

TARGET

Intelligence Report

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PACIFIC TEXTILES HOLDINGS LTD: THE COMPANY WAS FORCED TO ENDURE A TERRIBLE 2024 FINANCIAL YEAR

Why Has Toray Industries Incorporated Not Assisted Pacific Textiles Holdings Ltd In Order To Pull The Fat Out Of The Fire ?

Pacific Textiles Holdings Ltd (互太紡織控股有限公司) (Code: 1382, Main Board, The Stock Exchange of Hongkong Ltd) suffered its worst Financial Year, going back to the past five Financial Years, ended March 31, 2024.

Mr Masaru Okutomi (奥富勝), the Chairman of the Board of Directors of the Company, caused to inscribe the following statements at Page Four of the 2023-2024 Annual Report:

‘FINANCIAL AND BUSINESS REVIEW

‘Last financial year, the Company’s business performance was affected by the shrink in demand and the furious competition in the textile industry. Confronted with full of obstacles and challenges, the management were resilient in coping with the difficulties. As we left behind 2023, a year full of turbulence, business is starting to rise as economies and market sentiment have been improved.

‘BUSINESS OUTLOOK

*‘... Given the Company’s objective “**to provide comfort and joy through unique textiles**”, we would always keep ourselves innovative and never compromise on the quality of our products and services. Our R&D (Research and Development) function will work towards to offering more variety of high quality fabrics to satisfy customers’ need.*

‘The Group’s investments in digital transformation have resulted in improved organizational transparency and collaboration. Additional projects to enhance digitalization and automation, with a view to investing in intelligent manufacturing equipment and a consolidated data platform, are ongoing. Our goal is to integrate data from all systems,

calculate real-time KPIs (Key Performance Indicator) , and then utilize these KPIs to improve our production team's decision-making. Automation would also increase quality and efficiency by replacing certain manual processes.

'I am pleased to share with you the joy of the opening of our new Vietnam factory in Nam Dinh. The new factory plays an important role to provide additional production capacity of premium textiles to customers who adopt global sourcing strategies with a preference on diversification to Southeast Asia. Although the factory's operation has just started as preliminary stage, we have received a lot of enquires and certain customers have kickstarted the procurement plan with the new factory. This plant should definitely be the new engine to drive organic growth of the Group... '.

On or about Thursday, June 27, 2024, the above four paragraphs ended with explanations of certain key aspects of the Company, as well as the Company's faltering business performance, as far as the Chairman of the Board of Directors viewed the situation.

Under the heading, '**GENERAL INFORMATION**,' found at Page 70 of the 2023-2024 Annual Report of the Company, one was informed of the following facts insofar as Management was concerned:

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

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

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

*'These consolidated financial statements are presented in Hong Kong Dollars ("**HK\$**"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 27 June 2024.'*

Reverting to Pages six through to 10 of the 2023-2024 Annual Report of Pacific Textiles Holdings Ltd, under the heading, '**MANAGEMENT DISCUSSION AND ANALYSIS**,' one was apprised of the following intelligence:

'OVERVIEW

'BUSINESS AND FINANCIAL REVIEW

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

'Revenue

'During the year under review, revenue of the Group was approximately HK\$4,665.2 million (2023: approximately HK\$5,018.7 million) representing a decrease of 7.0% as compared with the year ended 31 March 2023, as a result of the combined effect of an increase of 2.1% in sales volume and a decrease of 8.9% in average sales price...

'Profit

'During the year under review, profit attributable to equity holders of the Company was approximately HK\$167.1 million (2023: approximately HK\$268.6 million) representing a decrease of 37.8% as compared with last year.

'The ... [CLICK TO ORDER FULL ARTICLE](#)

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