,057,570</u>	<u>4,739,010</u>



## 2 SEGMENT INFORMATION (Cont'd)

For the year ended 31 March 2025, customer A and customer B accounted for approximately 45% (2024: 45%) and 19% (2024: 21%) of the Group's revenue, respectively. All other customers individually accounted for less than 5% of the Group's revenue for the year ended 31 March 2025 (2024: same).

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

	2025 HK\$'000	2024 HK\$'000
Vietnam	1,553,960	1,493,673
PRC	985,651	1,041,949
Hong Kong	11,623	12,690
	<u>2,551,234</u>	<u>2,548,312</u>

## 3 OTHER INCOME AND OTHER GAINS – NET

	2025 HK\$'000	2024 HK\$'000
Other income:		
Government grants	8,888	4,662
Insurance indemnity income ( <i>Note (i)</i> )	7,449	–
Sundry income	8,137	8,365
	<u>24,474</u>	<u>13,027</u>
Other gains – net:		
Derivative financial instruments – foreign currency forward contracts	(143)	255
Loss on disposal of property, plant and equipment	(7,767)	(5,035)
Net foreign exchange gains	20,415	7,329
	<u>12,505</u>	<u>2,549</u>
	<u>36,979</u>	<u>15,576</u>

*Note:*

- (i) It represents insurance indemnity income for damaged property, plant and equipment and inventories.

#### 4 EXPENSES BY NATURE

	2025 HK\$'000	2024 HK\$'000
Cost of inventories	3,896,708	3,607,487
Provision for/(reversal of) impairment of inventories	10,042	(9,435)
Depreciation of property, plant and equipment	243,552	194,578
Depreciation of right-of-use assets	8,179	5,427
Employee benefits expense (including directors' emoluments)	629,581	602,823
Freight charges	36,385	24,288
Lease payments for short-term and low-value leases	1,553	2,344
Auditor's remuneration		
– Audit services	3,510	3,308
– Non-audit services	734	461
Others	64,358	47,055
	<u>4,894,602</u>	<u>4,478,336</u>
Total cost of sales, distribution and selling expenses and general and administrative expenses	<u>4,894,602</u>	<u>4,478,336</u>

#### 5 FINANCE INCOME AND COSTS

	2025 HK\$'000	2024 HK\$'000
Finance income:		
– Bank interest income	23,093	22,944
– Net foreign exchange gain on cash and cash equivalents	10,766	19,444
– Net foreign exchange gain on bank loans	345	–
	<u>34,204</u>	<u>42,388</u>
Finance costs:		
– Interest expense on bank loans	(57,876)	(67,338)
– Net foreign exchange loss on bank loans	–	(257)
– Interest expenses arising from lease liabilities	(651)	(1,396)
– Imputed interest of provision for reinstatement cost	(4,693)	(1,619)
	<u>(63,220)</u>	<u>(70,610)</u>
Less: amount capitalised	1,590	10,129
	<u>(61,630)</u>	<u>(60,481)</u>
Net finance cost	<u>(27,426)</u>	<u>(18,093)</u>

#### 6 INCOME TAX EXPENSE

The amount of income tax charged to the consolidated statement of profit or loss represents:

	2025 HK\$'000	2024 HK\$'000
Current income tax		
– Hong Kong profits tax	8,609	13,774
– Overseas income tax	21,334	31,692
Over-provision in prior years	(74)	(1,992)
Deferred tax	4,971	(13,070)
	<u>34,840</u>	<u>30,404</u>

## 7 EARNINGS PER SHARE

### (a) Basic

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

	2025 HK\$'000	2024 HK\$'000
Profit attributable to equity holders of the Company	<u>167,597</u>	<u>167,118</u>
Weighted average number of shares in issue (thousands)	<u>1,395,755</u>	<u>1,403,440</u>
Basic earnings per share (HK\$ per share)	<u>0.12</u>	<u>0.12</u>

### (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 had share options to employees for the year ended 31 March 2023, which was lapsed during the year ended 31 March 2024.

## 8 DIVIDENDS

	2025 HK\$'000	2024 HK\$'000
Interim dividend paid of HK\$7 cents (2024: HK\$7 cents) (Note (i))	97,703	98,211
Proposed final dividend of HK\$5 cents (2024: HK\$5 cents) (Note (ii))	<u>69,581</u>	<u>69,940</u>
	<u>167,284</u>	<u>168,151</u>

Notes:

- (i) On 21 November 2024, the Company's Board of Directors declared an interim dividend of HK\$7 cents per share (2024: HK\$7 cents per share) for the six-month period ended 30 September 2024. The amount was paid in December 2024.
- (ii) On 26 June 2025, the Company's Board of Directors proposed a final dividend of HK\$5 cents (2024: HK\$5 cents) per share for the year ended 31 March 2025. This proposed dividend has not been reflected as dividend payable in the consolidated financial statements as at 31 March 2025.

## 9 TRADE AND BILLS RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	718,831	710,431
Bills receivables	<u>26,314</u>	<u>27,252</u>
	745,145	737,683
Less: provision for impairment of trade and bills receivables	<u>(1,611)</u>	<u>(2,000)</u>
	<u>743,534</u>	<u>735,683</u>

## 9 TRADE AND BILLS RECEIVABLES (Cont'd)

Majority of the Group's sales are with credit terms of 30 to 120 days. The ageing analysis of trade and bills receivables based on invoice date is as follows:

	2025 HK\$'000	2024 HK\$'000
0–60 days	669,725	621,347
61–120 days	73,644	114,395
121 days–1 year	1,776	1,941
	<u>745,145</u>	<u>737,683</u>

## 10 TRADE AND BILLS PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	622,942	619,862
Bills payables	11,268	9,895
	<u>634,210</u>	<u>629,757</u>

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

Credit period granted by creditors generally ranges from 30 to 90 days. The aging analysis based on invoice date on trade and bills payables were aged as follows:

	2025 HK\$'000	2024 HK\$'000
0–60 days	618,176	617,640
61–120 days	11,146	10,114
121 days–1 year	4,646	1,848
Over 1 year	242	155
	<u>634,210</u>	<u>629,757</u>

## 11 CAPITAL COMMITMENTS

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

	2025 HK\$'000	2024 HK\$'000
Contracted but not provided for:		
Property, plant and equipment	<u>123,145</u>	<u>141,894</u>

At 31 March 2025, the Group did not have any significant share of capital commitments of its associates (2024: Nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **OVERVIEW**

#### **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 year under review, revenue of the Group was approximately HK\$5,057.6 million (2024: approximately HK\$4,739.0 million) representing an increase of 6.7% as compared with the year ended 31 March 2024, as a result of the combined effect of an increase of 11.3% in sales volume and a decrease of 4.5% in average sales price.

Revenue generated from sales of goods from different geographical locations (as determined by where the products were delivered to) is set out in note 2 to the financial information of this announcement.

Other incomes comprising, among others, government grants and insurance indemnity income are set out in note 3 to the financial information of this announcement.

#### **Cost of sales**

Cost of sales of the Group was approximately HK\$4,673.6 million (2024: approximately HK\$4,241.6 million) representing an increase of 10.2% as compared with the year ended 31 March 2024 which was consistent with increase in revenue.

#### **Profit**

During the year under review, the profit attributable to equity holders of the Company was approximately HK\$167.6 million (2024: approximately HK\$167.1 million) representing an increase of 0.3% as compared with last year.

#### **Distribution and selling expenses**

During the year under review, selling and distribution expenses including impairment loss on trade receivables increased to HK\$55.4 million (2024: HK\$43.2 million), mainly due to increase in expense on freight charge which was consistent with increase in revenue.

#### **Administration expenses**

The administration expenses decreased to HK\$165.3 million (2024: HK\$194.3 million). The decrease was primarily attributable to the combined effect of the following factors:

- (a) The reversal adjustment of deferred revenue in 2024 Financial Year, which increased the administration expenses for the last financial year; and
- (b) The reversal adjustment of individual income tax provision in 2025 Financial Year, which decreased administration expenses for the current financial year.

## Finance costs

Finance costs slightly increased by approximately 1.9% to HK\$61.6 million (2024: HK\$60.5 million).

## Trade receivables and trade payables turnover days

Trade receivables turnover days was 53 days while trade payables turnover days was 49 days.

## Income tax

The Group recorded an income tax expense of approximately HK\$34.8 million during the year under review (2024: HK\$30.4 million). The average effective tax rate of the Group during the year under review was approximately 17.9% which was higher than the year ended 31 March 2024 (2024: 15.0%). The increase in effective tax rate was mainly attributed to the decrease in profit before income tax of the Group resulted from the operating loss of Vietnam Hai Duong Plant and Vietnam Nam Dinh Plant during the 2025 Financial Year.

## Assets

As at 31 March 2025, the total assets of the Group were HK\$5,310.4 million (2024: HK\$5,566.0 million) representing a decrease of approximately 4.6%. The total assets comprised non-current assets of HK\$2,840.7 million (2024: HK\$2,816.6 million) and current assets of HK\$2,469.7 million (2024: HK\$2,749.3 million).

## Key financial ratios are set out below:

	For the year ended 31 March	
	2025	2024
Gross Profit Margin <sup>(1)</sup>	7.6%	10.5%
Return on Equity <sup>(2)</sup>	5.5%	5.8%
Interest Coverage Ratio <sup>(3)</sup>	4.4	4.0

### 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 year 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 31 March 2025, the Group was in a net debt position (cash and bank balances and time deposits less total borrowings) of HK\$679.8 million (2024: net debt position of HK\$585.7 million). The increase in a net debt position was due to increase in trade receivables and repayment of bank loans.

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 a Vietnam subsidiary.

As at 31 March 2025, the Group had total cash and bank balances of HK\$666.5 million (2024: HK\$894.9 million) comprising of HK\$34.6 million, the equivalent of HK\$437.2 million denominated in US\$, the equivalent of HK\$187.2 million denominated in RMB, the equivalent of HK\$6.9 million denominated in VND and the equivalent of HK\$0.6 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\$1,220.9 million (2024: HK\$1,354.5 million) and shareholder's loan of HK\$125.4 million (2024: HK\$126.2 million) contributed by our joint venture partner to a Vietnam subsidiary. 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 (2024: Nil).

For the year ended 31 March 2025, the Group's total assets amounted to HK\$5,310.4 million (2024: HK\$5,566.0 million) representing a decrease of 4.6%. Non-current assets and current assets were HK\$2,840.7 million and HK\$2,469.7 million respectively. The above assets were financed by current liabilities of HK\$2,087.3 million, non-current liabilities of HK\$340.2 million and equity attributable to Shareholders of HK\$2,882.7 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 year under review, total capital expenditure decreased by 69.4% to HK\$310.1 million (2024: HK\$1,012.9 million) which was mainly due to less investment on capital expenditures for the Vietnam Nam Dinh Plant.

Details of capital commitments are set out in note 11 to the financial information of this announcement.

**Key liquidity or leverage ratios:**

	<b>As at 31 March</b>	
	<b>2025</b>	<b>2024</b>
Current Ratio <sup>(4)</sup>	<b>1.2</b>	1.2
Quick Ratio <sup>(5)</sup>	<b>0.7</b>	0.8
Gearing Ratio <sup>(6)</sup>	<b>47.1%</b>	50.2%
Debt to Equity Ratio <sup>(7)</sup>	<b>84.2%</b>	87.6%

*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, PRC, 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 2024 and 31 March 2025 respectively.

**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 year ended 31 March 2025.

**Contingent Liabilities**

As at 31 March 2025, the Group had no material contingent liabilities (2024: Nil).



## **Events Subsequent to the Period**

There was no significant event undertaken by the Company or by the Group after 31 March 2025 and up to the date of this announcement.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 March 2025, the Group had 5,115 full-time employees (2024: 4,874). 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.

## **PROSPECT AND OUTLOOK**

The financial year ended 31 March 2025 was concluded with HK\$167.6 million profit attributable to equity holders of the Company, similar to 2024 Financial Year. Sales revenue increased accompanied by increase in sales volumes, in spite of slight drop of average sales price. Meanwhile, EBITDA (Earnings before interest, tax, depreciation and amortization) rose by 12.5% to HK\$473.4 million, signaling enhanced operational efficiency and higher growth potential.

Last year, the hit of super typhoon Yagi on the Company's Vietnam Hai Duong Plant had led to temporary suspension of production for some time prior to its resumption to 70% of its original production capacity. The incident has dragged down the profit margin of the factory. However, with the Company's efforts to reallocate certain production orders to other plants for order fulfilments, the loss to the factory was mitigated. Disruption of typhoon Yagi has turned the factory from profit (2024 Financial Year: HK\$21.1 million) into loss (2025 Financial Year: HK\$25.8 million). Currently, the Vietnam Hai Duong Plant is almost ready for full recovery from the impact of typhoon as structure of the plant has been repaired and new machines are in place. The management expects that as Vietnam Hai Duong Plant fully resumes to its full production, profit generated by the factory for 2026 Financial Year will reach to the level of 2024 Financial Year.

The Group's expansion in Vietnam has made significant progress in 2025. The newly established Vietnam Nam Dinh Plant has shifted to bulk production in September 2024 and the production volume was about 1.1 million pounds on average during September 2024 to March 2025. During the first five months of 2025 Financial Year, the factory was in trial production stage and mainly dealing with sample making only, followed by few months' period dedicated to establishing and enhancing fabric quality to satisfy customers' requirement. The production volume generated in the remaining months of 2025 Financial Year was not high enough to yield profit for the first operating year of the plant, resulting in a loss of HK\$103.7 million. Despite the operating loss recorded during its first year, the management believes that the prospect of this new Vietnam Nam Dinh Plant is promising. The management has been putting a lot of efforts in training up staff's skill to release the full potential of the factory and plans for further expansion in next few years. Leveraging the experience of the long-established Vietnam Hai Duong Plant, the management believes that the Vietnam Nam Dinh Plant could gradually improve the efficiency and contribute to the growth of the Group.

Had there been no special issues stated above, the profit for the Group would have been improved to approximately HK\$304.2 million.

The textile industry is facing a complex landscape, shaped by trade tariffs, weak consumer sentiment and high inflation. The ongoing trade tension between major economies like the U.S. and China continues to impose pressure on supply chains and trading patterns, the impact of which on Asia-based manufacturers and traders is direct and severe. Diminishing consumer confidence in major economies is dampening the demand of apparel, causing fierce competition in price among textile mills to keep their respective market share. Inflation, on one hand, raises production cost and on the other hand, erodes purchasing power of consumers, causing challenges to both cost management and top-line growth for manufactures and traders.

In 2026 Financial Year, the Group's financial performance in short term will be negatively impacted by the tariff negotiation issue between China and the U.S. as well as Vietnam and the U.S.. We have been focusing on developing business of higher value added fabrics and getting ready to increase the sales and profit in the middle and long term after the result of tariff negotiation becomes clear.

The Company will concentrate on fostering closer cooperation with brand owners, especially on functional synthetic fabrics which calls for innovation and higher technological know-how. In order to satisfy customers' need, the Company's experience in producing high quality fabrics in this area is definitely an advantage. Diversifying customer base through penetrating into new markets and developing new applications continues to be one of the key strategies of the Group.

In spite of the geopolitical uncertainties, the interest rate is expected to be on the decline during 2026 Financial Year. Lower interest rate might have positive impact on business, being conducive to expansion plan and decreasing cost of finance.

The management is optimistic over prospect of the business and expecting the start of mid-term growth trajectory in 2026 Financial Year.

## **SUPPLEMENTAL INFORMATION**

### **RESULTS AND DIVIDENDS**

The results of the Group for the 2025 Financial Year are set out in the consolidated statement of profit or loss on page 1 of this announcement.

An interim dividend of HK\$7 cents (2024: HK\$7 cents) per Share was paid on 18 December 2024 to the Shareholders. The Board has recommended the payment of a final dividend of HK\$5 cents (2024: HK\$5 cents) per Share. Subject to the approval of the Shareholders at the forthcoming AGM, the final dividend of HK\$5 cents will be paid on 4 September 2025 to the Shareholders whose names appear on the Register of Members of the Company on 25 August 2025.

The Board intends to maintain long term return for shareholders. In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into consideration of various factors, such as the financial results of the operation, general financial condition of the Group, future funding requirements on capital, business operations and development, general market conditions, interest of shareholders as a whole, legal requirements, and other conditions that the Board deems relevant.

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of the Members of the Company will be closed from 11 August 2025 to 14 August 2025 (both days inclusive) for the purpose of determining the identity of members who are entitled to attend and vote at the forthcoming AGM, during which period no transfer of shares of the Company will be registered. In order to qualify for attending the forthcoming AGM, 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 8 August 2025. The record date which determines the Shareholder's voting right is scheduled on 11 August 2025.

The Register of the Members of the Company will be closed from 21 August 2025 to 25 August 2025 (both days inclusive) for the purpose of determining the identity of members who are entitled to the final dividend for the year ended 31 March 2025, during which period no transfer of shares of the Company will be registered. In order to qualify for the final 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 20 August 2025.

## **CORPORATE GOVERNANCE PRACTICE OF THE COMPANY**

The Company had complied with the applicable code provisions and certain recommended best practices set out in the CG Code contained in Appendix C1 to the Listing Rules where suitable to the Company except for the following deviations throughout the 2025 Financial Year.

During the year, 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. Dr. Chan Yue Kwong Michael, the independent non-executive director of the Company, was unable to attend the annual general meeting of the Company held on 15 August 2024 due to his other commitments.

## DIRECTORS' SECURITIES TRANSACTIONS

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 the 2025 Financial Year.

## PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 March 2025, the Company repurchased a total of 7,167,000 shares on the Stock Exchange at an aggregate consideration of (excluding expenses) HK\$11,137,970. Among those repurchased shares, 3,027,000 repurchased shares were cancelled on 1 August 2024, and 4,140,000 shares were subsequently cancelled on 15 January 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 HK\$	Lowest HK\$	
July 2024	3,027,000	1.75	1.63	5,101,260
December 2024	4,140,000	1.48	1.42	6,036,710

The repurchase of shares was made by the Directors, pursuant to the general mandate granted by the Shareholders at the annual general meetings held on 10 August 2023 and 15 August 2024 respectively 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 during the year ended 31 March 2025 and up to the date of this announcement.

## AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with the CG Code contained in Appendix C1 to the Listing Rules. 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 had reviewed the financial statements of the Group for the 2025 Financial Year and discussed with the management and the auditor of the Company on the accounting principles and practices adopted by the Group and internal controls and financial reporting matters.

Pursuant to the recent development of CG Code contained in Appendix C1 to the Listing Rules, an amended and restated terms of reference for Audit Committee was effective from 1 January 2019.

## **SCOPE OF WORK OF PRICEWATERHOUSECOOPERS**

The figures in respect of the Group's consolidated balance sheet, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

## **PUBLICATION OF FINANCIAL INFORMATION**

This annual results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.pacific-textiles.com](http://www.pacific-textiles.com)). The annual report of the Company for the 2025 Financial Year will be dispatched to the Company's shareholders and will be available on the above websites in due course.

## **AGM**

It is proposed that the AGM will be held on 14 August 2025. The Notice of AGM will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.pacific-textiles.com](http://www.pacific-textiles.com)) and sent to the shareholders of the Company in due course.

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

Hong Kong, 26 June 2025

*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*

## GLOSSARY

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

“2024 Financial Year”	For the year ended 31 March 2024
“2025 Financial Year”	For the year ended 31 March 2025
“2026 Financial Year”	For the year ended 31 March 2026
“AGM”	Annual General Meeting of the Company
“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
“Memorandum”	the Memorandum of Association of the Company as amended from time to time



“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)
“Share Option Scheme”	The Share Option Scheme adopted by the Company pursuant to the written resolutions of Shareholders passed on 27 April 2007, and expired on 17 May 2017. All options granted under the share option scheme had been exercised, lapsed or ceased to be exercisable by 10 October 2023
“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 Duong Plant”	The factory run by Pacific Crystal Textiles Limited located in Kim Thanh District of Hai Duong Province, Vietnam
“Vietnam Nam Dinh Plant”	The factory run by TOP Textiles Limited located in Nghia Hung District of Nam Dinh Province, Vietnam
“VND”	Vietnamese Dong