



PACIFIC TEXTILES HOLDINGS LIMITED
互太紡織控股有限公司*

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)
(Stock Code 股份代號: 01382)

2025 / 26

Environmental, Social and Governance Report

環境、社會及管治報告

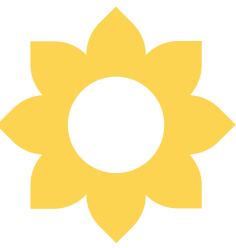


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About this Report

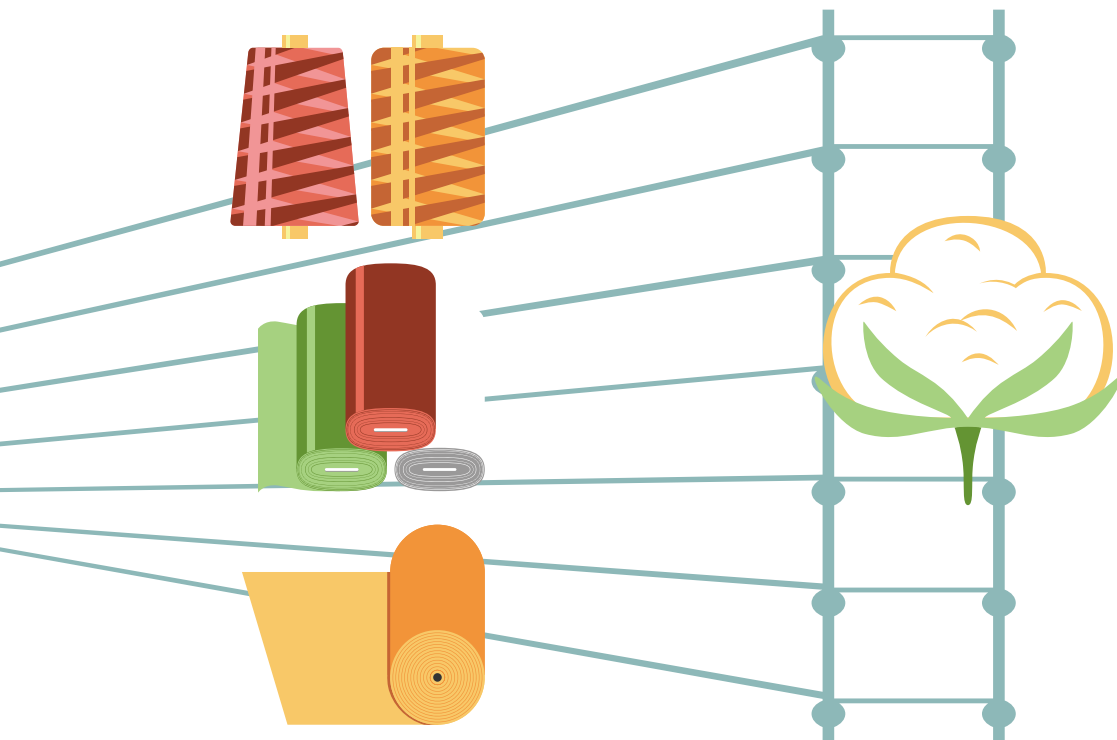
Pacific Textiles Holdings Limited and its subsidiaries (collectively referred to as the “Group”, “Pacific Textiles” or “we”) are pleased to present the Environmental, Social and Governance (“ESG”) Report (the “Report”) for the financial year ended 31 March 2026 (the “Reporting Period”). The ESG Report outlines our sustainability and climate-related principles, management approaches, and key achievements, reaffirming our ongoing commitment to sustainable development and responsible corporate practices.

REPORTING SCOPE

This Report covers the period from 1 April 2025 to 31 March 2026. Unless otherwise specified, the scope encompasses the Group’s core operations in knitted fabric production and marketing. Specifically, it includes three production facilities of the Group: the China Nansha Plant, located in Nansha District, Guangzhou, the Vietnam Hai Phong Plant, located in Hai Phong City, Vietnam, and the Vietnam Ninh Binh Plant, located in Ninh Binh Province, Vietnam. As these three sites account for the vast majority of the Group’s production activities, the coverage of the Report is considered to represent a comprehensive reflection of the Group’s overall sustainability and climate performance.

REPORTING STANDARDS

The content of this Report has been prepared in accordance with the requirements set out in Appendix C2 – Environmental, Social and Governance Reporting Code (the “ESG Reporting Code”) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The structure and disclosures aim to ensure transparency, comparability, and clarity for all stakeholders.



REPORTING PRINCIPLES

To ensure this ESG Report presents a fair, comprehensive, and meaningful account of the Group’s sustainability performance, we adhere to the key reporting principles, as outlined in Stock Exchange ESG Reporting Code.

- **Materiality:** The Group identifies and evaluates the relative importance of material topics through a structured stakeholder engagement and materiality assessment process, ensuring that the Report discloses matters that are of most significance to the Group’s operations and of greatest relevance to stakeholders.
- **Quantitative:** Where applicable, the Report includes quantitative data, supplemented with appropriate interpretation and year-on-year comparisons, with key performance indicators (“KPIs”) are supported by quantitative data to provide stakeholders with objective measures of progress. This enables readers to assess the Group’s ESG performance over time, track progress against defined targets, and gain a clearer understanding of key performance indicators.
- **Consistency:** The Group follows consistent methodologies for data collection and disclosure, in line with previous reporting years. Any changes to the scope, calculation methods, or metrics used are clearly specified to maintain transparency and support comparability across the previous Reporting Periods.
- **Balance:** The Group is committed to presenting a balanced view by disclosing both achievements and areas for improvement. Care is taken to avoid misrepresentation through selective disclosure or the omission of material information, ensuring that the Report provides an objective and accurate reflection of ESG performance.

SHARE WITH US ABOUT YOUR THOUGHTS

Thank you for taking the time to read the Pacific Textiles ESG Report 2025/26. Through this Report, we seek to communicate transparently with stakeholders, demonstrate accountability, and guide the Group’s ongoing ESG efforts in pursuit of long-term sustainable value creation. We value your views, and your insights are vital to helping us continuously enhance our ESG disclosures and practices. Please feel free to share your comments or suggestions with us via the following communication channels.

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 Phone: +852 2424 8221
 Address: Unit B1, 7/F., Block B, Eastern Sea Industrial Building, 48–56 Tai Lin Pai Road, Kwai Chung, Hong Kong



Message from Senior Management

Financial Year 2025/26 was a period of decisive action and structural progress for Pacific Textiles. Building on the foundation established in previous years, we advanced key initiatives that support our long-term vision of delivering value through innovation, efficiency, and environmental stewardship. Guided by our core values, we remain focused on enhancing the resilience of our operations while contributing meaningfully to the global transition towards a low-carbon and sustainable economy.

COMMITMENT TO SCIENCE-BASED TARGETS

A significant milestone during the year was the advancement of our Science-Based Targets initiative (SBTi). Using 2023 as the baseline year, Pacific (Panyu) Textiles Limited successfully completed the target-setting and declaration process, formalising our commitment to reduce absolute Scope 1 and 2 greenhouse gas emissions by 50.4% by 2032. In parallel, we have committed to reducing Scope 3 emissions from key categories, including purchased goods and services, fuel- and energy-related activities, upstream transportation and distribution, as well as end-of-life treatment of sold products, by 30.0% within the same timeframe.

These commitments underscore our dedication to aligning with global climate goals and integrating science-based principles into our operational strategy. We are continuing to refine our implementation roadmap to ensure effective execution of these targets and to further accelerate our decarbonisation journey across the value chain.

DRIVING DECARBONISATION AND ENERGY EFFICIENCY

Our decarbonisation and energy efficiency agenda was further strengthened through the deployment of advanced technologies and infrastructure investments. During the Reporting Period, the China Nansha Plant successfully completed Phase 1 of a 12.5 MW / 45.6 MWh behind-the-meter energy storage station. Following trial operations between July and August 2025, the facility entered stable and full operation in September 2025.

The project adopts a highly integrated system design, featuring the 5 MWh liquid-cooled battery cabins, modular power conversion systems (PCS), lithium iron phosphate (LFP) battery modules, and an intelligent combination of Battery Management Systems (BMS) and Energy Management Systems (EMS), supported by comprehensive monitoring and fire protection systems. This integrated approach significantly enhances energy efficiency, supports grid stability, and improves operational flexibility.

As a result, the project has reduced electricity costs for the China Nansha Plant while alleviating peak-load pressure on the power grid, contributing to both economic and environmental performance improvements. At the same time, the Group has completed preliminary technical studies and engineering design work for Phase 2, with commercial negotiations expected to be finalised and construction to commence

in FY2026/27. These efforts demonstrate our commitment to scaling innovative energy solutions and reinforcing the resilience of our energy infrastructure.

ENGAGING WITH REGULATORS TO UPHOLD CORPORATE SOCIAL RESPONSIBILITY

Our commitment to sustainability extends beyond our immediate operational boundaries to support the national green agenda. During the year, Pacific Textiles actively engaged with regulatory and national initiatives to support broader sustainability and climate objectives. In 2025, Guangdong Province hosted the 15th National Games of the People's Republic of China, the 12th National Games for Persons with Disabilities and the 9th National Special Olympic Games, with a strong emphasis on achieving a “whole-process carbon-neutral” event.

In response, the China Nansha Plant undertook proactive social responsibility initiatives by donating 8,000 tonnes of Guangdong Carbon Emission Allowances (GDEC), with an estimated market value of approximately RMB 321,000, to the Games Organising Committee. These allowances were provided free of charge and were used specifically to offset carbon emissions generated during the preparation and hosting phases in the Guangzhou competition zone.

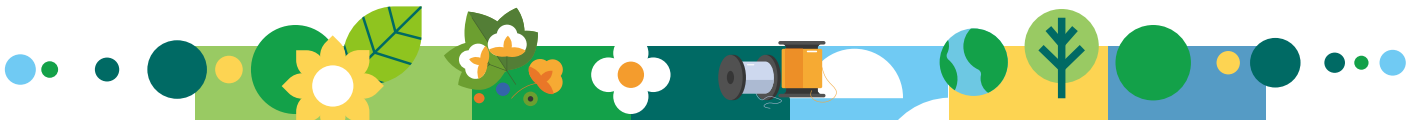
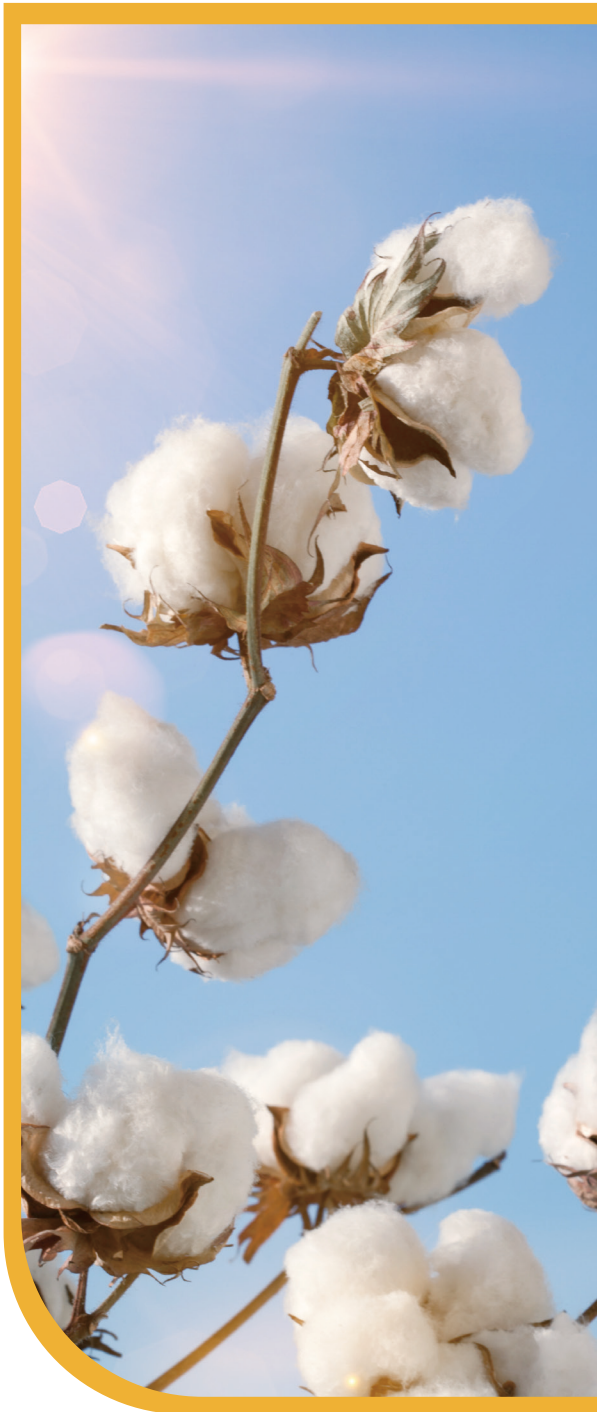
This contribution supported Guangdong Province's goal of delivering a “zero-carbon” sporting event and reflects the Group's commitment to environmental responsibility beyond its immediate operational boundary. In recognition of its efforts, the China Nansha Plant was awarded the title of “Outstanding Contributor to Social Betterment” by the Executive Committee of the 15th National Games in the Guangdong competition zone.

COMMITMENT TO COMMUNITY EMPOWERMENT

Community engagement remains an integral part of our sustainability strategy. During the Reporting Period, our operating units in China and Vietnam collectively organised a wide range of community activities. These initiatives covered a range of areas, including social welfare support, community development, and environmental initiatives.

Through these efforts, Pacific Textiles continues to strengthen its connection with local communities, foster inclusive growth, and contribute positively to the socio-economic development of the regions in which we operate. We remain committed to creating shared value by supporting education, community resilience, and environmental awareness initiatives.

As we look ahead, we remain steadfast in our commitment to sustainability, innovation, and responsible growth. By embedding environmental and social considerations into our core business strategy, we will continue to create long-term value for our stakeholders and contribute to a more sustainable future.



2025/26 Key Sustainability Performance

In the fiscal year 2025/26, Pacific Textiles continued to advance its sustainability agenda with a strong focus on sustainability performance. The Group made notable progress across key areas, reflecting its strategic commitment to responsible growth, operational excellence and long-term value creation. Building on its robust foundation, Pacific Textiles strengthened its performance through the implementation of targeted initiatives and enhanced disclosure practices, setting the stage for continued improvement in alignment with global sustainability standards.

HIGHLIGHTS

For 2025, the China Nansha Plant, achieved a third-party verified Higg FEM score of **88**, reflecting continuous improvement in its environmental management practices



China Nansha Plant awarded **“High and New Tech Enterprise Certificate”** by the Department of Science and Technology of Guangdong Province, the Department of Finance of Guangdong Province, and the Guangdong Provincial Taxation Service, State Taxation Administration



Achieved **zero emission** from all purchased electricity at both the China Nansha Plant and Vietnam Hai Phong Plant



Consumed **4,371,480** kWh of renewable energy across the three Plants



The Vietnam Ninh Binh Plant: amount of water withdrawal intensity reduced by **21.3%** (per metric tonne of finished products)



Number of total working days lost due to work-related injuries across the three plants reduced by **6.4%**



Received no major complaints related to health and safety regarding our products for the **past 11 years**



Donated approximately **HKD 239 Thousand** to support various charitable causes across the entire Group



About Pacific Textiles

CORPORATE PROFILE

Founded in 1997 and listed on the Main Board of The Stock Exchange of Hong Kong Limited in May 2007 (Stock Code: 1382), Pacific Textiles Holdings Limited and its subsidiaries are principally engaged in the manufacturing and trading of textile products, with a strong focus on high-quality cotton and synthetic knitted fabrics. Headquartered in Hong Kong – an international business hub in the Asia-Pacific region – the Group operates three production facilities located in Nansha, China, Hai Phong, Vietnam, and Ninh Binh, Vietnam.

With a workforce of more than 5,000 employees, many of whom are highly experienced professionals in the textile industry, Pacific Textiles has established long-standing partnerships with a number of globally renowned apparel brands and manufacturers. The Group has an annual production capacity of approximately 90 million kilograms, offering a diverse portfolio of over 5,000 fabric designs and specifications. These products are distributed across international markets, reflecting the Group’s robust global footprint and unwavering commitment to quality, innovation, and customer satisfaction.

Over the years, the Group has delivered long-term value for shareholders, supported by a solid operational foundation, strategic business development disciplined financial management.

The Group remains firmly committed to maintaining its position as a market leader within the textile industry by consistently striving to exceed customer expectations. We continue to enhance our production capabilities, technological innovation, and business operations, while actively collaborating with customers and suppliers to deliver new, high-quality products and value-added services. In parallel, we recognise our responsibilities as a corporate citizen and is dedicated to creating shared value within the communities in which we operate.

Environmental stewardship remains central to the Group’s long-term sustainability strategy. Through the adoption of green production practices, the Group implements proactive measures to manage and mitigate the environmental impact of its operations, ensuring the responsible handling of by-products and promoting harmonious development between the enterprise, the natural environment, and its stakeholders.

OUR VISION, MISSION AND VALUES

Vision	To make the world a more comfortable and better place through our products.
Mission	In global textile community, we strive for: • Quality products and services; • Equitable opportunities and respect; • High returns to the investors; • Excellent environmental protection; through the faith of social responsibilities and innovation.
Values	• Truth: Continuous Pursuit of Knowledge; • Integrity: Humble & Honest; • Innovation: Leading the Industry; • Accountability: Duty & Responsibility; • Teamwork: Great Partnership; • People: Our Most Valuable Asset.

Always cherishing the vision “to make the world a more comfortable and better place through our products”, Pacific Textiles has been developing the Group into a sizeable knitted fabric manufacturer and distributor whose business scope covers integrated services of knitting, dyeing, printing and finishing.

In the global textile community, the Group “strives for: products and services of higher quality; equitable work opportunities and mutual respect; high returns to the investors; and excellent environmental protection through the faith of social responsibility and innovation.”

Pacific Textiles considers green manufacturing and environmental protection not only as the responsibility of a responsible corporate citizen but also as the basis of long-term sustainability. Pacific Textiles has been actively taking steps to ensure that the by-products generated in the manufacturing process are disposed of properly with minimal impacts on the environment. We will strive for the best to achieve harmonious development of the Group, natural environment and all stakeholders.

To arrive at the vision and mission of the Group, members of Pacific Textiles uphold the value of tireless truth-seeking, humility and integrity, enterprising and innovation, responsibility and accountability, teamwork and people-oriented, making unremitting efforts in contributing to the growth of the Group.



About Pacific Textiles

OUR MILESTONES

More than 25 years since its establishment, Pacific Textiles continues to evolve, responding to market demands through ongoing innovation as the business expands.

Year	Milestones
1997	- Pacific Textiles was established and engaged principally in sales and marketing activities. - Main production facility was set up in Panyu, China.
2007	Listed on the Main Board of The Stock Exchange of Hong Kong Limited in May (Stock Code: 1382).
2010	Entered into an agreement to establish joint-venture textile mills in Vietnam, the Vietnam Hai Phong Plant.
2011	Teejay Lanka PLC. (an associate of the Group, formerly known as Textured Jersey Lanka PLC and Textured Jersey Lanka (Private) Limited) was listed on the Colombo Stock Exchange in Sri Lanka.
2013	Accredited as a “National Demonstrative Enterprise for Clean Production” by Ministry of Industry and Information Technology of the PRC.
2014	- National Low Carbon (Knitting) Engineering Technology Centre was established. - China Nansha Plant was accredited as a High and New Technology Enterprise (HNTE).
2015	- Was selected as a “Pilot Enterprise for Ecological Design of Industrial Products (First Batch)” by the Ministry of Industry and Information Technology of the PRC. - The Vietnam Hai Phong Plant commenced operations. - Became the first textile enterprise to deploy SAP Business Suite on HANA end-to-end.
2017	- Toray Industries Inc. became a substantial shareholder. - Was selected as a pilot enterprise NDRC for the Sino-Japanese “NEDO Project” on energy conservation. - Was recognised as a “Leader in Water Use Efficiency among Major Water Consumption Enterprises” by the Ministry of Industry and Information Technology of the PRC.
2018	- Was awarded the honorary title of “National Green Factory” by the Ministry of Industry and Information Technology of the PRC. - Received the “2018 Energy Management Insight Award” from the Clean Energy Ministerial (“CEM”).
2019	Was recognised as a “Demonstrative Enterprise for Green Industrial Products Design” by the Ministry of Industry and Information Technology of the PRC.
2021	CSR Committee was established to enhance CSR performance.
2022	Construction of a new plant in Hai Phong, Vietnam began.
2023	Was awarded the “2021 Hong Kong Awards for Environmental Excellence – Certificate of Merit” in the Manufacturing and Industrial Services category.
2024	- A wholly owned textile mills in Vietnam, the Vietnam Ninh Binh Plant, commenced operations. - Was recognised as a “Hong Kong Green Organisation” by the Environmental Campaign Committee.
2025	The China Nansha Plant was accredited as High and New Tech Enterprises by the Department of Science and Technology of Guangdong Province, the Department of Finance of Guangdong Province, and the Guangdong Provincial Taxation Service, State Taxation Administration.

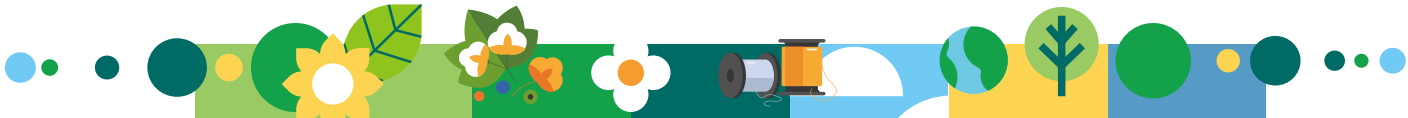
CERTIFICATION, ACCOLADES AND RECOGNITIONS

Over the years, Pacific Textiles has been recognised for our unwavering commitment to environmental stewardship, innovation, sustainable practices, product excellence, and corporate responsibility. These acknowledgements reflect the Group’s continuous efforts in advancing green manufacturing, fostering innovation, and contributing positively to the textile industry. A detailed list of our key accolades and recognitions awarded and certification during the Reporting Period can be found in the Appendix of this Report.

OUR CONTRIBUTION TO THE TEXTILE INDUSTRY

With over 25 years of solid experience in the textile industry and a longstanding commitment to innovation and sustainability, Pacific Textiles has established itself as a trusted and influential advocate within the sector. The Group continually strives to share its expertise in advancing industry standards and promoting best practices across the textile value chain. We actively contribute to the development of the textile industry through participation in numerous professional associations and industry bodies across China and Vietnam.

Membership	Professional Associations
Hong Kong	
Member	Hong Kong Intimate Apparel Industries’ Association
Member	Federation of Hong Kong Industries
Mainland China	
Vice Council Member	Technological Alliance of Energy Conservation and Air Emission of National Textile Industry
Vice chairman	China Knitting Industrial Association
Vice chairman	Guangdong Cleaner Production Association
Vice chairman	Guangzhou Energy Conservation Association
Vice chairman	Guangdong Textile Association
Member	China Industry Energy Conservation and Clean Production Association
Member	China Dyeing and Printing Association
Member	Innovation Alliance of Green Industry in Southern China
Vietnam	
Member	Vietnam Textile and Apparel Association



About Pacific Textiles

OUR SUPPORT ON THE FORMULATION AND DEVELOPMENT OF NATIONAL AND INDUSTRY STANDARDS IN MAINLAND CHINA

Pacific (Panyu) Textiles Limited, a key subsidiary of the Group, has actively participated in the formulation and revision of numerous national and industry standards in Mainland China. This includes presiding over the development of technical guidelines and frameworks that support cleaner production, efficient resource use, and responsible environmental management. Key contributions include participation in the drafting of standards such as the *Calculation Method for Water Intake of Knitted Printing and Dyeing Products and Basic Rate of Unit Consumption*, *Air Pollutants Discharge Standards for the Textile Printing and Dyeing Industry*, *Safety Production Regulations for Printing and Dyeing Enterprises*, *Unit Consumption Standards for Processing Trade of Non-Fleece Knitted Dyeing and Finishing Fabrics*, and *Calculation Method and Norm of Water Intake for Knitted Dyed and Printed Products*. The Group has also supported the establishment of critical environmental guidelines including those for greenhouse gas emissions accounting, water footprint assessment, green product design evaluation, and energy management systems in the textile industry.

In recognition of its continuous investment in research, technological innovation and clean production practices, Pacific (Panyu) Textiles Limited has been reaccredited as a “High and New Technology Enterprise” in 2025 following its initial accreditation in 2014, by the Department of Science and Technology of Guangdong Province, the Department of Finance of Guangdong Province, and the Guangdong Provincial Taxation Service, State Taxation Administration. This honour reflects the Group’s sustained efforts in driving forward sustainable innovation in textile manufacturing.

OUR PARTICIPATION IN SUSTAINABILITY ASSESSMENT AND INDUSTRIAL MOVEMENTS

As part of our long-standing commitment to responsible manufacturing and sustainable development, Pacific Textiles actively engages in internationally recognised industry initiatives that promote transparency, accountability, and continuous improvement in both environmental and social performance. By participating in globally standardised assessment frameworks, we are able to measure, benchmark, and enhance our operations/in alignment with industry best practices and stakeholder expectations. Our involvement in key platforms such as the Higg Index and the Social & Labour Convergence Programme underscores our dedication to fostering a more sustainable and ethical supply chain across all our facilities.

HIGG FACILITY ENVIRONMENTAL MODULE (“HIGG FEM”) RATING

In line with our ongoing commitment to sustainability and environmental stewardship, Pacific Textiles continues to participate in Higg FEM since 2012, a globally recognised self-assessment and verification system developed by the Sustainable Apparel Coalition (“SAC”). This tool enables the Group to measure and benchmark the environmental performance of our facilities across key areas, including environmental management systems, energy and greenhouse gas emissions, water use, wastewater, air emissions, waste management, and chemical use. As part of the annual assessment process, each facility undergoes a rigorous self-evaluation followed by third-party verification by SAC-accredited assessors to ensure transparency and accuracy.

During the reporting year, our China Nansha Plant achieved a Higg FEM third-party verified score of **88** (2024: 87), while the Vietnam Hai Phong Plant attained a score of **82** (2024: 72) and Vietnam Ninh Binh Plant attained a score of **73**.

These results reflect our ongoing efforts to enhance environmental performance across our operations, and we remain dedicated to leveraging the insights from the assessment to drive continuous improvement.

THE SAC SOCIAL & LABOUR CONVERGENCE PROGRAMME (“SLCP”)

The Group recognises the importance of improving transparency and consistency in labour and social performance across the global supply chain. To support this objective, since 2020, Pacific Textiles participates in the SLCP.

SLCP is a multi-stakeholder initiative led by SAC and supported by key organisations in the apparel and sportswear industries, aiming to establish and implement a unified, efficient, and standardised framework for the collection and assessment of social and labour data across the industry. Known as the Converged Assessment Framework (“CAF”), this approach helps reduce audit fatigue and enhances the quality of data available to stakeholders seeking to improve working conditions in supply chains globally.

The Group adopts the Higg Facility Social & Labour Module (“Higg FSLM”), developed under the Higg Index, to assess labour and social performance across its operations. This assessment forms part of the SLCP and covers nine key areas: Recruitment and Hiring, Working Hours, Wages and Benefits, Employee Treatment, Employee Involvement, Health and Safety, Termination, Management Systems, and Empowering People and Communities. The use of this standardised framework supports the Group’s efforts to enhance transparency, monitor working conditions, and align with international best practices in responsible labour management.

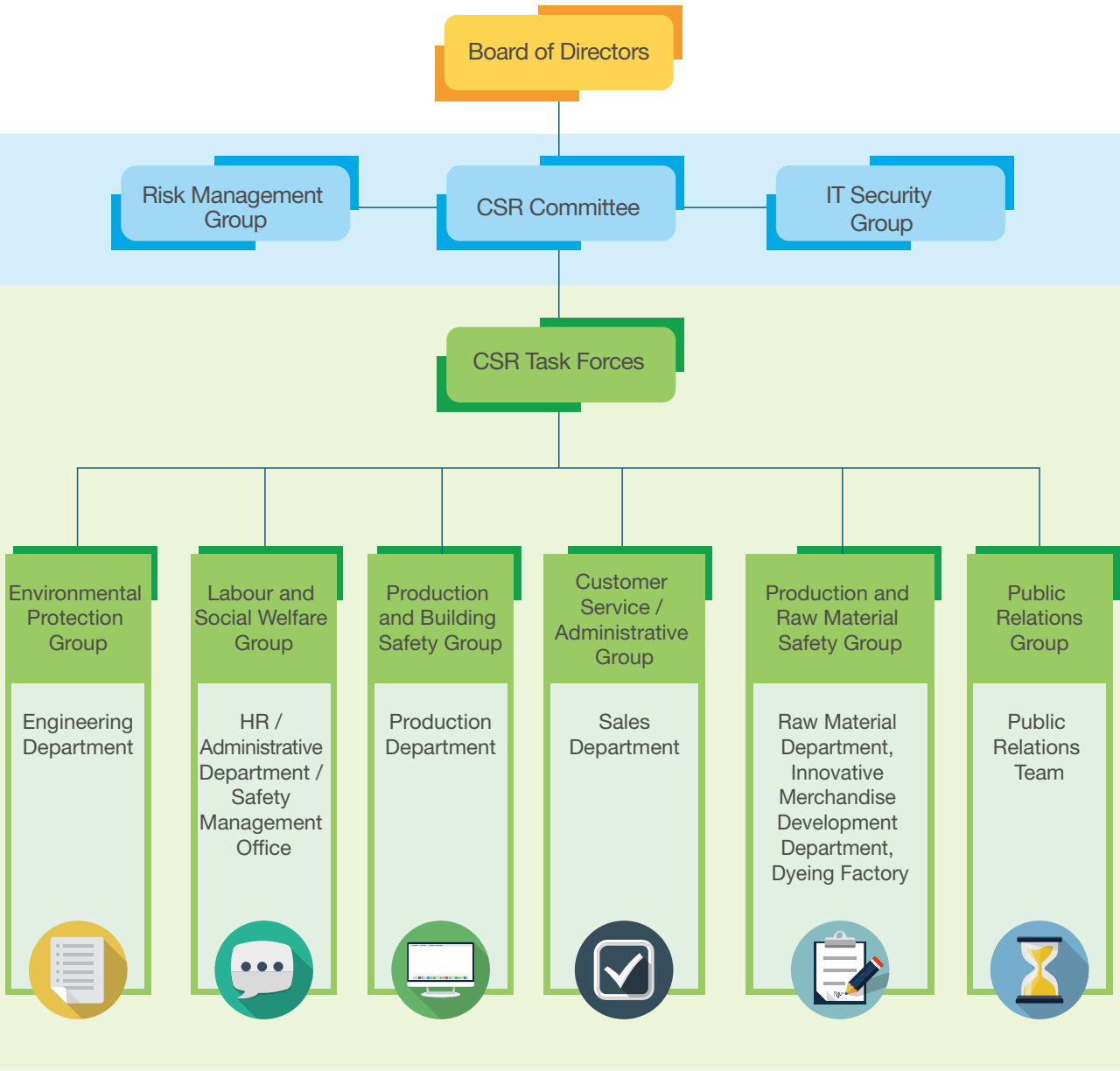
Through ongoing SLCP participation, we continue to reinforce our commitment to responsible labour practices and continuous improvement in social compliance standards.



Sustainability Governance

INTEGRATED SUSTAINABILITY GOVERNANCE STRUCTURE

Placing sustainability performance at the heart of its long-term strategy, Pacific Textiles has built an integrated governance framework to ensure robust oversight and accountability of sustainability and climate-related risk and opportunities. This structure enables the Group to address material topics effectively while supporting sound corporate growth and risk management.



CORPORATE SOCIAL RESPONSIBILITY (“CSR”) COMMITTEE

The Board has overall responsibility for both sustainability and climate-related strategy and reporting of the Group, it plays a central role in steering our direction towards sustainable development. It oversees relevant risks and opportunities while ensuring that environmental and social responsibilities are embedded within the Group’s long-term business strategy. The Board sets strategic goals, approves climate and sustainability frameworks, and monitors performance across operations.

Pacific Textiles recognises that a diverse and well-balanced board is essential to effective governance and sustainable business success. In line with this, we are committed to maintaining a Board composition that reflects a broad range of skills, experiences, and perspectives. When considering new appointments or the renewal of existing directorships, Pacific Textiles takes into account factors such as gender, age, cultural and educational background, ethnicity, professional expertise, and length of service. This diversity enables the Board to better understand and respond to the needs of its stakeholders while also enhancing the quality of its decision-making. Moreover, the Company values the long-term support and insight provided by its principal shareholders and ensures they are appropriately represented on the Board. Through this inclusive approach, Pacific Textiles aims to strengthen its governance framework and uphold the best interests of all stakeholders. For detailed information about the Board composition, please access to the “Corporate Governance Report” section of the Group’s Annual Report 2025/26 for details.

CORPORATE SOCIAL RESPONSIBILITY (“CSR”) COMMITTEE

Reporting directly to the Board, the CSR Committee is tasked with formulating and implementing the Group’s CSR policies and ensuring alignment with overall climate and sustainability objectives. The Committee is chaired by a director of the Group, and its members include the Group’s senior management. It addresses day-to-day issues through external ESG consultants and CSR Task Forces established under the Committee, with assistance from the Risk Management Group and IT Security Group specifically for risk and data security management.



Sustainability Governance

RISK MANAGEMENT GROUP

The Risk Management Group supports the CSR Committee by identifying, assessing, and monitoring risks associated with climate and sustainability, as well as broader operational concerns. This includes evaluating both current and emerging risks that may affect the Group’s environmental, social, and governance commitments. The Group provides key insights into risk exposure and mitigation, strengthening the integrity of internal controls and enhancing the Group’s resilience. Its work is instrumental in safeguarding stakeholder interests while maintaining compliance with applicable regulations and best practices.

IT SECURITY GROUP

With the increasing relevance of data integrity and cybersecurity to sustainable business practices, the IT Security Group plays a vital role in protecting the Group’s digital infrastructure. The Group develops and enforces policies related to data security, safeguarding sensitive information and ensuring compliance with internal and external data governance standards. Working closely with the CSR Committee and Risk Management Group, it helps manage IT-related risks and ensures that information systems support broader climate and sustainability goals, particularly in areas related to data privacy, ethical use of technology, and operational resilience.

CSR TASK FORCES

Operationalising the Group’s climate and sustainability strategy, six CSR Task Forces – Production and Building Safety Group, Customer Service/Administrative Group, Production and Raw Material Safety Group, Environmental Protection Group, Labour and Social Welfare Group, and Public Relations Group – are responsible for the day-to-day management of sustainability initiatives across different business units. Their duties include monitoring ESG data, facilitating internal engagement, and ensuring that relevant performance metrics are accurately recorded and reported. This decentralised structure enables targeted focus on specific climate and sustainability priorities, driving continuous improvement in social and environmental performance.

To reinforce governance excellence with up-to-date skills and capabilities, the Group has instituted a recurring capacity-building schedule for its highest governance body. Executive board members and senior management engage in annual ESG training covering climate science, disclosure standards, and industry best practices. In addition, Directors will be mandated to complete at least one professional ESG session provided by The Hong Kong Chartered Governance Institute each year starting from the next Reporting Period. To address any identified competency gaps, the Group will consider engaging external advisory firms or recruiting relevant expertise.

To reinforce the Group’s core values, a CSR Guidance has been established to direct sustainability and compliance efforts across all operations. The CSR Guidance outlines our commitment to responsible and ethical business conduct and forms an integral part of our management approach. It identifies eight scopes – Governance, Environment, Employee, Human Rights, Consumer Issues, Supply Chain, Technological Innovation, and Local Community – each linked to material topics, with dedicated task forces responsible for strategy development and implementation.

Scope of the CSR Guidance	Task Forces
Value chain and product responsibility Consumer Issues Technological Innovation	• Production and Building Safety Group • Customer Service/Administrative Group • Production and Raw Material Safety Group
Environmental responsibility Environment	• Environmental Protection Group
Social responsibility Human Rights Employee Local Community	• Labour and Social Welfare Group
Governance responsibility Governance Supply Chain	• Risk Management Group • IT Security Group • Public Relations Group • Production and Raw Material Safety Group



Sustainability Governance

SUSTAINABILITY STRATEGY

Sustainable development stands as a guiding pillar of the Group's operations, influencing decision-making at every level. This commitment ensures that environmental stewardship, social equity, and robust governance practices are integrated into the fabric of business strategy and daily operations. By balancing commercial ambition with responsibility, the Group strives to deliver premium products and services while creating long-term value for stakeholders.

The sustainability strategy is underpinned by four strategic pillars: value chain and product responsibility, environmental responsibility, social responsibility, and governance responsibility. Each of these areas is carefully developed and regularly reviewed to ensure alignment with the Group's long-term objectives, evolving stakeholder expectations, and advancing disclosure and regulatory requirements.

To reinforce global alignment and impact, the Group's sustainability strategy is mapped against the United Nations Sustainable Development Goals ("UNSDGs"). This approach also strengthens the Group's contribution to global efforts in promoting sustainable growth, protecting natural ecosystems, and enhancing quality of life for future generations.

In addition to the CSR Guidance which provides a unified framework at the Group level, Pacific Textiles has also implemented a series of sustainability-related policies. These policies are reviewed and updated regularly to maintain alignment with legislation and internal requirements. An overview of the Group's key policies are outlined for each of the four strategic pillars.

Value chain and product responsibility

Development strategies	Consumer Issues To meet and exceed customer expectations, we continuously strengthen our management systems for product safety and quality assurance. We also ensure the provision of accurate and appropriate product information to build and maintain consumer trust.
	Technological Innovation We actively pursue technological innovation in our operations, integrating advanced technologies into both production and product development. These innovations aim to address key environmental and social issues. At the same time, we protect our own intellectual property while respecting the rights of others, ensuring that we avoid any infringement or improper use.

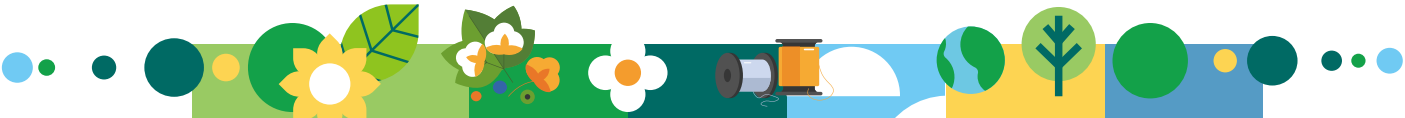


Value chain and product responsibility

Relevant UNSDGs	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION Goal 9: Industry Innovation and Infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation Goal 12: Responsible Consumption and Production Ensure sustainable consumption and production patterns
Relevant material topics	- Product Quality and Responsibility - Customer Service and Complaint Handling - Sustainable Procurement - Technology and Innovation
Relevant policies	- Sustainable Cotton Procurement Policy for Suppliers - Chemical Management Procedure - Materials Sourcing Policy

Environmental responsibility

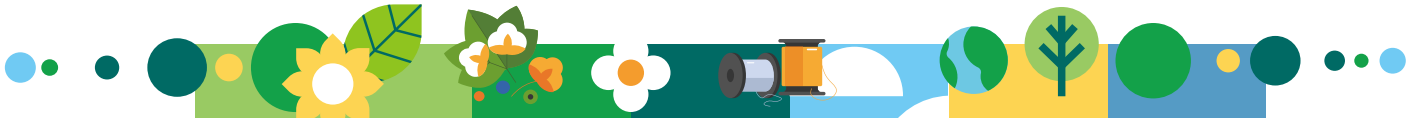
Development strategies	Environment We comply strictly with all environmental laws and regulations relevant to our business activities. In addition to regulatory compliance, we proactively address climate change, promote the use of sustainable resources, implement effective waste management practices, and protect biodiversity. These initiatives are aimed at contributing to both environmental protection and sustainable economic and social development.
Relevant UNSDGs	6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION Goal 6: Clean water and sanitation Ensure availability and sustainable management of water and sanitation for all



Sustainability Governance

Environmental responsibility	
	Goal 7: Affordable and clean energy Ensure access to affordable, reliable, sustainable and modern energy for all Goal 11: Sustainable cities and communities Make cities and human settlements inclusive, safe, resilient and sustainable Goal 12: Responsible consumption and production Ensure sustainable consumption and production patterns Goal 13: Climate action Take urgent action to combat climate change and its impacts
Relevant material topics	- Climate Adaptation & Resilience - Air Pollution and Greenhouse Gas Emissions - Chemical and Wastewater Management - Sustainable Use of Energy - Sustainable Use of Water Resources - Packaging - Waste Management - Sustainable Use of Raw Materials and Resources
Relevant policies	Written policies and procedures relevant to: - Energy Management Framework - Greenhouse Gas Management Procedure - Water and Waste Management Policy
Social responsibility	
Development strategies	Human Rights As a responsible corporate citizen, the Group is committed to respecting human rights in all business activities. We strictly prohibit the use of child labour and forced labour, and do not tolerate discrimination or harassment based on race, nationality, religion, gender, sexual orientation, age, language, or disability. Employee We believe that employee growth drives the overall development of the Group. To support this, we offer equal employment opportunities and respect the individuality and diversity of our workforce. We are committed to creating and maintaining a safe, healthy, and inclusive working environment that supports both personal and professional growth. Local Community We contribute to community development by actively participating in and supporting public welfare initiatives in the localities where we operate. Our engagement efforts reflect our commitment to creating shared value with the communities around us.

Social responsibility	
Relevant UNSDGs	1 NO POVERTY 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES Goal 1: No poverty End poverty in all its forms everywhere Goal 4: Quality education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all Goal 5: Gender equality Achieve gender equality and empower all women and girls Goal 8: Decent work and economic growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all Goal 10: Reduced inequality Reduce inequality within and among countries
Relevant material topics	- Employee Attraction and Retention - Employee Diversity and Equal Opportunities - Employee Training and Development - Occupational Health and Safety - Labour Practices & Human Rights - Community Investment & Engagement
Relevant policies	- CSR Management Code - Employee Handbook - Employee Code of Conduct - Training Policies Written policies and procedures relevant to: - Recruitment Policy - Working Hours and Leave Management Regulations - Employee Grievance Management Policy - Employee Resignation Management Regulations - Freedom of Association Policy



Sustainability Governance

Governance responsibility	
Development strategies	Governance We regard the establishment of fair and highly transparent operations as a key management priority. Under the supervision of the Board of Directors, we work to enhance decision-making efficiency and resource allocation through a robust risk management system. Our efforts are focused on strengthening corporate governance by ensuring legal compliance and actively preventing corruption and fraud. Supply Chain We are committed to environmental protection throughout the entire supply chain as part of our broader sustainability goals. Our objective is to develop a strong and sustainable supply chain that supports long-term social and environmental well-being.
Relevant UNSDGs	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS Goal 12: Responsible consumption and production Ensure sustainable consumption and production patterns Goal 16: Peace, justice and strong institutions Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
Relevant material topics	- Supply Chain Management - Business Ethics and Integrity - Intellectual Property Rights Protection - Data Privacy
Relevant policies	- Whistle-blowing Policy - Inside Information Policy - Intellectual Property Rights Management Policy

SUSTAINABILITY TARGETS

Green manufacturing and environmental stewardship are regarded not only as corporate obligations but also as essential foundations for long-term sustainability. We have implemented stringent practices to ensure that by-products from production are managed responsibly and with minimal environmental impact. These measures reflect the Group’s commitment to harmonious development between business operations, the natural environment, and society at large.

To drive continuous improvement in ESG performance and enhance the evaluation of policy effectiveness, Pacific Textiles began formulating short and long term ESG targets in 2021. Phase one focused on the China Nansha Plant, with goals centred on innovation, product safety, and key environmental performance indicators. This approach was extended in 2022 under Phase two to include the Vietnam Hai Phong Plant.

During the Reporting Period, the Group continued to monitor these targets in line with each plant’s progress. In addition, as we work toward our FY2030/31 targets, we are taking meaningful steps to align our operations with a low-carbon and resource-efficient future. Recent initiatives, such as the adoption of RECs at China Nansha Plant and the Vietnam Hai Phong Plant, highlight our commitment to reducing environmental impact and driving innovation. These actions reflect our strategic focus on energy efficiency, waste reduction, and sustainable practices, demonstrating our dedication to progress and reinforcing our path toward achieving our long-term goals.

The experience gained through the successful implementation of measurable environmental and value-chain-related targets at the China Nansha Plant, coupled with the operational insights refined at the Vietnam Hai Phong Plant, will inform the design and management of the new factory. This forward-looking approach will enable the Vietnam Ninh Binh Plant, which shifted to bulk production in September 2024, to integrate sustainability practices from the outset, ensuring alignment with the Group’s overarching goals in emissions reduction, resource efficiency, community engagement, and workforce well-being.

Looking ahead, the Group will consider establishing consolidated ESG targets at the Group level to further strengthen strategic alignment and accountability, and will explore the inclusion of its office operations into the Group-wide sustainability and climate target-setting process, with a view to achieving comprehensive sustainability integration across all business units. As part of this process, the Group may consider reviewing and adjusting the targets for FY2030/31. Ongoing communication with stakeholders will be maintained, and the latest ESG developments will be disclosed in a timely manner.

Pacific Textiles Group Target setting approach			
As administrative office operations represent only a minor proportion of the Group's overall ESG footprint, the immediate focus has remained on production-related activities.			
Pillar	Scope	FY2030/31 Target	Our Approach (Corresponding report sections)
Value Chain & Product Responsibility	Procurement of Sustainable Cotton Yarns	Procure 80% of its cotton from sustainable cotton yarns	Sustainable Procurement

Sustainability Governance

Phrase 1 (2021): China Nansha Plant
Target setting approach

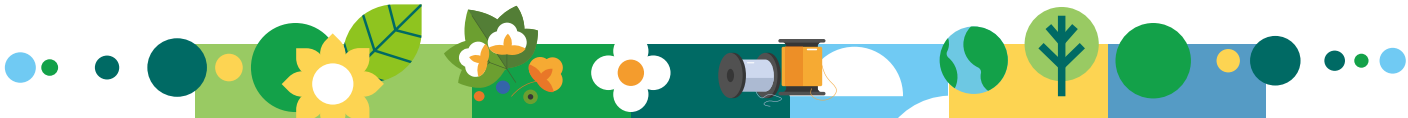
The China Nansha Plant serves as the Group’s principal production facility. In 2021, Pacific Textiles initiated its sustainability target-setting journey by establishing clear objectives for this facility. This marked a significant milestone in enhancing the Group’s sustainability performance management, laying a solid foundation for structured and measurable sustainability practices.

Pillar	Scope	FY2030/31 Target	Our Approach (Corresponding report sections)
Value Chain & Product Responsibility	Product Health and Safety	The ratio of suppliers to satisfy Zero Discharge of Hazardous Chemicals (“ZDHC”) first-class chemicals to reach 100%	Customer Service and Complaint Handling
	Customer Health and Product Safety	100% of export products to meet the requirements of OEKO-TEX® Standard 100 100% of domestic products to meet the requirements of GB18401 standard	Customer Service and Complaint Handling
	Technological Innovation	Ensure that certain products are awarded “Excellent and Innovative Products in the Industry”	Technology and Innovation
Environmental Responsibility	Air pollutions	Density of nitrogen oxide emissions to remain below 22.46 mg/m³	Air Pollution and Greenhouse Gas Emissions
		- Density of sulphur dioxide emissions to remain below 8.11 mg/m³ - Density of particulate matter emissions to remain below 5mg/m³ (equivalent to the local standard)	
	Greenhouse gas emissions	Greenhouse gas emissions per metric tonne of finished products to decrease by 30% compared to FY2019/20	Air Pollution and Greenhouse Gas Emission
	Sustainable use of energy	- Coal consumption per metric tonne of finished products to decrease by 15% as compared to FY2019/20 - Renewable electricity to represent 20% of total electricity consumption	Sustainable Use of Energy
	Sustainable use of raw materials and resources	- Increase the ratio of GRS regenerative fibre products - The utilisation rate of dye-packing cartons to reach 100% - The recovery rate of auxiliary packaging barrels of suppliers to reach 80%	Sustainable Procurement Waste Management
	Sustainable use of water resources	The water recycling ratio to reach 48.8%	Chemical and Wastewater Management
	Hazardous wastes	- The waste rate of dye packaging cartons to decrease to 0% - The waste rate of auxiliary packaging barrels to remain below 2%	Waste Management
	Drainage	Annual average COD (chemical oxygen demand) concentration to remain below 35mg/L	Other Environmental Impact Management

Phrase 2 (2022): Vietnam Hai Phong Plant
Target setting approach

Vietnam Hai Phong Plant – the Group’s second largest production base – was integrated into the sustainability target-setting framework in 2022. Leveraging the learnings and best practices from the China Nansha Plant, this expansion further reinforced the Group’s commitment to improving its sustainability and climate oversight and operational excellence across geographies.

Pillar	Scope	FY2030/31 Target	Our Approach (Corresponding report sections)
Environmental Responsibility	Air pollutions	Density of nitrogen oxide emissions to remain below 100mg/m³ (Local standard:1,000mg/m³)	Air Pollution and Greenhouse Gas Emissions
		- Density of sulphur dioxide emissions to remain below 200mg/m³ (Local standard: 500mg/m³) - Density of particulate matter emissions to remain below 50mg/m³ (Local standard: 200mg/m³)	
	Greenhouse gas emissions	Greenhouse gas emissions per metric tonne of finished products to decrease by 70% compared to FY2021/22	Air Pollution and Greenhouse Gas Emissions
	Sustainable use of energy	- Coal consumption per metric tonne of finished products to decrease by 70% as compared to average usage of 4 years (i.e. FY2018/19 to FY2021/22) - Purchased electricity consumption per metric tonne of finished products to remain below 2,575 kWh	Sustainable Use of Energy
	Sustainable use of water resources	Fresh water consumption per metric tonne of finished products to remain below 95 m³	Chemical and Wastewater Management
	Hazardous wastes	Waste per metric tonne of finished products to remain below 0.3 tonne	Waste Management
	Drainage	Annual average COD (chemical oxygen demand) concentration of sludge to remain below 55mg/L (Local Standard: 75mg/L)	Other Environmental Impact Management



Sustainability Governance

Phrase 3 (2025): Vietnam Ninh Binh Plant
Target setting approach

As part of its continued commitment to sustainability and responsible growth, we have established a new set of environmental and social targets for the Vietnam Ninh Binh Plant. Building on the Group’s structured approach to sustainability target-setting at the China Nansha Plant and the Vietnam Hai Phong Plant, the Ninh Binh Plant adopts a similarly robust framework.

Pillar	Scope	FY2030/31 Target	Our Approach (Corresponding report sections)
Environmental Responsibility	Air pollutions	- Density of nitrogen oxide emissions to remain below the standards specified in the environmental permit (<680 mg/Nm³). - Density of sulphur dioxide emissions to remain below the standards specified in the environmental permit (<400 mg/Nm³). - Density of particulate matter emissions to remain below the standards specified in the environmental permit (<160 mg/Nm³).	Air Pollution and Greenhouse Gas Emissions
	Sustainable use of energy	Convert coal-fired boilers to biomass-fired boilers.	Sustainable Use of Energy
	Drainage	Annual average COD (chemical oxygen demand) to remain below the standards stipulated in the connection agreement with the local industrial park (<67.5 mg/L).	Other Environmental Impact Management



STAKEHOLDER ENGAGEMENT

We recognise that climate and sustainability topics extend beyond the organisation itself and are intrinsically linked to the interests of a broad range of stakeholders. In light of this, the Group has identified key stakeholder groups whose operations may impact, or be impacted by, the Group’s activities. Through diverse communication channels, we seek to understand stakeholder perspectives and regularly disseminates material information to ensure transparency.

The Group remains committed to addressing stakeholder expectations and continuously enhancing its sustainability performance in line with evolving environmental, social and governance standards.

Stakeholder Groups	Major concerns	Engagement channels
Stakeholder groups along the value chain		
(Upstream) Suppliers, sub-contractors, and business partners	- Continuous cooperation - Financial and business performance - Corporate governance - Performance on environmental and social impact	- Screening and evaluation - ESG audit and site visit - Business meetings - Survey - Stakeholder engagement activities
(Operations) Employees	- Remuneration, training, and development - Promotion opportunities - Occupational health and safety	- Meetings and briefings - Training courses - Internal emails and publications - Staff engagement activities - Stakeholder engagement activities - Survey - Interview
(Downstream) Customers	- Product quality - Product innovation and development - Customer relationship management - Sustainable development strategy and value chain management - Social impact of Pacific Textiles – Labour rights and occupational Health and Safety - Environmental impact of Pacific Textiles	- Survey - Business meetings - ESG audit and site visit - Stakeholder engagement activities

Sustainability Governance

Other stakeholder groups		
Investors and shareholders	- Financial and business performance - Corporate governance compliance - Sustainable development strategy	- Shareholders' annual general meeting - Analyst briefings and announcements
Government and regulators	- Occupational health and safety - Environmental impact - Compliance	- Consultation - Forums - Industry conference
Community	- Community charity - Sustainable development strategy	Community events
Media	- Corporate governance - Sustainable development strategy	- Company website - Announcements - Interview

MATERIALITY ASSESSMENT

Materiality assessment remains a cornerstone of Pacific Textiles' sustainability disclosure efforts. To strengthen sustainability and climate performance management, and to enhance the effectiveness of the Group's disclosures, we regularly conduct materiality assessments, engaging both internal and external stakeholders. Since the initiation of our formalised process in 2020/21, the Group has conducted annual reviews of material topics, drawing on ongoing dialogue with key stakeholder groups to ensure alignment with our evolving operations and stakeholder expectations. This structured approach enables us to identify, refine and prioritise the material topics most significant to both our business and its stakeholders.

Pacific Textiles places great importance on meaningful stakeholder engagement to build trust, gain insights, and incorporate diverse perspectives into decision-making. We adopt both direct and representative approaches to ensure effective communication and collaboration with our stakeholders.

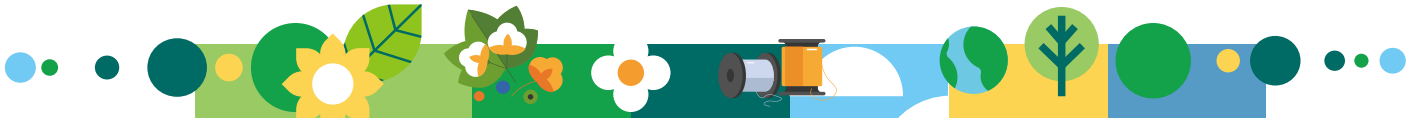
Direct engagement is prioritised when it is essential to build trust and gain first-hand insights, particularly when working with employees. This personal approach allows us to better understand their unique perspectives, concerns, and expectations. For larger, more diverse, or geographically dispersed stakeholder groups, we engage through credible representatives, proxy companies, or independent experts. These methods capture a wide range of perspectives efficiently while ensuring the engagement process remains manageable. Independent experts also provide specialised knowledge and impartiality when addressing complex or technical matters.

Engagement occurs at both the organizational and subsidiary levels. Materiality analyses are regularly coordinated by Pacific Textiles, while CSR functional teams and relevant departments actively communicate and exchange ideas with stakeholders during business activities. Heads of departments raise stakeholder concerns or ideas to executive directors during regular meetings, ensuring continuous feedback integration.

This year marks a significant milestone for the Group with the implementation of the first double materiality assessment. This strategic enhancement elevate our original approach to better align with the latest requirements set out in ESG Reporting Code. By considering both "inside-out" impact materiality and "outside-in" financial materiality, the Group is able to identify topics that matter the most to both stakeholders and our long-term value creation.

The process of the materiality assessment consisted of four steps.

Step 1: Identification	As part of our 2025/26 assessment, the Group commenced with a systematic materiality review to refresh the list of material topics finalised in 2024/25. This exercise was conducted by benchmarking against emerging ESG disclosure frameworks, international best practices, relevant regulations, and local legislative requirements. Informed by this review, 2 new topics were added, with 9 topics either renamed or removed to ensure the Group's ESG priorities being aligned with sector best practices. Additionally, we sought advice from a third-party consultant to identify key ESG issues that are material to the Group.
Step 2: Evaluation	Adopting double materiality approach for the first time, the 2025/26 assessment was composed of an online stakeholder survey and in-depth interviews to assess the impact materiality and financial materiality of topics. Through the collection of broad and structured input from the Group's internal (46%) and external (54%) stakeholders, quantified perceptions of ESG topics' importance, relevance, and impact are collected from the survey. Considering the nature of stakeholder groups, impact materiality was assessed by all employees, suppliers, sub-contractors, business partners, and customers, while financial materiality was assessed by our directors, management, investors, and shareholders. 3 sessions of interview were conducted with internal stakeholders to understand qualitative insights on the context, rationale, and nuances behind stakeholder perceptions that cannot be fully captured through survey.
Step 3: Prioritisation	Following stakeholder engagement, the qualitative survey responses were analysed and assessed in detail, forming the baseline for materiality scoring and prioritisation. Interview findings were then used to validate survey results, with minor adjustments made on the baseline results to better reflect the actual topic materiality. From the adjusted results, a double materiality matrix was developed, serving as a visual representation of the relative significance of each topic, mapped against its impact materiality (y-axis) and financial materiality (x-axis).
Step 4: Validation	Material issues were finally determined based on the outcomes of stakeholder engagement while considering the advice of external consultants. The management of the Group undertook a thorough review of the findings, validating both the updated topic list and the materiality matrix.

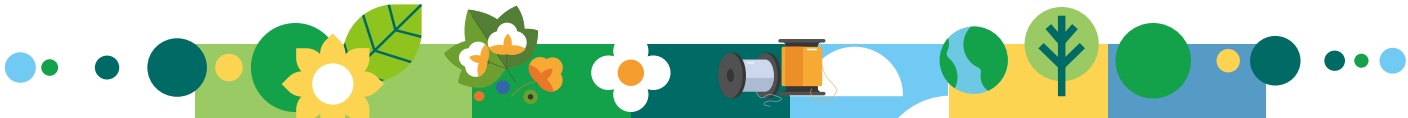


Sustainability Governance



Based on the established materiality threshold, eleven out of twenty-two topics were identified as material to the Group. To ensure the effective long-term management of these material priorities, we have established a series of targets supported by measurable performance indicators, and progress against these targets is comprehensively reported throughout this ESG Report.

Material topics		Tier	Our Responses (corresponding report sections)
Environmental Responsibility			
1	Sustainable Use of Water Resources	Material	Sustainable Use of Water Resources
2	Air Pollution and Greenhouse Gas Emissions	Material	Air Pollution and Greenhouse Gas Emissions
3	Waste Management	Moderate	Waste Management
4	Sustainable Use of Energy	Moderate	Sustainable Use of Energy
5	Climate Adaptation and Resilience	Moderate	Climate Adaptation and Resilience
6	Sustainable Use of Raw Materials and Resources	Moderate	Sustainable Use of Raw Materials and Resources
7	Packaging	Monitored	Packaging Materials Management
8	Chemical and Wastewater Management	Material	Chemical and Wastewater Management
Social Responsibility			
9	Employee Training and Development	Moderate	Employee Training and Development
10	Occupational Health and Safety	Material	Occupational Health and Safety
11	Employee Attraction and Retention	Moderate	Caring for Employees
12	Employee Diversity and Equal Opportunities	Monitored	Employee Diversity and Equal Opportunities
13	Labour Practices and Human Rights	Moderate	Caring for Employees
14	Community Investment and Engagement	Monitored	Community Investment and Engagement
Value Chain & Product Responsibility			
15	Product Quality and Responsibility	Material	Product Quality and Responsibility
16	Technology and Innovation	Material	Technology and Innovation
17	Sustainable Procurement	Material	Sustainable Procurement
18	Customer Service and Complaint Handling	Moderate	Customer Service and Complaint Handling
Governance Responsibility			
19	Supply Chain Management	Material	Supply Chain Management
20	Business Ethics and Integrity	Material	Business Ethics and Integrity
21	Data Privacy	Material	Data Privacy
22	Intellectual Property Rights Protection	Moderate	Intellectual Property Rights Protection



Value Chain and Product Responsibility



We remain firmly committed to value chain management and delivering high-quality, safe, and innovative products that meet the evolving needs of its clients. Through robust quality control systems and a customer-centric approach, the Group continues to strengthen product performance and operational excellence.

To uphold these standards, the Group ensures that it:

- Actively improves technologies and skills, driving innovation in products and services.
- Adopts the strictest quality management standards to guarantee the safety and reliability of all products delivered to clients.
- Pays close attention to customer satisfaction, continuously refining operational processes to provide superior solutions.

This ongoing focus supports the Group's long-term strategy to deliver sustainable value while meeting stakeholder expectations and advancing responsible business practices.

Material topics:

- Technology and Innovation
- Product Quality and Responsibility
- Sustainable Procurement
- Customer Service and Complaint Handling



TECHNOLOGY AND INNOVATION

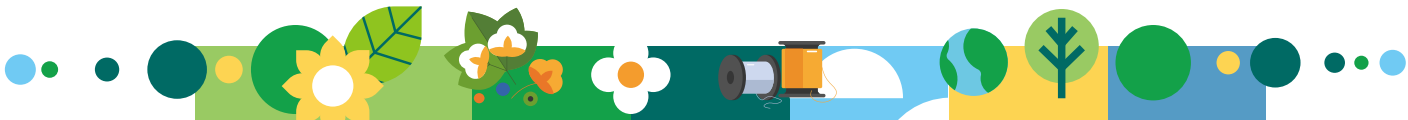
Stakeholders' concern:

How does Pacific Textiles maintain its competitiveness through its products?

Over the years, the Group continued to enhance technical capabilities to drive product and service innovation. To safeguard proprietary technologies and prevent unauthorised use, the Group applied for patents on key technologies and designs. Multiple patents related to production techniques and other inventions were successfully registered.

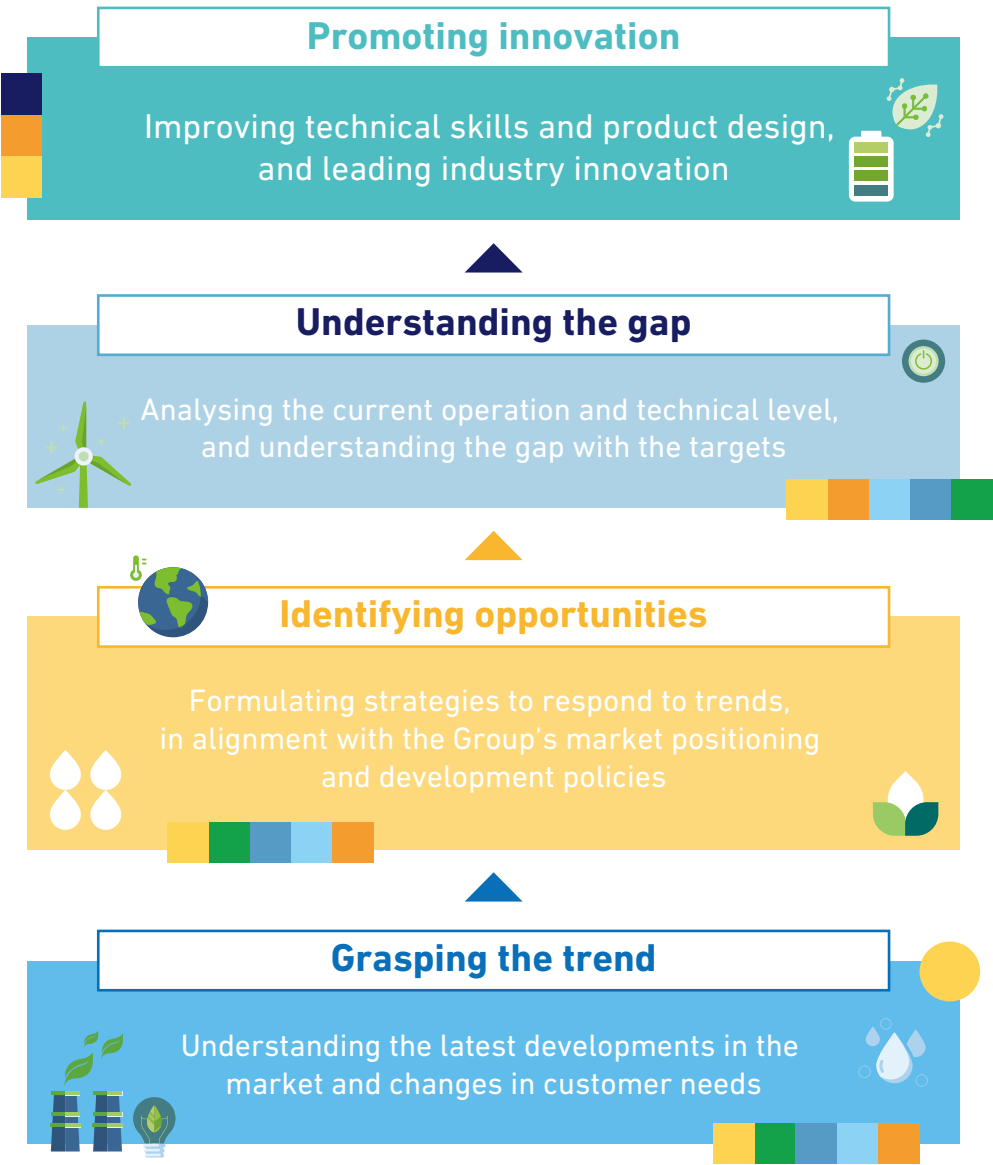
Innovation remains central to the Group's business model. To stay ahead of changing customer expectations and market demands, we continuously improve our operational model and technical capabilities.

This includes increasing R&D investments in sustainable textile solutions and refining production techniques to enhance efficiency and performance. The innovations developed during the period have received industry-wide recognition, highlighting Pacific Textiles' leadership in technical and environmental product advancement.



Value Chain and Product Responsibility

The Group’s structured approach to process standardisation, combined with data-driven decision-making and quality control, contributes significantly to the continuous enhancement of product reliability.



The Group has continued to dedicate significant resources to developing innovative products designed to cater to evolving market requirements. During the Reporting Period, China Nansha Plant has received multiple awards for its new products including:

Awards/honours Fabrics China Appraisal Entry Enterprise Issued by China Textile Information Center and Textile Product Development Center Award-winning project Nylon Product Innovation Award	Awards/honours China Knitting Products Fashion Trends 2025/2026 – Comfort Category Finalist Product Issued by China Knitting Industrial Association Award-winning project breathable soft brushed stretch fabric	Awards/honours China Knitting Products Fashion Trends 2025/2026 – Comfort Category Finalist Product Issued by China Knitting Industrial Association Award-winning project non-spandex high stretch casual style fabric	Awards/honours China Knitting Products Fashion Trends 2025/2026 – Comfort Category Finalist Product Issued by China Knitting Industrial Association Award-winning project stretchable seamless soft brushed fabric
Awards/honours China Knitting Products Fashion Trends 2025/2026 – Comfort Category Finalist Product Issued by China Knitting Industrial Association Award-winning project heat retention brushed pique fabric	Awards/honours China Knitting Products Fashion Trends 2025/2026 – Green Sustainability Finalist Product Issued by China Knitting Industrial Association Award-winning project collagen contained fabric	Awards/honours Innovative Enterprise (Excellence Award) - at the 2025 8th China Eco-friendly Fabric Design Competition Issued by China Textile Information Center and Textile Product Development Center	Awards/honours Fabrics China Appraisal Entry Enterprise – Excellence Award Product Issued by China Textile Information Center and Textile Product Development Center

Value Chain and Product Responsibility

PRODUCT QUALITY AND RESPONSIBILITY

Stakeholders' concern:

What is Pacific Textiles' view on maintaining product quality and ensuring development in compliance with ESG principles?

Pacific Textiles conducts quality inspections in accordance with strict quality control standards to ensure that all raw materials supplied meet international requirements before entering production. Throughout the manufacturing process, the Group adheres to internationally recognised textile standards and implements comprehensive management measures as outlined in its product safety specifications. In line with our commitment to sustainable development, the Group continues to enhance the social and environmental performance of its plant operations, ensuring compliance with product quality requirements and alignment with ESG principles. During the Reporting Period, there were no product recalls related to safety or health concerns.

PRODUCT QUALITY

Pacific Textiles maintains its long-standing reputation for reliable product quality through stringent quality management practices. Quality inspections are conducted upon receiving raw material samples from suppliers, ensuring all inputs meet international standards before production begins. All factories hold certifications for Global Organic Textile Standard (“GOTS”), Organic Content Standard (“OCS”), Global Recycle Standard (“GRS”), and Recycled Claim Standard (“RCS”), as well as “Regenagri Chain of Custody Criteria”. In addition, the China Nansha Plant is certified under the Responsible Wool Standard (“RWS”).

To ensure the quality of raw materials from suppliers and maintain excellence throughout the production process, Pacific Textiles continues to prioritise rigorous production management. A comprehensive and standardised production control system has been established, incorporating the principles of standardisation, digitisation, automation, and sustainability into every stage of production, including knitting, dyeing, printing, and finishing. For example, in the dyeing process, Pacific Textiles has developed a model of standardised operation based on accumulated knowledge and data. This involves creating standard procedures for on-site workflows, integrating computerised colour matching, and implementing systematic quality management. These measures reduce errors caused by human judgment, enhance production efficiency, ensure quality stability, and drive continuous improvement. Upon completion of each production stage, comprehensive inspections are conducted to guarantee safety and quality.

To further align product quality with stringent safety management standards, all plants of Pacific Textiles have implemented protocols such as Risk Assessment and Preventive Measures During the Production Process, Potential Failure Mode and Effect Analysis – Adult Clothing Fabrics and Infant Clothing Fabrics, and the GOTS, OCS, GRS, and RCS Production Manual. We have also established the Non-Conforming Product Control Procedure, which ensures strict inspection and containment of such items. These documents detail management and control standards for adhering to product safety specifications. Additionally, the Group performs annual self-assessments and third-party evaluations to ensure all products meet the prescribed safety standards, reinforcing its commitment to quality and safety.

RESPONSIBLE MARKETING

As a business-to-business enterprise, Pacific Textiles’ products are not directly marketed to consumers. Consequently, we are not subject to direct consumer product labelling regulations. However, we ensure that all labels comply with customer requirements and specifications, as well as regulatory changes, which may include product composition, sustainability credentials, or traceability details.

Integrity underpins our approach to marketing. All communications and promotional materials are developed to accurately represent the features and performance of the Group’s products. The goal is to build trust with customers by maintaining transparency and accountability.

No major complaints relating to misleading marketing or misrepresentation of product features were received during the Reporting Period.

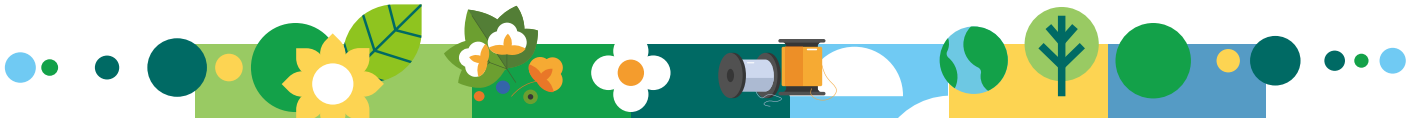
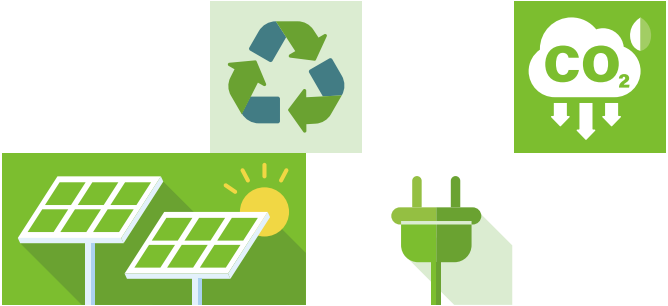
SUSTAINABLE PROCUREMENT

Ensuring the integrity of raw materials remains critical to product quality and customer satisfaction. Hence, the Group has formulated a Materials Sourcing Policy to outline the framework for material purchases, and emphasise rigorous supplier evaluation, trial periods, and performance scoring to ensure quality, cost-efficiency, and compliance with environmental standards such as Manufacturing Restricted Substances List (“MRSL”) and Restricted Substance List (“RSL”).

We are committed to promoting environmentally preferable products within its value chain. This includes selecting raw materials and suppliers who adhere to sustainable practices, as well as developing products that have a lower environmental impact. Key initiatives include:

1. **Sustainable Cotton and Recycled Fibres:** We actively promotes the use of sustainable cotton, with over 90% of its cotton products incorporating eco-friendly cotton sourced from certified suppliers. Additionally, the company has progressively integrated recycled fibres into its product offerings.

In 2023, we introduced Sustainable Cotton Procurement Policy for Suppliers to formalise our commitment to sourcing cotton with lower environmental and social impacts. Suppliers are assessed on a range of factors, including product quality, environmental performance, occupational health and safety, and social responsibility.



Value Chain and Product Responsibility

All cotton yarn suppliers are required to sign a Letter of Guarantee confirming the legality and origin of raw materials. The Group maintains detailed documentation for Better Cotton Initiative (“BCI”), organic, and SUPIMA cotton, including BCI credits and transaction certificates. During the Reporting Period, Approximately 94% of cotton sourced was from sustainable origins, meeting the Group’s interim target and supporting its longer-term FY2030/31 goal of full sustainable cotton procurement.

Priority Raw Materials	Sustainable Sourcing Standards	2025/26		2024/25	
		Quantity (kg)	Percentage of total purchase (%)	Quantity (kg)	Percentage of total purchase (%)
Cotton	BCI Cotton Yarn certified by the Better Cotton Initiative	34,531,305	94.2%	31,037,595	84.0%
	Organic Cotton Yarn certified by third party professional firms such as the Control Union, EcoCert, etc.	28,420,123	77.6%	28,101,789	76.0%
	SUPIMA Cotton Yarn certified by TextileGenesis™	192,327	0.5%	598,001	1.6%
	USCTP certified by COTTON USA and TextileGenesis™	1,442,865	3.9%	2,337,805	6.4%
	Regenerative cotton certified by the Control Union	2,776,459	7.6%	–	–
		1,699,531	4.6%	–	–

2. **Biobased and Eco-friendly Materials:** The Group is increasingly sourcing biobased products and other environmentally friendly materials, such as recycled polyester, to reduce its environmental footprint.
3. **Continuous Monitoring:** Our sustainability efforts are continuously monitored through collaboration between the research and development, sales, and procurement teams. This ensures that all products meet the sustainability criteria set by the Group.



Value Chain and Product Responsibility

CUSTOMER SERVICE AND COMPLAINT HANDLING

CUSTOMER HEALTH AND PRODUCT SAFETY

Customer health and safety remain central to our production philosophy. Pacific Textiles strictly adheres to international safety and environmental standards throughout its operations to minimise risks to end users, employees, and the environment.

We operate in compliance with the OEKO-TEX® Standard 100, an independent certification system for textiles tested for harmful substances. Internally, we enforce a RSL and conduct regular ZDHC testing to ensure our processes and products are environmentally sound and safe for human use.

In addition to compliance with China’s GB18401-2010 National General Safety Technical Code for Textile Products, we align with customer-specified standards such as the GOTS, OCS, GRS, RCS and RWS when applicable.

Our 2030/31 targets are listed as follows:

100%	100%	100%
of export products meet the requirements of OEKO-TEX® Standard 100	of domestic products meet the requirements of GB18401 Standard	of suppliers satisfy ZDHC first-class chemicals

These efforts are continually assessed through internal audits and independent third-party evaluations. The Group recorded zero incidents of non-compliance with health and safety regulations or voluntary codes during the Reporting Period.

CUSTOMER SERVICE

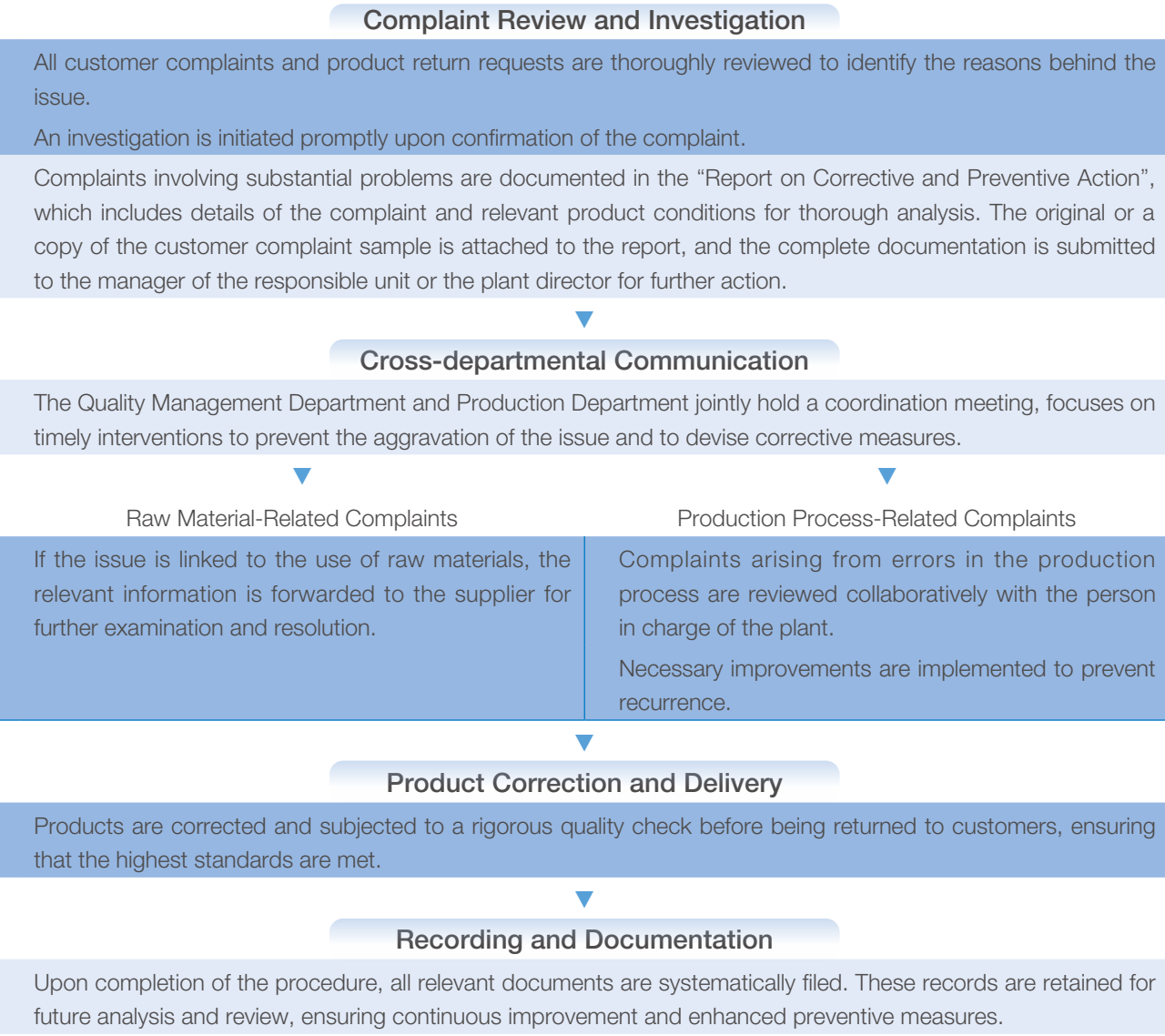
The Group’s Production Control Department conducts an annual evaluation process to continuously monitor customer sentiment and to enhance customer satisfaction. Each team within the department issues an “Evaluation of Products and Services for Customers” form to the relevant sales department groups, gathering valuable feedback on the performance of the Group’s products and services. The evaluation results serve as a critical reference point for identifying areas for improvement. By leveraging this feedback, the Group implements targeted measures to address customer needs, demonstrating its commitment to delivering high-quality products and exceptional service.

To strengthen long-term partnerships with clients, mitigates potential risks, strengthens quality control, and upholds operational resilience, the Group places high importance on customer complaint handling, customer property management and customer satisfaction management.

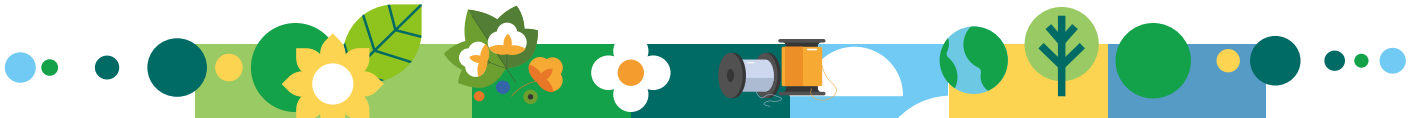
Customer complaints are managed through established, structured and proactive approach to address complaints efficiently to ensure product quality and customer satisfaction. Specific procedures have been established, with designated personnel responsible for investigating and following up on customer complaints and returns. Based on the findings, relevant improvements are implemented to enhance service quality and better meet customer expectations.

COMPLAINTS HANDLING PROCEDURES

■ General complaints ■ Special complaints



During the Reporting Period, the Group did not receive any complaints, and there were no product recalls due to health or safety concerns and no incidents of regulatory non-compliance.



Environmental Responsibility



Environmental stewardship continues to be a central pillar of Pacific Textiles’ sustainability strategy. By integrating environmentally responsible practices into both day-to-day operations and long-term planning, the Group aims to maintain a balanced approach that supports industrial development while safeguarding the natural environment.

The Group remains committed to the following key initiatives to strengthen its environmental performance:

- Implementing advanced environmental practices and technologies across operations, with a focus on improving resource efficiency, conserving energy and water, and managing emissions and waste effectively.
- Regularly monitoring and enhancing environmental performance through structured evaluations, performance tracking, and continuous improvement measures.
- Strengthening resilience to climate-related risks by incorporating climate adaptation considerations into operational and strategic decision-making processes.
- Fostering environmental awareness among employees, business partners, and the broader community to encourage shared accountability for sustainable development.

Through these ongoing efforts, the Group supports the transition towards a low-carbon and resource-efficient future with a greater focus on the following material topics:

- Sustainable Use of Water Resources
- Air Pollution and Greenhouse Gas Emissions
- Waste Management
- Sustainable Use of Energy
- Climate Adaptation and Resilience
- Sustainable Use of Raw Materials and Resources
- Packaging
- Chemical and Wastewater Management



CLIMATE ADAPTATION AND RESILIENCE

As a responsible corporate entity, Pacific Textiles acknowledges the growing concerns of both internal and external stakeholders – including local authorities, regulators, and the broader public – regarding the impacts of climate change. Recognising the potential risks posed to global ecosystems and biodiversity, the Group has embedded climate-related considerations into its ESG governance framework and formulated corresponding strategies to minimise environmental impacts. These efforts encompass initiatives aimed at mitigating climate-related risks while identifying potential business opportunities.

The Group recognises that climate-related risks may have both immediate and longer-term implications for its operations. In response, we continue to monitor global trends and developments in low-carbon technologies, sustainable raw materials, and operational efficiency, ensuring alignment with evolving international standards and stakeholder expectations. To enhance transparency and support stakeholder understanding, the Group has aligned its climate-related disclosures with the requirements set out in Part D of the ESG Reporting Code. Relevant information is presented under the four core pillars of **“Governance,” “Strategy,” “Risk Management,” and “Metrics and Targets.”** For climate-related governance, please refer to “Sustainability Governance” section of this ESG report.

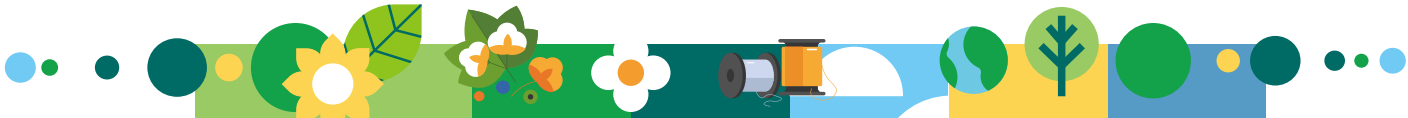
STRATEGY

The Group adopts a structured approach to identifying and assessing climate-related risks, supported by policies that emphasise energy conservation, pollution reduction, and operational efficiency. Environmental controls are implemented at the source through stringent process management, while cleaner production practices and the use of environmentally preferable raw materials help to reduce resource consumption, energy use, and associated emissions across operations.

While Pacific Textiles has established greenhouse gas (“GHG”) reduction targets for its factories, the Group remains in the early stages of evaluating the potential implications of climate-related risks and opportunities for its operations. As such, it is not yet in a position to fully assess the associated financial impacts across the short, medium, and long term, and its broader approach to climate-related management continues to evolve. To date, the Group has not yet formalised a specific strategy for managing climate-related risks and opportunities, nor has it allocated dedicated financial resources for this purpose.

In response, the Group is in the process of developing a more structured approach to climate management. This includes the ongoing development of a comprehensive climate transition plan encompassing governance, strategy, risk management, and metrics. As these elements continue to evolve, the Group will further integrate climate-related considerations into its overall business strategy and enhance its ability to assess related financial and operational impacts.

In the meantime, the Group’s primary focus remains on expanding its core business operations while maintaining effective management of existing operational risks. Climate-related considerations have been incorporated into the Group’s internal monitoring processes, and environmental considerations are being integrated into key areas of its operations, particularly in capital investment and product development. Although these efforts have not yet been translated into fully defined action plans, the Group will periodically reassess and enhance the integration of climate-related considerations into its overall strategic planning framework as business conditions and the external environment continue to evolve.



Environmental Responsibility

A portion of the Group’s capital expenditure is allocated to environmentally related initiatives, including the replacement of older production equipment to improve energy efficiency and the development of in-house renewable energy facilities. During FY2025/26, Pacific Textiles invested in equipment at its China Nansha plant, enhancing productivity while reducing environmental impacts.

In parallel, the Group incorporates environmentally friendly raw materials into its product design and development processes in response to evolving market trends and customer preferences. As climate-related considerations are embedded within broader R&D activities rather than managed as a standalone initiative, there is currently no separate budget allocated specifically to climate-related matters, and the associated expenditure cannot be distinctly quantified.

Recognising the increasing significance of climate-related risks, the Group has implemented a range of measures to reduce its environmental footprint. These include setting GHG reduction targets, implementing emissions reduction initiatives, and collaborating with supply chain partners to advance decarbonisation efforts. For example, the China Nansha plant aligns its GHG reduction targets with customer commitments and actively participates in the SBTi.

Looking ahead, Pacific Textiles will continue to expand these practices across its operations while promoting environmentally responsible behaviour among employees. Collaboration with suppliers and subcontractors will also remain a key focus in supporting more sustainable supply chain practices. The Group plans to further enhance its approach by conducting climate scenario analyses in the future, which will help inform policy development and strengthen long-term climate resilience.

RISK MANAGEMENT

Pacific Textiles has established a risk management framework to regularly identify and prioritize a range of risks, including operational, financial, and market risks. The Group applies a structured process comprising identification, assessment, prioritisation, monitoring, and integrates sustainability related risks (including climate-related risks) into the Group’s overall risk management approach.

In identifying relevant risks, the Group conducts materiality assessments to determine key sustainability issues and evaluates risks and opportunities across its value chain, including raw material sourcing, manufacturing, and logistics. External sustainability drivers are also considered, such as global decarbonisation targets, the transition to renewable energy, stricter wastewater discharge regulations, ZDHC/MRSL compliance requirements, and increasing demand for environmentally sustainable textile products.

To assess these identified risks, the Group undertakes quantitative analyses using metrics such as carbon emissions, energy consumption, water treatment costs, and waste disposal expenses. This is complemented by scenario analysis to evaluate resilience under changing regulatory and market conditions, including higher carbon pricing and more stringent environmental requirements. The Group also monitors regulatory developments, such as wastewater discharge limits, restrictions on hazardous chemicals, and circular economy standards, to anticipate potential operational and financial implications.

Based on this assessment, risks and opportunities are prioritised using a structured evaluation approach that considers both likelihood and potential impact. Key focus areas include high-cost and high-impact considerations such as water treatment, renewable energy investment, and chemical compliance, alongside opportunities in sustainable product innovation, circular economy initiatives, and low-carbon production methods. Resources are allocated to areas presenting both significant risk exposure and strategic opportunity.

The Group monitors its performance in managing these priority risks and opportunities through key performance indicators (“KPIs”), including carbon intensity, renewable energy adoption, wastewater treatment efficiency, recycling rates, and compliance with ZDHC/MRSL standards. Progress is disclosed through ESG reporting, with reference to evolving global sustainability trends and industry developments.

This approach is integrated into the Group’s broader risk management framework through appropriate governance structures, including oversight by the Board or relevant committees, ensuring that sustainability risks are managed alongside financial, operational, and supply chain risks. Sustainability risks (including climate-related risks) are prioritized alongside other risk categories based on their potential impact, with no inherent presumption of priority.

Cross-functional collaboration among finance, operations, and supply chain teams supports the integration of sustainability considerations into day-to-day decision-making. To enhance resilience and meet evolving regulatory and stakeholder expectations, the Group also adopts a continuous improvement approach, drawing on international best practices and investing in areas such as renewable energy, wastewater treatment, and circular economy solutions.

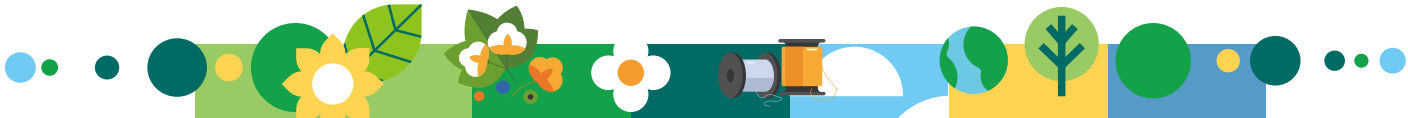
IDENTIFICATION OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

In 2023/24, the Group undertook a climate risk assessment to identify material physical and transition risks affecting its business, with an aim to inform the Group’s strategic planning and strengthen preparedness. This analysis evaluated the potential impacts of climate change and helped the Group identify opportunities for resilience and improvement.

Referencing best practices from peers, a four-step process was utilized to identify and manage climate-related risks and opportunities. Climate risks were categorised into three distinct timeframes: short-term risks (up to 2025), mid-term risks (through 2027), and long-term risks (projected up to 2030).

Identification	The Group identified relevant risks, including physical and transition risks, across departments through internal assessments, stakeholder engagement, and review of industry developments.
Classification & Evaluation	Based on likelihood and business impact, risks were categorised and evaluated using a standard scoring system, with climate-related risks ranked according to their severity and likelihood on a scale of 1 to 5.
Prioritisation	Climate-related risks were prioritised based on an assessment of their severity and likelihood scores. Risks identified as high-impact were subject to review by the CSR Committee, prioritised for mitigation, and integrated into the Group’s strategic planning processes.
Monitoring & Review	Risks and opportunities are reviewed on an annual basis, and mitigation measures are updated in a timely manner to reflect evolving conditions and stakeholder feedback.

At this stage, Pacific Textiles has not yet started a quantitative financial impact assessment of climate-related risks and opportunities and therefore cannot precisely predict their specific impact on the Group’s financial position over the short, medium, and long term. As such, climate-related risks and opportunities are not yet considered a significant factor in the current investment and disposal plans of the Group.



Environmental Responsibility

PHYSICAL RISKS

The Group recognises the increasing physical risks associated with climate change, including extreme weather events such as typhoons, floods, and heatwaves, which may disrupt operations and impact supply chains. In addition, longer-term climate trends, such as rising sea levels and shifting rainfall patterns, may affect resource availability and production activities. Key climate-related physical risks, their potential financial impact, and Pacific Textile's actions are outlined below.

Risk description	Potential financial impact	Our actions
Acute risk: A single extreme weather event, such as a typhoon, rainstorm or flood, may impact the Group's operational facilities, factory assets, and the safety of life and property. Time Horizon: Short-, Medium- and Long-term	Extreme weather events may prevent employees in affected areas from reporting to work and disrupt transportation and supply chains. This may result in increased maintenance and procurement costs, as well as potential legal liabilities. Business interruptions could lead to reduced revenue, while production delays may drive up operational expenses. Disruptions in supply chain operations, also caused delays in material deliveries, production interruptions and shipment postponements, resulting in compensation claims and adjustments to customer orders.	Typhoons, floods, and heavy rainfall may cause damage to operational facilities, assets, and supply chains, potentially leading to operational disruptions. The Group mitigates these risks by: - Maintaining operations across multiple countries, reducing reliance on any single location and enhancing overall operational resilience. - Diversifying raw material sources and avoiding over-reliance on individual suppliers, reducing the Group's exposure to supply chain disruptions caused by climate-related events. - Implementing emergency response measures (including safety boards and regular drills) across all facilities, to strengthen preparedness and response capabilities. These combined measures support business continuity, enhance supply chain stability, and help minimise potential financial impacts arising from climate-related disruptions.

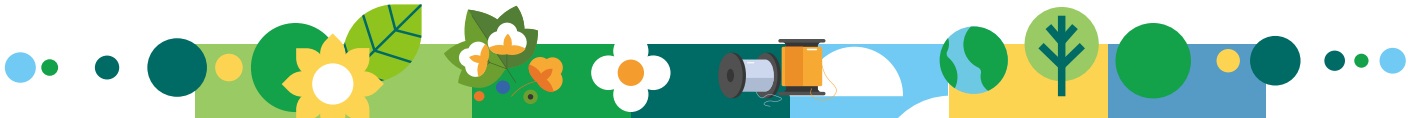
Risk description	Potential financial impact	Our actions
Chronic risk A long-term shift in climate patterns, such as rising sea levels and changes in rainfall patterns. Time Horizon: Long-term Applicable to all three plants	Changes in climate patterns, such as changes in rainfall patterns and increased flooding linked to rising sea levels, may adversely affect operational facilities and equipment. This may result in higher maintenance costs necessary to ensure operational continuity and asset protection.	Water resource risk management: Textile production is inherently water-intensive, and increasing water stress in regions such as China and Vietnam presents long-term operational risks. To address this, the Group invests in advanced water recycling technologies and continuously enhances water-use efficiency to reduce reliance on external water sources. Emergency preparedness and response: The Group has established emergency measures under its "Emergency Readiness and Response Management Procedures" to effectively manage extreme weather events, including typhoons, storms, and floods. These procedures set out clear work arrangements and response protocols for employees during such events. In addition, the Group conducts annual emergency drills and maintains appropriate insurance coverage to safeguard both personnel and corporate assets.

In response to the potential severe impacts of typhoons, floods, and heavy rainfall on operational facilities and assets, the Group mitigates risk by maintaining manufacturing operations across multiple countries, thereby reducing reliance on any single location and enhancing overall business continuity. In parallel, the Group adopts a diversified sourcing strategy by expanding its network of raw material suppliers to avoid over-reliance on any single source. This approach helps mitigate supply chain disruptions arising from localised or prolonged climate-related events, while supporting operational stability and resilience.

TRANSITION RISKS AND OPPORTUNITIES

The Group recognises both the transition risks and opportunities arising from the global shift towards a more sustainable, low-carbon economy. As governments, regulators, and markets place increasing emphasis on environmental responsibility, the Group acknowledges potential risks associated with stricter regulatory requirements, carbon pricing mechanisms, and evolving consumer preferences. At the same time, these developments present opportunities to enhance sustainability practices, invest in environmentally friendly technologies, and strengthen the Group's competitive position in a rapidly changing market.

Pacific Textiles leverages its expertise in advanced fabric technology to deliver high-quality solutions that differentiate its products in the market. In parallel, the Group aims to reduce its environmental impact, improve operational efficiency, and create long-term value for its stakeholders by aligning with global sustainability trends.

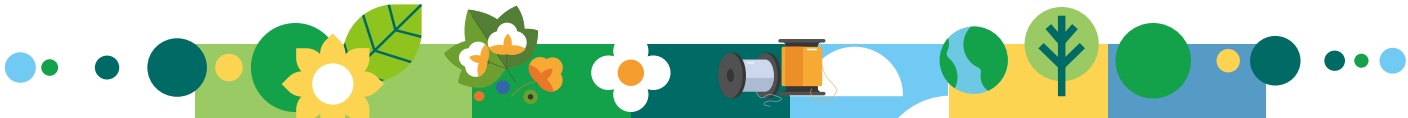


Environmental Responsibility

Key climate-related transition risks and opportunities material to the Group’s operations are outlined below.

Risk description	Potential financial impact	Our actions
Policy and Legal Risk Regulatory developments, such as China’s “dual carbon” targets and increasingly stringent pollutant emission standards, require the Group to undertake operational adjustments and invest in upgraded equipment. Failure to comply with these requirements may result in higher costs and potential reputational risks, which could adversely affect customer demand and credit ratings. Time Horizon: Long-term	Carbon Pricing Carbon pricing is subject to regulatory developments in the jurisdictions in which the Group operates. An increase in carbon pricing may lead to higher overall operating costs.	The Group expects that policies relating to carbon quotas and carbon pricing will have a significant impact on operating costs. To mitigate these impacts, the Group remains committed to implementing carbon reduction initiatives, reducing emissions-related expenses, and advancing low-carbon production practices. The Group also closely monitors price trends in the carbon trading market, and purchases allowances in batches through a bidding process when prices in the carbon allowance market are low. This allows the Group to reduce procurement costs and mitigate the impact of carbon pricing.
Applicable to all three plants	Raw Material Supply Changes in market policies may drive up raw material costs, resulting in higher operating expenses for the Group.	
	Energy Codes and Emission Guidelines Regulatory authorities may tighten energy codes and emission standards to control high-pollution industries. Compliance with these requirements may result in increased operating costs, given the Group’s current reliance on coal as a primary energy source..	

Risk description	Potential financial impact	Our actions
Technology Risk The transition to low emission technologies necessitates increased capital investment and may lead to higher operating costs. For instance, upgrading boilers to utilise biomass or natural gas in place of conventional fossil fuels remains a key priority. While these green technologies offer efficiency gains and long-term benefits, they also introduce certain uncertainties and associated risks. Time Horizon: Long-term Applicable to all three plants	Environmentally Friendly Production Technology Investments in energy-efficient, resource-efficient, and pollution control technologies may result in higher upfront capital expenditure or increased operating costs.	The Group has implemented advanced production technologies, enhanced water treatment systems, and increased wastewater recycling to reduce resource consumption and improve operational efficiency.
	Environmentally Friendly Materials The adoption of environmentally friendly materials may lead to higher overall procurement costs.	The Group is actively promoting environmentally preferable products throughout its value chain, including the increased use of sustainable cotton yarn.
	Energy Transitioning towards greater reliance on renewable energy sources may place pressure on existing systems & infrastructure. Integration of renewable energy technologies may also require significant upfront investment.	The Group has transitioned towards renewable energy sources and implemented low-emission technologies, making its production processes greener and more competitive. The Group has implemented measures to increase the use of renewable energy and will continue to assess the costs and benefits of green technologies, with a phased approach to support the transition towards more sustainable operations.



Environmental Responsibility

Opportunity description	Potential financial impact	Our actions
Market and Reputational Opportunities Alignment of the Group's climate-related policies with prevailing market expectations and industry best practices presents an opportunity to enhance corporate reputation and reinforce stakeholder confidence. Time Horizon: Short-, Medium- and Long-term Applicable to all three plants	Investors Growing demand for sustainable investment products has increased the availability of green bonds and environmental financing options, which may enhance the Group's access to green financing and potentially lower its cost of capital.	- The Group has established plant-level targets and implemented corresponding measures to support greener operations, and is currently exploring the development of a Group-level target to further strengthen its commitment to reducing environmental impact and meeting evolving expectations from investors and customers. - In response to growing demand for sustainable textiles, the Group actively engages with customers to share progress on climate-related initiatives and align sustainability targets with customer expectations, thereby strengthening relationships and supporting opportunities to expand market share.
	Customers Increasing demand for environmentally sustainable products may enhance the Group's market positioning, potentially leading to higher customer demand and increased revenue generation.	

METRICS AND TARGETS

Pacific Textiles continue to review environmental metrics and targets for its operating plants. The Group monitors resource usage, greenhouse gas (“GHG”) emissions, energy consumption, air pollution, hazardous waste generation, and drainage performance, alongside progress against environmental objectives.

Of these metrics, the Group's climate-related targets refer to GHG emission reduction targets, which remain unchanged with the last year's targets. We remain committed to achieving the GHG emission reduction targets established for each of our factories by the FY2030/31, and will regularly update its environmental targets in line with strategic priorities and regulatory developments. Looking ahead, the Group is also exploring the feasibility of adopting a unified, Group-level environmental target to reinforce its commitment to climate responsibility.

During the Reporting Period, the China Nansha plant completed and passed the 2023 GHG inventory verification conducted by CTI Certification Co., Ltd. in accordance with ISO 14064-1:2018 verification criteria. Using the 2023 year as the baseline, the plant successfully completed the target-setting and declaration process under the Science Based Targets initiative (SBTi), with the following key commitments:

Near-Term Science-Based Targets: China Nansha Plant	
By 2032, reduce absolute scope 1 and 2 GHG emissions by 50.4% (from a 2023 base year)	By 2032, reduce absolute scope 3 GHG emissions from purchased goods and services, fuel- and energy-related activities, upstream transportation and distribution, and end-of-life treatment of sold products, by 30.0% (from a 2023 base year)

The China Nansha plant will continue to advance various carbon-reduction plans and measures in subsequent fiscal years to ensure achievement of these targets. At the same time, it will continue to commission third-party agencies to conduct annual GHG inventories in accordance with relevant verification standards, ensuring that carbon-reduction data remains scientific, accurate, and reliable.

The Hai Phong and Ninh Binh plants have not yet fully calculated and disclosed their Scope 3 GHG emissions. However, both plants participate in customer-led SBTi programmes, including efforts on GHG emissions and water reduction. Through this participation, their performance is incorporated into overall customer targets and contributes to the achievement of customers' SBTi commitments, where applicable.

AIR POLLUTION AND GREENHOUSE GAS EMISSIONS

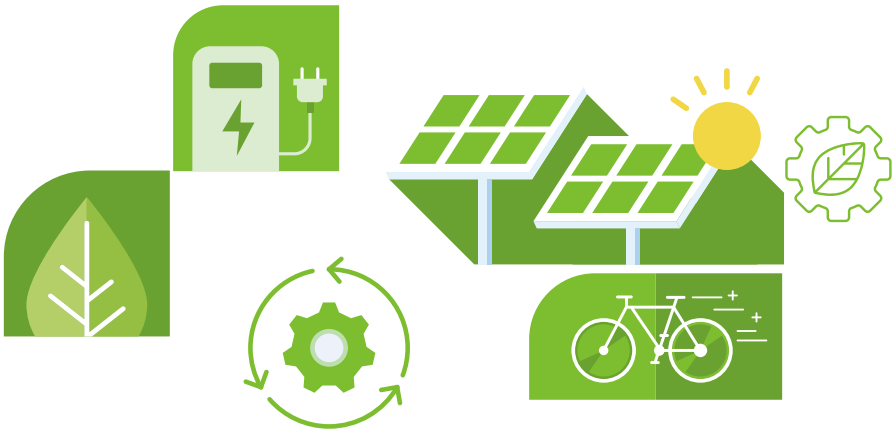
Pacific Textiles demonstrates its commitment to emissions management through a comprehensive approach that integrates advanced technologies, regulatory compliance, and proactive stakeholder engagement. Initiatives such as enhanced air pollution control systems, regular emergency preparedness drills, and the strategic use of carbon credits reflect the Group's dedication to sustainability and climate responsibility. Through continuous improvement and alignment with international best practices, Pacific Textiles contributes to a cleaner and more sustainable textile industry.

AIR EMISSIONS MANAGEMENT

Air emissions from the Group's operations primarily arise from boilers and setting machines, generating pollutants such as nitrogen oxides, sulphur oxides, and particulate matter. In accordance with regulatory requirements, Pacific Textiles has developed strict standard operating procedures for each production process. While fuel quality, particularly the use of coal, is influenced by external factors, Pacific Textiles continues to invest in advanced emission control technologies to mitigate environmental impact. Corresponding environmental emergency response plans along with regular drills are conducted, to ensure that factory operations comply with regulatory requirements under all circumstances.

We have implemented several measures to air pollution and improve environmental performance:

- The China Nansha Plant has introduced advanced desulphurisation, denitrification, and dust removal systems for its coal-fired boilers, achieving ultra-low emissions that meet Guangdong Province's strict standards.
- In Vietnam Hai Phong Plant and Ninh Binh plant, the use of low-sulphur coal (<0.6% sulphur) has significantly reduced air pollution.



Environmental Responsibility

AIR EMISSION OVERVIEW

China Nansha Plant

During the Reporting Period, the China Nansha plant continued to promote Volatile Organic Compounds (“VOC”) management efforts in accordance with relevant policy requirements. The plant introduced automated dosing and conveying systems for dyes and auxiliaries to ensure more precise measurement and enclosed-pipeline transfer, reducing losses and fugitive emissions caused by manual weighing and handling and improving the on-site environment for dye and auxiliary preparation.

Through collaboration between internal management and third-party operators, the operation and maintenance of VOC-treatment facilities and online monitoring equipment were strengthened, lowering the frequency of equipment failures. Optimisation and modification plans were also implemented for certain exhaust-emission pipelines and sampling ports, to ensure compliance with relevant environmental standards.

The thermal-power facility at the China Nansha plant continued to optimise the operation and management of its coal-fired boilers and exhaust-treatment systems. Despite these efforts, the intensity of NO_x, SO₂, CO emissions increased during the Reporting Period, mainly due to the differing coal quality and total production volume reduction. Nevertheless, all of the air emission parameters remained below regulatory limits, ensuring that the Group remains compliant with relevant local regulations. The China Nansha plant remains committed to further strengthening control of air pollutants to ensure continuous improvement.

The China Nansha plant has also begun phasing out certain gasoline and diesel vehicles in its fleet, replacing them with newly purchased electric vehicles reducing greenhouse gas emissions and dependence on fossil fuels. During the Reporting Period, the China Nansha Plant introduced two electric buses, further enhancing the adoption of green transportation and supporting its low-carbon operations.

Air emission (kg)	China Nansha Plant	
	2025/26	2024/25
Nitrogen oxides emissions	64,310	51,114
Emissions per metric tonne of finished products	1.53	0.99
Sulphur oxides emissions	8,558	8,069
Emissions per metric tonne of finished products	0.20	0.16
Particulate matter emissions	4,120	5,218
Emissions per metric tonne of finished products	0.10	0.10
Carbon monoxide emissions	69,806	55,658
Emissions per metric tonne of finished products	1.66	1.08

Vietnam Hai Phong Plant and Vietnam Ninh Binh Plant

In Vietnam, both Hai Phong Plant and Ninh Binh Plant has significantly reduced air pollution through the use of low-sulphur coal (<0.6% sulphur). For its production process, both plants have implemented optimisation and upgrade measures to advance the management of volatile organic compounds and has continuously introduced automated conveying and dosing systems for dyes and auxiliaries. Through more accurate weighing and closed pipeline transportation, it has reduced the loss and leakage caused by manual weighing and transportation of chemicals and improved the on-site environment for dye and auxiliary preparation and transportation.

Although the same national emission standards apply to both the Ninh Binh and Hai Phong plants in Vietnam, the Group has adopted more stringent internal emission standards for the Ninh Binh Plant, aligning them with the benchmark levels applied at the Group’s China Nansha plant operations. To date, the Ninh Binh Plant has consistently operated within these enhanced internal standards.

For the Ninh Binh Plant, Pacific Textiles has implemented advanced emission control technologies, including nitrogen oxides (“NO_x”) removal systems utilising SNCR and SCR processes, dust filtration systems combining electrostatic precipitators and wet electrostatic filters, and desulphurisation through a wet flue gas treatment process using lime – gypsum technology. In addition, the Ninh Binh Plant completed a boiler modification in March 2025 to enable biomass co-firing, with approximately 20% biomass mixed with coal. Trial operations have been conducted successfully, supporting the plant’s ongoing transition towards lower-carbon energy use.

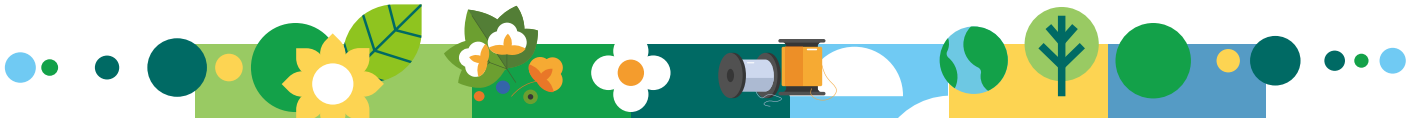
For the Hai Phong Plant, the Group has strengthened daily operational controls to ensure the system continues to operate effectively, as the boiler and its emission treatment system have been in operation for over ten years. In parallel, emission control facilities are regularly upgraded and maintained to sustain performance standards.

During the Reporting Period, the biomass conversion project for existing coal-fired boilers made meaningful progress, including the completion of required regulatory approvals and the commencement of on-site renovation and modification works by contractors. Trial operations for the project are scheduled to begin in the early second quarter of FY2026/27. Once biomass co-firing is introduced, emissions from boiler operations are expected to improve significantly. In addition to reducing reliance on coal, the project includes the installation of additional bag-type dust removal equipment to further enhance the overall performance of the emission control system.

Air emission (kg)	Vietnam Hai Phong Plant		Vietnam Ninh Binh Plant	
	2025/26	2024/25	2025/26	2024/25
Nitrogen oxides emissions	17,860	13,027	4,833	16,103
Emissions per metric tonne of finished products	1.85	1.50	0.61	3.51
Sulphur oxides emissions	25,150	6,047	12,123	3,348
Emissions per metric tonne of finished products	2.60	0.70	1.53	0.73
Particulate matter emissions	16,870	17,024	34,866	18,848
Emissions per metric tonne of finished products	1.74	1.97	4.39	4.11
Carbon monoxide emissions	9,080	5,557	224,891	20,933
Emissions per metric tonne of finished products	0.94	0.64	28.33	4.56

GHG EMISSIONS MANAGEMENT

The textile industry is inherently associated with significant GHG emissions, driven largely by energy-intensive processes such as fabric dyeing, finishing, and the operation of coal-fired boilers. Pacific Textiles recognises both the actual and potential impacts of these emissions on its business model, value chain, the broader economy, the environment, and society.



Environmental Responsibility

Resilience and Energy Management Policies

Pacific Textiles has established a comprehensive Environmental Management Policy aimed at reducing emissions, conserving resources, and enhancing operational efficiency. The policy outlines several key commitments.

1.

Source Reduction: The Group invests in advanced technologies to minimise the generation of waste gas, wastewater, and solid waste at source.
2.

Monitoring and Compliance: Emissions are monitored through advanced systems linked to government regulatory platforms, enabling real-time tracking and ensuring compliance with applicable regulations, including China’s Atmospheric Pollution Prevention Law and Vietnam’s National Technical Regulations on Industrial Emissions.
3.

Third-Party Verification: Independent agencies are engaged to regularly assess the Group’s emissions data and related processes, ensuring accuracy and compliance with regulatory requirements.
4.

Chemical Management: Chemicals used in production strictly comply with ZDHC guidelines, with regular testing conducted to verify adherence.

These policies are supported by annual compliance assessments and management reviews, which drive continuous improvement and ensure alignment with evolving regulatory standards. In addition, the Group has implemented various measures to mitigate emissions and enhance environmental performance, including the adoption of advanced exhaust gas treatment systems at the China Nansha and Vietnam plants, as well as initiatives to recover and reuse energy from production processes.

GHG Emission Overview

The Group’s GHG emissions include direct emissions (Scope 1) from fuel combustion, indirect emissions (Scope 2) from purchased electricity, and other indirect emissions (Scope 3) from municipal water usage, sewage discharge, and business travel.

Pacific (Panyu) Textiles Limited has been committed to the SBTi, reflecting our dedication to embracing low-carbon operations and a sustainable future. We are in the process of establishing our SBTs, which will further solidify our commitment to reducing emissions and mitigating our climate impact.

In 2025/26, Pacific Textiles took significant steps to mitigate its carbon footprint by procuring Green Electricity Certificate (“GEC”), offsetting all emissions associated with purchased electricity for the Reporting Period. Further details can be found in the “Sustainable Use of Energy” section of this Report.

To enhance the comprehensiveness of its climate disclosure and advance decarbonization across the value chain, the Group is establishing a Scope 3 greenhouse gas inventory in alignment with the GHG Protocol Corporate Value Chain Standard (2011). During the Reporting Period, the Group has conducted a peer benchmarking exercise to identify material emission sources and categories for the textiles industry. Building on the results, the Group plans to conduct a value chain mapping exercise within the next Reporting Period to assess the relevance of the Scope 3 categories to Pacific Textiles’ operations, followed by capacity-building workshops and collaborative data collection with suppliers, subcontractors, logistic partners, and employees. Detailed category-specific Scope 3 emissions figures are scheduled for calculation and public disclosure in our next ESG Report.

China Nansha Plant

Greenhouse gas emissions (metric tonnes of CO ₂ e) ¹	China Nansha Plant	
	2025/26	2024/25
Direct (Scope 1) emissions ²	360,353	356,916
Emissions per metric tonne of finished products	8.55	6.94
Energy indirect (Scope 2 – Location-based) emissions ³	85,961	60,688
Scope 2 – Location-based Emissions per metric tonne of finished products	2.04	1.18
Energy indirect (Scope 2 – Market-based) emissions	0	0
Scope 2 – Market-based Emissions per metric tonne of finished products	0	0
Other indirect (Scope 3) emissions ⁴	11,537	2,431
Emissions per metric tonne of finished products	0.27	0.05

At the China Nansha Plant, total Scope 1 emissions and emissions intensity increased during the Reporting Period, primarily due to higher diesel and coal consumption coupled with lower production volume. In particular, the increase in coal consumption was mainly attributable to a significant rise in the volume of steam sold externally. Nevertheless, the Group remains committed to reducing its GHG emissions through continuous improvements in operational efficiency, including adjustments to the product mix, the implementation of energy-saving management measures, and the upgrading and replacement of advanced high-efficiency equipment.



Environmental Responsibility

Vietnam Hai Phong Plant and Vietnam Ninh Binh Plant

Greenhouse gas emissions (metric tonnes of CO ₂ e) ¹	Vietnam Hai Phong Plant		Vietnam Ninh Binh Plant	
	2025/26	2024/25	2025/26	2024/25
Direct (Scope 1) emissions ²	50,505	52,034	51,150	44,317
Emissions per metric tonne of finished products	5.22	6.01	6.44	9.66
Energy indirect (Scope 2 – Location-based) emissions ³	15,252	14,687	20,518	15,580
Scope 2 – Location-based Emissions per metric tonne of finished products	1.58	1.70	2.58	3.45
Energy indirect (Scope 2 – Market-based) emissions	0	0	20,518	15,850
Scope 2 – Market-based Emissions per metric tonne of finished products	0	0	2.58	3.45
Other indirect (Scope 3) emissions ⁴	1,309	345	1,685	412
Emissions per metric tonne of finished products	0.14	0.04	0.21	0.09
Biogenic emissions	–	–	466	430
Emissions per metric tonne of finished products	–	–	0.06	0.09

The Vietnam Ninh Binh plant has taken a significant step toward sustainability by adopting wood as an alternative fuel to replace coal, reducing Scope 1 emissions and minimising its environmental impact. This transition supports the plant’s broader strategy to move away from traditional fossil fuels and embrace cleaner, renewable energy sources. In addition, the plant is committed to progressively reducing its reliance on coal over time, reinforcing its dedication to decarbonisation and aligning with global efforts to combat climate change. By prioritising sustainable energy practices, the Vietnam Ninh Binh plant demonstrates its commitment to long-term environmental responsibility and positive contributions to the community.

¹ Our greenhouse gas calculation process follows guidance from the How to Prepare an ESG Report: A Step-by-Step Guide to ESG Reporting published by the Hong Kong Stock Exchange, the GHG Protocol: A Corporate Accounting and Reporting Standard, the GHG Protocol Scope 2 Standard, and the GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Furthermore, we also include the reporting of biogenic emissions resulting from the combustion of wood. These biogenic emissions, which consist of carbon dioxide (CO₂), are explicitly reported as outside the Scope 1 emissions boundary, in accordance with established reporting standards.

² Scope 1 emissions are calculated based on energy and unit conversion factors provided by the Standardization Administration of China, the Ministry of Ecology and Environment of the People's Republic of China, and the United Nations 2022 Energy Statistics Yearbook. The Scope 1 emissions factors for fuels and vehicles are derived from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the How to Prepare an ESG Report: A Step-by-Step Guide to ESG Reporting published by the Hong Kong Stock Exchange.

³ Our Scope 2 location-based emissions are calculated using emission factors obtained from the Ministry of Ecology and Environment of the People's Republic of China and the Institute for Global Environmental Strategies.

⁴ Our Scope 3 emissions are calculated using emission factors provided by the UK Department for Environment, Food and Rural Affairs (DEFRA) and the International Civil Aviation Organization (ICAO).

Case Study: Maintaining Compliance with Carbon Trading Regulations

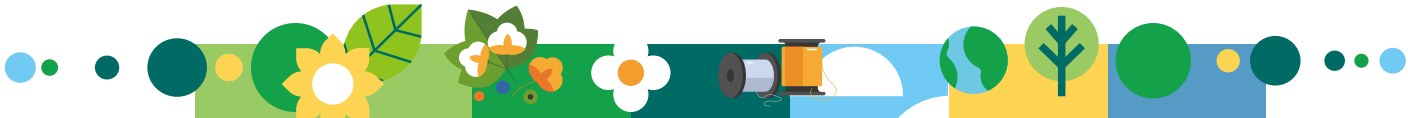
In alignment with global greenhouse gas reduction goals, Pacific Textiles integrates carbon credits into its emissions management strategy as a supplementary tool to offset residual emissions that cannot be eliminated through operational measures.

The China Nansha plant, within the scope of its self-owned power plant operations, continued to be classified as a key carbon-emitting entity under China’s national carbon emissions trading scheme in 2025. As such, the plant was required to complete the 2024 carbon emissions allowance (“CEA”) compliance and settlement through the national carbon trading market. The Nansha plant’s carbon emissions data is verified by a third-party institution designated by the Chinese government, while carbon allowance allocations are issued by the Ministry of Ecology and Environment in accordance with the national allocation framework for the power generation sector. During the Reporting Period, the plant fulfilled its 2024 CEA compliance obligations as required, marking four consecutive years of successful compliance from 2021 to 2024.

In addition, in support of the 15th National Games and the National Paralympic Games held in Guangdong Province in 2025, the China Nansha plant proactively contributed to the Games’ “whole-process carbon-neutral” initiative. The plant donated 8,000 tonnes of Guangdong Carbon Emission Allowances (“GDEC”), with an estimated market value of approximately RMB321,000, to the Games Organising Committee. These allowances were provided at no cost and were used specifically to offset emissions generated during the preparation and hosting of events in the Guangzhou competition zone. This initiative supported Guangdong Province’s efforts to deliver a “zero-carbon” sporting event and demonstrated the plant’s commitment to low-carbon development. In recognition of its contribution, the China Nansha plant was awarded the title of “Outstanding Public Donation Contributor” by the Executive Committee of the 15th National Games (Guangdong competition zone).

In Vietnam, although the government has not yet fully formalised a carbon trading system, Pacific Textiles is proactively exploring the use of carbon credits. The Group has identified electricity-related emissions as a key area for potential offsetting, given current availability in Vietnam, and is simultaneously conducting pilot studies on biomass fuel substitution to reduce reliance on fossil fuels. The application of carbon credits provides several benefits, such as:

- Regulatory Compliance:** The purchase and use of carbon credits may support the Group in preparing for future emissions management requirements and mitigating potential compliance risks.
- Environmental Benefits:** Participation in carbon credit mechanisms enables the Group to contribute to renewable energy development and broader decarbonisation efforts.
- Operational Flexibility:** Carbon credits serve as a complementary tool alongside ongoing emission reduction initiatives, providing additional flexibility in managing emissions targets.



Environmental Responsibility

Currently, Vietnam has initiated trial runs for carbon quota allocation and a carbon credit market in selected industries, with broader implementation expected after 2027. Both the Hai Phong and Ninh Binh plants will fully comply with national requirements and aim to utilise these mechanisms effectively to support carbon offset initiatives at both the national and Group levels.

Looking ahead, the Group plans to expand its use of carbon credits, with a focus on nature-based solutions and carbon removal projects. Pacific Textiles also continues to prepare for the anticipated implementation of a national carbon trading system, ensuring readiness to comply with future regulatory developments.

Effectiveness Tracking and Stakeholder Engagement

Pacific Textiles monitors the effectiveness of its emissions management initiatives through advanced systems, such as the China Nansha Plant’s central control DCS system and the Vietnam plant’s exhaust gas monitoring platform. These systems provide real-time data on pollutant levels, ensuring emissions remain within regulatory limits. Third-party testing agencies conduct regular assessments, while government inspections further support compliance.

While carbon pricing is not currently incorporated into the Group’s decision-making processes, climate-related risks are mitigated through the pursuit of emission reduction targets and the implementation of strict monitoring of energy consumption and other relevant expenses to manage cost impacts.

The Group engages stakeholders through tailored communication channels, including annual reports for investors, certifications for customers, and community development programmes for local residents. Transparency is prioritised, with emissions data and progress shared openly to strengthen trust and accountability.

SUSTAINABLE USE OF ENERGY

We recognise that energy efficiency plays a pivotal role in promoting sustainable operations and mitigating climate impact. The production processes within the textile sector are inherently energy-intensive, relying on coal, electricity, and diesel as core energy sources. We remain committed to reducing our environmental footprint through continuous optimisation of energy use, adoption of advanced technologies, and progressive transition towards low-carbon energy solutions.

RESILIENCE AND ENERGY MANAGEMENT POLICIES

The company’s sustainability strategy and Energy Management Policy are based on adopting advanced energy-saving technologies, developing low-consumption processes, and optimising resource use to align with international standards.

During the Reporting Period, energy audits were conducted at all plants, in collaboration with government-authorised agencies. These audits provided professional guidance on identifying potential improvements and optimising energy management systems.

Since 2011, the China Nansha plant has implemented and passed the GB/T 23331 Energy Management System, and in March 2013 it upgraded to and obtained ISO 50001 Energy Management System certification, which it has maintained continuously to this day. During the Reporting Period, in March 2026, the company passed the supervision audit conducted by the third-party organization BSI, confirming that the China Nansha plant’s energy management system continues to operate in compliance with the standard requirements and meets certification requirements.

At the same time, within the existing GB/T 23331 and ISO 50001 management-system framework, internal reviews and periodic external audits are carried out to continuously enhance and improve energy management.

The Hai Phong plant set up and follow Environment policy: Energy control procedure, Emission control procedure that is integrated with its ISO 14001.

For Ninh Binh Plant, standard operation procedure had been established for guaranteeing all environmental compliance, while in progress of applying to ISO 14001 for a systematic management in near future.

ENERGY CONSUMPTION OVERVIEW

For three plants of the Group, the majority of energy usage was attributable to raw coal and purchased electricity. Supplementary sources such as electricity, diesel, and petroleum gas were primarily consumed for plant operations, logistics, and catering. The Vietnam Hai Phong Plant also underwent government-authorised energy audits during the Reporting Period. These assessments support our continuous improvement goals by identifying potential areas for further optimisation and providing expert guidance on energy performance enhancement.

CHINA NANSHA PLANT

During the Reporting Period, the China Nansha Plant maintained a strong focus on energy conservation by initiating improvement projects, forming specialised energy-saving teams, and encouraging employee participation across departments. The primary objectives include reducing energy wastage, identifying potential energy-saving opportunities, implementing conservation projects, and strengthening energy management practices.

We continue to prioritise energy conservation and carbon reduction as part of its sustainability strategy. Through targeted investments, upgraded technologies, and renewable energy adoption, the Group has made significant progress in reducing its carbon footprint and enhancing energy efficiency during the Reporting Period.



Environmental Responsibility

Continued upgrades of major production systems were made at the China Nansha plant, focusing on digitalisation, intelligent automation, and green energy-efficient improvements to production equipment, mainly including:

- Continuous introduction of new knitting machines to support new-product development and expansion; enhancement of loom data-visualization upgrades; and continued adoption of edge-weaving inspection equipment developed by iFlytek with industrial visual-inspection systems to achieve automated quality inspection – improving production efficiency while reducing electricity and raw-material waste caused by ineffective losses.
- Upgrades of energy- and water-efficient dyeing and finishing equipment, including the introduction of pre-treatment continuous scouring/bleaching machines, post-treatment continuous soaping machines, and wide-width stenter machines.
- Ongoing development of automated conveying systems for dyes and auxiliaries in dyeing-and-finishing workshops.

As a key supplier for major brand customers, the China Nansha Plant continues to align its operations with medium- and long-term energy conservation and carbon reduction goals. The plant actively participates in brand-driven sustainable supply chain initiatives, such as the Clean by Design (“CbD”) Project and the Carbon Leadership Project, supported by third-party consulting agencies. These initiatives aim to track and advance energy-saving and carbon reduction action plans. Below is an overview of key projects undertaken at the China Nansha Plant:

Equipment Upgrades and Modernisation

Smart Air-Compressor Station Energy-Saving Project

During the Reporting Period, the China Nansha plant partnered with a third-party organisation to launch the smart air-compressor station energy-saving project. The plant introduced high-efficiency air-compression equipment, intelligent control systems, and optimised gas-supply pipelines, replacing the plant’s original aging system and reducing energy consumption of the air-compression system. During the Reporting Period, the project completed business-contract signing, design development, and regulatory filing, and construction has commenced. It is expected to begin operation during the 2026/2027 fiscal year.

Central Air Conditioning System Upgrade

During the Reporting Period, the central air-conditioning system upgrade project progressed efficiently through both construction and commissioning phases. The project entered formal commissioning in June 2025 and passed completion inspection, entering full normal operation. Compared with the original aging air-conditioning system, energy-use efficiency has improved significantly. The project also replaced the original steam and lithium-bromide systems with electric-powered air-conditioning. Based on operational data after commissioning, under equivalent cooling load, the project is expected to reduce annual carbon emissions by approximately 23,000 tonnes of CO₂.

Energy Storage and Green Fuel Projects

Energy Storage Initiatives:

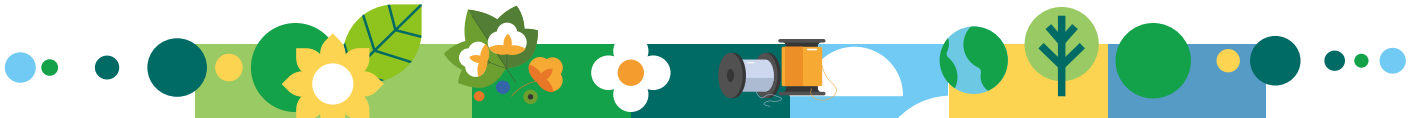
During the Reporting Period, the China Nansha plant has collaborated with Gotion High-Tech Co., Ltd. to complete the construction of the energy-storage station, which began trial operation between July and August 2025 and entered full normal operation in September. The project adopted Gotion’s 5 MWh liquid-cooled integrated battery cabin paired with a step-up inverter cabin. The core equipment is advanced and comprehensive, including modular PCS units, LFP battery modules, an intelligent Battery Management System (BMS), an Energy Management System (EMS), monitoring systems, and fire-protection systems.

The highly integrated design significantly improves system efficiency. The project has directly reduced the Nansha plant’s electricity costs while alleviating peak-load pressure on the power grid. Successful implementation of Phase 1 laid a solid foundation for Phase 2. During the Reporting Period, multiple technical-solution studies were conducted, and preliminary technical-design work was completed. Phase 2 is expected to complete commercial negotiations and commence construction during the 2026/2027 fiscal year.

Green Fuel Initiative:

During the Reporting Period, the green-fuel substitution initiative achieved phased progress. The ‘Green Low-Carbon Fuel Co-Combustion Project’ jointly undertaken by the Nansha plant and Zhongzi Environmental subsidiaries completed preparation of the environmental-impact assessment report and passed expert review. The report has now been submitted to government authorities for approval. Upon receiving final approval, co-combustion of low-carbon fuel is expected to begin during the 2026/2027 fiscal year.

During the Reporting Period, total net energy consumption at the China Nansha Plant was approximately 955,723,009 kWh, reflecting a decreasing trend compared to the previous reporting period. The decrease was primarily attributable to lower production volume during the reporting period. Nevertheless, the Group continued to prioritize energy efficiency improvements through major initiatives, including the upgrade of central air conditioning system in June 2025. Under this arrangement, the China Nansha Plant purchases air conditioning cooling from an external service provider, enabling the adoption of a more centralized and efficient air conditioning system to support its operations.



Environmental Responsibility

Energy consumption (kWh)	China Nansha Plant	
	2025/26	2024/25
Total net energy consumption	955,723,009 ⁵	1,022,481,149
Consumption per metric tonne of finished products	22,673	19,891
Energy sold	-207,245,206	-133,047,694
Raw coal consumption	1,055,879,032	1,038,464,003
Consumption per metric tonne of finished products	25,049	20,202
Generation of Renewable Energy	3,184,392	1,167,546
Consumption per metric tonne of finished products	75.5	23
Purchased electricity consumption	101,134,750	113,097,677
Consumption per metric tonne of finished products	2,399	2,220
Other energy sources consumption ⁶	2,770,042	2,799,617
Consumption per metric tonne of finished products	66	54

VIETNAM HAI PHONG PLANT AND VIETNAM NINH BINH PLANT

In parallel with the efforts at the China Nansha Plant, the Vietnam facilities have implemented energy-saving measures tailored to local conditions, such as maintaining 100% recovery of condensed steam, recovery and reuse of cooling water, and installation of LED lighting systems.

Hai Phong Plant completed the installation and grid connection work for rooftop solar PV installations to further enhance clean energy usage, while Ninh Binh Plant is also working on legal procedures for its rooftop solar power project before starting on-site installation. Ninh Binh Plant also applied an insulation spraying layer to its workshop's ceiling as a measure for energy consumption reducing and improve air conditioning at its workshops.

During the Reporting Period, Hai Phong Plant performed its energy audits for period of 2022 -2024 in compliance with existed Vietnam regulation and in collaboration with government-authorised agencies. These audits provided professional guidance on identifying potential improvements and optimising energy management systems.

During the Reporting Period, total energy consumption at the Vietnam Hai Phong Plant was 175,045,208 kWh, and the total energy consumption at the Vietnam Ninh Binh Plant was 184,418,317 kWh. The Vietnam Hai Phong Plant's energy consumption increased during the Reporting Period primarily due to the stabilization of production operations in FY2025/26, following disruptions in the previous Reporting Period caused by a typhoon. As normal operations resumed, energy consumption increased in line with the recovery in production levels, reflecting a reasonable and expected return to normal operating conditions.

Similarly, the increase in energy consumption at the Vietnam Ninh Binh Plant was driven by a significant ramp-up in production activities, as operations became more stable compared to the previous Reporting Period which involved a higher proportion of sample orders. As production scaled up during FY2025/26, total energy consumption increased accordingly. Despite this, energy consumption per unit of output improved, indicating enhanced operational efficiency on an intensity basis.

Energy consumption (kWh)	Vietnam Hai Phong Plant		Vietnam Ninh Binh Plant	
	2025/26	2024/25	2025/26	2024/25
Total energy consumption	175,045,208	170,527,908	184,418,317	151,839,064
Consumption per metric tonne of finished products	18,105	19,696	23,231	33,097
Raw coal consumption	147,330,333	145,397,764	147,944,172	123,811,488
Consumption per metric tonne of finished products	15,238	16,793	18,637	26,988
Purchased electricity consumption	25,295,050	24,359,103	34,029,799	26,286,445
Consumption per metric tonne of finished products	2,616	2,813	4,287	5,730
Other energy sources consumption ⁶	1,232,737	771,041	2,444,346	1,741,131
Consumption per metric tonne of finished products	128	89	308	380

ADVANCING RENEWABLE ENERGY

In our commitment to achieving a low-carbon future, we are proud to highlight a major milestone in energy management accomplished by the China Nansha Plant and the Vietnam Hai Phong Plant. Both plants have successfully offset their Scope 2 market-based emissions through the introduction of certified Renewable Energy Certificates ("RECs"). By ensuring the electricity consumed at these facilities is fully matched by renewable energy utilization practice, this initiative underscores our dedication to driving the transition to clean energy.

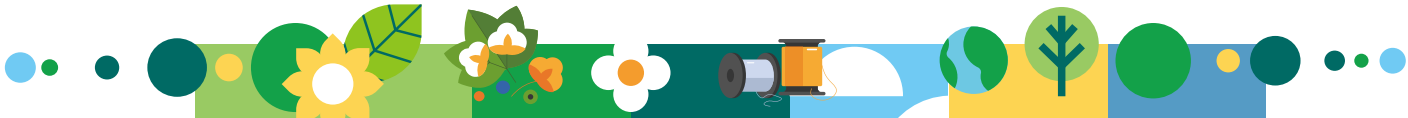
CHINA NANSHA PLANT

To further advance carbon-reduction efforts, the China Nansha plant began to use renewable-energy certificate purchases to promote green electricity adoption since 2023. The plant's purchase of renewable energy certificates are outlined below.

2023	2024	2025
112,000 International Renewable Energy Certificates (I-RECs) certified for solar & wind-power projects	130,249 Green Electricity Certificates (GECs) certified for wind-power generation	113,299 wind-power-certified Green Electricity Certificates (GECs)
Used to offset 112,000 MWh of non-green electricity consumption from 1 January to 31 December 2023	Used to offset 130,249 MWh of non-green electricity consumption for the year	Used to offset 113,299 MWh of non-green electricity consumption for the year

⁵ During the Reporting Period, the China Nansha Plant commenced the purchase of cooling energy, which is disclosed separately. Total net energy consumption represents the energy generated and/or consumed by the China Nansha Plant, net of energy sold, as the plant continues to sell a portion of the energy it generates.

⁶ Other energy source consumption includes diesel, gasoline and liquefied petroleum gases, which are mainly used for transportation and plants' catering and engineering, and natural gas.



Environmental Responsibility

VIETNAM HAI PHONG PLANT AND VIETNAM NINH BINH PLANT

The Vietnam Hai Phong Plant continues to generate green electricity through its 2,528 kW rooftop solar power system, which had completed installation and connection by September of 2025. Since commencement, a total of 1,187,088 kWh was generated during the Reporting Period, which was used for powering the daily operations of the plant.

To further promote carbon emission reduction, Hai Phong Plant kept purchasing international Renewable Energy Certificate (iREC) since 2024, with 24,360 RECs for 2024 calendar year period and 25,749 RECs for 2025 calendar year period; all these iREC from Solar power project in Vietnam to offset the purchased non-renewable electric from national grid. Currently, Ninh Binh Plant is working on applying for legal document of solar project with relevant local departments.

Looking ahead, both plants will continue to seek opportunities to enhance energy efficiency and expand renewable energy use, further supporting our decarbonization efforts. This achievement marks an important step in our journey toward a greener, more sustainable future, and reinforces our role as a leader in environmental stewardship.

EFFECTIVENESS TRACKING AND STAKEHOLDER ENGAGEMENT

Pacific Textiles employs rigorous processes to monitor the effectiveness of its energy management initiatives. Before implementation, action plans are developed and evaluated for feasibility by technical experts, with third-party assessments conducted for complex projects. During implementation, dedicated project teams oversee execution and conduct small-scale trials to validate new technologies. After implementation, data is collected and analysed to assess outcomes, with continuous optimisation to improve performance. Progress and results are communicated through annual reports, community engagement programmes, and sustainability certifications. Additionally, the company collects energy consumption data to prepare Annual Environmental Protection Reports, which are submitted to government authorities and shared with stakeholders to ensure transparency.

During the Reporting Period, while continuously advancing its energy conservation and carbon reduction action plan, the China Nansha Plant also actively participated in public energy conservation awareness campaigns and promoted the exchange of industry experience. For example, in June 2025, the China Nansha Plant cooperated with the Guangzhou Municipal Bureau of Industry and Information Technology to organize exchange and visit activities related to the “2025 Energy Conservation Awareness Week,” and in September 2025, it sent representatives to share experiences and promote energy conservation at an event organized by the Guangdong Provincial Energy Conservation Center for the promotion of textile industry equipment upgrades and energy-saving technologies.



SUSTAINABLE USE OF WATER RESOURCES

Pacific Textiles recognises the intrinsic value of water as a vital natural resource and its essential role in maintaining ecological balance. Given the water-intensive nature of textile manufacturing – particularly within the dyeing process – the Group is committed to safeguarding regional water resources through responsible use, conservation, and recycling. Our water resources management strategy focuses on reducing overall water consumption, enhancing water use efficiency, and integrating advanced low-consumption technologies into production processes.

This commitment is reflected in the adoption of innovative technologies and efficient practices. By deploying low-liquor-ratio dyeing machines, conducting regular system inspections, and maximising the use of recycled water, the Group continues to minimise its environmental footprint while ensuring the sustainable use of water resources. These efforts underscore our dedication to balancing operational excellence with ecological responsibility.

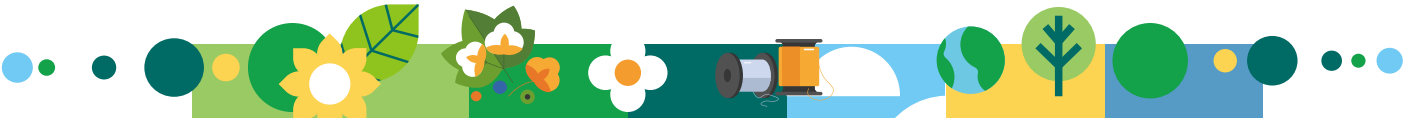
RESILIENCE AND WATER MANAGEMENT POLICIES

Pacific Textiles has formulated water resources management policies that prioritise reducing water consumption, enhancing water use efficiency, and adopting advanced technologies. The Group places great emphasis on wastewater treatment to minimise pollution and ensure compliance with local requirements. Both the China Nansha Plant in China and the Vietnam Plants regularly sample and test treated wastewater to evaluate the effectiveness of treatment processes. Real-time monitoring systems have been established to ensure only compliant wastewater is discharged. Additionally, the company collaborates with third-party testing agencies to verify results and maintain regulatory compliance.

To manage water and effluents effectively, Pacific Textiles primary focuses on include increasing the reuse rate of reverse osmosis (RO) wastewater and upgrading or replacing outdated production equipment. Relevant initiatives include:

1. Wastewater Treatment Technologies: Advanced systems, including the Fenton system and RO technologies, are employed to enhance the quality of treated wastewater and increase its reuse in production processes.
2. Water Conservation Measures: Low-liquor water flow dyeing machines are utilised to reduce water consumption during the dyeing process, complemented by collecting systems and reusing pipelines for internal water circulation, such as recycling hot water from dyeing and condensed steam from finishing, as well as internally recycled water for air compressors and electrostatic precipitators at the China Nansha Plant. Regular inspections and maintenance of water supply systems are conducted to prevent leakage and inefficiencies, alongside the integration of water recycling systems that treat and repurpose wastewater for reuse in production processes.
3. System Upgrades: The Vietnam Plants upgraded their ozone systems and introduced advanced Fenton systems to treat wastewater more effectively and recycle it for production processes. In addition, the China Nansha Plant optimised its water production process during the saline tide period by implementing measures such as recycling backwash water from brackish water desalination RO filters. This initiative reduced losses during water production and improved the efficiency of water production and supply during the saline tide period.

These measures have improved wastewater treatment efficiency, increased the reuse rate of treated wastewater, and reduced the overall environmental impact of the company's operations.



Environmental Responsibility

APPROACH TO IDENTIFYING WATER-RELATED IMPACTS

As required by local laws and regulations, our Vietnam Plants conduct environmental impact assessments (“EIAs”) before initiating new projects or expansions. These assessments, carried out by third-party agencies, evaluate potential water-related impacts during construction and operation phases. The reports include testing and simulations to confirm the factory’s ability to manage impacts effectively. The quality and capacity of receiving water bodies are also considered in these assessments.

Based on the findings, contractors are required to follow specific guidelines during construction, while employees receive training to ensure compliance with environmental policies. Minimum standards for effluent discharge are strictly followed, as per government regulations, with additional measures implemented in line with ZDHC guidelines to strengthen pollutant control.

WATER CONSUMPTION OVERVIEW

Despite increased production volumes during the Reporting Period, the Vietnam Ninh Binh Plant achieved notable improvements in freshwater efficiency. While the China Nansha Plant and Vietnam Hai Phong Plant’s water consumption intensity increased, both plants continue to improve water efficiency through advanced technologies and increased water reuse initiatives. The performance of the three Plants reflects the effectiveness of our water resource management strategies and reaffirm our commitment to continuous improvement.



CHINA NANSHA PLANT

Comprehensive water withdrawal (m³)	China Nansha Plant	
	2025/26	2024/25
Total water withdrawal	11,409,498	12,556,498
Consumption per metric tonne of finished products	270.67	244.27
River water withdrawal	7,018,355	7,837,187
Consumption per metric tonne of finished products	166.50	152.46
Municipal water withdrawal	334,528	373,140
Consumption per metric tonne of finished products	7.94	7.26
Freshwater withdrawal	7,352,883	8,210,327
Consumption per metric tonne of finished products	174.44	159.72
Recycled wastewater ⁷ withdrawal	4,056,615	4,346,171
Consumption per metric tonne of finished products	96.24	84.55

VIETNAM HAI PHONG PLANT AND VIETNAM NINH BINH PLANT

Comprehensive water withdrawal (m³)	Vietnam Hai Phong Plant		Vietnam Ninh Binh Plant	
	2025/26	2024/25	2025/26	2024/25
Total water withdrawal	1,279,114	1,176,520	1,665,349	1,222,959
Consumption per metric tonne of finished products	132.30	135.89	209.79	266.57
River water withdrawal	1,160,550	1,086,720	1,621,809	1,204,641
Consumption per metric tonne of finished products	120.04	125.52	204.30	262.58
Municipal water withdrawal	13,943	12,245	17,775	7,888
Consumption per metric tonne of finished products	1.44	1.41	2.24	1.72
Freshwater withdrawal	1,174,493	1,098,965	1,639,584	1,212,529
Consumption per metric tonne of finished products	121.48	126.93	206.54	264.30
Recycled wastewater ⁷ withdrawal	104,621	77,555	25,765	10,430
Consumption per metric tonne of finished products	10.82	8.96	3.25	2.27

The Vietnam Ninh Binh Plant has implemented various measures to promote water resource recycling and reuse. For hot water recycling, cooling water from dyeing vats is reused, reducing the consumption of fresh water, and steam condensate is also recovered for reuse. In terms of wastewater reuse, an advanced treatment system and security filtration system were added in the later stages of the wastewater treatment process, enabling part of the treated wastewater to be reused for production and domestic purposes, further reducing freshwater consumption. Additionally, the plant has a rainwater collection pond on-site, where rainwater is collected and partially reused for non-process purposes such as landscaping and cleaning. These initiatives reflect the plant’s commitment to sustainable water management.

Looking ahead, Pacific Textiles will continue to closely monitor water consumption at both facilities and actively explore further opportunities to reduce, recycle, and optimise water usage across our operations.

⁷ The wastewater is reclaimed from the water used by various production facilities and becomes recyclable after treatment.

Environmental Responsibility

WATER SOURCING, WATER REUSE AND REDUCTION OF FRESHWATER DEPENDENCY

Water withdrawal Breakdown	China Nansha Plant		Vietnam Hai Phong Plant		Vietnam Ninh Binh Plant	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Municipal Water withdrawal	3%	3%	1%	1%	1%	1%
River water withdrawal	61%	62%	91%	92%	97%	98%
Recycled wastewater withdrawal	36%	35%	8%	7%	2%	1%

Approximately 36% of total water withdrawal at the China Nansha Plant is now sourced from recycled wastewater. This significantly reduces reliance on external freshwater supplies while supporting production sustainability. At the Vietnam Hai Phong Plant, the reuse pipeline system for treated wastewater was brought into operation in 2023. The plant has achieved 8% wastewater withdrawal during the Reporting Period, with plans to gradually scaling up this figure. Similarly, Vietnam Ninh Binh will also aim to increase the maturity of its wastewater consumption, with wastewater withdrawal currently accounting for 2% of its total water use.

During the Reporting Period, water for production at the China Nansha Plant was primarily sourced from local rivers or treated wastewater. Only a minor portion – used for cooking and domestic purposes – was drawn from municipal water supplies. Additionally, the China Nansha Plant utilises internally recycled water for air pumps and electrostatic dust removal equipment, further demonstrating its commitment to water resource optimisation. At the China Nansha Plant, surface water from the Hongqili Waterway (洪奇瀝水道) is treated and used in production processes, while municipal water is used for domestic purposes. Wastewater generated during production is collected, treated at the company's wastewater treatment facilities, and either reused or discharged in compliance with regulatory standards.

During the Reporting Period, the majority of water consumption at both Vietnam facilities is attributed to production processes, with water sourced from rivers or treated recycled wastewater. Domestic and culinary water usage accounts for only a small portion and is supplied by municipal water systems. Treated wastewater is partially recycled for internal operations, such as the wastewater treatment plant and dyeing processes. The Vietnam Hai Phong Plant has obtained initial approval from the Vietnam Ministry of Agriculture and Environment for the installation of reverse osmosis (RO) systems. Construction and installation contracts have been finalised, and site works are scheduled to commence in August 2026 following completion of permitting procedures.

During the Reporting Period, both the China Nansha Plant in China and the Vietnam Plants did not encounter any challenges in sourcing appropriate water resources.

EFFICIENCY TRACKING AND STAKEHOLDER ENGAGEMENT

Pacific Textiles ensures the effectiveness of its water management practices through regular monitoring and reporting. Water consumption data is periodically reviewed, and treated wastewater is sampled and tested to evaluate treatment efficiency and compliance; anomalies were promptly reported to the relevant business units to promote immediate actions and ensure efficient water usage. The company adheres to water pollution discharge standards stipulated by environmental impact assessments and discharge permits, as mandated by local environmental departments. For pollutants not covered by mandatory regulations, Pacific Textiles works with brand partners to implement the ZDHC guidelines, further strengthening pollutant control.

The company communicates its water management actions and outcomes to stakeholders through various channels. Investors and shareholders are informed via annual reports and conferences; regulators and governments receive compliance reports and required documentation; customers and brands are updated through sustainability certifications and supply chain reports; employees are engaged through training programmes and internal communications; and local communities are informed through reports, community development programmes, and results sharing.



Environmental Responsibility

CHEMICAL AND WASTEWATER MANAGEMENT

CHEMICAL USAGE

The Group in compliance with the OEKO-TEX® Standard 100, an independent certification system for textiles tested for harmful substances. Internally, Pacific Textiles enforce a Restricted Substance List (“RSL”) and conduct regular ZDHC testing to ensure our processes and products are environmentally sound and safe for human use. In addition to compliance with China’s GB18401-2010 National General Safety Technical Code for Textile Products, both Vietnam plants also align with customer-specified standards such as the GOTS, OCS, GRS, RCS and RWS when applicable.

SEWAGE DISCHARGE MANAGEMENT

Given the high water-consumption nature of textile manufacturing, the Group prioritises the implementation of advanced wastewater-treatment technologies. At the same time, through regular internal testing, periodic sampling and third-party testing are conducted to ensure that discharged wastewater complies with relevant standards. Real-time monitoring systems further enhance transparency and regulatory compliance.

China Nansha Plant

The China Nansha plant collaborates with South China University of Technology and the Guangzhou Branch of the Shenyang Institute of Automation, Chinese Academy of Sciences, to develop advanced deep-treatment research and monitoring technologies. These technologies significantly exceed national discharge standards and have received multiple scientific awards. In addition, the implementation of the three-stage resin treatment project and the reverse osmosis (RO) reuse system has improved water-resource recovery efficiency.

During the Reporting Period, the Nansha plant’s wastewater discharge volume was 5,509,608 cubic meters, representing a 12.3% decrease in the total wastewater discharge compared with the 2024/25 levels. Wastewater discharge per metric ton of finished product at 130.71 cubic meters.

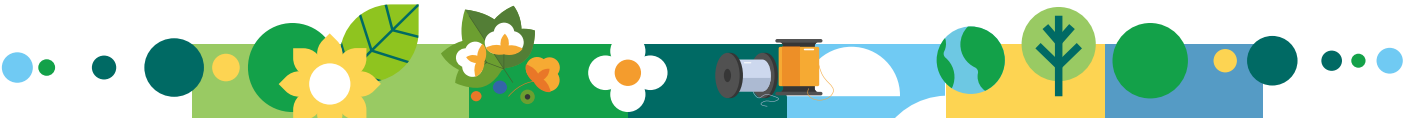
In a compelling demonstration of its water treatment effectiveness, the China Nansha Plant has established an ornamental fishpond using treated printing and dyeing wastewater. The treated water meets Class I discharge standards in Guangdong, underscoring its quality and safety.

Vietnam Hai Phong Plant and Vietnam Ninh Binh Plant

For both Hai Phong and Ninh Binh Plants, all necessary approvals and certifications have been obtained in relation to factory set-up, modifications, and operations. At the operational level, the Group has implemented online monitoring systems at key control points, including boiler emissions and wastewater discharge, to ensure effective environmental management. These systems are subject to periodic calibration by government-approved third-party agencies, supplemented by monthly verification using reference standard substances across all mills. In addition, regular manual sampling and testing are conducted by government authorities and customer-appointed laboratories to meet various regulatory and compliance requirements, ensuring the accuracy and reliability of environmental performance data.

The Group has enhanced its wastewater treatment capabilities through continuous system upgrades across its facilities. The Hai Phong plant have upgraded its ozone systems and introduced advanced Fenton treatment processes to improve wastewater treatment efficiency and enable greater reuse in production operations. As a result, wastewater discharge volumes have decreased to 900,244 cubic meters, representing a 2.6% decrease in the total quantity. For the Vietnam Nin Binh plant, total wastewater discharge increased to 1,470,406 cubic meters due to increased production capacities, while the wastewater discharge per metric ton of finished product at was 185.24 cubic meters, representing a 18% decrease compared with the 2024/25 levels.

Building on the operational experience of the Nansha and Hai Phong plants, the Ninh Binh plant has integrated these advanced technologies from the outset, incorporating a comprehensive wastewater treatment system that addresses previous limitations. The plant adopts a mature combined process of biological treatment, Fenton oxidation, and advanced deep treatment, achieving effluent quality that significantly exceeds Vietnam’s national discharge standards. For sludge management, the plant utilises advanced treatment equipment that eliminates the need for secondary chemical inputs and reduces sludge moisture content by approximately 40% after treatment. In addition, an emergency pool system has been installed to enhance operational safety and stability, while a two-stage monitoring mechanism is applied to treated wastewater to ensure the reliability and compliance of discharge.



Environmental Responsibility

WASTE MANAGEMENT

Pacific Textiles takes a proactive approach to waste management by adhering to strict regulatory requirements, implementing effective waste reduction measures. By closely monitoring waste generation and disposal processes, collaborating with qualified contractors, and engaging with stakeholders, the company ensures that its operations align with environmental sustainability goals.

RESILIENCE AND WASTE MANAGEMENT POLICIES

Pacific Textiles has implemented stringent policies to manage both hazardous and non-hazardous waste generated during production processes. The China Nansha Plant in China and the Vietnam Plants strictly comply with local government policies regarding hazardous waste disposal. Hazardous waste is entrusted to government-approved professional contractors to ensure full compliance with local environmental standards.

For non-hazardous waste, recyclable materials are resold to recyclers for reuse, while non-recyclable waste is handed over to approved contractors for comprehensive treatment. These measures reflect the company's commitment to minimising waste and ensuring proper disposal methods.

We have adopted a range of measures to manage waste effectively and mitigate its impact on the environment:

1. Waste Collection and Classification: All waste generated during operations is collected and classified before being transported to temporary storage warehouses.
2. Storage Management: Waste is stored in dedicated warehouses equipped with partitions and prevention facilities, ensuring safe and compliant storage. Hazardous waste storage areas are separated from common waste warehouses and are strictly managed by designated personnel.
3. Contractor Selection and Oversight: The company partners with qualified waste treatment contractors recognised by local laws. Random inspections are conducted to verify their performance and ensure compliance with regulations.
4. Improving Waste Treatment Methods: Pacific Textiles collaborates with waste treatment contractors, encouraging them to adopt cleaner and more environmentally friendly treatment methods.
5. Environmental Impact Assessments: Based on requirements of local laws and regulations, environmental impact assessments are conducted to ensure compliance with waste management requirements before implementing new projects.

WASTE MANAGEMENT OVERVIEW

The Group adheres to stringent local requirements for both hazardous and non-hazardous waste management. All hazardous waste is entrusted to certified contractors for proper disposal. Non-hazardous waste is either sold for recycling or sent to approved disposal facilities.

CHINA NANSHA PLANT

During the Reporting Period, the China Nansha Plant's hazardous waste production decreased by 7.5%. and the amount of non-hazardous waste produced decreased by 2.5%. This was primarily driven by the decrease in the plant's production volume, further supplemented by the plant's waste reduction initiatives. These included the utilisation of its in-house cleaning facilities to process the majority of additive containers, which were subsequently recycled by suppliers or general waste recycling units minimising environmental impact.

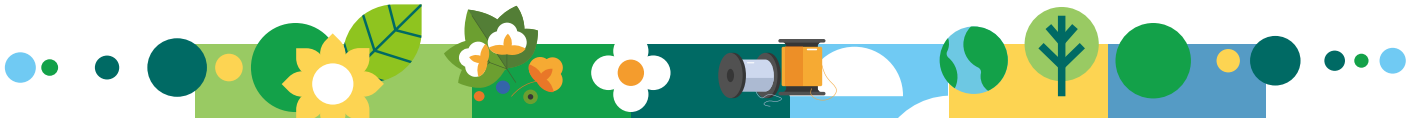
Amount of wastes generated (kg)	China Nansha Plant	
	2025/26	2024/25
Amount of hazardous wastes generated	373,053	403,171
Amount generated per metric tonne of finished products	8.85	7.84
Amount of non-hazardous wastes generated	61,361,800	63,969,061 ⁸
Amount generated per metric tonne of finished products	1,455.72	1,244.44 ⁸

VIETNAM HAI PHONG PLANT AND VIETNAM NINH BINH PLANT

During the Reporting Period, the Vietnam Hai Phong Plant's hazardous waste production decreased by 8.3% while the amount of non-hazardous waste produced increased by 15.2%. The Ninh Binh Plant showed an increase in overall waste generation levels following the increase in the production levels, with hazardous waste increasing by 57.7% and non-hazardous waste increasing by 39.4%. However, waste generation intensity per metric tonne of finished products decreased by 8.9% for hazardous waste and 19.5% for non-hazardous waste respectively, indicating an improving waste intensity performance.

Amount of wastes generated (kg)	Vietnam Hai Phong Plant		Vietnam Ninh Binh Plant	
	2025/26	2024/25	2025/26	2024/25
Amount of hazardous wastes generated	3,506,790	3,853,471	2,790,700	1,769,945
Amount generated per metric tonne of finished products	362.71	445.07	351.55	385.80
Amount of non-hazardous wastes generated	9,822,454	8,824,386	9,472,258	6,865,229
Amount generated per metric tonne of finished products	1,015.94	1,019.21	1,193.24	1,496.45

* The figure has been updated following a review of the calculation to ensure greater accuracy and alignment with ESG reporting standards.



Environmental Responsibility

The newly operational Vietnam Ninh Binh Plant has established a robust and structured waste management system to ensure environmentally responsible handling and disposal of waste. Waste generated at the plant is strictly classified into hazardous waste, general industrial solid waste, and domestic waste, with dedicated storage and management systems for each category.

The plant features specialised storage facilities, including a dedicated hazardous waste warehouse equipped with anti-leak flooring, spill collection channels, fire protection systems, and clear warning signage, where waste such as used oil and batteries is stored in separate zones. General industrial waste, such as packaging materials, is stored in a separate warehouse, while domestic waste is managed in another dedicated facility. Additionally, sludge from the wastewater treatment plant is stored in a dedicated facility with a leak-proof structure and drainage system, ensuring safe containment and compliance with environmental standards.

The plant ensures proper treatment and disposal of waste through partnerships with licensed and qualified companies. Hazardous waste, such as used oil and batteries, is collected by certified recyclers, while mercury-containing fluorescent lamps are securely sealed and handled separately to prevent contamination. Recyclable industrial waste, like metal packaging, is sent to resource recovery companies, while non-recyclable materials, such as fabric scraps, are incinerated or landfilled. Boiler ash is also sent to specialised companies for recycling, and dewatered sludge is transferred to licensed organisations for professional treatment. To further support its sustainability goals, the plant provides employees with training on waste segregation, safe storage, and emergency handling procedures, complemented by environmental awareness campaigns, such as posters promoting waste classification. These efforts reflect the plant’s commitment to sustainable and environmentally conscious operations.

We remain committed to environmental excellence through continuous investment in advanced technologies, compliance with evolving standards, and proactive management of emissions and waste. These efforts form a core pillar of the Group’s broader sustainability strategy and reflect its vision for responsible industrial growth.

EFFECTIVENESS TRACKING AND STAKEHOLDER ENGAGEMENT

Pacific Textiles ensures the effectiveness of its waste management practices through regular monitoring and reporting. KPIs for hazardous waste recycling are established, such as the cleaning and reuse of plastic barrels at the China Nansha Plant and 100% third-party recycling of chemical packaging barrels at the Vietnam Plants. Monthly statistics on waste generation are compiled, and the treatment of hazardous waste is closely monitored using systems like the transfer joint form system in China Nansha Plant and follow-up inspections of final treatment processes in Vietnam. These measures safeguard transparency and accountability in waste management efforts.

The company communicates its waste management actions and outcomes to stakeholders through tailored methods. For investors and shareholders, this includes annual reports, meetings, and conferences, while regulators and governments receive compliance reports and required documentation. Customers and brands are informed through sustainability certifications and supply chain transparency reports, and employees and workers are engaged via internal communications, training programmes, and surveys. For local communities, the company shares reports, results, and participates in community development programmes. Additionally, for the Vietnam Plants, an Annual Environmental Protection Report, including waste management data, is prepared and submitted to the Ministry of Natural Resources and Environment, the Department of Natural Resources and Environment, and other relevant authorities.

PACKAGING MATERIALS MANAGEMENT

We recognise the environmental impact associated with packaging waste and is committed to reducing its footprint through sustainable packaging practices. In line with our broader environmental objectives, the Group has implemented a range of measures aimed at minimising unnecessary packaging while maintaining the protection and quality of finished products during handling and transportation, including:

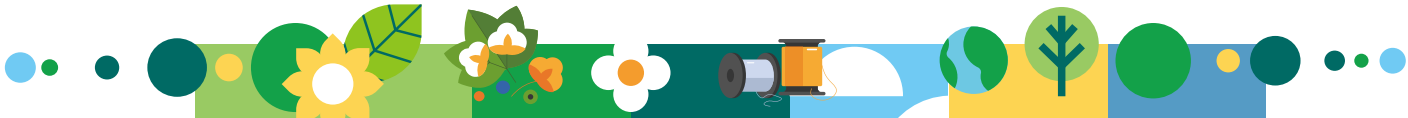
- Using packaging materials tailored to specific product requirements to avoid over-packaging.
- Prioritising the use of environmentally friendly or recyclable materials.
- Providing operational guidelines to avoid human errors that could lead to packaging waste.
- Recycling or reusing packaging tape and adhesive materials as protective coverings for products.

To further strengthen our sustainable packaging strategy, we maintain stringent supply chain controls for all packaging items to ensure compliance with internal environmental standards and to prevent pollution risks from non-compliant materials.

CHINA NANSHA PLANT

Total consumption of packaging materials at the China Nansha Plant decreased 17.3% during the Reporting Period compared to 2024/25 levels.

Consumption of packaging materials (kg)	China Nansha Plant	
	2025/26	2024/25
Consumption of paper packaging materials	429,825	545,625
Consumption per metric tonne of finished products	10.20	10.61
Consumption of plastic packaging materials	222,003	242,113
Consumption per metric tonne of finished products	5.27	4.71



Environmental Responsibility

VIETNAM HAI PHONG PLANT AND VIETNAM NINH BINH PLANT

Both the Vietnam Hoi Phong Plant and Vietnam Nin Binh Plant recorded an increase in the consumption of paper packaging material consumption.

Consumption of packaging materials (kg)	Vietnam Hai Phong Plant		Vietnam Ninh Binh Plant	
	2025/26	2024/25	2025/26	2024/25
Consumption of paper packaging materials	143,088	87,397	130,115	92,706
Consumption per metric tonne of finished products	14.80	10.09	16.39	20.21
Consumption of plastic packaging materials	74,698	89,650	62,641	31,142
Consumption per metric tonne of finished products	7.73	10.35	7.89	6.79

The newly operational Vietnam Ninh Binh Plant has also implemented a structured approach to the classification and reduction of packaging materials as part of its waste management system. Packaging materials are carefully classified and managed to ensure proper handling and disposal. Hazardous waste packaging, such as adhesive plastic containers and metal packaging, is collected separately, labelled, and stored securely, while non-hazardous packaging materials, such as soft packaging materials, are stored separately from domestic waste to maintain proper segregation and facilitate recycling or disposal. To further reduce packaging waste at the source, the plant has adopted measures such as using reusable containers to minimise single-use packaging. Additionally, it prioritises large-capacity packaging and bulk deliveries via tanker trucks to reduce the overall volume of packaging waste generated. These initiatives reflect the plant's commitment to sustainable and environmentally responsible operations.



The Vietnam Ninh Binh Plant has also implemented robust measures for the storage, recycling, and disposal of packaging waste to ensure environmental compliance. Hazardous packaging is stored in a dedicated warehouse with leak-proof trays and sealed containers, while non-hazardous packaging is kept separately in an industrial solid waste warehouse to prevent contamination. Covered and categorised bins in production areas enable immediate segregation. Empty chemical containers are sent to certified units, and contaminated packaging, such as dye bags, is managed as hazardous waste. Recyclable materials like cardboard and plastic films are sent to recycling companies, while non-recyclable packaging is disposed of in compliance with Vietnam's QCVN 07:2009/BTNMT standards. Employees are trained in waste classification, secure storage, and emergency response, ensuring safe and efficient waste management.

Moving forward, the Group will continue to pursue opportunities for reducing packaging waste, enhancing the use of recyclable materials, and further integrating sustainable packaging practices into its production and logistics processes.

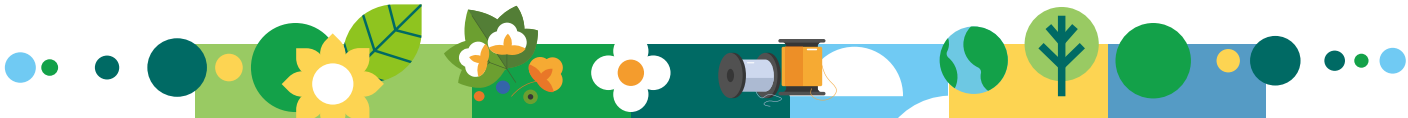
OTHER ENVIRONMENTAL IMPACT MANAGEMENT

We remain fully committed to minimising the broader environmental impacts of its operations, recognising that industrial activities can affect the surrounding environment through noise, odour, and emergency-related risks. As part of our environmental stewardship responsibilities, the China Nansha Plant, the Vietnam Hai Phong Plant and the Vietnam Ninh Binh Plant have all established dedicated environmental working groups to monitor emissions, assess resource consumption, and implement measures that safeguard local ecosystems and biodiversity.

NOISE AND ODOUR MITIGATION

Noise emissions, particularly from production equipment and air discharge systems, are a key environmental consideration for the Group. In response, we have implemented a range of noise mitigation measures, including the use of low-noise air compressors, enclosed indoor operations, and the installation of sound insulation panels along the perimeters of plant boundaries. The China Nansha Plant undergoes annual boundary noise monitoring conducted by third-party environmental agencies to ensure compliance with local standards and early identification of any potential issues.

Odour emissions, primarily arising from aeration tanks during the sewage treatment process, are similarly addressed through targeted control measures. At all three plants, aeration tanks have been fitted with cover plates to seal off odour sources and prevent the release of unpleasant smells into the surrounding environment, geared with a comprehensive odour collection system. These measures form part of a broader effort to minimise operational disruptions to local communities and natural habitats.



Environmental Responsibility

BIODIVERSITY

Pacific Textiles recognises the importance of preserving biodiversity as part of its broader environmental responsibilities and is committed to aligning its operations with applicable regulatory frameworks in China and Vietnam. While there are no biodiversity-specific requirements for garment manufacturing facilities at this stage, the Group adheres to a range of national policies and environmental laws that indirectly contribute to biodiversity conservation. In line with these standards, Pacific Textiles is strengthening its internal controls and operational oversight to ensure that potential impacts on biodiversity are effectively managed. This includes reinforcing compliance with emission, waste, and water discharge regulations, promoting the sustainable use of raw materials, and integrating biodiversity considerations into plant design, production processes, and environmental risk assessments to support long-term ecological sustainability.

GREEN PLANT DESIGN AND ENVIRONMENTAL UPGRADES

In line with our long-term environmental goals, the Group places strong emphasis on incorporating sustainable features during the design and upgrade of production facilities. The China Nansha Plant's upgrade project, completed in 2023, included the transition from liquefied petroleum gas to liquefied natural gas, and enhancements to the resin tertiary wastewater treatment system. Research is also underway to explore advanced sludge reduction methods as part of our continued environmental innovation efforts.

Our Vietnam Hai Phong Plant, since 2022, has been actively implementing energy audits and exploring the feasibility of biomass utilisation to improve energy efficiency and reduce emissions. Furthermore, the Group's new Ninh Binh plant design plans incorporate comprehensive green features, including:

- Advanced sewage and discharge treatment systems
- Ultra-clean coal boiler emissions treatment, meeting China's highest domestic standards
- On-site heat recovery systems
- Condensing steam and cooling water recovery technologies

These integrated systems are expected to significantly enhance the environmental performance of future facilities.

We remain committed to further strengthening our environmental impact management across all levels of operation. Looking ahead, we will continue to explore innovative methods to reduce the environmental footprint of our factories, enhance the sustainable use of natural resources, and protect biodiversity in areas where we operate. Our approach combines technology, proactive risk management, and continuous improvement to ensure our environmental responsibilities are met with the highest standards of care.

SUSTAINABLE USE OF RAW MATERIALS AND RESOURCES

The Group places strong emphasis on the sustainable use of raw materials and natural resources as a critical component of its environmental stewardship. The Group draws inspiration from leading industry benchmarks that advocate for responsible sourcing, resource efficiency, and circularity in production processes. To this end, we actively implement measures to reduce material waste, recycle packaging and process inputs, and adopt environmentally preferred alternatives wherever feasible. The Group also invest in innovative technologies to optimise resource utilisation – such as wastewater recycling systems, low-liquor dyeing machines, and energy-saving equipment – thereby reducing its dependency on finite resources. By embedding sustainability considerations into its supply chain and manufacturing practices, Pacific Textiles continues to minimise its environmental footprint and uphold responsible production standards in line with evolving stakeholder expectations and international environmental trends.

Pacific Textiles maintains its long-standing reputation for reliable product quality through stringent quality management practices. Upon receiving raw material samples from suppliers, we immediately conduct quality inspections to ensure that all input materials meet international standards 'and specific customer requirements' before production begins. All factories hold certifications for Global Organic Textile Standard (GOTS), Organic Content Standard (OCS), Global Recycled Standard (GRS), and Recycled Claim Standard (RCS), as well as 'Regenagri Chain of Custody Criteria'. In addition, the China Nansha Plant has obtained Responsible Wool Standard (RWS) certification.

EMERGENCY PREPAREDNESS AND ENVIRONMENTAL SAFETY

Recognising the potential risks associated with industrial operations, Pacific Textiles has implemented a robust emergency management framework to effectively address environmental and safety incidents. Our Emergency Readiness and Response Management Procedures provide a structured approach to handling emergencies such as chemical or fuel leaks, fires, or explosions. These procedures clearly outline responsibilities, control guidelines, and step-by-step responses for major pollution events, ensuring a swift and coordinated reaction.

To strengthen our preparedness, both plants conduct annual emergency drills simulating various environmental scenarios. The China Nansha Plant, for instance, carried out 66 drills in total during the Reporting Period, responding to sewage leakage, chemical spill simulations and fire emergency escape etc. Each drill is conducted according to a tailored plan, reviewed by the safety management office, and followed by a thorough appraisal to identify improvement areas. Similarly, the Vietnam Hai Phong Plant performs regular emergency response and leakage drills, often with on-site supervision and guidance from official organisations, to reinforce emergency responsiveness across all levels of the operation. During the Reporting Period, the Vietnam Hai Phong Plant & Ninh Binh Plant conducted a total of three fire drills for both night shift and day shift together with 2 times of chemical spill emergency drill to strengthen workplace safety and emergency preparedness.



Social Responsibilities



We remain committed to contributing positively to society by leveraging our strengths to support shared prosperity. We aim to ensure that all stakeholders – including employees, local communities, and vulnerable groups – benefit from the outcomes of economic development. Our people-first approach is embedded in our operations, promoting inclusive growth and long-term value creation.

We are dedicated to the following priorities:

- Providing competitive remuneration packages to attract and retain talent
- Promoting diversity and equal opportunities while fostering a harmonious and inclusive workplace culture
- Establishing a robust safety management system with a strong focus on employee health and well-being
- Developing impactful community investment strategies and ensuring effective resource allocation to enhance local livelihoods and broaden the scope of community support initiatives

Material topics:

- Labour Practices & Human Rights
- Employee Attraction and Retention
- Employee Diversity and Equal Opportunities
- Employee Training and Development
- Occupational Health and Safety
- Community Investment & Engagement



CARING FOR EMPLOYEES

Pacific Textiles recognises that the contribution of its employees – across all roles and levels – is critical to the Group's long-term development. The Group is committed to fostering a respectful, supportive, and well-regulated working environment by offering fair remuneration, robust human resources policies, and employee-focused initiatives.

To creating a work environment that values fairness, transparency, and equal opportunity, Pacific Textiles has implemented a set of internal human resources policies, such as the CSR Management Code, Employee Handbook, Employee Code of Conduct, written policies and procedures relevant to Recruitment Policy, Working Hours and Leave Management Regulations, Employee Grievance Management Policy, Employee Resignation Management Regulations, and other internal rules. These policies are regularly reviewed to ensure compliance with local laws, including but not limited to the Labour Law of the People's Republic of China, the Production Safety Law of the People's Republic of China, Fire Control Law of the People's Republic of China, Law on Prevention and Treatment of Occupational Diseases of the People's Republic of China, Labor Codes of Vietnam, as well as Employment Ordinance (Cap. 57) in Hong Kong.

LABOUR PRACTICES AND HUMAN RIGHTS

Stakeholders' concern:

What is Pacific Textiles' view on protecting employees' interests?

The Group has established specific systems covering human resources policies, employee compensation and benefits, and internal transfers to strengthen overall workforce management. Regular communication is maintained with the labour union to address matters concerning employees' key interests. Internal regulations are also reviewed periodically to ensure compliance and relevance. These efforts aim to safeguard employee rights and support performance improvement across the organisation.

We maintain a zero-tolerance approach to any form of forced labour. Practices such as corporal punishment, abuse, bonded labour, or human trafficking are strictly forbidden. The Group complies fully with local labour legislations and regulations concerning child labour, with CSR Guide outlined our commitment to ethical recruitment and the avoidance of any form of forced or compulsory labour. No individual below the legal minimum working age is employed at any of the Group's plants.

Pacific Textiles takes a comprehensive approach to managing its workforce, ensuring that all employment practices are aligned with both legal requirements and the company's internal policies. The company conducts regular assessments to identify economic, environmental, and human rights risks, which guide its operational decisions. According to the internal Code of Conduct, violations of labour discipline are handled with fairness and transparency. Depending on the severity of the violation, employees may face penalties ranging from reprimands to dismissal. In such cases, the level of compensation provided upon dismissal is decided in accordance with the nature of the violation. During the Reporting Period, there were no cases of non-compliance for local labour & child labour regulations for all three plants.

Social Responsibilities

In addition, the company ensures that working hours do not exceed local legal limits or customer requirements and provides workers with adequate break times and days off. These measures ensure compliance with local laws and help promote a healthy work-life balance for employees.

To ensure compliance with fair employment and age verification requirements, the Group follows a strict recruitment process. This includes verification of ID cards, birth certificates, and proof of address for all new hires. These checks are carried out consistently to prevent underage employment and uphold legal hiring practices. At the China Nansha Plant, salary payments are made through bank-issued salary cards. These cards are linked to official identification systems, including ID and police records, ensuring that all employees are accurately identified and legally employed. This process helps maintain transparency and accountability in payroll management.

To the best knowledge of the management, Pacific Textiles complied with all applicable local laws and regulations related to employment and labour practices, occupational health and safety, and the prohibition of child and forced labour during the Reporting Period. No instances of non-compliance or violations were identified. The Group remains committed to maintaining lawful and responsible business operations across all locations.

TRADE UNION, COLLECTIVE NEGOTIATION AND COMMUNICATION

Pacific Textiles established respective Trade Unions across its factories in compliance with local laws.

To support Trade Union activities, Pacific Textiles has implemented clear regulations covering operations, dues, and election procedures. Regular internal and external audits are conducted to ensure compliance with policies and legal requirements. Employees are also trained on the value of Trade Unions to foster awareness and participation. If challenges arise, the company follows internal Corrective Action Procedures, communicates with local unions, and publicises relevant activities.

The company promotes collaboration between employees, management, and external stakeholders to align organisational goals with broader societal benefits. Effectiveness is monitored through audits and annual stakeholder meetings, ensuring transparency and continuous improvement.

Pacific Textiles maintains open communication channels with its workforce. The Group have signed the Wage Collective Negotiation Agreement with Trade Union representatives at all three plants in China and Vietnam. Regular Trade Union committee meetings are held to discuss matters of employee concern, such as annual salary adjustments, trade union-related expenses, and travel arrangements for the Spring Festival period.

TALENT ATTRACTION, RETENTION, AND ENGAGEMENT

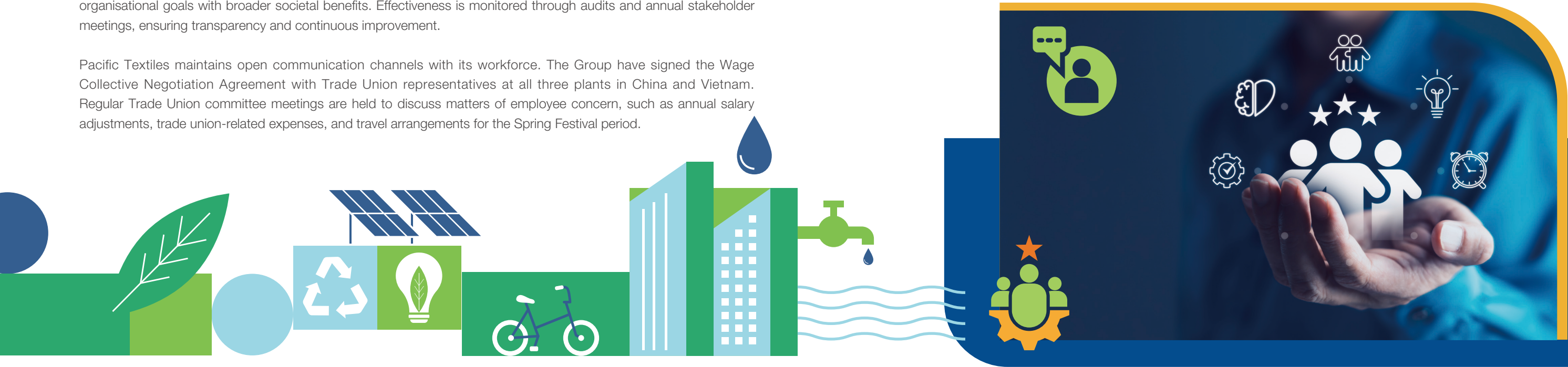
Stakeholders' concern:

What is Pacific Textiles' view on complying with the principles of diversity and fair employment in response to clients' concerns?

The Group applies standardised selection criteria and management procedures across recruitment, promotion, and employee compensation and benefits. All human resources practices are implemented in accordance with the principle of equality, ensuring fair and consistent treatment of employees. The Group maintains a zero-tolerance policy towards discrimination of any kind and strictly prohibits the use of forced labour and the employment of individuals below the minimum legal working age in all operating locations.

Recognising that our people are central to the Group's continued success, Pacific Textiles remains committed to cultivating a supportive, inclusive, and rewarding workplace environment. During the Reporting Period, the Group advanced a holistic approach to talent management, encompassing competitive remuneration, comprehensive employee benefits, and a wide range of engagement and wellbeing initiatives. These efforts not only reinforce our ability to attract and retain skilled professionals but also contribute to enhanced morale, productivity, and long-term organisational resilience.

The employee performance evaluation process aims to align individual contributions with company objectives. At the start of each cycle, employees and managers set SMART goals, followed by ongoing monitoring and feedback to address issues early. Employees complete a self-assessment to reflect on their performance, which is then discussed in a review meeting to finalise evaluations and feedback. The process concludes with a growth plan that outlines actions for development in the next cycle.



Social Responsibilities

As of the end of the Reporting Period, the Group employed a total of 5,050 full-time employees (2024/25: 5,115), representing a decrease of 1.3% year-on-year. The workforce is structured to support the Group’s operational needs across various functions, with employee distribution as follows:

Gender	Number	%
Male	3,359	67%
Female	1,691	33%

Region	Number	%
Hong Kong and Others	57	1%
Mainland China	3,037	60%
Vietnam	1,956	39%

Employee Category	Number	%
Senior Management	17	0.3%
Middle Management	72	1.4%
Supervisor	292	5.8%
General Staff	4,669	92.5%

Age	Number	%
18–24	379	8%
25–34	1,346	27%
35–44	1,853	37%
45–54	1,171	23%
55+	301	6%

COMPETITIVE REMUNERATION AND EMPLOYEE BENEFITS

The Group provides employees with a competitive remuneration package aligned with individual performance, contributions, and market conditions. This includes salary, statutory and supplementary insurance, various subsidies, maternity and paternity leaves, and paid leave. We also provide additional allowances for meals and transportation.

TALENT ENGAGEMENT AND WELLBEING

Beyond compliance and compensation, the Group invests in initiatives to improve the working environment and support staff wellbeing, to relieve work stress, enhance team spirit, and improve workplace cohesion, as well as efforts to build a strong sense of belonging. Key activities across three factories of the Group during the Reporting Period included:

Monthly birthday celebrations



For over 1,800 employees

Retirement farewell party



Organised a retirement farewell party for around 50 employees who have grown and succeeded alongside us



Long-service awards



Prizes totalling around RMB254,000 for around 345 employees with over 10 years of service



Social Responsibilities

Engagement activities

Engagement events such as giving mooncakes to employees, International Women's Day celebration, year-end lucky draw, and year-end party to foster a positive workplace culture.



Health-themed workshops

Sessions on workplace health topics including mental health, AIDS awareness, understanding medical check-up results, and stress management



Sports and wellness activities

Recreational activities such as basketball, football, table tennis, and Tai Chi, badminton, tug-of-war, yoga, and group outings help employees to unwind, foster team spirit, and reduce workplace stress.



Summer Childcare Programs

Establishing childcare programs to resolve the issue of 'childcare difficulties' encountered by employees.



Social Responsibilities

Facility improvements

Vietnam Hai Phong Plant and Vietnam Ninh Binh Plant

During Reporting Period, the plants completed the upgrade of the automated dispensing system for liquid auxiliaries in the Dyeing Workshop. In addition, Vietnam Hai Phong Plant initiated the second phase of the automated dyestuff dispensing system. These enhancements have improved working conditions and reduced direct chemical exposure in the workshops.

As of the end of the Reporting Period, the employee turnover of the Group was 994 (2024/25: 1,193), resulting in an overall turnover rate¹¹ of 19.7% – a 3.6% decrease compared to the financial year 2024/25.

Gender	Number	%
Male	680	20%
Female	314	19%

Region	Number	%
Mainland China	220	7%
Vietnam	768	39%
Hong Kong and Others	6	11%

Employee Category	Number	%
Senior Management	2	12%
Middle Management	3	4%
Supervisor	14	5%
General Staff	975	21%

Age	Number	%
18–24	330	87%
25–34	339	25%
35–44	209	11%
45–54	83	7%
55+	33	11%

EMPLOYEE DIVERSITY AND EQUAL OPPORTUNITIES

The Group is committed to fostering a diverse and inclusive work environment where all employees are treated fairly and with respect. Equal opportunity principles are embedded across recruitment, promotion, training, and daily operations, with all employment decisions based on objective criteria such as qualifications, experience, and performance. Discrimination based on gender, race, ethnic origin, religion, marital status, or disability is strictly prohibited, in alignment with the Group’s core values and applicable regulations.

Our Anti-Discrimination Management Procedure explicitly prohibits discrimination based on gender, ethnicity, religion, disability, sexual orientation, and other personal characteristics. These principles are central to our values as we strive to create a fair and diverse workforce.

During the Reporting Period, the China Nansha Plant actively promoted these principles through training programmes, including the Corporate Ethics Training. Additionally, childcare services were introduced for employees with young children, empowering women to develop their careers. We believe that embracing diversity enhances creativity, fosters collaboration, and improves performance across all levels of the company.

For Vietnam Hai Phong Plant and Vietnam Ninh Binh Plant, regular training on CSR Guidance is conducted for all employees to foster an understanding of equality and fairness in the workplace. Written policies/procedures relevant to anti-harassment is also in place to prevent any form of harassment, and this is communicated clearly to all employees. Bias and discrimination awareness training is provided to all employees, fostering an environment where discrimination is actively avoided.

To the best of the management’s knowledge, Pacific Textiles complied with all applicable local laws and regulations related to employee diversity and equal opportunities. During the Reporting Period, no instances of non-compliance or violations were identified.

EMPLOYEE TRAINING AND DEVELOPMENT

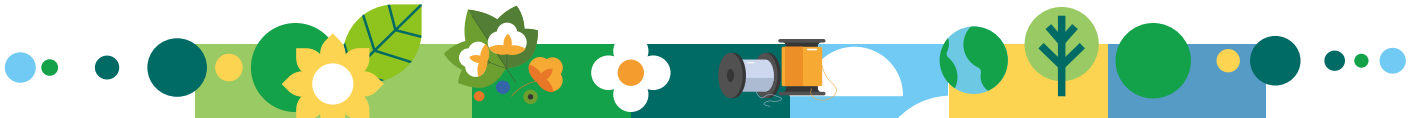
We recognise that employee knowledge and technical skills are fundamental to the Group’s sustainable growth, also, continuous development of our employees is essential to maintaining a competitive edge. In line with its long-term business development, the Group continues to implement structured and practical training initiatives to improve employee capabilities across all levels. Training is provided based on strategic succession planning of the Group, job roles, operational requirements, and future skill development needs.

Stakeholders’ concern:

What is Pacific Textiles’ view on training employees to lay a foundation for its business development?

The Group has established a comprehensive Training Policy aligned with operational needs and role-specific requirements. In addition to internal training programmes, the Group provides subsidies for external training to support the development of job-related knowledge and skills. These opportunities are extended to designated roles, including security personnel, forklift operators, and safety officers, to ensure employees are equipped with the necessary competencies to perform their duties effectively and safely.

¹¹ Turnover rate is calculated by dividing the number of employees in a specific employee category by the total number of employees at the end of the Reporting Period. We have enhanced our data disclosure practices to include the total number of employees left, along with the percentage, starting from the 2024/25 period.



Social Responsibilities

During the Reporting Period, training coverage¹² reached 83.5%% of employees, with an average of 44.2 training hours completed per employee¹³ (2024/25: 34.5 hours). A detailed breakdown of training hours by category is provided in the performance data section of this report.

Gender	Number	%
Male	3,367	83.4%
Female	1,680	83.8%

Employee Category	Number	%
Senior Management	11	57.9%
Middle Management	53	70.7%
Supervisor	276	90.2%
General Staff	4,707	83.4%

Gender	Hours
Male	46.4 hours
Female	38.9 hours

Employee Category	Number
Senior Management	15.6 hours
Middle Management	19.9 hours
Supervisor	40.8 hours
General Staff	44.7 hours

TRAINING STRUCTURE AND IMPLEMENTATION

The Group’s internal training structure at China Nansha Plant consists of four main parts:

Training	Description	No. of participants/ sessions
Onboarding and Orientation:	New employees receive onboarding training led by the Human Resources Department. This training covers company policies, factory rules, basic safety requirements, attendance, salary structure, employee benefits, and corporate social responsibility policy guidelines to ensure employees are familiar with their roles and responsibilities. Departmental teams also provide introductory courses on ISO standards (ISO 45001, ISO 9001, ISO 14001, ISO 50001), crisis management, operating procedures, and related work instructions.	• 66 lessons • 174 new employees
Skills Training (Basic):	On-the-job training is conducted in an apprenticeship format, including guidance on basic operational skills, safety practices, quality awareness, environmental protection, and occupational health.	• 52 lessons • 174 new employees
Skills Training (Advanced)	Each department provides targeted training according to the annual plan to enhance technical capabilities.	• 3,106 Participants
Management Training	To enhance the capabilities of its management team, the Group conducted multiple training courses, covering topics such as crisis management, production efficiency, budgeting, energy conservation, safe production, and the Group’s management philosophy.	• 222 Participants
Social Responsibility Training	To strengthen employees’ legal awareness, the Group implemented anti-discrimination management procedures, free association management procedures, anti-harassment and forced labour management procedures, and child labour and underage labour management procedures.	• 1,622 Participants

To further enhance the integrity, honesty, and accountability of all employees within the group, we have arranged a training course for colleagues in our Hong Kong and Macau offices. The training primarily covers the Group’s Code of Conduct and the relevant anti-bribery laws applicable in various regions, aiming to strengthen the Group’s standards of integrity and ethics across locations. To reinforce their understanding of the training content, the company requires employees to complete a related questionnaire after finishing the training. The average score was 80.32%, reflecting that the staff have a certain level of awareness and understanding of integrity and ethical conduct.

¹² The training coverage, expressed as a percentage (%), is calculated by dividing the number of employees in a specific category who received training by the sum of the total number of employees in that category at the end of the Reporting Period and the number of employees who left that category during the Reporting Period. We have enhanced our data disclosure practices to include the total number of trained employees, along with the percentage, starting from the 2024/25 period.

¹³ Training hours per employee is calculated by dividing the total training hours of employees in a specific employee category by the number of employees in that category who received training.

Social Responsibilities

EXTERNAL TRAINING OPPORTUNITIES

During the Reporting Period, the Vietnam Hai Phong Plant further supported skill development by offering funding for external training and education programs. These initiatives are complemented by in-house courses such as cybersecurity, fire prevention drills, first aid, and environmental safety training, ensuring that employees are equipped with the necessary knowledge and skills to perform their jobs safely and efficiently.

In addition to organising training courses, the Group actively promotes a culture of continuous learning through practical competitions and creative incubation initiatives. These efforts aim to enhance employees' practical skills, encourage innovation, and cultivate a proactive mindset. During the Reporting Period, the Group supported internal and external skills training activities and supported relevant mechanisms through organising suggestion programs, enabling employees to contribute to improving operations.

CULTURE OF SUSTAINABILITY TRAINING AND AWARENESS BUILDING

We are dedicated to cultivating a robust culture of sustainability through targeted capacity-building and awareness initiatives. During the Reporting Period, the Group conducted CSR training for all employees, ensuring a thorough understanding of the “CSR Compliance Code of Conduct” manual and its importance in fostering ethical and sustainable practices. Senior leaders and managers undertook additional sessions on sustainable development and corporate culture, designed to embed sustainability at all levels of decision-making and leadership. For instance, relevant employees attended the “Corporate Culture – Pacific Textiles’ Philosophy” training, further strengthening awareness of the Group’s values and sustainability vision. These initiatives reflect the Group’s unwavering commitment to empowering its workforce with the knowledge and skills to drive sustainable progress across all operations.

The China Nansha Plant hosted the “SBTi and Greenhouse Gas Verification Training Conference,” inviting department heads to attend sessions on “Climate Change and Business Operational Risks”. 20 individuals also completed the “Greenhouse Gas Verifier” certification, with the “Internal Greenhouse Gas Auditor” qualification accredited.

INTERNAL AND EXTERNAL SKILLS COMPETITIONS

Through various skill competitions, the company has effectively stimulated employee enthusiasm, enhanced proficiency across roles, promoted practical skill development, and established a platform for mutual learning. During the Reporting Period, a total sponsorship of RMB135,000 (2024/25: RMB65,000) supported multiple skill competitions including the department specific contest such as the “Fabric Inspection Skill Competition, the Color Bead Skill Competition, the Machine-Tail Fabric Inspection Skill Competition, and the Weaving Skill Competition, and company-wide events such as Canteen Culinary Competition, Safety Knowledge Quiz and Reading Sharing Session”. Collectively, these activities engaged 3,170 employee participants (2024/25: 3,178 participants).



Externally, employees were encouraged to participate in local and district-level skill competitions. Vietnam Ninh Binh Plant participated in Firefighting and Rescue Operations Skills Competition organised by Ninh Binh Province.



IMPROVEMENT PROPOSALS

We encouraged employees to submit Improvement Proposals since 2019, focusing on equipment, technology, quality, safety, and energy saving. During the Reporting Period, 716 proposals (2024/25: 648 proposals) were deployed, resulting in cost savings of RMB30 million (2024/25: RMB15 million), with approximately RMB200,000 prize incentives awarded.



TRAINING SUBSIDIES

Subsidies were also provided to support job-specific external training, particularly for forklift drivers, security personnel, safety officers, and first aid responders.



Social Responsibilities

OCCUPATIONAL HEALTH AND SAFETY

At Pacific Textiles, the health and safety of our workers remain a top priority. Each of our plants –whether in China or Vietnam – has made significant strides in ensuring that employees work in safe and healthy environments. Through proactive health assessments, rigorous risk management protocols, comprehensive training, and a strong commitment to worker well-being, we continue to strive towards a zero-harm workplace. We remain committed to further enhancing our Occupational Health and Safety (“OHS”) practices and ensuring compliance with all relevant health and safety regulations.

Stakeholders' concern:

How does Pacific Textiles view workplace Health and Safety?

The Group has established a comprehensive framework of safety rules and internal evaluation mechanisms to monitor and manage workplace safety performance. Each year, a systematic identification of hazard sources and risk assessments is conducted, supported by professional testing agencies that evaluate occupational hazard exposure and carry out equipment testing and maintenance. To safeguard employee health, the Group also arranges regular occupational health examinations for all staff in accordance with relevant regulatory requirements.

The Group strictly follows all relevant local legislation and regulations related to occupational Health and Safety across its operations. Our Health and Safety Policy is based on the principles of legal compliance, care, risk identification, hazard control, and safety management, with the aim of fostering a safe and cooperative working environment. Guided by this policy, we have developed standard procedures for production safety and a corresponding management system.



OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

Pacific Textile's faces several key labour and OHS risks across its operations and its value chain. From a labour conditions perspective, the most significant risks include exposure to high-temperature environments in dyeing workshops, sustained noise levels in weaving operations, and physically demanding manual handling tasks that may lead to fatigue or injury. Additional challenges include recruitment constraints and workforce availability in certain locations, as well as overtime management in production functions.

From an EHS standpoint, major risks arise from chemical exposure, fire and explosion hazards, and environmental factors such as heat, noise, vibration, and fine dust. Manual handling activities – such as moving chemical barrels, fabrics, and yarn boxes – also present a high risk of sprains and falls. To mitigate these risks, the company conducts annual occupational safety and environmental risk assessments, implements corrective actions, enforces compliance with chemical safety standards such as ZDHC, and carries out regular safety inspections, training, and emergency response drills to monitor and manage risks effectively across its operations and its supply chain.

CHINA NANSHA PLANT

China Nansha Plant adheres to a robust OHS management system certified to ISO 45001, ensuring the safety and well-being of all workers. The plant's approach to OHS is informed by comprehensive legal requirements, including but not limited to the Labour Law of the People's Republic of China and the Work Safety Law of the People's Republic of China. In line with these legal standards, the China Nansha Plant conducts regular assessments of potential workplace hazards, such as temperature, noise, air quality, dust, and gas exposure. These assessments are carried out by professional third-party agencies and the results are made publicly available to all staff. Also, China Nansha Plant has been certified under the Social & Labour Convergence Program (“SLCP”). There has been zero cases of non-compliance for local OHS regulations during the Reporting Period.

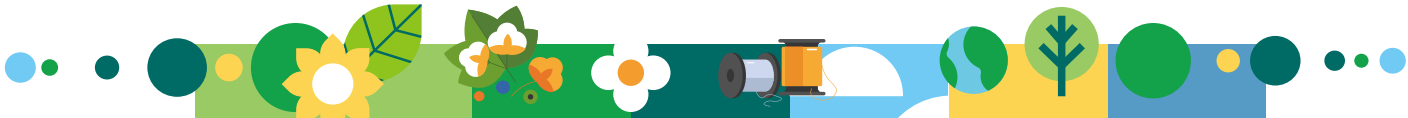
VIETNAM HAI PHONG PLANT AND VIETNAM NINH BINH PLANT

Both the Vietnam Hai Phong Plant and the Vietnam Ninh Binh Plant is committed to providing a safe working environment in compliance with the Vietnamese *Labor Law 2019*, *Labor Safety Law 2015*, as well as any relevant applicable laws. Both plants also strictly adhere to local safety regulations and takes necessary steps to mitigate risks. In addition, the Vietnam Hai Phong Plant has been certified under the SLCP, demonstrating its compliance with recognised social and labour practices. There has been zero cases of non-compliance for local OHS regulations during the Reporting Period.

RISK MANAGEMENT AND PROTECTIVE MEASURES

Based on risk assessments, appropriate measures are implemented to minimise hazards. This includes the provision of personal protective equipment (“PPE”) such as earplugs, goggles, charcoal masks, dust masks, gloves, and safety boots. Employees also undergo annual health checks to detect occupational diseases and health issues. In case of any health-related concerns, the company ensures that employees receive necessary medical assistance and work adjustments to support their recovery.

In addition to monitoring workplace conditions, variety of health services to employees were offered, including annual health check-ups and physical assessments. The plant also promotes employee mental well-being through activities such as yoga classes, Tai Chi sessions, and psychological counselling available during non-working hours at the dormitory activity room.



Social Responsibilities

CHINA NANSHA PLANT

The China Nansha Plant conducts annual hazard identification and risk assessments to proactively identify potential risks. Based on the assessment outcomes, the plant implements targeted control measures and standard safety procedures to mitigate key risks effectively. Regular emergency drills are carried out, simulating a wide range of scenarios such as fire evacuation, confined space rescue, chemical spills, equipment failure, and sewage leakage. Furthermore, all equipment is regularly tested and maintained to ensure it operates safely and reliably. Third-party specialists are engaged annually to inspect firefighting and lightning protection systems, further enhancing safety measures across the plant's operations.

VIETNAM HAI PHONG PLANT AND VIETNAM NINH BINH PLANT

The Vietnam Hai Phong Plant uses various measures to safeguard employees, including monitoring the work environment for potential hazards, including noise, dust, air quality, temperature, gas, and providing PPE, whereas the Vietnam Ninh Binh Plant focuses on risk management by providing safe working conditions through monitoring potential risks such as noise and dust exposure, and ensuring employees have appropriate PPE.

To comply with local laws, both the Vietnam Hai Phong Plant and the Vietnam Ninh Binh Plant conduct annual health checks for all employees, as well as occupational disease screenings. These screenings help identify any potential work-related health issues early on, enabling timely intervention and risk management.

Annual hazard identification and risk assessments are conducted at both plants. Based on the findings, the Group implements targeted control measures and standard safety procedures to address key risks. Emergency drills are held regularly and cover a range of scenarios, including fire evacuation, confined space rescue, chemical spills, equipment failure, and sewage leakage. Equipment is also routinely tested and maintained to ensure safe and reliable operation.

TRAINING AND COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY

OHS Training is comprehensive and mandatory. All employees participate in safety training covering topics such as chemical safety, electrical safety, and fire protection. The training is conducted in compliance with legal requirements, and workers are compensated for the time spent in these sessions. Regular safety drills, including fire drills and emergency evacuation procedures, further ensure that employees are prepared for potential hazards.

In accordance with our commitment to occupational health and safety, including fire safety, hazardous materials handling, and emergency procedures, we provided training courses to over 3,100 employees during the Reporting Period, demonstrating our emphasis on employee safety and skills enhancement.

CHINA NANSHA PLANT

During the Reporting Period, the China Nansha Plant conducted a professional training course on "Special Equipment Safety Management and Operator Certification (Forklift Operator N1 Certificate)," with 288 employees participating and all completing the certification exam. External instructors conducted health-themed training, including "First Aid Training," "Occupational Health Knowledge Lectures," "Hypertension Prevention and Management," and "Work Injury Prevention Awareness" training, benefiting 500 employees.

To ensure employees fully understand their work environment, the China Nansha Plant requires all employees to sign an occupational hazard notification form compliant with local government regulations. This notification provides information on job responsibilities, working hours, rest periods, statutory benefits, and preventative measures for specific job risks. This process supports clear communication and enhances transparency, helping employees better understand their responsibilities and workplace conditions.

VIETNAM HAI PHONG PLANT AND VIETNAM NINH BINH PLANT

Training on occupational safety is also conducted regularly at the Vietnam Hai Phong Plant, covering topics such as general safety procedures, chemical handling, and machinery operation hazards. These sessions are mandatory, provided free of charge during paid working hours, and their effectiveness is assessed through practical tests and safety audits.

At the Vietnam Ninh Binh Plant, training also addresses essential safety topics, including machinery operation, chemical safety, and emergency response. These sessions are mandatory and free of charge, with employees encouraged to attend as part of their health and safety responsibilities. In November 2025, employees from the Vietnam Ninh Binh won second place in a fire fighting competition held by the local fire fighting department, demonstrating the plant's competency in maintaining preparedness against fire risks.

The Group conduct yearly assessments of occupational hazards – such as noise, dust, air quality, temperature, and gas – across various job positions in both plants. These evaluations are carried out by professional testing organisations, and the results are shared with employees to increase awareness. Based on the assessment outcomes, preventive measures are implemented, and staff receive relevant training to help them understand and manage these risks effectively.

WORKPLACE INCIDENTS AND INJURY MANAGEMENT

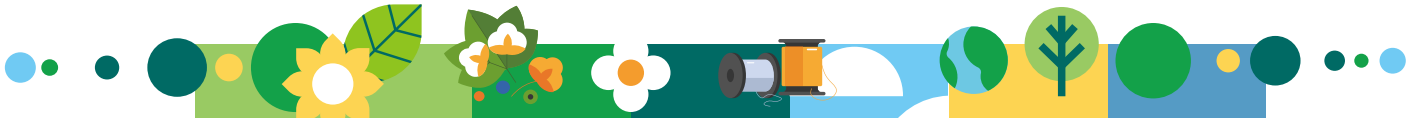
CHINA NANSHA PLANT

During the Reporting Period, the China Nansha Plant recorded 15 work-related injuries among employees, none of which resulted in fatalities. In addition, there were 1,604 lost working days due to work-related injuries with the majority of injuries being minor, such as falls or mechanical injuries. A well-established incident reporting and response system is in placed to ensure the prompt investigation and resolution of all accidents.

Workplace Incident Data	China Nansha Plant		
	2025/26	2024/25	2023/24
Number of Fatalities	0	0	0
Number of Work-related Injuries	15	18	30
Number of Lost Working Days	1,604	1,783	2,557

VIETNAM HAI PHONG PLANT AND VIETNAM NINH BINH PLANT

During the Reporting Period, the Vietnam Hai Phong Plant recorded 3 work-related injuries, and the Vietnam Ninh Binh Plant reported 10 work-related injuries, with no work-related fatalities reported from the two plants. The Vietnam Hai Phong Plant and the Vietnam Nin Binh Plant also recorded 42 and 107 lost working days due to work-related injuries, respectively. Both plants follow a systematic approach with rigorous safety protocols for managing work-related incidents. All injuries are documented, investigated to identify root causes, and corrective measures are implemented accordingly.



Social Responsibilities

Workplace Incident Data	Vietnam Hai Phong Plant			Vietnam Ninh Binh Plant		
	2025/26	2024/25	2023/24	2025/26	2024/25	2023/24
Number of Fatalities	0	0	0	0	0	N/A
Number of Work-related Injuries	3	4	4	10	2	N/A
Number of Lost Working Days	42	90	104	107	32	N/A

COMMUNITY INVESTMENT AND ENGAGEMENT

Pacific Textiles remains committed to supporting the long-term development of the communities in which it operates. Recognising the importance of stakeholder well-being, the Group continues to share the benefits of its economic growth through targeted investments in education, employment, and the improvement of local living environments. During the Reporting Period, the Group engaged in a range of community-focused initiatives, delivering tangible outcomes and reinforcing its role as a responsible corporate citizen.

As a means of exercising prudent control over community investments, the Vietnam Nin Binh Plant and Hai Phong plant established a formal policy to address community grievances, particularly regarding environmental issues, ensuring that any concerns are promptly addressed in collaboration with local stakeholders. This initiative underscores the company's proactive approach to maintaining strong community relationships and promoting environmental responsibility.

The CSR Management Code aims to support sustainable and responsible business growth while enhancing corporate reputation and creating long-term value for society. It focuses on three key pillars. Under the social aspect, the policy emphasises providing a safe and healthy working environment, ensuring fair wages and benefits, prohibiting child and forced labour, and promoting diversity and equal opportunities. From an environmental perspective, it seeks to minimise environmental impact through effective waste management and the efficient use of natural resources such as water and energy. Ethically, the policy underscores the importance of transparent business practices, integrity, anti-corruption measures, and contributing positively to local communities.

Stakeholders' concern:

What is Pacific Textiles' view on participating in civic affairs to promote the common development of the community?

The Group supports the sustainable development of the community through various channels, including the donation of funds and materials and the coordination of community-based initiatives. Efforts are primarily focused on education assistance, nurturing talents and promoting local employment, and improving living conditions, with the aim of contributing to long-term social and economic well-being.

EDUCATION ASSISTANCE

The Group views education as a key driver of long-term community development and individual empowerment. In underprivileged regions, Pacific Textiles provides financial assistance to enhance the learning environment for students from low-income families. Support includes the construction of school infrastructure, improvements to teaching facilities, and the provision of scholarships. During the Reporting Period, we funded various educational projects, including scholarships for outstanding students and support for local schools.

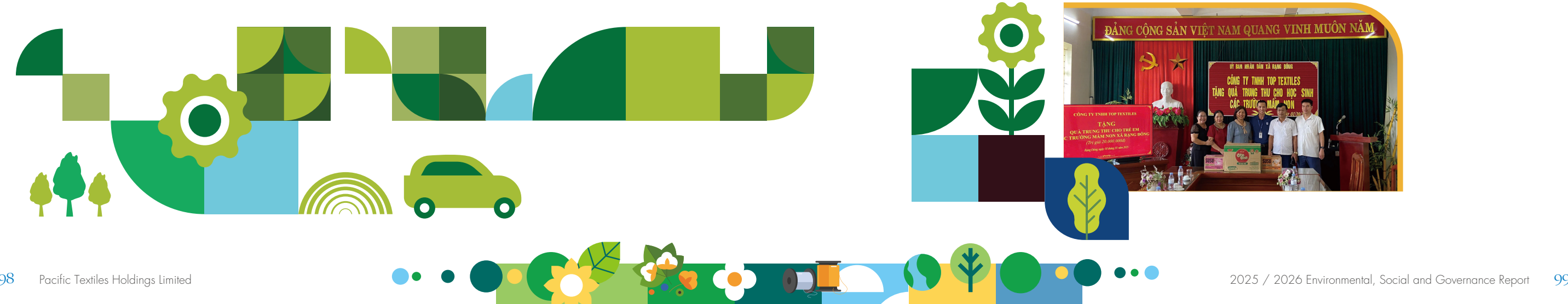
1. Awarding Scholarship to Outstanding Students

During the Reporting Period, China Nansha Plant awarded scholarships totalling RMB59,000 to 59 outstanding students at Tongxing Village. These efforts aim to create equal learning opportunities, enhance educational environments, and nurture future talent.



2. Mid-Autumn Festival Celebration

During the Mid-Autumn Festival, China Nansha Plant distributed 100 boxes of mooncakes (valued at RMB5,720) to students, fostering a sense of community and cultural connection. The Vietnam Ninh Binh Plant, on the other hand, continued its tradition of community engagement by celebrating the Mid-Autumn Festival in partnership with Rang Dong town preschool, distributing gifts to local children, ensuring they had a joyful celebration.



Social Responsibilities

IMPROVING LIVING CONDITIONS

Pacific Textiles recognises the importance of contributing to the communities where it operates. In addition to its efforts in education and employment, the Group contributes to the overall well-being of communities by supporting projects aimed at improving living conditions. During the Reporting Period, Pacific Textiles funded local infrastructure initiatives and coordinated charitable activities in the regions where it operates, providing financial assistance to families in need and supporting local cultural and sports activities.

Can Donation

During the Reporting Period, the Vietnam Hai Phong Plant donated trash cans to local authorities and supported rural traffic construction projects, demonstrating its commitment to improving local infrastructure and living conditions.



Support for Underprivileged Communities and Animal Welfare

During the Reporting Period, the Group supported vulnerable groups and animal welfare, including:

- Sponsored “2026 Caritas Charity TV Show” programme with a donation of HK\$30,000; and
- Donated HK\$20,000 to the Society for the Abandoned Animals Limited (SAA).



Case Study:

Enhancing Educational Access and Community Well-being in Tongxing Village, Mainland China

We remain committed to supporting local communities by focusing on improving education and enhancing overall community well-being. Over the years, we have dedicated resources to Tongxing Village to further strengthen its development and create lasting positive impacts.

Pacific Textiles launched a targeted initiative to further enhance the quality of life for the residents of Tongxing Village, with a focus on improving educational access, supporting local residents, and strengthening community development. The company provided:

- Transportation Support: RMB55,000 to fund transportation services for students, ensuring they could safely and reliably commute to school.
- Festive Celebration: RMB68,100 in gifts for 681 elderly residents and RMB3,100 for 31 disabled individuals during Chinese New Year, promoting inclusivity and cultural celebration. RMB6,000 for children of Tongxing Village celebrating the Children’s Day.



- Cultural Connection: 100 boxes of mooncakes worth RMB5,720 were distributed during the Mid-Autumn Festival, fostering a sense of community and tradition.
- Education Assistance: A total of 59 outstanding students from Tongxing Village were awarded scholarships amounting to RMB59,000.

The transportation funding is designed to make school commutes easier, enhancing students’ access to education and supporting their learning journey. Meanwhile, festive donations brought joy to local groups, highlighting the company’s dedication to social inclusion and the preservation of cultural traditions.

The Tongxing Village initiative highlighted the importance of tailoring community support to local needs. By further enhancing various aspects of quality of life, such as education access and support for local groups, Pacific Textiles was able to make a meaningful and lasting impact. The programme also underscored the value of engaging with local stakeholders to ensure resources are allocated effectively and initiatives align with community priorities. Building on the success of this programme, Pacific Textiles aims to expand its community engagement efforts in Tongxing Village. The Tongxing Village donation programme exemplifies Pacific Textiles’ commitment to improving the lives of local communities. By addressing education, social inclusion, and cultural needs, the company has fostered a stronger, more resilient community while reinforcing its role as a responsible corporate citizen.

Governance Responsibility



To address the complexity of customised products and the uncertainties of market demand, we have implemented two distinct procurement strategies: safety stock management and make-to-order purchasing. For standard products, safety stock management ensures flexibility in meeting delivery timelines, while for non-standard products, the make-to-order approach minimises the risk of excess inventory from demand fluctuations. Safety stock strategies are regularly formulated for key materials, while non-standard items are procured through systematic planning. Together, these approaches balance efficiency and adaptability, enabling us to meet market needs while maintaining operational resilience.

We ensure that we:

- **Establish a robust corporate governance structure** supported by a strong leadership team and effective oversight mechanisms
- **Strictly comply with all applicable laws and regulations** in the regions where we operate

Uphold high standards of business ethics and maintain a professional code of conduct across all levels of the organisation

Material topics:

- Business Ethics and Integrity
- Supply Chain Management
- Intellectual Property Rights Protection
- Data Privacy



COMPLIANCE

We established a set of policies to ensure that all operation units are well-informed of their responsibilities and obligations, enabling strict adherence to relevant laws and regulations. This proactive approach to compliance has been instrumental in fostering a culture of accountability and transparency.

During the Reporting Period, no significant instances of non-compliance related to corrupt practices were identified, and the Group was not aware of any breaches of regulations or legislation concerning non-compliance. This demonstrates the Group’s unwavering commitment to upholding the highest standards of corporate governance and integrity.

RISK MANAGEMENT

The Board of Directors acknowledges its responsibility for overseeing the risk management and internal control systems of the Group. These systems are designed to manage, rather than eliminate, the risk of failure in achieving business objectives. As such, the systems provide reasonable, but not absolute, assurance against material misstatement or loss.

To ensure that the Group’s risk management and internal control systems remain effective and adapt to the ever-changing business environment, the Board, with the assistance of the Audit Committee, conducts regular reviews. These reviews are carried out periodically and at least annually, in compliance with the requirements under the Listing Rules.

The Group has implemented sound and effective internal controls to safeguard shareholders’ investments and the Group’s assets. The Board regularly reviews the internal control systems and adopts corresponding measures to address any identified weaknesses. Additionally, risk management committees were established to set policies and monitor potential vulnerabilities, ensuring that the systems remain robust and responsive to dynamic business conditions.

Further details about our risk management strategy can be found in the “Corporate Governance Report” section of the Annual Report.



Governance Responsibility

BUSINESS ETHICS AND INTEGRITY

The Group maintains a steadfast commitment to integrity, transparency, and accountability across all facets of our operations. We recognise that corruption poses serious risks to business sustainability, market fairness, and stakeholder trust.

Our anti-corruption strategy is rooted in the belief that ethical business practices are not only a moral imperative but a strategic asset. As such, we have established a comprehensive anti-corruption framework, underpinned by robust policies and rigorous internal controls, to safeguard our business and uphold ethical conduct.

Stakeholders' concern:

Customers are attaching more importance to the compliance and anti-corruption regulations of plant operations. How does Pacific Textiles maintain a corruption-free environment?

The Group has established a set of internal rules and policies, including a formal Code of Conduct, to define the disciplinary standards expected of all employees. Anti-corruption policies and procedures have also been implemented to support ongoing monitoring of operations. A whistle-blowing mechanism is in place to allow staff to confidentially report suspected misconduct or corrupt practices. To strengthen awareness and compliance, the Group conducts regular anti-corruption training for employees across various departments.

RISK IDENTIFICATION AND MANAGEMENT

No significant corruption risks were identified during the Reporting Period. Corruption risks are actively managed through a structured and proactive framework:

- Risk Identification:** Regular assessments of supply chains, contractual obligations, and financial activities.
- Risk Analysis:** Scenario modelling to understand and prioritise corruption-related vulnerabilities.
- Integration with ERM:** Corruption is a designated component of our Enterprise Risk Management framework, subject to continuous review.
- Monitoring and Reporting:** Use of key indicators and internal audits to detect anomalies and report findings to senior leadership.

GOVERNANCE AND RESILIENCE

Pacific Textiles operates a zero-tolerance policy towards all forms of corruption, including bribery, extortion, fraud, and money laundering. Our corporate governance structure empowers the Board to oversee compliance risks while enabling management to evaluate the effectiveness of internal controls. Whilst the Board is responsible to monitor key operational risks, our senior management team is responsible for the effectiveness of internal control systems. This dual-layered approach promotes transparency and accountability in line with the Group's core values.

Throughout the Reporting Period, we remained fully compliant with anti-corruption laws, including the Law of the People's Republic of China Against Unfair Competition, the Hong Kong Prevention of Bribery Ordinance (Cap. 201), and applicable Vietnamese regulations. No confirmed breaches of the Code of Conduct or reported misconduct were recorded during the Reporting Period.

Key measures include:

- Implementation of **anti-corruption policies** and **Codes of Conduct**.
- Strict prohibitions against soliciting or accepting improper benefits from suppliers or offering unauthorised inducements.
- Regular **training and communication** to reinforce expectations and ethical standards.
- Whistleblower mechanisms** to report unethical conduct anonymously, with full assurance against retaliation.

Disciplinary actions for violations range from internal sanctions to termination of employment or business relationships, depending on the severity of the breach.



Governance Responsibility

1. Anti-corruption policies and Codes of Conduct

A comprehensive Code of Conduct sets out clear expectations for professional and ethical behaviour, with emphasis on integrity, fairness, and responsibility. It includes specific guidance on managing conflicts of interest, protecting confidential information, and working with suppliers and contractors.

Serious breaches – such as unauthorised business activities, disclosure of trade secrets, theft, or misuse of the Group's name – may lead to immediate summary dismissal without notice or pay in lieu of notice.

Internal Oversight and Auditing

To enhance monitoring, the Group introduced a three-year internal audit plan covering 2023/24 to 2025/26. These audits assess compliance with the Code of Conduct across all operational units. Findings are reviewed by senior management and the Board.

The Group's anti-corruption policies apply to employees, suppliers, and contractors, particularly at the China and Vietnam plants. Staff must adhere to professional and ethical standards, local legislation, and policies opposing corruption and malpractice. Confirmed breaches may result in dismissal or termination of business relationships.

2. Offer and Acceptance of Benefits and Conflict of Interest

We maintain clear policies to identify and manage conflicts of interest, particularly in matters involving personal relationships, financial gain, or secondary employment. All employees are required to declare potential conflicts annually or when they arise, with regular monitoring and education provided to ensure ongoing compliance.

All employees are prohibited from offering or accepting improper benefits without prior approval. Furthermore, all charitable donations and sponsorships undergo a formal approval process to eliminate the risk of misuse as disguised bribery. Contributions are made solely to verified and legitimate entities, with detailed documentation retained for audit purposes.

3. Training and Communication

While internal employee training has been comprehensive, communication with external business partners is identified as an area for further development. Tailored anti-corruption training is delivered to all levels along the supply chain:

- **Governance Body Members:** Strategic briefings and workshops during onboarding and periodically thereafter.
- **Employees:** Mandatory induction training and annual refreshers specific to job roles and responsibilities. During the Reporting Period, more than 2,000 employees across our factories and offices, including new executives and managers, received relevant training on the Code of Business Ethics.
- **Business Partners:** Onboarding sessions and contractual clauses outlining compliance obligations.

We remain dedicated to fostering a culture where integrity is embedded in every action and decision, reinforcing our role as a responsible and trusted corporate citizen.

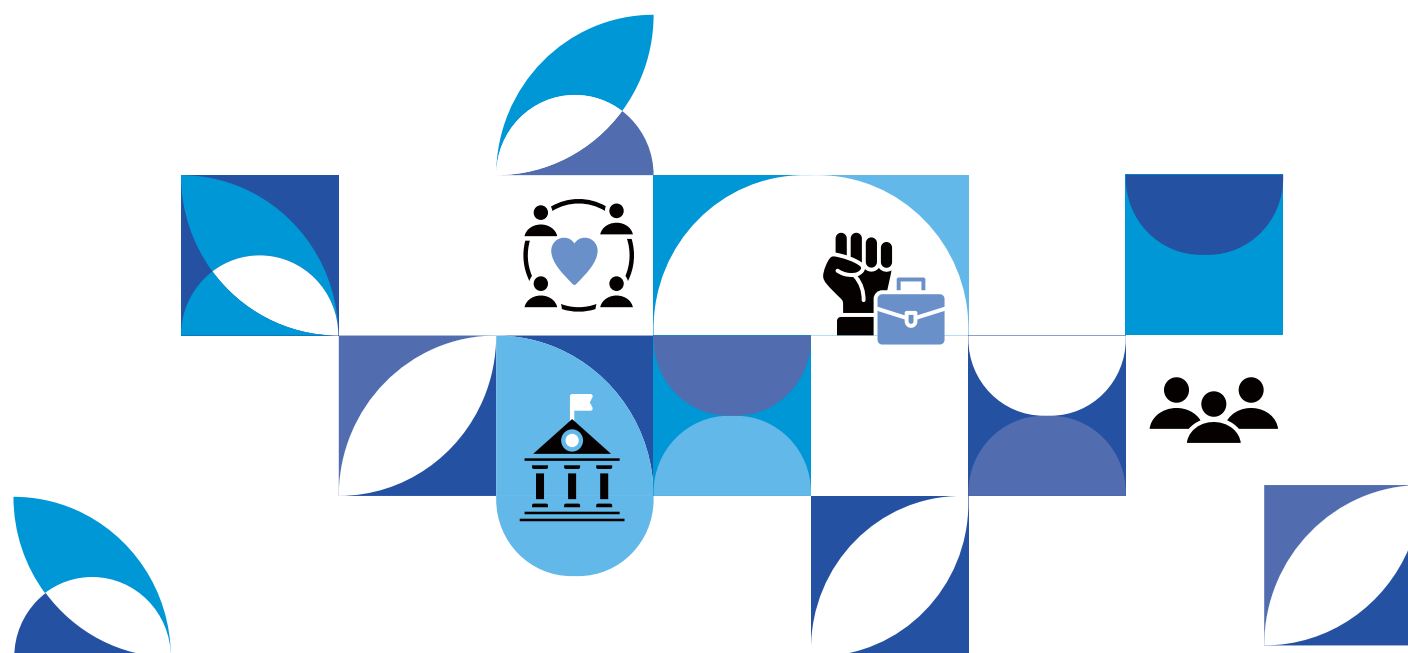
4. Whistle-blower Mechanism

To combat unethical practices, fraud, malpractice, and corruption, the Group has established a Whistle-blowing Policy and system. This policy provides a confidential communication channel for employees, business partners, and suppliers to raise concerns about potential improprieties in relation to the Group. Reports can be submitted to a designated committee comprising the Chief Financial Officer, Head of Human Resources, and Head of Internal Audit.

All reported cases are treated fairly, with strong non-retaliation protections in place, and assessed with due care under the oversight of top management. For valid complaints, appropriate actions are taken to address the concerns raised.

Partnership on Combating Corruption

Our efforts to combat corruption extend beyond our own operations. Our Group proactively addresses corruption through collective action, implementing a variety of initiatives to enhance accountability and ethical practices across industries and partnerships. These efforts include collaborating with industry coalitions to establish ethical standards and share best practices, conducting joint training programs with external stakeholders to mitigate corruption risks, and supporting transparency initiatives and reporting standards. Furthermore, we reinforce its commitment to anti-corruption principles by signing integrity pacts. Collectively, these actions promote a culture of integrity, transparency, and accountability across all areas of operation and collaboration.



Governance Responsibility

SUPPLY CHAIN MANAGEMENT

Pacific Textiles places significant emphasis on the sustainability and social responsibility of its operations, particularly through its value chain. By focusing on the management of environmental and social impacts, the Group ensures its operations not only meet industry standards, quality, operational efficiency, and customer satisfaction, but also contribute positively to the economy, environment, and the well-being of communities.

We are committed to enforcing stringent supplier management protocols that prioritise compliance, traceability, and sustainability. Our comprehensive management framework extends to our suppliers, integrating climate and sustainability considerations alongside quality, safety, and compliance.

Stakeholders' concern:

How does Pacific Textiles manage its supply chain and ensure quality standards?

The Group enforces strict supply chain management policies to ensure the quality and reliability of raw materials. All new suppliers are required to submit material samples for testing, which are assessed against the Group's established quality standards before approval.

SUPPLIER ASSESSMENT

Our approach to environmental and social assessments is integral to its value chain. We recognise that the stability and quality assurance of the supply chain directly determine the consistency of our end products. Hence, for example, for our two of our main production raw materials – yarns and dyeing chemicals/auxiliaries – dedicated departments are assigned to carry out targeted assessment. Based on the characteristics of the products and the specific needs of our customers, we carefully select suitable suppliers and raw materials. This process ensures that both industry standards and the unique requirements of different customers are met, all while arranging production efficiently.

1. Environmental Assessment

Suppliers are assessed against ESG-related criteria. Environmental performance indicators – such as energy consumption, emissions, and waste generation – form part of the selection and evaluation process. Under the ZDHC programme, the Group maintains a Restricted Substance List applicable to all dye and auxiliary material suppliers. Non-compliant parties are replaced as required to meet ZDHC objectives. Our environmental assessment also involves scrutinising raw material procurement, focusing on sustainability. The company prioritises the use of sustainable materials, where feasible, to ensure minimal environmental impact.

Key strategies include:

- Supplier Qualification and Compliance:** All new suppliers are required to undergo a rigorous screening process, including sample testing and documentation review, to ensure alignment with the Group's quality and compliance standards. This process includes verification of valid business licences and internationally recognised certifications such as OEKO-TEX®, REACH, bluesign®, ISO standards, and Supima® accreditation. Trade security credentials, such as Authorised Economic Operator ("AEO") and C-TPAT, are also reviewed as part of the due diligence. Post-approval, suppliers are subject to random inspections and ongoing batch testing in line with the Group's Code of Yarn Testing. Independent third-party laboratories are engaged as needed. Suppliers that do not meet required standards may be suspended until corrective actions are taken.
- Sustainable Raw Materials:** We identify raw materials that are sustainably sourced. This involves selecting materials from suppliers who demonstrate adherence to environmental standards, including certifications such as GOTS, GRS, and OCS.
- Supplier Evaluation of Chemical Fibres:** Suppliers involved in the production of chemical fibres and dyes undergo rigorous qualification assessments to ensure compliance with environmental regulations. Regular checks, including the OEKO-TEX® annual certification, are conducted to ensure adherence to sustainable production practices.
- Wastewater Management:** Suppliers whose production processes result in wastewater emissions are assessed for their waste management systems, ensuring that proper treatments are in place to prevent environmental contamination.

2. Social Assessment

The Group also evaluate the social impact of its suppliers, ensuring that operations meet local legal requirements and social responsibility standards. As a member of BCI, we prioritise sourcing from socially responsible entities with a proven track record in ethical practices and workplace safety.

The key areas of social assessment include:

- Supplier Qualification and Compliance:** Prior to onboarding new suppliers, the Group ensures they meet legal, regulatory, and safety requirements. New suppliers are required to sign the "Trade Partner Cooperation Safety Agreement". Post-approval, suppliers are subject to random inspections and independent third-party are engaged as needed. Suppliers that do not meet required standards may be suspended until corrective actions are taken.
- Social Responsibility Audits:** The Group conducts annual audits, including SLCP assessments, to evaluate the social compliance of its suppliers, ensuring that labour practices align with global standards, including fair wages, health and safety, and the protection of human rights.
- Customs and Trade Compliance:** Suppliers are also evaluated on their trade certifications, such as customs clearance qualifications, to ensure that their operations comply with international trade standards.



Governance Responsibility

SUPPLIER ENGAGEMENT

The Group's approach to engaging suppliers is proactive and structured, ensuring that all suppliers are thoroughly vetted and monitored to mitigate any potential risks, whether environmental, social, or economic.

Before a new supplier is introduced, we require the supplier to complete a comprehensive entry evaluation form, which is reviewed and signed off by relevant departments. This ensures that only those suppliers who meet the Group's high standards are included in the supplier database.

We also believe in collective responsibility and actively participates in multi-stakeholder initiatives to promote ethical business practices, including:

- Environmental and Sustainability Projects:** Reducing carbon emissions and advancing renewable energy.
- CSR and Community Engagement:** Supporting education, healthcare, and welfare programmes.
- Diversity and Inclusion:** Promoting equal opportunities and inclusive workplace culture.
- Industry Standards and Certifications:** Advocating for elevated operational standards and ethical compliance.

Through these initiatives, we contribute to a global movement along our supply chain towards integrity and transparency in business.

RISK IDENTIFICATION AND MITIGATION

The Group continuously identifies and mitigates risks within the supply chain. Following steps is taken to ensure risks are managed effectively:

1. Environmental Risk Management	2. Social Risk Management	3. Traceability and Transparency
Environmental risks are identified through the ZDHC and OEKO-TEX® annual certifications. Suppliers must adhere to these rigorous standards, ensuring that harmful chemicals and processes are not used in the production of raw materials like dyes and fibres.	Social risks, such as potential violations of labour laws, are assessed before suppliers are onboarded. We use a systematic approach to evaluate suppliers' adherence to safety standards, fair labour practices, and environmental responsibility.	The Group ensures traceability of its raw materials by requiring suppliers to provide traceability documents and guarantees for the raw materials they provide. This allows us to maintain transparency in the supply chain and ensure that all products are compliant with environmental and social standards.

During the Reporting Period, the Group has identified the major labour risks and environmental, health and safety ("EHS") risks along the supply chain as follow:

- High working environment temperature in certain factory workshops, increasing chances of safety incidents due to heat stroke and weak concentration
- High noise level in certain factory workshops, increasing the chance of hearing loss
- The need for workers to carry heavy items, increasing the chance of physical injuries

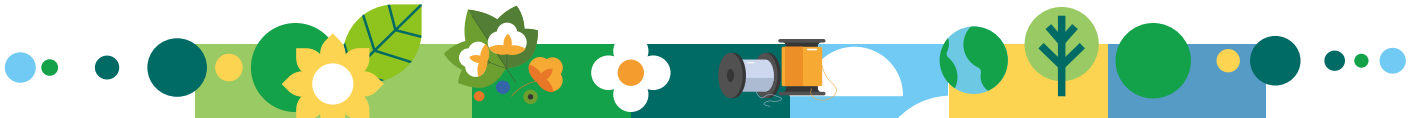
ENSURING OPERATIONAL RELIABILITY

While sustainability remains a core focus, Pacific Textiles also considers operational capacity, delivery performance, and cost-efficiency in its procurement and outsourcing decisions. Regular engagement and communication with suppliers help ensure alignment with the Group's business requirements and supply chain continuity.

TRACKING THE EFFECTIVENESS OF ACTIONS

The Group employs rigorous monitoring and evaluation processes to track the effectiveness of the actions it has taken to mitigate environmental and social risks. We strictly adhere to our internal policies and practices, including the Quality Management and Procurement Control Process for Yarn Suppliers, ensuring that supplier assessments are conducted regularly and comprehensively. KPIs and audits are also regularly used to assess the company's progress in meeting sustainability and social responsibility goals.

- Annual Audits and Certifications:** All our suppliers are required to undergo annual audits, including OEKO-TEX® certification and ZDHC assessments, to ensure compliance with environmental and social standards. These audits serve as a key mechanism for ensuring that supplier practices remain aligned with the company's sustainability goals.
- Supplier Data Management:** All supplier data, including entry evaluations and audit results, are centrally managed in a secure system. This enables us to effectively track supplier performance and make informed decisions based on up-to-date information.
- Continuous Improvement:** Based on the lessons learned from previous assessments, we incorporated improvements into our operational procedures. This includes refining the procurement process, improving supplier engagement practices, and enhancing risk mitigation strategies.



Governance Responsibility

As of 31 March 2026, the Group worked with 158 suppliers. During the Reporting Period, no violations related to supply chain compliance or anti-corruption regulations were reported. The total number of production-related suppliers by geographical region is listed as follows:

Geographical region	Production-related suppliers	Geographical region	Production-related suppliers
Total	158		
Mainland China	99	Indonesia	3
Vietnam	19	Thailand	4
Taiwan	12	Japan	5
India	7	Singapore	2
Korea	6	Other region	1

SUB-CONTRACTOR OVERSIGHT

Sub-contractors form one part of Pacific Textiles’ supply chain and play a relatively important role in ensuring timely delivery and product quality. To uphold high standards and business ethics, the Group has implemented stringent sub-contractor management policies and ESG monitoring procedures, continuously enhancing these processes. The Rules for Suppliers Assessment, applicable to all suppliers and sub-contractors, provide a framework for maintaining quality and managing supply chain risks. During the Reporting Period, the Rules were updated to ensure the comprehensiveness of various systems, quantitative product data management, and strict sub-contractor monitoring. For sub-contractors offering specialised services, the Group has developed detailed quality requirements and guidelines to ensure effective oversight.

Applied to all of our plants, sub-contractor assessments are conducted during the tendering process, with potential partners evaluated on machinery, production capacity, quality management systems, inspection systems, and workforce skills. Only sub-contractors who pass these assessments are approved for collaboration. During the contract period, the Group conducts regular reviews, including monthly product quality inspections, progress monitoring, and annual audits focusing on facility conditions and quality control. Close engagement and communication with sub-contractors is maintained via phone, email, and in-person meetings to improve efficiency and promptly address urgent issues. Failure to meet the requirements during these reviews may result in termination of their contract.

As of 31 March 2026, a total of 33 sub-contractors were engaged by the Group (2025: 24). No violations related to supply chain compliance or anti-corruption regulations were reported during the Reporting Period. Looking ahead, the Group plans to incorporate environmental and social factors into its sub-contractor evaluation and tendering processes.

Geographical region	Sub-contractors
Total	33
Mainland China	25
Vietnam	8

Our value chain is built on the principles of environmental sustainability and social responsibility. Through rigorous supplier and sub-contractor assessments, continuous risk management, and the promotion of environmentally preferable products, the Group ensure that its operations produce minimal negative impact on the environment, society, and its business model.

INTELLECTUAL PROPERTY RIGHTS PROTECTION

Pacific Textiles continues to strengthen its intellectual property (“IP”) framework as part of its broader strategy to support innovation and safeguard business operations. The Group is committed to upholding the legal rights associated with creative and technical developments across its value chain, as well as to protecting the proprietary assets of its customers.

INTELLECTUAL PROPERTY MANAGEMENT

The Group has established a formal Intellectual Property Rights Management Policy, which sets out responsibilities for managing patents, copyrights, trademarks, trade secrets, and research outcomes. The policy includes provisions for patent applications, data access controls, secure storage procedures, and internal incentive mechanisms. These measures are designed to encourage innovation, safeguard legitimate rights, and facilitate the commercialisation of research outputs.

Over the years, the Group registered multiple invention patents and utility model patents with the China National Intellectual Property Administration. These patents cover developments in weaving processes, equipment, and textile technologies. All have been authorised for use at the Group’s Nansha facility in China.



Governance Responsibility

PATENTED INNOVATION

During the Reporting Period, the Company registered a total of 4 invention patents and 5 utility model patents, including a dyeing and finishing process for woven-like fabrics. Furthermore, in response to the growing market and customer demand for eco-friendly products, the Group has stepped up its efforts to promote green design and production in recent years, and has achieved significant results.

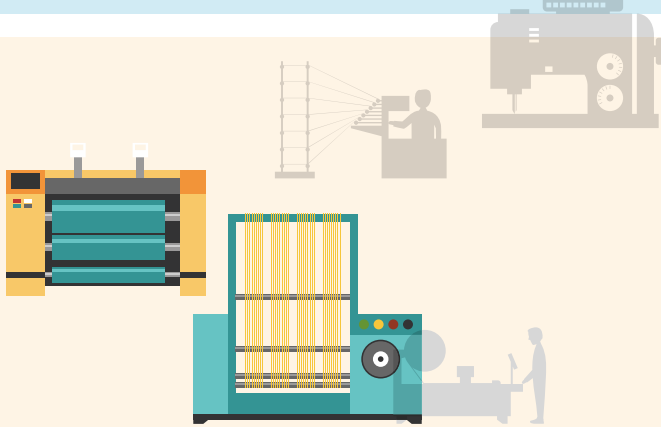
Invention Patents

- 1. A dyeing and finishing process for woven-like fabrics
- 2. A stiff and silky double-sided knitted fabric and the application of its preparation method
- 3. A manufacturing method for soft fabrics
- 4. A precision slitting method for circular knitted fabrics and a marking device for circular knitting machines



Utility Model Patents

- 1. A transmission device and a fabric rolling rack
- 2. A fabric rolling and pasting device and a shrinking machine
- 3. A sinker
- 4. A fabric pressing structure and a washing machine
- 5. A transfer trolley frame



This innovation reflects our dedication to advancing textile technology and sustainability, setting a new benchmark for efficient and environmentally friendly manufacturing processes.

CUSTOMER PROPERTY MANAGEMENT

The Group is firmly committed to protecting customers' intellectual property rights. The internal Customer Property Management Procedure governs the proper handling of customer-owned tools, designs, and technical specifications. Copyright protection protocols are applied to prevent unauthorised duplication or misuse of creative content and proprietary information.

A strict prohibition is enforced against the use or distribution of any product or service that infringes upon third-party copyrights, trademarks, or patents. Confidentiality agreements are entered into with business partners, suppliers, and clients when handling sensitive information or engaging in collaborative development. These agreements serve to ensure mutual trust and legal protection throughout the partnership lifecycle.

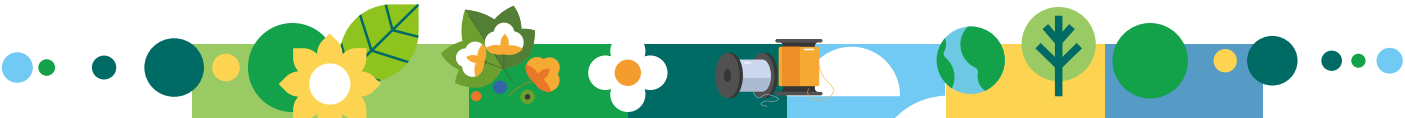
No incidents of intellectual property violations were reported during the Reporting Period. These practices reinforce Pacific Textiles' standing as a reliable and responsible partner in the global textile supply chain.

DATA PRIVACY

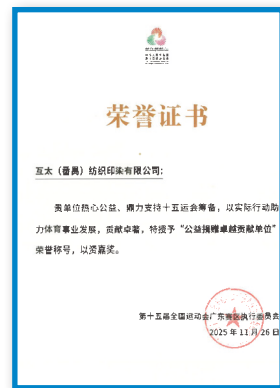
Pacific Textiles places great emphasis on the secure handling of all business-related data and actively restricts unauthorised access. We are fully committed to respecting and protecting the privacy of all business partners, and we treat all sensitive information with the highest level of confidentiality.

Our commitment extends to safeguarding business partners' information, including their intellectual property ownership, trade secrets, and commercially sensitive data. Upon receipt of any business or technical information, we implement stringent control measures to prevent unauthorised access, use, or disclosure. These measures include regulated internal access, secure data storage, and the inclusion of confidentiality clauses in contracts where applicable.

During the Reporting Period, no breaches of data privacy or unauthorised disclosures of business-related data were reported. We remain vigilant in reviewing and strengthening our data management practices and systems to ensure they continue to meet both current and emerging standards in data protection and cyber risk management.



Certification, Accolades and Recognitions



Awards/honours
Outstanding Contributor to Social Betterment

Issued by
Executive Committee of the 15th National Games in the Guangdong Competition Region



Awards/honours
Certificate of Donation for the Special Fund Project of the 15th National Games Public Welfare Donation

Issued by
The Physical Foundation of Guangdong

Award-winning entity/project
Pacific (Panyu) Textiles Limited



Award-winning entity/project
Pacific (Panyu) Textiles Limited



Awards/honours
High and New Tech Enterprises

Issued by
Department of Science and Technology of Guangdong Province, Department of Finance of Guangdong Province and Guangdong Provincial Taxation Service, State Taxation Administration

Award-winning entity/project
Pacific (Panyu) Textiles Limited



Certification
ISO5001 Energy Management System

Issued by
British Standard Institution
Accredited entity
Pacific (Panyu) Textiles Limited



Certification
Global Recycled Standard 4.0

Issued by
Intertek Certification Limited
Accredited entity
Pacific Textiles Limited
Trillion Trading Macao Limited
Pacific (Panyu) Textiles Limited



Certification
Global Organic Textile Standard, (GOTS) (Version 7.0)

Issued by
Intertek Certification Limited
Accredited entity
Pacific Textiles Limited
Trillion Trading Macao Limited
Pacific (Panyu) Textiles Limited

CERTIFICATION



Certification
ISO9001 Quality Management System

Issued by
Intertek Certification Limited
Accredited entity
Pacific (Panyu) Textiles Limited



Certification
ISO14001 Environmental Management System

Issued by
Intertek Certification Limited
Accredited entity
Pacific (Panyu) Textiles Limited



Certification
ISO45001 Occupational Health and Safety Management Systems

Issued by
Intertek Certification Limited
Accredited entity
Pacific (Panyu) Textiles Limited



Certification
Organic Content Standard 3.0

Issued by
Intertek Certification Limited
Accredited entity
Pacific Textiles Limited
Trillion Trading Macao Limited
Pacific (Panyu) Textiles Limited



Certification
Recycled Claim Standard 2.0

Issued by
Intertek Certification Limited
Accredited entity
Pacific Textiles Limited
Trillion Trading Macao Limited
Pacific (Panyu) Textiles Limited



Certification
Regenagri Chain of Custody Criteria- Textiles Version 1.0

Issued by
CU Inspections & Certifications India Pvt. Ltd.
Accredited entity
Pacific Textiles Limited
Trillion Trading Macao Limited
Pacific (Panyu) Textiles Limited



Certification
ISCC PLUS (International Sustainability and Carbon Certification)

Issued by
Intertek Certification Limited
Accredited entity
Pacific Textiles Limited
Trillion Trading Macao Limited
Pacific (Panyu) Textiles Limited

Certification, Accolades and Recognitions



Certification OEKO-TEX® Standard 100

Issued by
TESTEX AG

Accredited entity

Pacific (Panyu) Textiles Limited



Certification Responsible Wool Standard (RWS) 2.2

Issued by
Intertek Testing Services
NA, Inc.

Accredited entity

Pacific Textiles Limited
Trillion Trading Macao Limited
Pacific (Panyu) Textiles Limited



Certification Better Cotton Chain of Custody Standard v.1.0

Issued by
Intertek Testing Services
NA, Inc.

Accredited entity

Pacific Textiles Holdings Limited
Pacific Textiles Limited
Trillion Trading Macao Limited
Pacific (Panyu) Textiles Limited



Certification Global Recycled Standard (GRS) (Version 4.0)

Issued by
IDFL VIETNAM CO.,
LTD

Accredited entity

Top Textiles Limited



Certification regenagri Chain of Custody Criteria- Textiles Version 1.2

Issued by
CU Inspections &
Certifications India Pvt. Ltd

Accredited entity

Top Textiles Limited

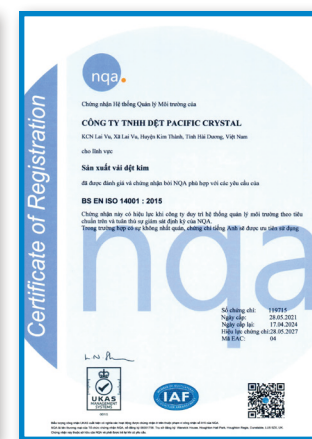


Certification Better Cotton Chain of Custody Standard v.1.0

Issued by
IDFL Laboratory and
Institute Inc.

Accredited entity

Top Textiles Limited



Certification ISO14001 Environmental Management System

Issued by
National Quality Assurance

Accredited entity

Pacific Crystal Textiles Limited



Certification Global Recycled Standard (GRS) (Version 4.0)

Issued by
Taiwan IDFL Laboratory
and Institute

Accredited entity

Pacific Crystal Textiles Limited



Certification Recycled Claim Standard (RCS) (Version 2.0)

Issued by
IDFL VIETNAM CO.,
LTD

Accredited entity

Top Textiles Limited



Certification OEKO-TEX Standard 100

Issued by
TESTEX AG, Swiss Textile
Testing Institute

Accredited entity

Top Textiles Limited



Certification Organic Content Standard (OCS) (Version 3.0)

Issued by
IDFL VIETNAM CO.,
LTD

Accredited entity

Top Textiles Limited



Certification Global Organic Textile Standard (GOTS) Version 7.0

Issued by
IDFL Laboratory and
Institute Inc.

Accredited entity

Top Textiles Limited



Certification Recycled Claim Standard (RCS) (Version 2.0)

Issued by
Taiwan IDFL Laboratory
and Institute

Accredited entity

Pacific Crystal Textiles Limited



Certification Organic Content Standard (OCS) (Version 3.0)

Issued by
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and Institute Limited

Accredited entity

Pacific Crystal Textiles Limited

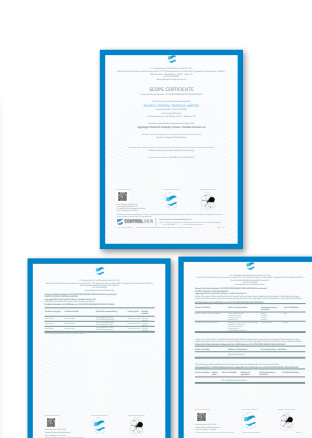


Certification Global Organic Textile Standard (GOTS) Version 7.0

Issued by
IDFL Laboratory and
Institute Inc.

Accredited entity

Pacific Crystal Textiles Limited



Certification regenagri Chain of Custody Criteria- Textiles Version 1.2

Issued by
CU Inspections &
Certifications India Pvt. Ltd

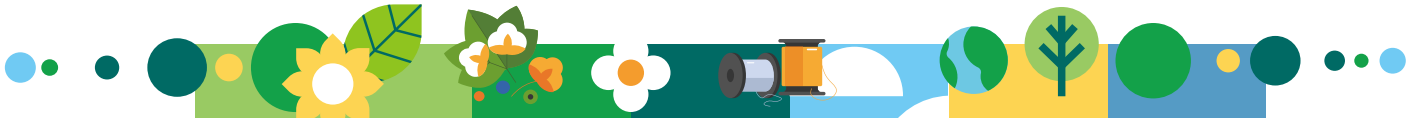
Accredited entity

Pacific Crystal Textiles Limited

The Stock Exchange ESG Reporting Code Content Index

Subject areas, aspects, general disclosures and KPIs		Corresponding section
A. Environmental		
Aspect A1: Emissions		
	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Air Pollution and Greenhouse Gas Emissions
KPI A1.1	The types of emissions and respective emissions data.	Air Pollution and Greenhouse Gas Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Sustainability targets; Climate Adaptation and Resilience; Air Pollution and Greenhouse Gas Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Sustainability targets; Waste Management
Aspect A2: Use of resources		
	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Sustainable Use of Energy; Sustainable Use of Water Resources; Chemical and Wastewater Management; Packaging Materials Management
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Sustainable Use of Energy; Sustainable Use of Water Resources; Chemical and Wastewater Management; Packaging Materials Management
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Sustainable Use of Water Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Sustainability targets; Sustainable Use of Energy
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Sustainability targets; Sustainable Use of Water Resources

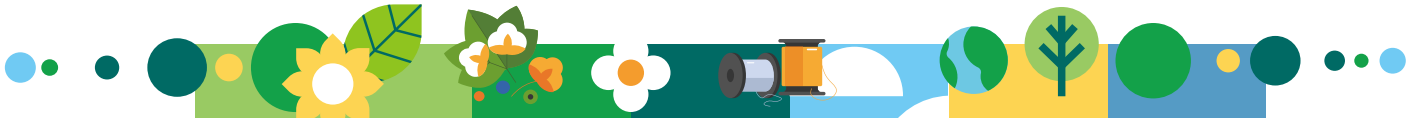
Subject areas, aspects, general disclosures and KPIs		Corresponding section
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging Materials Management
Aspect A3: The environment and natural resources		
	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	Other Environmental Impact Management; Emergency Preparedness and Environmental Safety
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Other Environmental Impact Management; Emergency Preparedness and Environmental Safety
B. Social – Employment and labour practices		
Aspect B1: Employment		
	General Disclosure Information on: (a) the policies; and (a) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Caring for Employees; Employee Diversity and Equal Opportunities
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Caring for Employees
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Caring for Employees
Aspect B2: Health and safety		
	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety
KPI B2.2	Lost days due to work injury.	Occupational Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety



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Subject areas, aspects, general disclosures and KPIs		Corresponding section
Aspect B3: Development and training		
	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employee Training and Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	Employee Training and Development
Aspect B4: Labour standards		
	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Caring for Employees
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Caring for Employees
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Caring for Employees
Aspect B5: Supply chain management		
	General Disclosure Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Sustainable Procurement; Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Sustainable Procurement; Supply Chain Management
Aspect B6: Product responsibility		
	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Quality and Responsibility; Data Privacy

Subject areas, aspects, general disclosures and KPIs		Corresponding section
KPI B6.1	Percentage of total products sold or shipped subject to recalls for Health and Safety reasons.	Product Quality and Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Quality and Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Rights Protection
KPI B6.4	Description of quality assurance process and recall procedures.	Product Quality and Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Data Privacy
Aspect B7: Anti-corruption		
	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business Ethics and Integrity
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Business Ethics and Integrity
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics and Integrity
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics and Integrity
Aspect B8: Community investment		
	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment and Engagement
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment and Engagement
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	2024/25 Key Sustainability Performance; Community Investment and Engagement

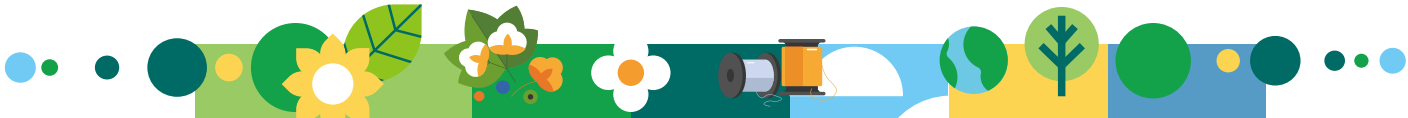


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PART D CLIMATE-RELATED DISCLOSURES

Subject areas, aspects, general disclosures and KPIs		Corresponding section
<i>(I) Governance</i>		
19.	An issuer shall disclose information about:	
19(a)	the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about: (i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; (ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	Integrated Sustainability Governance Structure
19(b)	(i) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: (ii) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Integrated Sustainability Governance Structure

Subject areas, aspects, general disclosures and KPIs		Corresponding section
<i>(II) Strategy</i>		
Climate-related risks and opportunities		
20	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
20(a)	describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	Climate Adaptation and Resilience
20(b)	explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	Climate Adaptation and Resilience
20(c)	specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	Climate Adaptation and Resilience
20(d)	explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Climate Adaptation and Resilience
Business model and value chain		
21	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	
21(a)	a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	Climate Adaptation and Resilience



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Subject areas, aspects, general disclosures and KPIs		Corresponding section
21(b)	a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Climate Adaptation and Resilience
Strategy and decision-making		
22	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
22(a)	information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect); (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	Climate Adaptation and Resilience
22(b)	information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a)	Climate Adaptation and Resilience

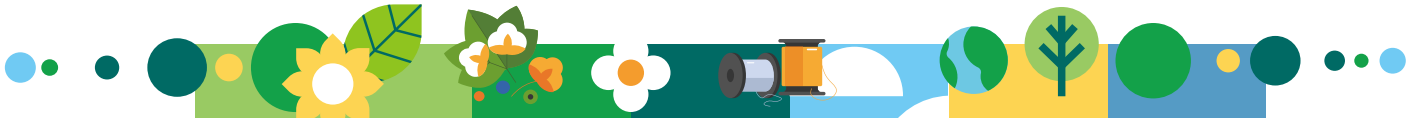
Subject areas, aspects, general disclosures and KPIs		Corresponding section
23	An issuer shall disclose information about the progress of plans disclosed in previous Reporting Periods in accordance with paragraph 22(a).	Climate Adaptation and Resilience
Financial position, financial performance and cash flows: Current financial effect		
24	An issuer shall disclose qualitative and quantitative information about:	
24(a)	how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the Reporting Period; and	Climate Adaptation and Resilience
24(b)	the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual Reporting Period to the carrying amounts of assets and liabilities reported in the related financial statements.	Climate Adaptation and Resilience
Financial position, financial performance and cash flows: Anticipated financial effect		
25	The issuer shall provide qualitative and quantitative disclosures about:	
25(a)	how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and	Climate Adaptation and Resilience
25(b)	how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Climate Adaptation and Resilience
Climate Resilience		
26	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	



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Subject areas, aspects, general disclosures and KPIs		Corresponding section
26(a)	the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	Climate Adaptation and Resilience

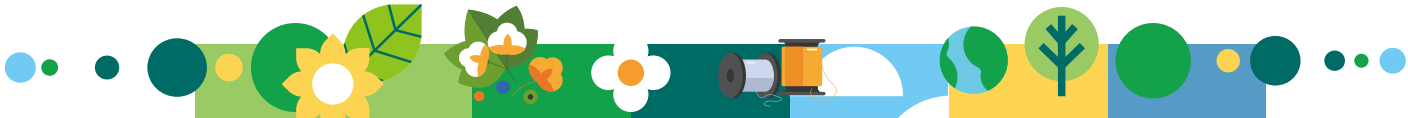
Subject areas, aspects, general disclosures and KPIs		Corresponding section
26(b)	how and when the climate-related scenario analysis was carried out, including: (i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis); (ii) the key assumptions the issuer made in the analysis; and (ii) the Reporting Period in which the climate-related scenario analysis was carried out.	Climate Adaptation and Resilience



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Subject areas, aspects, general disclosures and KPIs		Corresponding section
<i>(III) Risk Management</i>		
27	An issuer shall disclose information about:	
27(a)	the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous Reporting Period;	Climate Adaptation and Resilience
27(b)	the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	Climate Adaptation and Resilience
27(c)	the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Climate Adaptation and Resilience

Subject areas, aspects, general disclosures and KPIs		Corresponding section
<i>(IV) Metrics and Targets</i>		
Greenhouse gas emissions		
28	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the Reporting Period, expressed as metric tons of CO ₂ equivalent, classified as:	
28(a)	Scope 1 greenhouse gas emissions;	Air Pollution and Greenhouse Gas Emissions
28(b)	Scope 2 greenhouse gas emissions; and	Air Pollution and Greenhouse Gas Emissions
28(c)	Scope 3 greenhouse gas emissions.	Air Pollution and Greenhouse Gas Emissions
29	An issuer shall:	
29(a)	measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	Air Pollution and Greenhouse Gas Emissions
29(b)	disclose the approach it uses to measure its greenhouse gas emissions including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the Reporting Period and the reasons for those changes;	Air Pollution and Greenhouse Gas Emissions



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Subject areas, aspects, general disclosures and KPIs		Corresponding section
29(c)	for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	Air Pollution and Greenhouse Gas Emissions
29(d)	for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Air Pollution and Greenhouse Gas Emissions
Climate-related transition risks		
30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Climate Adaptation and Resilience
Climate-related physical risks		
31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Climate Adaptation and Resilience
Climate-related opportunities		
32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Climate Adaptation and Resilience
Capital deployment		
33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Climate Adaptation and Resilience
Internal carbon prices		
34	An issuer shall disclose:	
34(a)	an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	Climate Adaptation and Resilience
34(b)	the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	Climate Adaptation and Resilience

Subject areas, aspects, general disclosures and KPIs		Corresponding section
Remuneration		
35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Climate-related considerations are currently not factored into the remuneration policy of Pacific Textiles. We will continue to explore opportunities to incorporate climate factors into our remuneration policy in the future.
Industry-based metrics		
36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	The Reasonable Information Relief is applied for the disclosure of cross-industry metrics.
Climate-related targets		
37	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
37(a)	the metric used to set the target;	Sustainability Targets; Climate Adaptation and Resilience
37(b)	the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	Sustainability Targets; Climate Adaptation and Resilience
37(c)	the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	Sustainability Targets; Climate Adaptation and Resilience



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Subject areas, aspects, general disclosures and KPIs		Corresponding section
37(d)	the period over which the target applies;	Sustainability Targets; Climate Adaptation and Resilience
37(e)	the base period from which progress is measured;	Sustainability Targets; Climate Adaptation and Resilience
37(f)	milestones or interim targets (if any);	Sustainability Targets; Climate Adaptation and Resilience
37(g)	if the target is quantitative, whether the target is an absolute target or an intensity target; and	Sustainability Targets; Climate Adaptation and Resilience
37(h)	how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Sustainability Targets; Climate Adaptation and Resilience
38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
38(a)	whether the target and the methodology for setting the target has been validated by a third party;	Sustainability Targets
38(b)	the issuer's processes for reviewing the target;	Sustainability Targets
38(c)	the metrics used to monitor progress towards reaching the target; and	Sustainability Targets
38(d)	any revisions to the target and an explanation for those revisions.	Sustainability Targets
39	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Sustainability Targets
40	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
40(a)	which greenhouse gases are covered by the target;	Sustainability Targets; Climate Adaptation and Resilience
40(b)	whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	Sustainability Targets; Climate Adaptation and Resilience

Subject areas, aspects, general disclosures and KPIs		Corresponding section
40(c)	whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	Sustainability Targets; Climate Adaptation and Resilience
40(d)	whether the target was derived using a sectoral decarbonisation approach; and	Sustainability Targets; Climate Adaptation and Resilience
40(e)	the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	Air Pollution and Greenhouse Gas Emissions
Applicability of cross-industry metrics and industry-based metrics		
41	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	The Reasonable Information Relief is applied for the disclosure of cross-industry metrics.





PACIFIC TEXTILES HOLDINGS LIMITED 互太紡織控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(Stock Code 股份代號 : 01382)

