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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 ANNUAL RESULTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

The Board of the Company is pleased to announce the audited consolidated results of the Group for the year ended 31 March 2026 together with the comparative figures for the year ended 31 March 2025 as follows:

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2026

	<i>Note</i>	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Revenue	2	5,014,030	5,057,570
Cost of sales	4	(4,641,922)	(4,673,585)
Gross profit		372,108	383,985
Other income and other (losses)/gains – net	3	(18,049)	36,979
(Provision for)/reversal of impairment loss of impairment of trade receivables		(2,378)	367
Distribution and selling expenses	4	(44,659)	(55,737)
General and administrative expenses	4	(167,130)	(165,280)
Operating profit		139,892	200,314
Finance income	5	17,008	34,204
Finance costs	5	(58,736)	(61,630)
Share of profits of associates		1,484	21,369
Profit before income tax		99,648	194,257
Income tax expense	6	(12,170)	(34,840)
Profit for the year		87,478	159,417
Profit attributable to:			
Equity holders of the Company		82,894	167,597
Non-controlling interests		4,584	(8,180)
		87,478	159,417
Earnings per share attributable to equity holders of the Company for the year (expressed in HK\$ per share)			
– basic	7	0.06	0.12
– diluted	7	0.06	0.12

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2026

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Profit for the year	<u>87,478</u>	<u>159,417</u>
Other comprehensive income:		
<i>Items that have been or may be reclassified to profit or loss:</i>		
Currency translation differences	<u>117,868</u>	<u>(64,296)</u>
Total comprehensive income for the year	<u>205,346</u>	<u>95,121</u>
Attributable to:		
Equity holders of the Company	202,608	107,099
Non-controlling interests	<u>2,738</u>	<u>(11,978)</u>
	<u>205,346</u>	<u>95,121</u>

CONSOLIDATED BALANCE SHEET

As at 31 March 2026

	<i>Note</i>	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		2,421,649	2,316,482
Right-of-use assets		170,139	161,021
Interests in associates		257,698	263,997
Financial assets at fair value through other comprehensive income		427	427
Deferred income tax assets		14,657	25,427
Prepayments for property, plant and equipment		39,750	73,304
		2,904,320	2,840,658
Current assets			
Inventories		1,112,805	990,962
Trade and bills receivables	9	744,776	743,534
Deposits, prepayments and other receivables		76,669	67,659
Amounts due from associates		776	1,046
Short-term bank deposits		104,140	–
Cash and cash equivalents		456,419	666,507
		2,495,585	2,469,708
Total assets		5,399,905	5,310,366

CONSOLIDATED BALANCE SHEET (Cont'd)

As at 31 March 2026

	Note	2026 HK\$'000	2025 HK\$'000
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		1,386	1,391
Share premium		1,260,941	1,268,039
Reserves		1,676,905	1,613,260
		<u>2,939,232</u>	<u>2,882,690</u>
Non-controlling interests		<u>2,942</u>	<u>204</u>
Total equity		<u><u>2,942,174</u></u>	<u><u>2,882,894</u></u>
LIABILITIES			
Non-current liabilities			
Borrowings		126,367	125,428
Lease liabilities		10,802	6,715
Deferred income tax liabilities		34,748	53,497
Other non-current liabilities		159,553	154,538
		<u>331,470</u>	<u>340,178</u>
Current liabilities			
Borrowings		1,227,778	1,220,904
Trade and bills payables	10	658,811	634,210
Accruals and other payables		164,428	161,861
Lease liabilities		3,020	856
Financial liabilities at fair value through profit or loss		–	143
Current income tax liabilities		72,224	69,320
		<u>2,126,261</u>	<u>2,087,294</u>
Total liabilities		<u><u>2,457,731</u></u>	<u><u>2,427,472</u></u>
Total equity and liabilities		<u><u>5,399,905</u></u>	<u><u>5,310,366</u></u>

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 25 June 2026.

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.

(a) *Amended standards 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 2025:

Amendments to HKAS 21 and Lack of Exchangeability
HKFRS 1

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 new and amended standards and interpretations have been issued but are not effective for the financial year beginning on 1 April 2026 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
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
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature dependent Electricity	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 HK Int 5	Hong Kong Interpretation 5 Presentation to Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	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:

	2026 <i>HK\$’000</i>	2025 <i>HK\$’000</i>
Revenue – sales of goods (recognised at a point in time) <i>(Note (iii))</i>	4,932,418	4,985,019
Sales and distribution of steam	68,597	39,464
Service fee income	–	22,530
Others	13,015	10,557
	5,014,030	5,057,570
Gross profit	372,108	383,985
Gross profit margin (%)	7.4%	7.6%
Operating expenses	214,167	220,650
Operating expenses/Revenue (%)	4.3%	4.4%
EBITDA <i>(Note (ii))</i>	376,747	473,414
EBITDA/Revenue (%)	7.5%	9.4%
Finance income	17,008	34,204
Finance costs	58,736	61,630
Depreciation (included in cost of sales and operating expenses)	235,371	251,731
Share of profits of associates	1,484	21,369
Income tax expense	12,170	34,840
Profit attributable to equity holders of the Company	82,894	167,597
Net profit margin (%)	1.7%	3.3%
Total assets	5,399,905	5,310,366
Equity attributable to equity holders of the Company	2,939,232	2,882,690
Cash and bank balances	560,559	666,507
Borrowings	1,354,145	1,346,332
Inventories	1,112,805	990,962
Inventory turnover days <i>(Note (iv))</i>	83	79
Trade and bills receivables	744,776	743,534
Trade and bills receivables turnover days <i>(Note (v))</i>	54	53
Trade and bills payables	658,811	634,210
Trade and bills payables turnover days <i>(Note (iv))</i>	51	49

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 2026, the Group recognised revenue of HK\$1,590,000 (2025: HK\$8,332,000) 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:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
EBITDA	376,747	473,414
Depreciation	(235,371)	(251,731)
Finance income	17,008	34,204
Finance costs	(58,736)	(61,630)
	<u>99,648</u>	<u>194,257</u>
Profit before income tax	<u>99,648</u>	<u>194,257</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:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Vietnam	2,661,718	2,568,849
PRC	1,340,644	1,372,531
Indonesia	263,759	234,020
Bangladesh	180,503	211,605
Cambodia	158,666	190,000
Sri Lanka	124,066	108,692
Jordan	29,621	106,887
Africa	103,794	90,932
Hong Kong	80,046	75,833
India	48,518	30,919
America	8,920	29,119
Haiti	3,201	20,103
Other Asian countries	10,386	17,674
Others non-Asian countries	188	406
	<u>5,014,030</u>	<u>5,057,570</u>

2 SEGMENT INFORMATION (Cont'd)

For the year ended 31 March 2026, customer A and customer B accounted for approximately 49% (2025: 45%) and 16% (2025: 19%) 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 2026 (2025: same).

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

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Vietnam	1,615,926	1,553,960
PRC	993,247	985,651
Hong Kong	22,792	11,623
	<u>2,631,965</u>	<u>2,551,234</u>

3 OTHER INCOME AND OTHER (LOSSES)/GAINS – NET

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Other income:		
Government grants	15,265	8,888
Insurance indemnity income (<i>Note (i)</i>)	9,316	7,449
Sundry income	10,602	8,137
	<u>35,183</u>	<u>24,474</u>
Other (losses)/gains – net:		
Derivative financial instruments – foreign currency forward contracts	(3,464)	(143)
Loss on disposal of property, plant and equipment	(11,288)	(7,767)
Net foreign exchange (losses)/gains	(38,480)	20,415
	<u>(53,232)</u>	<u>12,505</u>
	<u>(18,049)</u>	<u>36,979</u>

Note:

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

4 EXPENSES BY NATURE

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Cost of inventories	3,862,803	3,896,708
(Reversal)/Impairment loss of provision of inventories	(2,208)	10,042
Depreciation of property, plant and equipment	229,479	243,552
Depreciation of right-of-use assets	5,892	8,179
Employee benefits expense (including directors' emoluments)	643,226	629,581
Freight charges	26,739	36,385
Lease payments for short-term and low-value leases	2,185	1,553
Auditor's remuneration		
– Audit services	3,861	3,510
– Non-audit services	425	734
Others	81,309	64,358
	<u>4,853,711</u>	<u>4,894,602</u>

5 FINANCE INCOME AND COSTS

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Finance income:		
– Bank interest income	17,008	23,093
– Net foreign exchange gain on cash and cash equivalents	–	10,766
– Net foreign exchange gain on bank loans	–	345
	<u>17,008</u>	<u>34,204</u>
Finance costs:		
– Interest expense on bank loans	(45,789)	(57,876)
– Net foreign exchange loss on bank loans	(5,809)	–
– Net foreign exchange loss on cash and cash equivalents	(2,219)	–
– Interest expenses arising from lease liabilities	(441)	(651)
– Imputed interest of provision for reinstatement cost	(5,105)	(4,693)
	<u>(59,363)</u>	<u>(63,220)</u>
Less: amount capitalised	627	1,590
	<u>(58,736)</u>	<u>(61,630)</u>
Net finance cost	<u>(41,728)</u>	<u>(27,426)</u>

6 INCOME TAX EXPENSE

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

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Current income tax		
– Hong Kong profits tax	5,354	8,609
– Overseas income tax	16,107	21,334
Over-provision in prior years	(2,000)	(74)
Deferred tax	(7,291)	4,971
	<u>12,170</u>	<u>34,840</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.

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Profit attributable to equity holders of the Company	<u>82,894</u>	<u>167,597</u>
Weighted average number of shares in issue (thousands)	<u>1,389,383</u>	<u>1,395,755</u>
Basic earnings per share (HK\$ per share)	<u>0.06</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.

8 DIVIDENDS

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Interim dividend paid of HK\$5 cents (2025: HK\$7 cents) (<i>Note (i)</i>)	69,481	97,703
Proposed final dividend of HK\$2 cents (2025: HK\$5 cents) (<i>Note (ii)</i>)	<u>27,727</u>	<u>69,581</u>
	<u>97,208</u>	<u>167,284</u>

Notes:

- (i) On 28 November 2025, the Company's Board of Directors declared an interim dividend of HK\$5 cents per share (2025: HK\$7 cents per share) for the six-month period ended 30 September 2025. The amount was paid in December 2025.
- (ii) On 25 June 2026, the Company's Board of Directors proposed a final dividend of HK\$2 cents (2025: HK\$5 cents) per share for the year ended 31 March 2026. This proposed dividend has not been reflected as dividend payable in the consolidated financial statements as at 31 March 2026.

9 TRADE AND BILLS RECEIVABLES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Trade receivables	727,486	718,831
Bills receivables	<u>21,360</u>	<u>26,314</u>
	748,846	745,145
Less: provision for impairment of trade and bills receivables	<u>(4,070)</u>	<u>(1,611)</u>
	<u>744,776</u>	<u>743,534</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:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
0–60 days	624,990	669,725
61–120 days	119,022	73,644
121 days–1 year	4,626	1,776
Over 1 year	208	–
	<u>748,846</u>	<u>745,145</u>

10 TRADE AND BILLS PAYABLES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Trade payables	650,609	622,942
Bills payables	8,202	11,268
	<u>658,811</u>	<u>634,210</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:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
0–60 days	608,989	618,176
61–120 days	44,423	11,146
121 days–1 year	4,912	4,646
Over 1 year	487	242
	<u>658,811</u>	<u>634,210</u>

11 CAPITAL COMMITMENTS

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

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Contracted but not provided for: Property, plant and equipment	<u>71,116</u>	<u>123,145</u>

At 31 March 2026, the Group did not have any significant share of capital commitments of its associates (2025: 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\$5,014.0 million (2025: approximately HK\$5,057.6 million) representing a decrease of 0.9% as compared with the year ended 31 March 2025, as a result of the combined effect of a decrease of 5.9% in sales volume and an increase of 5.2% 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 sundry 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\$4,641.9 million (2025: approximately HK\$4,673.6 million) representing a decrease of 0.7% as compared with the year ended 31 March 2025 which was consistent with decrease in revenue.

Profit

During the year under review, the profit attributable to equity holders of the Company was approximately HK\$82.9 million (2025: approximately HK\$167.6 million) representing a decrease of 50.5% as compared with last year.

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

- i. the decrease in the profit attributable to equity holders from approximately HK\$63.0 million during April to June 2024 to a loss of approximately HK\$6.9 million during April to June 2025 stemming from the surge in trade tariffs imposed by U.S.. This factor dissipated after June 2025;
- ii. the decrease in the share of profit of Teejay Lanka PLC (an associate of the Company and whose shares are listed on the Colombo Stock Exchange of Sri Lanka, with production facilities in Sri Lanka and India) from approximately HK\$19.8 million for 2025 Financial Year to approximately HK\$0.4 million for 2026 Financial Year under the influence of reciprocal tariff; and
- iii. as opposed to an exchange gain of approximately HK\$29.1 million recorded during 2025 Financial Year, an exchange loss of approximately HK\$50.0 million (the “Exchange Loss”), which was mainly derived from the appreciation of Renminbi, was recorded during 2026 Financial Year. Approximately 55% of the Exchange Loss was related to the year-end revaluation of inter-company current accounts between various PRC and HK subsidiaries, which will not affect the Group’s cash flow.

Distribution and selling expenses

During the year under review, selling and distribution expenses including impairment loss on trade receivables decreased to HK\$47.0 million (2025: HK\$55.4 million), mainly due to decrease in expense on freight charge.

Administration expenses

During the year under review, the administration expenses slightly increased to HK\$167.1 million (2025: HK\$165.3 million).

Finance costs

Finance costs slightly decreased by approximately 4.7% to HK\$58.7 million (2025: HK\$61.6 million). The drop was mainly a net effect of (a) the decrease in interest expenses on bank loans; and (b) the increase in net foreign exchange loss on bank loans and cash and cash equivalents.

Trade receivables and trade payables turnover days

Trade receivables turnover days was 54 days while trade payables turnover days was 51 days.

Income tax

The Group recorded an income tax expense of approximately HK\$12.2 million during the year under review (2025: HK\$34.8 million). The average effective tax rate of the Group during the year under review was approximately 12.2% which was lower than the year ended 31 March 2025 (2025: 17.9%). The effective tax rate decreased primarily because a lower profit before income tax at China Nansha Plant reduced the overall profit before income tax of the Group during the year under review.

Assets

As at 31 March 2026, the total assets of the Group were HK\$5,399.9 million (2025: HK\$5,310.4 million) representing an increase of approximately 1.7%. The total assets comprised non-current assets of HK\$2,904.3 million (2025: HK\$2,840.7 million) and current assets of HK\$2,495.6 million (2025: HK\$2,469.7 million).

Key financial ratios are set out below:

	For the year ended 31 March	
	2026	2025
Gross Profit Margin ⁽¹⁾	7.4%	7.6%
Return on Equity ⁽²⁾	3.0%	5.5%
Interest Coverage Ratio ⁽³⁾	3.2	4.4

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 2026, the Group was in a net debt position (cash and bank balances and time deposits less total borrowings) of HK\$793.6 million (2025: net debt position of HK\$679.8 million). The increase in a net debt position was due to increase in 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 31 March 2026, the Group had total cash and bank balances of HK\$560.6 million (2025: HK\$666.5 million) comprising of HK\$9.1 million, the equivalent of HK\$289.6 million denominated in US\$, the equivalent of HK\$249.1 million denominated in RMB, the equivalent of HK\$12.4 million denominated in VND and the equivalent of HK\$0.4 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\$1,227.8 million (2025: HK\$1,220.9 million) and shareholder's loan of HK\$126.4 million (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 (2025: Nil).

For the year ended 31 March 2026, the Group's total assets amounted to HK\$5,399.9 million (2025: HK\$5,310.4 million) representing an increase of 1.7%. Non-current assets and current assets were HK\$2,904.3 million and HK\$2,495.6 million respectively. The above assets were financed by current liabilities of HK\$2,126.3 million, non-current liabilities of HK\$331.5 million and equity attributable to Shareholders of HK\$2,939.2 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 increased by 1.7% to HK\$315.4 million (2025: HK\$310.1 million) which was mainly used for (a) the expansion of Vietnam Hai Phong Plant and Vietnam Ninh Binh Plant; and (b) the regular replacement of production facilities across three factories of the Group.

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

Key liquidity or leverage ratios:

	As at 31 March	
	2026	2025
Current Ratio ⁽⁴⁾	1.2	1.2
Quick Ratio ⁽⁵⁾	0.7	0.7
Gearing Ratio ⁽⁶⁾	46.3%	47.1%
Debt to Equity Ratio ⁽⁷⁾	83.5%	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, 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 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 31 March 2026 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 2026.

Contingent Liabilities

As at 31 March 2026, the Group had no material contingent liabilities (2025: Nil).

Events Subsequent to the Period

There was no significant event undertaken by the Company or by the Group after 31 March 2026 and up to the date of this announcement.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2026, the Group had 5,050 full-time employees (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.

PROSPECT AND OUTLOOK

2026 Financial Year has recorded a decrease in profit attributable to equity holders of the Company by approximately HK\$84.7 million as compared with 2025 Financial Year.

The drop in the profit attributable to equity holders of the Company during 2026 Financial Year was caused by many factors, inter alia, mainly attributable to:

- i. the decrease in the profit attributable to equity holders from approximately HK\$63.0 million during April to June 2024 to a loss of approximately HK\$6.9 million during April to June 2025 stemming from the surge in trade tariffs imposed by the U.S.. This factor dissipated after June 2025;
- ii. the decrease in the share of profit of Teejay Lanka PLC (an associate of the Company and whose shares are listed on the Colombo Stock Exchange of Sri Lanka, with production facilities in Sri Lanka and India) from approximately HK\$19.8 million for 2025 Financial Year to approximately HK\$0.4 million for 2026 Financial Year under the influence of reciprocal tariff; and
- iii. as opposed to an exchange gain of approximately HK\$29.1 million recorded during 2025 Financial Year, an exchange loss of approximately HK\$50.0 million (the "Exchange Loss"), which was mainly derived from the appreciation of Renminbi, was recorded during 2026 Financial Year. Approximately 55% of the Exchange Loss was related to the year-end revaluation of inter-company current accounts between various PRC and HK subsidiaries, which will not affect the Group's cash flow.

Despite the negative impact stated above, the Group's overall sales performance and gross profit for 2026 Financial Year remained largely stable compared to 2025 Financial Year, reflecting the continued resilience of its core business fundamentals.

The China Nansha Plant still faced headwinds amid the global diversification of supply chains. Sluggish demand from local customers led to reduced production volumes. Coupled with the appreciation of the Renminbi, which significantly increased production costs, the plant's profitability was adversely affected.

In contrast, the Vietnam Hai Phong Plant delivered a stable performance, achieving profitability through higher average selling prices. Supported by strong long-term customer relationships, the plant is well-positioned for further profit growth as sales revenue and pricing continue to improve.

The Vietnam Ninh Binh Plant has made encouraging progress, with positive EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) and its losses narrowing substantially through improved operational efficiency and labour skills. It is on track to achieve profitability in the next financial year. A key strategic priority for the Group is the expansion of its Vietnam operations. The successful launch of the second phase of expansion will significantly increase production capacity by the end of 2027. This development is expected to deliver a substantial rise in sales volume and strengthen the Group's competitive position in the region. By scaling up its Vietnam footprint, the Group is strategically diversifying its production bases, achieving economic of scales and business risk diversification, enhancing overall operational resilience.

The textile industry continues to face a complex and challenging operating environment. Geopolitical tensions and ongoing military conflicts, particularly in the Persian Gulf region, have created considerable uncertainty and economic disruption. Consumer confidence in key markets has weakened, while intense price competition among textile mills has intensified. At the same time, surging fuel prices, elevated freight costs, volatile raw material prices, and persistent inflation have pushed production costs to historic highs. Additionally, stricter regulatory requirements related to supply chain transparency and environmental compliance have further increased operating expenses.

Looking ahead, the Company will focus on deepening strategic cooperation with brand owners and leading manufacturers, particularly in the development of functional synthetic fabrics that require advanced technology and innovation. Efforts will be directed towards broadening the customer base and accelerating research and development of innovative synthetic products. Strengthening and expanding production capabilities in Vietnam will remain a key strategic priority in the coming years.

SUPPLEMENTAL INFORMATION

RESULTS AND DIVIDENDS

The results of the Group for the 2026 Financial Year are set out in the consolidated statement of profit or loss on page 1 of this announcement.

An interim dividend of HK\$5 cents (2025: HK\$7 cents) per Share was paid on 30 December 2025 to the Shareholders. The Board has recommended the payment of a final dividend of HK\$2 cents (2025: HK\$5 cents) per Share. Subject to the approval of the Shareholders at the forthcoming AGM, the final dividend of HK\$2 cents will be paid on 3 September 2026 to the Shareholders whose names appear on the Register of Members of the Company on 24 August 2026.

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 10 August 2026 to 13 August 2026 (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 7 August 2026. The record date which determines the Shareholder's voting right is scheduled on 10 August 2026.

The Register of the Members of the Company will be closed from 20 August 2026 to 24 August 2026 (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 2026, 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 19 August 2026.

CORPORATE GOVERNANCE PRACTICE OF THE COMPANY

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 2026 Financial Year.

During the year, Mr. Masaru Okutomi (resigned with effect from 1 April 2026) 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.1.5 (which has been renumbered from code provision C1.6 with effect from 1 July 2025) 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.

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 their tenure during 2026 Financial Year.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 March 2026, the Company repurchased a total of 5,255,000 shares on the Stock Exchange at an aggregate consideration of (excluding expenses) HK\$7,061,190. Among those repurchased shares, 2,000,000 repurchased shares were cancelled on 26 September 2025, and 3,255,000 shares were cancelled on 29 December 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\$	
August 2025	2,000,000	1.50	1.50	3,000,000
December 2025	3,255,000	1.25	1.23	4,061,190

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 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 year ended 31 March 2026. As at 31 March 2026, there were no treasury shares held by the Company.

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 2026 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 2026 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 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) and the Company (www.pacific-textiles.com). The annual report of the Company for the 2026 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 13 August 2026. The Notice of AGM will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.pacific-textiles.com) and sent to the shareholders of the Company in due course.

By order of the Board
Pacific Textiles Holdings Limited
TERUO FUNAHASHI
Chairman & CEO

Hong Kong, 25 June 2026

As at the date of this announcement, the Executive Directors are Mr. Teruo FUNAHASHI, 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.

* *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:

“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)
“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