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PACIFIC TEXTILES HOLDINGS LIMITED
互太紡織控股有限公司*
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01382)

PROFIT WARNING

This announcement is made by Pacific Textiles Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors of the Company (the "**Directors**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that based on the preliminary assessment of the currently available information, the Group is expected to record a profit attributable to equity holders of the Company within the range of approximately HK$1 million to HK$10 million for the six months ended 30 September 2026 (the "**Reporting Period**") as compared to the profit attributable to equity holders of the Company of approximately HK$79.3 million for the six months ended 30 September 2025 (the "**Corresponding Period**"). The downturn during the Reporting Period was caused by many factors, inter alia, mainly attributable to:

(i) the decrease in gross profit margin. The on-going U.S. – Iran war in the Middle East has intensified inflationary pressure, causing electricity costs and raw material prices - specifically yarn and chemicals - to spike sharply, thereby escalating the production costs of the Group. Meanwhile, there has been a time lag in negotiating and adjusting selling prices with customers, failing to fully offset the increase in production costs and causing the Group's overall gross profit margin to drop during the period from April to August 2026. In addition, during the price negotiation period, certain customers deferred or slowed down their placement of sales orders, resulting in softer order demand and sales revenue during the period from April to August 2026; and

(ii) the increase in exchange loss. Compared with an exchange loss of approximately HK$8.9 million during the Corresponding Period, an exchange loss of approximately HK$25.6 million (the "**Exchange Loss**") which was mainly derived from the appreciation of Renminbi, was recorded during the Reporting Period. More than 90% of the Exchange Loss was related to the revaluation of intercompany current accounts between various PRC and HK subsidiaries, which will not affect the Group's cash flow.

Notwithstanding the foregoing, the management remains confident in the Group's prospects. The Company recorded a positive EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) within the range of approximately HK$160 million to HK$169 million, and the amount after excluding the impact of the Exchange Loss from EBITDA was within the range of approximately HK$186 million to HK$195 million for the Reporting Period. Meanwhile, following the completion of price adjustments with customers, the selling price has been adjusted to the maximum extent practicable, while the Group's gross profit margin and order intake in September 2026 have also improved.

On the basis of the current schedule, the Group expects to complete the production capacity expansion at Vietnam factories by the end of 2027, following which the Group expects to be in a better position to meet the orders demand from its U.S. customers from 2028. Following the completion of the expansion in Vietnam, the Group anticipates that its capital expenditure will significantly decrease, thereby freeing up surplus cash flow to repay bank borrowings and reduce interest expenses. In addition, in order to reduce operating costs and improve operational efficiency of China Nansha Plant, the management has commenced consideration of and initiated a review aimed at further optimizing its asset structure, which may involve the potential disposal of certain underutilized land and factory premises as and when appropriate. At the same time, leveraging its successful promotion of home textiles business in China domestic market where sales have doubled during the first half of financial year ended 31 March 2027 compared with the first half of financial year ended 31 March 2026, the Company aims to scale its home textiles business to target a global customer base.

As at the date of this announcement, the Group is still in the process of finalising the results for the Reporting Period ("**2026/27 Interim Results**"). The information contained in this announcement is only based on the preliminary assessment of unaudited consolidated management accounts of the Group and the information presently available to the Board, which have not been reviewed by the Company's auditor or the audit committee of the Company. The 2026/27 Interim Results may be different from what is disclosed in this announcement. It is expected that the Company's announcement for 2026/27 Interim Results will be released on 26 November 2026.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 11 November 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*