南旋控股有限公司

Nameson Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1982

ANNUAL REPORT 2025

About **Nameson**

Established in 1990, Nameson Group is one of the leading knitwear manufacturers with production facilities in Vietnam and the PRC. We offer one-stop services including raw material development and procurement, product design, sample manufacturing, high-quality production, quality control and timely delivery of products to our clients. Over the years, we have built an excellent business reputation and have been supplying quality knitwear products to internationally renowned apparel brands such as UNIQLO, Tommy Hilfiger, Ralph Lauren and Lululemon. We are also extending our business reach into upstream cashmere yarn, as well as fabrics.

About the Annual Report Design

Nameson has a very solid foundation in its knitwear business, supported by its development into the upstream cashmere yarn business. In recent years, it has been allocating meticulous effort in developing another line of business in fabrics. Nameson will continue to endeavor into developing both lines of businesses and strive to accomplish new levels for the Group.

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Wong Wai Yue, *MH (Chairman)*
Mr. Man Yu Hin *(Chief Executive Officer)*
Mr. Wong Ting Chun
Mr. Li Po Sing

Independent non-executive Directors

Ms. Fan Chiu Fun, Fanny, *GBM, GBS, JP*
Mr. Kan Chung Nin, Tony, *SBS, JP*
Mr. Fan Chun Wah, Andrew, *JP*
Mr. Ip Shu Kwan, Stephen, *GBS, JP*

BOARD COMMITTEES

Audit Committee

Mr. Fan Chun Wah, Andrew, *JP (Chairman)*
Mr. Kan Chung Nin, Tony, *SBS, JP*
Mr. Ip Shu Kwan, Stephen, *GBS, JP*
Ms. Fan Chiu Fun, Fanny(1), *GBM, GBS, JP*

Remuneration Committee

Mr. Kan Chung Nin, Tony, *SBS, JP (Chairman)*
Mr. Wong Wai Yue, *MH*
Mr. Ip Shu Kwan, Stephen, *GBS, JP*

Nomination Committee

Mr. Wong Wai Yue, *MH (Chairman)*
Mr. Kan Chung Nin, Tony, *SBS, JP*
Ms. Fan Chiu Fun, Fanny, *GBM, GBS, JP*

Executive Committee

Mr. Wong Wai Yue, *MH (Chairman)*
Mr. Man Yu Hin
Mr. Wong Ting Chun
Mr. Li Po Sing

COMPANY SECRETARY

Mr. Tao Chi Keung, *HKICPA, ACCA*

AUTHORISED REPRESENTATIVES

Mr. Wong Wai Yue, *MH*
Mr. Tao Chi Keung, *HKICPA, ACCA*

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units A–C, 21/F, Block 1
Tai Ping Industrial Centre
57 Ting Kok Road
Tai Po, New Territories
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Note (1): Appointed as a member with effect from 1 April 2025

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central
Hong Kong

LEGAL ADVISER

Chiu & Partners
40/F, Jardine House
1 Connaught Place
Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
China Construction Bank (Asia) Corporation Limited
DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
The Bank of East Asia, Limited
United Overseas Bank Limited

STOCK CODE

1982

WEBSITE OF THE COMPANY

http://www.namesonholdings.com

CHAIRMAN'S STATEMENT

Amid ongoing uncertainty, particularly from geopolitical conflicts, our strong business agility allows us to strategically direct efforts to maximise benefits for the Group. While bolstering our core activities, our other businesses in cashmere yarn has contributed positively and our fabric business has shown notable improvements over three consecutive half-years, reflecting enhanced product quality and growing market acceptance. Our long-term commitment remains focused on delivering greater returns to our shareholders.

To Our Respected Shareholders,

On behalf of the board of directors (the "Board") of Nameson Holdings Limited (the "Company"), I am pleased to present the annual results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2025 ("Financial Year 2025").

MARKET REVIEW

During the Financial Year 2025, the global economic landscape exhibited resilience despite facing challenges such as slower growth, persistent inflation, and policy uncertainties. Economic performance varied across countries, with spending behavior showing a complex recovery pattern. Sentiment remains subdued due to escalating trade tensions and policy-driven uncertainties, which could further dampen consumer confidence and lead to increased consumer cautiousness in spending.

Export values from the People's Republic of China ("Mainland China") grew by 6.4%, while Vietnam saw an impressive increase of 12.6%. Specifically, Mainland China's export value of knitwear, including knitted and crocheted products, saw a modest rise of 3.9%, whereas Vietnam's export value for textiles and garments surged by 11.1%.

Amidst the shift of orders toward Southeast Asian countries, our strategic investment in expanding capacity in Central Vietnam has proven advantageous for the Group's growth. We adeptly capitalised on evolving market demands, swiftly ramping up new capacity to enhance production without compromising efficiency. Our steadfast dedication to delivering high-quality products continues to bolster the Group's knitwear business. Despite encountering a delayed seasonal transition, we successfully maintained stable knitwear sales and upheld a strong profitability level for the business.

Our other businesses, such as the cashmere yarn and fabric businesses, are beginning to take shape. The flexible cashmere yarn business maintained its sales to external customers, despite a rise in the Group's cashmere sweater production during the Financial Year 2025. The Group's strong business agility allows us to strategically direct efforts to maximise benefits for the Group. Moreover, our fabric business has shown notable improvements over three consecutive half-years, reflecting enhanced product quality and growing market acceptance. Despite a slight deceleration in demand for our core knitwear products compared to that of the previous year, which was well within the Group's expectations, our other businesses are beginning to contribute more significantly to the Group's revenue.

BUSINESS REVIEW

In the previous year, the Group strategically expanded its production capacity in Vietnam to effectively address the reduced order volumes being directed to Mainland China. By prioritising shortened lead times, optimising our proximity to suppliers, and enhancing logistical processes, we will be able to fulfill more orders when needed while maintaining a strong focus on healthy profit margins. Such flexibility is supported by the solid trust we have built with our customers and the proficiency our staff have developed with streamlined workflows. These factors collectively enhance our operational resilience, the tapping of new customers, as well as our ability to respond swiftly to market dynamics in recent years.

The Group has also placed significant emphasis on diversifying its business portfolio in recent years. This diversification strategy alleviates the pressure on any single business that might experience stagnant growth. We have dedicated considerable effort to balancing order fulfillment with profitability, maintaining our margins even amid softer volumes.

During the Financial Year 2025, the sales volume of our men's and women's knitwear decreased by 9.6%, totaling 29.1 million pieces. This decline was primarily due to a delay in the seasonal transition, leading to fewer quick-response orders, which was anticipated during the first half of Financial Year 2025. Average selling prices experienced a slight increase, driven by a rise in cashmere sweater orders, despite an overall decrease in raw material prices. Consequently, the revenue from our men's and women's knitwear fell slightly by 4.2% to HK$3,364.9 million.

Contributed by the stable cashmere yarn sales and a notably improved fabrics business, the Group's total revenue maintained stable at HK$4,352.1 million. The Group's gross profit improved slightly by 1.0% to HK$781.8 million and gross profit margin also improved slightly to 18.0%.

Selling and distribution expenses, together with general and administrative expenses in aggregate, remained fairly stable as a proportion to revenue. Despite a 54.4% increase in other income mainly arising from rental income from leasing part of the Group's production facilities in Mainland China to vocational schools, the Group recorded a 47.4% decrease in net gains due to lower net gains on disposals of property, plant and equipment as well as lower foreign exchange gains. The Group's finance costs also increased by 23.8%, and the Group's operating profit decreased slightly by 3.8% to HK$449.9 million. The Group's profit for the year decreased by 6.6% to HK$355.4 million.

Reflecting the Group's ongoing commitment to prudent cash management, strong cash flow, and a healthy gearing ratio, the Board is pleased to declare a second interim dividend of 1.5 HK cents per share to the Company's shareholders. Together with the first interim dividend of 9.8 HK cents per share, the full-year dividend represents a payout ratio of 75%, as a token of our appreciation for our shareholders' continued trust and support.

FUTURE STRATEGIES AND PROSPECTS

The current global trade environment may lead to supply chain disruptions, prompting businesses to adopt a more cautious approach to investments, which can, in turn, impact economic growth. Potential increases in the costs of imported goods could result in higher consumer prices, leading to inflationary pressures that affect interest rate adjustments and, consequently, economic activities.

Monitoring policy adjustments is crucial for businesses as they may need to reassess and potentially restructure their supply chains. Brands may pass on price changes to end customers. However, this scenario might favor quality suppliers, as brands seek differentiation through products with improved value and quality, ultimately fostering customer loyalty.

Despite the challenges posed by prevailing tariffs and global economic conditions, there are also possible benefits and opportunities. For instance, there's a push for accelerated local sourcing of materials. The majority of our fabric products are currently supplied to local businesses, which continues to benefit our operations. As the business gains momentum, we are confident in its positive contributions to the Group in the near future. Additionally, we have ventured into the printing business on fabrics, catering to both internal and external customers, as we strategically position ourselves as a prominent raw material solutions provider in Vietnam.

With a proactive approach to developing our upstream cashmere yarn business, we are expanding sales to meet the needs of both external customers and internal requirements. Our focus on sustainable materials that offer complete traceability is driving the cashmere yarn segment's positive contribution to the Group. Responding to customer demand, we are transitioning part of the cashmere yarn business to Vietnam as a first-mover, and we are highly confident in its continued contributions to the Group.

Vietnam remains a preferred manufacturing destination due to its competitive costs, improving infrastructure, and relatively favorable trade negotiations. Our strategic expansion of manufacturing facilities in Central Vietnam will benefit the Group in the years ahead. With the backing of quality suppliers, Vietnam has emerged as a crucial supply and manufacturing hub for numerous global brands. The Group is exceptionally well-positioned to seize expanded opportunities with international clients. Our commitment to constant improvement and product quality continues to help us foster negotiations with new customers, enhance our ability to diversify the customer portfolio and drive profitable growth and returns.

Our adaptable management style has strengthened the Group's resilience to challenges, refining our proficiency in pursuit of excellence.

We maintain an open-minded stance towards breakthroughs in innovation, lean manufacturing, and digitisation as needed. Our dedication to advancing product design emphasises functionality and material development, ensuring we stay aligned with the diverse and swiftly evolving preferences of consumers in the end market.

Amid ongoing uncertainty, particularly from geopolitical conflicts, the management employs a fluid and adaptable approach to business operations. While bolstering our core activities, the Group actively seeks to broaden and diversify its business. Our long-term commitment remains focused on delivering greater returns to our shareholders.

I extend my sincere gratitude to our customers, suppliers, shareholders, and staff for their unwavering support and trust in our Group, which have been instrumental to our continued progress.

Wong Wai Yue, *MH*
Chairman and Executive Director
20 June 2025

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

	Year ended 31 March	
	2025	2024
	HK$'000	HK$'000
Revenue	**4,352,130**	4,378,888
Cost of sales	**(3,570,315)**	(3,604,649)
Gross profit	**781,815**	774,239
Other income	**20,487**	13,270
Other gains, net	**41,163**	78,191
Selling and distribution expenses	**(39,606)**	(32,359)
General and administrative expenses	**(353,949)**	(331,839)
Impairment loss on the production base in Myanmar	**–**	(34,005)
Operating profit	**449,910**	467,497
Share of post-tax profit of a joint venture	**1,493**	1,561
Finance income	**7,812**	29,626
Finance expenses	**(51,335)**	(64,779)
Finance expenses, net	**(43,523)**	(35,153)
Profit before income tax	**407,880**	433,905
Income tax expenses	**(52,466)**	(53,201)
Profit for the year	**355,414**	380,704
Profit for the year attributable to:		
— Owners of the Company	**342,327**	361,672
Add:		
Impairment loss on the production base in Myanmar	**–**	34,005
Net realised and unrealised losses from derivative financial instruments	**426**	794
Adjusted net profit	**342,753**	396,471

FINANCIAL REVIEW

Revenue

The Group's revenue for the year ended 31 March 2025 mainly represented revenue from sales of knitwear products, namely womenswear, menswear and other products such as cashmere yarns, knitted upper for footwear, children's wear, scarfs, hats and gloves, to our customers.

The Group's revenue slightly decreased by 0.6% to HK$4,352.1 million for the year ended 31 March 2025 from HK$4,378.9 million for the year ended 31 March 2024. The decrease was mainly attributable to the decrease in total sales revenue of men's and women's knitwear products for the year ended 31 March 2025 by HK$148.8 million to HK$3,364.9 million as compared to the year ended 31 March 2024, while the sales revenue of cashmere yarns for the year ended 31 March 2025 slightly increased by HK$2.1 million to HK$575.6 million as compared to the year ended 31 March 2024.

The decrease in the total sales revenue of men's and women's knitwear products was due to the decrease in sales volume and the increase in average selling price. The Group's sales volume of men's and women's knitwear products decreased by 9.6% from 32.2 million pieces for the year ended 31 March 2024 to 29.1 million pieces for the year ended 31 March 2025, but the average selling price of the Group's men's and women's knitwear products increased by 6.0% from HK$109.1 per piece for the year ended 31 March 2024 to HK$115.6 per piece for the year ended 31 March 2025. Such decrease in sales volume was mainly attributable to the softer demands from the Group's customers in the second half of the year ended 31 March 2025 due to the delay in seasonal transition to winter, while the increase in average selling price was mainly due to the changes in product mix.

On the other hand, consistent with the Group's geographical market distribution for the year ended 31 March 2024, Japan, Mainland China and Europe were the top three markets of our Group for the year ended 31 March 2025. The revenue attributable to the Japanese market, Chinese market and European market accounted for 25.2%, 19.2% and 19.1% respectively of the Group's total revenue for the year ended 31 March 2025.

Cost of Sales

For the year ended 31 March 2025, the Group incurred cost of sales of HK$3,570.3 million. Cost of sales primarily consisted of cost of inventories, direct labour costs, subcontracting charges to our subcontractors, depreciation, electricity and water and production overhead costs.

Gross Profit and Gross Profit Margin

During the year ended 31 March 2025, the Group recorded gross profit of HK$781.8 million and gross profit margin of 18.0% as compared to the gross profit of HK$774.2 million and gross profit margin of 17.7% for the year ended 31 March 2024.

The increases in gross profit and gross profit margin for the year ended 31 March 2025 were mainly due to the improved business performance of the Group's fabric business, while the Group's performance in knitwear products business remained resilient even though the total sales revenue of men's and women's knitwear products decreased by 4.2% as compared to the year ended 31 March 2024 due to the delay in seasonal transition to winter.

Other Income

Other income primarily consisted of rental income from investment properties, government subsidies and miscellaneous other income. The other income increased by HK$7.2 million from HK$13.3 million for the year ended 31 March 2024 to HK$20.5 million for the year ended 31 March 2025. Such increase was mainly due to the increase in rental income from investment properties by HK$10.9 million as the Group entered into long-term lease agreements with third parties to lease out some underused factory space in the Mainland China during the year ended 31 March 2025, which was partially offset by the decrease in miscellaneous other income by HK$2.9 million.

Other Gains, Net

Other gains primarily consisted of net foreign exchange gains or losses, net gains or losses on disposals of property, plant and equipment, net realised and unrealised gains or losses from derivative financial instruments and net gains or losses on financial assets at fair value through profit or loss.

Other gains decreased by HK$37.0 million from net gains of HK$78.2 million for the year ended 31 March 2024 to net gains of HK$41.2 million for the year ended 31 March 2025. Such decrease was primarily attributable to (i) the decrease in net foreign exchange gains from HK$44.2 million for the year ended 31 March 2024 to HK$23.2 million for the year ended 31 March 2025 as a result of the smaller appreciation of the United States dollar during the year ended 31 March 2025; and (ii) the decrease in net gains on disposals of property, plant and equipment by HK$16.4 million as the Group disposed of a smaller number of aged machines and only recorded net disposal gains of HK$12.2 million for the year ended 31 March 2025.

In summary, other gains for the year ended 31 March 2025 mainly represented net foreign exchange gains of HK$23.2 million, net gains on disposals on property, plant and equipment of HK$12.2 million and net gains on financial assets at fair value through profit or loss of HK$6.2 million.

Selling and Distribution Expenses

Selling and distribution expenses primarily consisted of transportation cost in relation to delivery of our products to customers, commission to the agents of our customers and advertising and promotion expenses.

The Group's selling and distribution expenses increased by HK$7.2 million, from HK$32.4 million for the year ended 31 March 2024 to HK$39.6 million for the year ended 31 March 2025. Such increase was mainly due to the increase in transportation cost.

General and Administrative Expenses

General and administrative expenses primarily consisted of staff costs relating to management and administrative personnel, depreciation, insurance premium, donations and other incidental office expenses.

The Group's general and administrative expenses increased by HK$22.1 million from HK$331.8 million for the year ended 31 March 2024 to HK$353.9 million for the year ended 31 March 2025. Such increase was mainly attributable to the increase in staff costs as the Group's business scope and customer base were expanding during the year ended 31 March 2025.

Impairment Loss on the Production Base in Myanmar

During the year ended 31 March 2025, the Group did not record any impairment losses on the Group's production base in Myanmar ("Myanmar production base") as compared to the impairment losses of HK$34.0 million for the year ended 31 March 2024.

Since the middle of year 2023, more and more global fashion brands have stopped sourcing garment products from Myanmar amid the concerns about the labour rights issues and the long-lasting social unrest and military conflicts in Myanmar. While the Group has been monitoring the fast-changing fashion market and the economic and political environment of Myanmar, the negative impacts from the aforesaid changes and issues were larger and much longer than previously expected even though the Myanmar production base had achieved some positive progress.

Therefore, during the year ended 31 March 2024, the Board re-evaluated the future investment strategy of the Myanmar production base and evaluated the recoverable amount of the Myanmar production base in accordance with HKAS 36 — Impairment of Assets. Such evaluation assessed the recoverable amount of each of the asset of the Myanmar production base being the higher of its fair value less costs of disposal or its value in use.

In this circumstance, the Company engaged an independent professional valuer, Vincorn Consulting and Appraisal Limited (the "Valuer"), to assess the recoverable amount of the Myanmar production base as at 31 March 2024. The Board compared the valuation results of value in use under income approach and fair value less costs of disposal under market approach and concluded that the recoverable amount of the Myanmar production base should be based on the fair value less costs of disposal. The Board considered the changes in investment strategy and circumstance would be appropriately addressed and reflected in the above valuations.

As the recoverable amounts of the assets of the Myanmar production base, which were assessed with reference to the valuations performed by the Valuer, were lower than their net carrying amounts as at 31 March 2024 and resulted in an impairment loss of HK$34.0 million on the property, plant and equipment of the Myanmar production base for the year ended 31 March 2024.

Based on the valuations carried out by the Valuer as at 31 March 2025, the recoverable amounts of the assets of the Myanmar production base determined based on fair value less costs of disposal were higher than their net carrying amounts. Therefore, no further provision for impairment was made for the year ended 31 March 2025.

Key assumptions used for assessing the recoverable amounts of the assets of the Myanmar production base as at 31 March 2025 and 2024 by using market approach are as follows:

Discount for property asking price:	40% (2024: same)
Agency costs for sales of property:	5% (2024: same)
Scrap values of machineries:	10% of the cost of machineries (2024: same)

Finance Expenses, Net

Net finance expenses mainly consisted of interest expenses on bank borrowings and lease liabilities, which were partially offset by the Group's finance income which mainly consisted of interest income from bank deposits.

The Group's net finance expenses increased by HK$8.3 million from HK$35.2 million for the year ended 31 March 2024 to HK$43.5 million for the year ended 31 March 2025. Such increase was in line with the upward trend of the Group's bank borrowings and lease liabilities as the Group needed more funding to meet its business expansion requirements during the year ended 31 March 2025.

Income Tax Expenses

Under the current laws of the Cayman Islands and the British Virgin Islands ("BVI"), neither the Company nor its BVI subsidiary is subject to tax on its income or capital gains. In addition, any payments of dividends are not subject to withholding tax in the Cayman Islands or the BVI.

Hong Kong profits tax as applicable to the Group is 16.5% for the years ended 31 March 2025 and 2024 on the estimated assessable profits arising in or derived from Hong Kong during the relevant years.

The Group's subsidiaries in Mainland China are subject to the China Corporate Income Tax ("CIT") at a rate of 25% on the estimated assessable profits for the years ended 31 March 2025 and 2024. Two of the Group's subsidiaries in Mainland China are subject to the CIT at the rate of 15%, after being assessed as high and new technology enterprises.

The Group's subsidiaries in Vietnam are subject to preferential business income tax ("BIT") at the rate of 17% for the first 10 years from the commencement of operation. After that, the entities are subject to BIT at the standard rate of 20%. According to the investment certificates, the subsidiaries are subject to preferential BIT rate on taxable income for the first 10 years from the commencement of operation. In addition, the subsidiaries are entitled to full exemption from BIT for the first 2 years from the first year of earning taxable profit and are eligible for a 50% reduction in the BIT rate in the 4 years thereafter. For one of the subsidiaries in Vietnam, the current year is subject to the BIT rate of 20% (2024: 17%). However, it had no taxable profit for the year ended 31 March 2025. As for the other three subsidiaries in Vietnam, they are entitled to the first year of full exemption from BIT if there is any taxable profit. However, they have no taxable profit for the current year (2024: same).

The Group's effective tax rates based on the net profit before income tax were 12.9% and 12.3% for the years ended 31 March 2025 and 2024 respectively. On the other hand, the Group's effective tax rates based on the adjusted net profit before income tax were 13.3% and 11.8% for the years ended 31 March 2025 and 2024 respectively.

Profit for the Year Attributable to the Owners of the Company

As a result of the foregoing, the Group recorded profit attributable to the owners of the Company of HK$342.3 million and HK$361.7 million for the years ended 31 March 2025 and 2024 respectively.

The decrease in net profit for the year ended 31 March 2025 was primarily attributable to the decrease in other gains, net by HK$37.0 million and the increase in general and administrative expenses by HK$22.1 million, these impacts on the net profit were partially offset by the decrease in impairment loss on the production base in Myanmar of HK$34.0 million as no impairment loss was recognised for the year ended 31 March 2025.

As aforementioned, the decrease in other gains, net was mainly attributable to the decreases in (i) net foreign exchange gains as a result of the smaller appreciation of the United States dollar during the year ended 31 March 2025; and (ii) net gains on disposals of property, plant and equipment as the Group disposed of a smaller number of aged machines as compared to the year ended 31 March 2024. The increase in general and administrative expenses was mainly due to the increase in staff costs as a result of the Group's expansion of business scope and customer base during the year ended 31 March 2025.

Adjusted Net Profit

Adjusted net profit is a non-HKFRS financial measure and it is derived from net profit attributable to the owners of the Company for the year after excluding (i) impairment loss on the production base in Myanmar; and (ii) realised and unrealised losses from derivative financial instruments. We believe the adjusted net profit presented herein better reflects the Group's core operating results.

Based on the formula above, the Group's adjusted net profit decreased by HK$53.7 million from HK$396.5 million for the year ended 31 March 2024 to HK$342.8 million for the year ended 31 March 2025, and the adjusted net profit margin decreased from 9.1% for the year ended 31 March 2024 to 7.9% for the year ended 31 March 2025.

Dividend

An interim dividend of 9.8 HK cents per share was paid on 20 December 2024.

At a Board meeting held on 20 June 2025, the Board declared a second interim dividend of 1.5 HK cents per share (in lieu of a final dividend) amounting to a total of HK$34,191,000. The second interim dividends are not reflected as a dividend payable in the consolidated financial statements for the year ended 31 March 2025 and will be reflected as appropriation of retained earnings for the year ending 31 March 2026.

Consolidated Cash Flow Statement

	Year ended 31 March	
	2025	2024
	HK$'000	HK$'000
Net cash generated from operating activities	**222,940**	582,949
Net cash used in investing activities	**(238,307)**	(145,057)
Net cash used in financing activities	**(272,114)**	(435,922)
Net (decrease)/increase in cash and cash equivalents	**(287,481)**	1,970
Cash and cash equivalents at beginning of the year	**717,404**	717,027
Exchange difference on cash and cash equivalents	**895**	(1,593)
Cash and cash equivalents at end of the year	**430,818**	717,404

Net Cash Generated from Operating Activities

The Group's net cash generated from operating activities for the year ended 31 March 2025 was HK$222.9 million, primarily due to profit before income tax of HK$407.9 million, adjusted for depreciation of HK$239.3 million, which was partially offset by the increases in inventories of HK$280.1 million and prepayments, deposits, other receivables and other assets of HK$144.6 million.

Net Cash Used in Investing Activities

The Group's net cash used in investing activities for the year ended 31 March 2025 was HK$238.3 million, due to the purchase of property, plant and equipment of HK$255.5 million, which was partially offset by the proceeds from disposals of property, plant and equipment of HK$14.5 million.

Net Cash Used in Financing Activities

The Group's net cash used in financing activities for the year ended 31 March 2025 was HK$272.1 million, primarily due to the dividend payments of HK$303.2 million, which was partially offset by the capital contribution from non-controlling interests of HK$26.9 million.

Cash and Cash Equivalents

For the year ended 31 March 2025, the Group's cash and cash equivalents decreased by HK$287.5 million and the exchange gain was HK$0.9 million. The net decrease in the Group's cash and cash equivalents was from HK$717.4 million as at 31 March 2024 to HK$430.8 million as at 31 March 2025.

OTHER FINANCIAL INFORMATION

Liquidity and Financial Resources

For the year ended 31 March 2025, the Group's cash and cash equivalents was mainly used in the Group's business operations and expansion, to service the Group's indebtedness and to fund the Group's working capital. The Group financed its funding requirements mainly through a combination of cash generated from operating activities and bank borrowings. The Group's gearing ratio increased from 8.9% as at 31 March 2024 to 20.1% as at 31 March 2025.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total bank borrowings and lease liabilities less cash and cash equivalents. Total capital is calculated as equity plus net debt.

As at 31 March 2025, the Group's cash and cash equivalents, amounting to HK$430.8 million, were denominated in US dollars ("US$") (52.9%), Renminbi ("RMB") (29.7%), HK$ (14.6%), Vietnamese Dong ("VND") (2.5%) and other currencies (0.3%).

As at 31 March 2025, the Group's total bank borrowings and lease liabilities were due for repayment as follows:

	2025 **HK$'000**	2024 HK$'000
Within one year	**377,713**	395,514
Between one and two years	**429,263**	222,058
Between two and five years	**288,123**	353,428
	1,095,099	971,000

Notes:

(a) The above amounts due are based on the schedule repayment dates set out in the relevant agreements and ignore the effect of any repayment on demand clause.

(b) As at 31 March 2025, the Group's total bank borrowings and lease liabilities were denominated in HK$(80.4%), US$(19.4%) and RMB(0.2%). All the Group's bank borrowings were floating rate borrowings. The weighted average effective interest rates of the Group's bank borrowings and lease liabilities for the year ended 31 March 2025 were 4.65% and 5.18% respectively.

Financial Risk Management

The Group's management has adopted certain policies on financial risk management with the objective of: (i) ensuring that appropriate funding strategies are adopted to meet the Group's short term and long term funding requirements taking into consideration of the cost of funding, gearing ratios and cash flow projections of the Group; and (ii) ensuring that appropriate strategies are also adopted to minimise the related foreign currency risk, interest rate risk, credit risk and liquidity risk.

(a) Foreign Currency Risk

The Group mainly operates in Hong Kong, Mainland China and Vietnam with majority of the transactions settled in HK$, RMB and US$. Foreign currency risk arises when future business transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group's foreign currency risk exposure is primarily with respect to RMB and US$ since a considerable portion of our operating expenses are denominated in RMB while most of the sales are denominated in US$. As HK$ is pegged with US$, the foreign currency risk exposure in respect of US$ is considered minimal.

During the year ended 31 March 2025, the Group did not enter into any forward foreign currency contracts to mitigate its exposures of RMB against US$. The Board will continue to closely monitor the Group's foreign currency risk exposure and may use appropriate financial instruments for hedging purposes as and when necessary.

(b) Interest Rate Risk

The Group's interest rate risk arises primarily from bank borrowings. Bank borrowings issued at variable rates expose the Group to cash flow interest rate risk and bank borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the year ended 31 March 2025, the Group entered into a HK$ interest rate swap contract to mitigate some of its interest rate risk in light of the market interest rate hike during the year. The Board will continue to closely monitor the Group's loan portfolio in order to manage the Group's interest rate risk exposure and may use appropriate financial instruments for hedging purposes as and when necessary.

(c) Credit Risk

The Group has policies in place to ensure that sales on credit are made to customers with an appropriate credit history and the Group also performs credit assessments of its customers on a periodic basis, taking into account their financial position, past payment records and other relevant factors. The Group has not experienced and does not expect to experience any material impairment on trade receivables and receivables from other counterparties.

As at 31 March 2025, substantially all of the Group's bank balances and deposits were held with major financial institutions in Hong Kong, Mainland China and Vietnam which the directors of the Company (the "Directors") believe are of high credit quality. The Directors do not expect any losses arising from the non-performance by these financial institutions.

(d) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group utilises cash flow forecast and other relevant information to monitor its liquidity requirements and to ensure the Group has sufficient cash and cash equivalents and banking facilities to support its business and operational activities. The Group has not experienced and does not expect to experience any difficulties in meeting credit obligations when they fall due.

Capital Expenditures

The Group incurred capital expenditures of approximately HK$466.9 million for the year ended 31 March 2025, which were mainly related to the purchase of machinery and equipment for our factories and the construction of new production bases in Vietnam. These capital expenditures were fully financed by internal resources and bank borrowings.

Capital Commitments

The Group's capital commitments as at 31 March 2025 amounted to approximately HK$157.1 million which were mainly related to the purchase of machinery and equipment for our factories and the construction of new production bases in Vietnam.

Charge on Assets

The Group had no charge on assets as at 31 March 2025.

Contingent Liabilities

The Group had no material contingent liability as at 31 March 2025.

Use of Net Proceeds from the Company's Initial Public Offering

The net proceeds from the listing of the Company amounted to approximately HK$635.4 million. Such proceeds have been used according to the allocation set out in the Company's prospectus dated 30 March 2016 and/or the subsequent change in use of net proceeds set out in the Company's announcement dated 27 September 2023. Use of net proceeds from the date of listing to 31 March 2025 is set out on page 53 of this annual report.

Significant Investments, Acquisitions and Disposals

The Group had no significant investments, acquisitions and disposals during the year ended 31 March 2025.

Events after Balance Sheet Date

The Group did not have significant events after balance sheet date.

Financial Instruments

As at 31 March 2025, the Group had an outstanding HK$ interest rate swap contract with a total notional principal amount of HK$123.5 million (2024: HK$130.0 million).

Operating Segment Information

The Group's revenue and results for the years ended 31 March 2025 and 2024 were derived from manufacturing of knitwear products, which is considered as a single operating segment in a manner consistent with the way in which information is reported internally to the Group's chief operating decision-maker for allocation of resources and performance assessment.

Human Resources and Emolument Policy

As at 31 March 2025, the Group had a total of approximately 15,400 full-time employees in Vietnam, Mainland China and Hong Kong. For the year ended 31 March 2025, the total staff costs, including the directors' emoluments, amounted to HK$1,023.9 million.

The Group's emolument policies are formulated based on the performance and experience of individual employee and are in line with the salary trends in Vietnam, Mainland China and Hong Kong. Other employee benefits include performance-related bonuses, insurance and medical coverage and share options.

Since human resources management is an important factor in maintaining and enhancing the Group's strong expertise in the manufacturing of knitwear products, the Group will provide appropriate training programs to the new recruits before they are assigned to work at the manufacturing facilities of the Group. From time to time, different on-the-job training will be provided to employees in order to ensure continuous staff development and skills upgrading.

Remuneration Policy

The Directors and senior management of the Group receive compensation in the form of salaries and discretionary bonuses related to the performance of the Group. The Group also reimburses them for expenses which are necessarily and reasonably incurred for providing services to the Group or executing their functions in relation to the Group's operations. The remuneration committee will regularly review and determine the remuneration and compensation package of the Directors and senior management, by reference to, among other things, market level of salaries paid by comparable companies, the respective responsibilities of the Directors and senior management and the performance of the Group.

Biographical Details of Directors and Members of Senior Management

EXECUTIVE DIRECTORS

Mr. Wong Wai Yue (王槐裕), *MH*, aged 43, has been our Director since 30 August 2015. He was re-designated as executive Director and vice chairman with effect from 27 November 2017 and then re-designated as chairman with effect from 1 April 2021. He is primarily responsible for overseeing and managing the Board and formulating the corporate strategy. Currently, Mr. Wong assumes various directorships in our Group, including Nameson Group Limited, First Team (HK) Limited, Nameson Industrial Limited, Kingmax Industrial Limited and Winner Way Industrial Limited. From January 2007 to January 2015, Mr. Wong served as a director of Nameson Group Limited, responsible for investment management. Mr. Wong obtained his bachelor's degree of science in computer science and the master's degree of science in international management from University of Exeter, United Kingdom in July 2005 and June 2006 respectively. Mr. Wong has served as the vice president of Hong Kong Industrial & Commercial Association since 2022. Mr. Wong is also a standing committee member of the Chinese People's Political Consultative Conference Longgang District Shenzhen (中國人民政治協商會議深圳市龍崗區委員會) since 2021. Mr. Wong Wai Yue is the son of Mr. Wong Ting Chung, the brother-in-law of Mr. Man Yu Hin (an executive Director) and the nephew of Mr. Wong Ting Chun (an executive Director) and Mr. Wong Ting Kau. As Mr. Wong Ting Chung is the settlor, the protector and one of the beneficiaries of the Happy Family Trust (which is a controlling shareholder of the Company), and Mr. Wong Ting Chun and Mr. Wong Ting Kau are beneficiaries of the Happy Family Trust, Mr. Wong Ting Chung, Mr. Wong Ting Chun and Mr. Wong Ting Kau are therefore controlling shareholders of the Company.

Mr. Man Yu Hin (文宇軒), aged 37, has been appointed as the executive Director and chief executive officer since 1 April 2021. He is primarily responsible for major corporate decisions, strategic management of operations and resources, as well as planning and implementing the strategic direction of the Group. Currently, Mr. Man assumes various directorships in the Group, including Hebei Nanguan Technology Co., Ltd. and Top Galaxy (Myanmar) Apparel Limited. Mr. Man served as the vice president of Nameson Group Limited from June 2019 to March 2021, responsible for operational management. Prior to joining the Group, he has held managerial positions in the financial sector, including serving as the manager of Winnermax Management Limited from June 2016 to May 2019 and team head of priority banking of Standard Chartered Bank (Hong Kong) Limited from October 2010 to May 2016. Mr. Man received his bachelor's degree of Business in Banking and Finance from Monash University in September 2010. Mr. Man has served as the vice chairman of Hong Kong Woollen & Synthetic Knitting Manufacturers' Association Limited since April 2020 and concurrently as the treasurer since January 2023, the vice chairman of Hong Kong General Chamber of Textiles since March 2022, a general committee member of Textile Council of Hong Kong Limited since March 2023, the president of Hong Kong Industrial & Commercial Association-Youth Link since January 2018 and a committee member of the Chinese People's Political Consultative Conference Haizhu District Guangzhou (中國人民政治協商會議廣州市海珠區委員會) since September 2019. Mr. Man Yu Hin is the son-in-law of Mr. Wong Ting Chung, the brother-in-law of Mr. Wong Wai Yue (an executive Director) and the nephew-in-law of Mr. Wong Ting Chun (an executive Director) and Mr. Wong Ting Kau. As Mr. Wong Ting Chung is the settlor, the protector and one of the beneficiaries of the Happy Family Trust (which is a controlling shareholder of the Company), and Mr. Wong Ting Chun and Mr. Wong Ting Kau are beneficiaries of the Happy Family Trust, Mr. Wong Ting Chung, Mr. Wong Ting Chun and Mr. Wong Ting Kau are therefore controlling shareholders of the Company.

Mr. Wong Ting Chun (王庭真), aged 59, has been our Director since 30 August 2015. He is the chief production officer of our Group and is primarily responsible for the production management of our PRC factory and Vietnam factory. He joined our Group as the production manager of Nameson Industrial Limited in November 1990 and was responsible for overseeing production and operations management. Currently, Mr. Wong assumes various directorships in our Group, including Huizhou Nanxuan Knitting Factory Limited, Huizhou Liyun Knitting Factory Limited and Hebei Nanguan Technology Co. Ltd. Mr. Wong has over 30 years of working experience in knitting industry. He worked as a production technician in Hang Cheong Knitting Factory (恒昌織造廠) from August 1982 to October 1990. In April 2009, he received the award of Model Worker of Huicheng District in Huizhou (惠州市惠城區勞動模範) issued by Huizhou City Huicheng District Committee of Chinese Communist Party and Huizhou City Huicheng District People's Government (中共惠州市惠城區委及惠州市惠城區人民政府). In January 2011, he received the award of Outstanding Individual of the Construction of Staff Library of Chinese Trade Unions (全國工會職工書屋建設先進個人) issued by All-China Federation of Labour (中華全國總工會). Mr. Wong is the brother of Mr. Wong Ting Chung and Mr. Wong Ting Kau, uncle of Mr. Wong Wai Yue (an executive Director) and uncle-in law of Mr. Man Yu Hin (an executive Director). As Mr. Wong Ting Chung is the settlor, the protector and one of the beneficiaries of the Happy Family Trust (which is a controlling shareholder of the Company), and Mr. Wong Ting Chun and Mr. Wong Ting Kau are beneficiaries of the Happy Family Trust, Mr. Wong Ting Chung, Mr. Wong Ting Chun and Mr. Wong Ting Kau are therefore controlling shareholders of the Company.

Mr. Li Po Sing (李寶聲), aged 60, has been our Director since 30 August 2015. He was appointed as chief operating officer in February 2023, and oversees the overall operations of sweater business of the Group. Mr. Li joined our Group as a sales manager in February 2000 and was promoted to the senior sales manager in January 2004. He was further promoted to the general merchandising manager in February 2006, the director of sales and marketing department in April 2007 and chief sales officer of the Group in August 2016. Prior to joining our Group, Mr. Li served as a merchandising executive at Creazioni Knitters Limited (翹迅針織有限公司) from June 1989 to November 1990. From January 1991 to June 1991, he served as a senior sales administrator at ESE Limited, a sales agency for electronic products, where he was primarily responsible for providing support services to sales department. From July 1991 to August 1992, he served as a production manager at High In Factory, a sweater manufacturing company, where he was primarily responsible for production management. From August 1992 to July 1995, he served as a senior merchandiser at Vinnitsa HK Limited, a fashion agency, where he was primarily responsible for product development and production management. From August 1995 to August 1997, he served as a sales manager at Nice Harvest Knitters Limited, a sweater manufacturing company, where he was primarily responsible for production and logistic management. From June 1998 to January 2000, he served as a sales manager at Fambish Limited, a company primarily engaged in sweater manufacturing, where he was responsible for product development and sales. Mr. Li obtained his bachelor's degree of arts in history from Hong Kong Baptist University (formerly known as Hong Kong Baptist College) in January 1992.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Fan Chiu Fun, Fanny (范椒芬), *GBM, GBS, JP*, aged 72, has been our Director since 29 January 2016. Ms. Fan is an independent non-executive director of China Unicom (Hong Kong) Limited (stock code: 0762), Minmetals Land Limited (stock code: 0230), China Taiping Insurance Holdings Company Limited (stock code: 0966) and New World Development Company Limited (stock code: 0017). Ms. Fan was also an external director of China Resources (Holdings) Co., Ltd until June 2022 and an independent non-executive director of CLP Holdings Limited (stock code: 0002) until May 2023. Prior to her retirement from the civil service in 2007, Ms. Fan was the Commissioner of the Hong Kong Independent Commission Against Corruption. During her working experience in the government departments, Ms. Fan has held various positions in the government of Hong Kong Special Administrative Region, including a member of the Executive Council, the Director of the Office of Chief Executive designate, the Commissioner of the Transport Department of Hong Kong, the Secretary and Permanent Secretary of Education and Manpower Bureau of Hong Kong. Ms. Fan graduated from the University of Hong Kong with a bachelor's degree in science in 1975. She received a master degree in public administration from Harvard University, the United States of America in 1990 and a master degree in education from the Chinese University of Hong Kong in 2005.

Mr. Kan Chung Nin, Tony (簡松年), *SBS, JP*, aged 74, has been our Director since 29 January 2016. He founded Tony Kan & Co., Solicitors & Notaries in March 1984 and became the senior consultant in April 2014. Mr. Kan has been a practicing solicitor of the supreme court of Hong Kong since March 1982. Mr. Kan has been an independent non-executive director of Man Wah Holdings Limited (stock code: 1999) since May 2013, Shenzhen Investment Holdings Bay Area Development Company Limited (previously known as Hopewell Highway Infrastructure Limited) (stock code: 0737) since April 2018. He was appointed as a vice chairman of the board of directors of DBG Technology Co., Ltd. (stock code: 300735) from February 2016 to April 2024 which has been listed on Shenzhen Stock Exchange ChiNext on 29 December 2017 and was an independent non-executive director of Kimou Environmental Holding Limited (stock code: 6805) from June 2019 to November 2024. Mr. Kan is a solicitor of the supreme court of England and Wales and a barrister and solicitor of the supreme court of the Australian Capital Territory as well as advocate and solicitor of the supreme court of the Republic of Singapore. He is also a China-Appointed Attesting Officer and a Notary Public in Hong Kong. Mr. Kan was a committee member of the National Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議全國委員會) for three consecutive terms and was a committee member of the Chinese People's Political Consultative Conference Guangdong Committee (中國人民政治協商會議廣東省委員會) for three consecutive terms. Mr. Kan had been a member of the election committee of Hong Kong Special Administrative Region.

Mr. Fan Chun Wah, Andrew (范駿華), *JP*, aged 46, has been our Director since 29 January 2016. He has been the managing director of Fan. Mitchell., & Co Limited (尚德會計師事務所有限公司) since September 2017 and the managing director of C.W. Fan & Co. Limited (泛華會計師事務所有限公司) since November 2013. Mr. Fan was, or has been, a director of the following companies in the last three years preceding 20 June 2025:

Period of services	Name of the companies	Principal business activities	Position	Responsibilities
January 2013 to present	Chuang's China Investments Limited, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 0298)	Property investment and development in Hong Kong and China	Independent non-executive Director	Board oversight and independent management
April 2015 to May 2024	Culturecom Holdings Limited, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 0343)	Publishing comic books and provision of media content in Hong Kong, China, and Macau	Independent non-executive Director	Board oversight and independent management
December 2017 to August 2022	Space Group Holdings Limited, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 2448)	Provision of fitting-out works and building construction works in Macau	Independent non-executive Director	Board oversight and independent management
May 2022 — present	Sing Tao News Corporation Limited, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1105)	Publishing and distribution of newspapers, magazines and books to readers in Hong Kong, Canada, the United States of America, Europe and Australia, and sales of respective content of such publications in China (including Hong Kong)	Independent non-executive director	Board oversight and independent management
March 2023 — present	China Aircraft Leasing Group Holdings Limited, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1848)	Provision of full value chain aircraft solutions for the global aviation industry	Independent non-executive director	Board oversight and independent management
March 2023 — present	China Overseas Grand Oceans Group Limited, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 0081)	Property investment and development in China	Independent non-executive director	Board oversight and independent management
April 2024 — present	China Unicom (Hong Kong) Limited, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 0762)	Telecommunications operator	Independent non-executive director	Board oversight and independent management

Mr. Fan received the bachelor of business administration in accounting and finance from the University of Hong Kong in December 1999 and the bachelor of laws from University of London as an external student in August 2007. In January 2003 and September 2011, Mr. Fan is admitted as a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Fan is currently a member of the 14th National Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議第十四屆全國委員會). He was a member of the 10th to the 12th Zhejiang Province Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議浙江省第十屆至第十二屆委員會) from 2007 to 2022. He was also a member of the 4th and the 5th Shenzhen Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議廣東省深圳市第四屆及第五屆委員會) from 2008 to 2015.

Mr. Ip Shu Kwan, Stephen (葉澍堃), *GBS, JP*, aged 73, has been our Director since 16 April 2018. Mr. Ip was graduated from the University of Hong Kong with a degree in social sciences in 1973. Mr. Ip joined the Hong Kong Government in November 1973 and was promoted to the rank of Director of Bureau in April 1997. He worked in the Hong Kong Government as a Principal Official from July 1997 to June 2007. Mr. Ip held certain senior positions which include Commissioner of Insurance, Commissioner for Labour, Secretary for Economic Services and Secretary for Financial Services. Mr. Ip took up the position of Secretary for Economic Development and Labour in July 2002. His portfolio in respect of economic development covered air and sea transport, logistics development, tourism, energy, postal services, meteorological services, competition and consumer protection. He was also responsible for labour policies including matters relating to employment services, labour relations and employees rights.

In his capacity as Secretary for Economic Development and Labour, Mr. Ip was a member of the Hong Kong Airport Authority Board, the Mandatory Provident Fund Schemes Authority Board, the Hongkong International Theme Parks Limited Board as well as the Chairman of the Logistics Development Council, Port Development Board, Maritime Industry Council and Aviation Development Advisory Committee. Mr. Ip retired from the Hong Kong Government in July 2007. Mr. Ip received the Gold Bauhinia Star award from the Hong Kong Government in 2001, and is an unofficial Justice of the Peace. Mr. Ip is currently an independent non-executive director of five other companies listed on the Main Board of the Stock Exchange namely, Lai Sun Development Company Limited (stock code: 488) since December 2009, Kingboard Laminates Holdings Limited (stock code: 1888) since May 2011, Luk Fook Holdings (International) Limited (stock code: 590) since October 2011, Million Cities Holdings Limited (stock code: 2892) since June 2018 and C-MER Eye Care Holdings Limited (stock code: 3309) since November 2020. He was also an independent non-executive director of China Resources Building Materials Technology Holdings Limited (formerly known as China Resources Cement Holdings Limited) (stock code: 1313) from August 2008 to May 2024.

SENIOR MANAGEMENT

Mr. Tao Chi Keung (陶志強), aged 54, is the chief financial officer of our Group and the company secretary of our Company. He is primarily responsible for our Group's overall financial planning and reporting, financial risk management and company secretarial matters. Mr. Tao joined our Group on 30 August 2015. Mr. Tao possesses extensive experience in financial management and auditing and had held a number of senior positions prior to joining our Group. From July 1993 to February 1996, Mr. Tao worked as a staff accountant in Ernst & Young. From March 1996 to May 1998, he was the accounting manager in FT Holdings International Limited (stock code: 559). From June 1998 to October 1999, Mr. Tao worked as an assistant manager in New World China Land Limited (stock code: 917). He worked in KPMG as a manager from October 1999 to March 2004, and PricewaterhouseCoopers as a senior audit manager from April 2004 to October 2009. From December 2009 to September 2010, Mr. Tao worked as a chief finance officer in Birdland (Hong Kong) Limited, where he was responsible for finance and accounting. From October 2010 to July 2011, Mr. Tao worked as a chief financial officer in Chiaus International Group Company Limited, an investment holding company engaged in, through its subsidiaries, manufacturing baby and children's care products, where he was responsible for financial management. From October 2011 to August 2015, Mr. Tao worked in Kinetic Mines and Energy Limited (stock code: 1277), with the latest positions of company secretary and chief financial officer. Mr. Tao has been an independent non-executive director of Eternal Beauty Holdings Limited (stock code: 6883) since June 2025 and he was an independent non-executive director of TATA Health International Holdings Limited (stock code: 1255) from October 2023 to June 2025. Mr. Tao received his bachelor's degree in business administration from Hong Kong Baptist University (formerly known as Hong Kong Baptist College) in December 1993. Mr. Tao is currently a fellow and a practising Certified Public Accountant of Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants.

Mr. Chan Yiu Tung (陳耀東), aged 54, is the merchandising director of our Group. He is primarily responsible for merchandising management for Japanese market in our Group. Mr. Chan joined our Group as a senior merchandiser in December 1997. In January 2003, he was promoted to the merchandising manager and later in April 2005, he was promoted to the sales manager. Further, in February 2006, he was promoted to the senior merchandising manager and in January 2008, he was promoted to merchandising director. Prior to joining our Group, from 1991 to 1996, Mr. Chan worked as a senior merchandiser in Products Union Garment Ltd, a company principally engaged in the manufacturing of garment. Mr. Chan passed Hong Kong Certificate of Education Examination in 1989.

Mr. Lin Guoxin (林國新), aged 54, is the assistant general manager of our PRC factory. He is primarily responsible for the production management in our PRC factory. Mr. Lin joined our Group as a plant manager at Nanxuan Knitting Factory Limited in November 1995, where he was responsible for overseeing and managing the production process. He was promoted to assistant general manager of the production department in October 2005, where he was responsible for managing and supervising overall production operations in our PRC factory. Mr. Lin is the cousin of Mr. Wong Ting Chung, Mr. Wong Ting Chun (an executive Director) and Mr. Wong Ting Kau.

Mr. Mo Erjin (莫二金), aged 57, is the assistant general manager of our PRC factory. He is primarily responsible for supervising sample development in our PRC factory. Mr. Mo joined our Group as the chief of the technical centre in March 2003 and was further promoted to assistant general manager in January 2008 and was responsible for the management of the sample development in our PRC factory. Prior to joining our Group, Mr. Mo served as a knitting technician at Foshan Zhangcha Knitting Factory (佛山張槎毛衫廠), from October 1986 to March 1989. From March 1989 to February 2002, he served as a knitting team leader at Laws Fashion Knitters Limited (羅氏針織有限公司).

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

As the Company believes that good corporate governance can create value for its shareholders, the Board is committed to maintaining a high standard of corporate governance practices by placing strong emphasis on a quality board of directors, sound internal controls and effective accountability to the shareholders as a whole.

In order to establish a good corporate governance and promote high ethical standards within the Group, the Group has established an anti-corruption policy and an whistle-blowing policy, which sets out, including but not limited to, (i) the types of breaches and conduct issues, and the personnel to which the policies apply; (ii) declaration of conflicting interests mechanisms; (iii) responsibilities of the relevant department(s) of the Group; (iv) consequences for breaching the relevant policies; and (v) whistle-blowing policy, with an aim to encourage our employees to report behaviour that is not in line with the principles of ethics and the Group's policy such as events that are non-compliant with the Group's policy, laws, rules and regulations and internal control.

In the opinion of the Directors, the Company has complied with all the mandatory code provisions set out in the Corporate Governance Code ("CG Code") as set out in Appendix C1 of the Listing Rules for the year ended 31 March 2025.

The Board will continue to enhance its corporate governance practices to ensure that it complies with the CG Code and align with the latest developments.

DIRECTORS' AND RELEVANT EMPLOYEES' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") as its own code for securities transactions by the Directors.

All Directors have confirmed, following specific enquiries by the Company, that they have fully complied with the required standards set out in the Model Code and the Company's code of conduct for the year ended 31 March 2025.

Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with written guidelines on terms no less exacting than the required standards set out in the Model Code. Each of the relevant employees has been given a copy of the written guidelines.

No incident of non-compliance with these guidelines by the relevant employees has been notified to the Company for the year ended 31 March 2025.

THE BOARD OF DIRECTORS

Responsibilities of the Board

The Board is responsible for, and has general powers under the memorandum and articles of association of the Company for, the leadership and oversight of the Company's management and performance and the formulation and review of the Group's overall policies and strategies.

The Board is also responsible for performing corporate governance duties, including the (i) development and review of the Company's policies and practices on corporate governance; and (ii) review of the Company's compliance with Appendix C1 to the Listing Rules and disclosures in the corporate governance report. All major decisions, including but not limited to those decisions affecting the financial results, operations and shareholders of the Company, such as financial statements, business acquisitions, major transactions and dividend policies, are made by the Board as a whole. Each Director is aware of his or her fiduciary duties and duties and responsibilities as a director under the Listing Rules, the CG Code and applicable laws and regulations, and has acted objectively for the benefit and best interests of the Company and its shareholders.

Decisions of the Board are communicated to the senior management through executive Directors. The day-to-day management, administration and operation of the Group are delegated to the executive Directors and an independent senior management team. The senior management team is also responsible for the supervision and execution of the Group's business plans. The Board reviews periodically the performance of the senior management team.

Certain functions and responsibilities are delegated to committees established by the Board. For details, please refer to the sub-sections headed "Executive Committee", "Audit Committee", "Remuneration Committee" and "Nomination Committee" below.

Composition of the Board

As at the date of this annual report, the Board comprises four executive Directors and four independent non-executive Directors whose names are listed below. Each member of the Board brings a wide spectrum of valuable experience, knowledge and expertise to the Board for its efficient and effective functioning.

Board of Directors

Executive Directors

Mr. Wong Wai Yue *(Chairman)*
Mr. Man Yu Hin *(Chief Executive Officer)*
Mr. Wong Ting Chun
Mr. Li Po Sing

Independent non-executive Directors

Ms. Fan Chiu Fun, Fanny
Mr. Kan Chung Nin, Tony
Mr. Fan Chun Wah, Andrew
Mr. Ip Shu Kwan, Stephen

Except for the family relationship between Mr. Wong Wai Yue, Mr. Wong Ting Chun and Mr. Man Yu Hin as disclosed in the section headed "Biographical Details of Directors and Members of Senior Management" of this annual report, there is no financial, business, family or other relevant relationship between the Directors.

The list of Directors (by category) is disclosed in all corporate communications issued by the Company pursuant to the Listing Rules. A list of the Company's Directors identifying their roles and functions is also available on the Company's website at www.namesonholdings.com and on the website of the Stock Exchange.

Board Independence

Pursuant to code provision B.1.4 of the CG Code, the Board has established mechanism(s) to ensure independent views and input are available to the Board, in particular, (i) independent non-executive Directors are encouraged to actively participate in the Board meetings; (ii) the number of independent non-executive Directors must comply with the requirement under the Listing Rules; and (iii) the independent non-executive Directors shall commit to devote sufficient time and efforts to the Company's affair. The Board will review the implementation and effectiveness of such mechanism(s) on an annual basis.

For the year ended 31 March 2025, the Company has complied with the requirements of the Listing Rules to have at least three independent non-executive Directors representing at least one-third of the Board with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise.

Having considered the factors for assessing the independence of independent non-executive Directors under Rule 3.13 of the Listing Rules and the written annual confirmations from each independent non-executive Director, the Board considers all of its independent non-executive Directors to be independent.

Terms of Appointment of Directors

Executive Directors and Non-executive Director

Each of the executive Directors and non-executive Directors has entered into a service contract for a fixed term of three years. The appointment may be terminated by not less than three months' notice in writing served by either the relevant Director or the Company.

Independent non-executive Directors

Each of the independent non-executive Directors was appointed by the Company for a fixed term of three years. The appointment may be terminated by not less than three months' notice in writing served by either the relevant Director or the Company.

Nomination, Appointment, Re-election and Removal Procedures

The procedures and process of appointment, re-election and removal of Directors are set out in the Company's articles of association. Every Director is subject to the provisions of retirement by rotation at least once every three years. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his or her appointment and be subject to re-election at such meeting.

The nomination committee of the Board has been established to review the structure, size and composition of the Board at least annually to ensure that the Board has a balance of expertise, skills and experience appropriate to meet the requirements of the Company. This committee will identify individuals who are qualified or suitable for directorship, assess their qualifications, skills, prior experience, character and other relevant aspects, including but not limited to their independence in the case of an independent non-executive Director candidate, and make recommendations to the Board on the appointment or re-appointment of Directors or the filling of casual vacancies on the Board or any other proposed changes to the Board to complement the Company's corporate strategies. Please refer to the sub-section headed "Nomination Committee" below for more details on the nomination committee of the Board.

Board Diversity

The Company recognises and embraces the importance and benefit to achieve diversity on the Board to corporate governance and the board effectiveness. The Board has adopted the board diversity policy as required by the CG Code. All Board appointments will continue to be made on merit basis based on its business needs from time to time while taking into account diversity. Selection of board candidates shall be based on a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, age, race, language, cultural background, educational background, industry experience and professional experience. The ultimate decision shall be based on merit and contribution that the selected candidates shall bring to the Board.

The Directors, who come from a variety of different backgrounds, have a diverse range of working experience, business and professional expertise. The table below sets forth an analysis of the Board's current composition based on the measurable objectives:

Measurable objectives	Category	Number of Director
Gender	Male	7
	Female	1
Age group	20 to 40	1
	41 to 60	4
	Over 60	3
Skills and experience	Knitwear industry experience	4
	Banking and investment experience	2
	Public administration and governance	2
	Legal expertise	1
	Financial expertise	1
	Current directorship on other listed companies	4

Based on the above, the composition and diversity of the Board enable the Company's management to benefit from a diverse and objective external perspective on any issues raised before the Board.

For the year ended 31 March 2025, the Nomination Committee considers that an appropriate balance of gender diversity of the Board is maintained. The Nomination Committee will monitor the Group's business needs and consider further appointment of female directors as and when appropriate.

On the other hand, as at 31 March 2025, among the 15,400 employees (including senior management) of the Group, the percentages of male employees and female employees are 36% and 64%, respectively. As the Group is principally engaged in the manufacturing of knitwear products, the Board believes that appropriate balance of gender diversity of workforce is maintained taking into account the Company's business models, operational needs and future development plans. For further details of the diversity within the Group, including the gender diversity, for the year ended 31 March 2025 are set out in the Company's environmental, social and governance report which will be published separately from this financial year.

Board Practices and Conduct of Meetings

Directors are given the opportunity to include matters in the agenda for Board meetings with notices of regular Board meetings given or to be given at least 14 days in advance. Notices and agenda of the Board meetings are prepared by the company secretary of the Company as delegated by the chairman. Directors are provided with adequate and timely information to allow them to fulfill their duties properly. They are allowed to seek independent professional advice in appropriate circumstances at the Company's expenses.

Directors are encouraged to make a full and active contribution to the Board's affairs and to voice out their views and concerns. Directors are supplied with sufficient information and given sufficient time for discussion to ensure that Board decisions fairly reflect Board consensus.

A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the Board after he knows that he is or has become so interested. Subject to the articles of association of the Company, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or other proposal in which he or any of his close associates is materially interested.

Minutes of Board meetings and meetings of Board committees containing sufficient detail of the matters considered and decisions reached, including any concerns raised or dissenting views expressed, are sent to each Director for their review, comment and records within a reasonable time after each meeting. Final versions of such minutes are kept by the company secretary of the Company and are open for inspection by Directors upon reasonable notice.

Directors' Attendance Records

During the year ended 31 March 2025, four physical Board meetings were held at which the Directors reviewed and approved, among other things, (i) the annual results and report of the Group for the year ended 31 March 2024; (ii) the quarterly results of the Group for the three months ended 30 June 2024; (iii) the interim results and report of the Group for the six months ended 30 September 2024; and (iv) the quarterly results of the Group for the nine months ended 31 December 2024.

The attendance records of individual Directors at the aforementioned Board meetings and at the Company's annual general meeting held on 30 August 2024 are set out below:

	Attendance/Number of meetings	
Name of Director	**(Board meetings)**	**(Annual general meeting)**
Executive Directors		
Mr. Wong Wai Yue *(Chairman)*	4/4	1/1
Mr. Man Yu Hin *(Chief Executive Officer)*	4/4	1/1
Mr. Wong Ting Chun	4/4	1/1
Mr. Li Po Sing	4/4	1/1
Independent non-executive Directors		
Ms. Fan Chiu Fun, Fanny	4/4	1/1
Mr. Kan Chung Nin, Tony	4/4	1/1
Mr. Fan Chun Wah, Andrew	4/4	1/1
Mr. Ip Shu Kwan, Stephen	4/4	1/1

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Wong Wai Yue serves as the chairman of the Company and Mr. Man Yu Hin serves as the chief executive officer of the Company. The chairman is responsible for the overall business management and formation of corporate strategy of the Group. With the support of the executive Directors and the company secretary, the chairman approves the agenda for, and chairs, Board meetings to ensure that all key and appropriate issues are discussed in a timely manner, including any matters proposed by other Directors. The chairman is also responsible for the effective functioning of the Board, including but not limited to taking steps to ensure that all Directors are properly briefed on issues arising at Board meetings, providing all Directors with adequate information which is accurate, clear, complete and reliable in a timely manner, communicating shareholders' views to the Board as a whole and promoting a culture of openness and constructive debate during Board meetings. The chief executive officer is primarily responsible for making major corporate decisions, strategic management of operations and resources, as well as planning and implementing the strategic direction of the Group.

BOARD COMMITTEES

Executive Committee

The executive committee of the Board was established with written terms of reference setting out its authority delegated by the Board. The primary duties of the executive committee include (but not limited to) (i) general management which includes, supervising the day-to-day management, performance and operations of the Group; (ii) assessing and making recommendations to the Board on major acquisitions of or investments in business or operations; and (iii) undertaking the role of risk management within the Company to minimise or mitigate major risks to the operations of the Group. For the year ended 31 March 2025, the executive committee comprises all executive Directors, namely, Mr. Wong Wai Yue (Chairman of the executive committee), Mr. Man Yu Hin (Chief Executive Officer), Mr. Wong Ting Chun and Mr. Li Po Sing. The written terms of reference of this committee has been made available on the Company's website at www.namesonholdings.com and on the website of the Stock Exchange.

Audit Committee

The audit committee of the Board was established with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the code provision of the CG Code. The primary duties of the audit committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, to oversee the audit process, to develop and review our accounting policies and to perform other duties and responsibilities as assigned by the Board. For the year ended 31 March 2025, the audit committee consists of three independent non-executive Directors, namely, Mr. Fan Chun Wah, Andrew (chairman of the audit committee who possesses the appropriate professional qualification or accounting or related financial management expertise), Mr. Kan Chung Nin, Tony, and Mr. Ip Shu Kwan, Stephen. The written terms of reference of this committee has been made available on the Company's website at www.namesonholdings.com and on the website of the Stock Exchange.

The audit committee held two physical meetings during the year ended 31 March 2025. In these two meetings, the audit committee discussed and reviewed, among other things, (i) the accuracy and fairness of the Group's audited annual results for the year ended 31 March 2024 and unaudited interim results for the six months ended 30 September 2024; (ii) the work of the Group's internal audit department; and (iii) the effectiveness of the Group's risk management and internal control systems.

The attendance records of individual audit committee members at the aforementioned audit committee meetings are set out below:

Name of audit committee member	Attendance/ Number of Meetings
Mr. Fan Chun Wah, Andrew *(Chairman)*	2/2
Mr. Kan Chung Nin, Tony	2/2
Mr. Ip Shu Kwan, Stephen	2/2

The external auditors were invited to attend the meetings without the presence of the executive Directors to discuss with the audit committee members about issues relating to the audit and financial reporting matters. An audit committee meeting was held on 20 June 2025 to consider and review, among other things, the Group's annual results and annual report for the year ended 31 March 2025. It was attended by Mr. Fan Chun Wah, Andrew, Mr. Kan Chung Nin, Tony, Mr. Ip Shu Kwan, Stephen and Ms. Fan Chiu Fun, Fanny.

Remuneration Committee

The remuneration committee of the Board was established with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the code provision of the CG Code. The primary duties of the remuneration committee include (but not limited to): (i) making recommendations to the Directors regarding our policy and structure for the remuneration of all of our Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policies; (ii) making recommendations to the Board on the remuneration packages of our Directors and senior management; (iii) reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives; and (iv) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules. For the year ended 31 March 2025, the remuneration committee consists of one executive Director, Mr. Wong Wai Yue, and two independent non-executive Directors, Mr. Kan Chung Nin, Tony (chairman of the remuneration committee) and Mr. Ip Shu Kwan, Stephen. The written terms of reference of this committee has been made available on the Company's website at www.namesonholdings.com and on the website of the Stock Exchange.

The remuneration committee held one physical meeting during the year ended 31 March 2025. In the meeting, the remuneration committee discussed and reviewed, among other things, the remuneration packages of the Directors and senior management.

The attendance records of individual remuneration committee members at the aforementioned remuneration committee meeting are set out below:

Name of remuneration committee member	**Attendance/ Number of Meeting**
Mr. Kan Chung Nin, Tony *(Chairman)*	1/1
Mr. Wong Wai Yue	1/1
Mr. Ip Shu Kwan, Stephen	1/1

Nomination Committee

The nomination committee of the Board was established with written terms of reference in compliance with the code provision of the CG Code. It is responsible for determining the policy for the nomination of directors, identifying and recommending to the Board appropriate candidates to serve as Directors, evaluating the structure and composition of the Board and developing, recommending to the Board and monitoring nomination guidelines for the Company. For the year ended 31 March 2025, the nomination committee consists of one executive Director, Mr. Wong Wai Yue (chairman of the nomination committee) and two independent non-executive Directors, Mr. Kan Chung Nin, Tony, and Ms. Fan Chiu Fun, Fanny. The written terms of reference of this committee has been made available on the Company's website at www.namesonholdings.com and on the website of the Stock Exchange.

When making recommendations regarding the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board, the nomination committee shall consider a variety of factors including but not limited to the following in assessing the suitability of the proposed candidate:

— Reputation for integrity;

— Accomplishment, experience and knowledge in the garment industry and other relevant sectors;

— Merit and contribution that candidate will bring to the Board;

— Commitment to devote sufficient time and efforts to the Company's affairs;

— Achieve board diversity, including but not limited to gender, age, cultural background, educational background, industry experience and professional experience; and

— Compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules for the appointment of an independent non-executive Director if the proposed candidate will be nominated as an independent non-executive Director.

The nomination committee may propose to the Board a candidate recommended or offered for nomination by a shareholder of the Company as a nominee for election to the Board and the appointment or re-appointment of Directors and succession planning for Directors is subject to the approval of the Board.

The nomination committee held one physical meeting during the year ended 31 March 2025. In the meeting, the nomination committee discussed and reviewed, among other things, (i) the existing structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate for the Group's business and is in compliance with the requirements of the Listing Rules; and (ii) the recommendation on re-election of retiring Directors at the forthcoming annual general meeting.

The attendance records of individual nomination committee members at the aforementioned nomination committee meeting are set out below:

Name of nomination committee member	**Attendance/ Number of Meeting**
Mr. Wong Wai Yue *(Chairman)*	1/1
Mr. Kan Chung Nin, Tony	1/1
Ms. Fan Chiu Fun, Fanny	1/1

EXTERNAL AUDITOR'S REMUNERATION

The amount of fees charged by the Company's external auditor, PricewaterhouseCoopers, in respect of their audit and non-audit services for the year ended 31 March 2025 including the review of interim financial information for the six months ended 30 September 2024 amounted to HK$2.3 million and HK$0.6 million, respectively.

THE COMPANY SECRETARY

The company secretary plays a role in supporting the Board by ensuring good information flow within the Board and that Board policy and procedures are followed. The company secretary is responsible for advising the Board through the chairman and/or the chief executive officer on corporate governance matters and should also facilitate induction and professional development of Directors. Specific enquiry has been made to the company secretary of the Company, Mr. Tao Chi Keung ("Mr. Tao"), and Mr. Tao has confirmed that he has complied with the relevant qualifications, experience and training requirements under the Listing Rules.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company has arranged directors' and officers' liability insurance for its Directors and senior management. The insurance covers the corresponding costs, charges, expenses and liabilities for any legal action of corporate activities against them arising out of corporate activities.

DIRECTORS' TRAINING

According to the code provision C.1.4 of the CG Code, Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. All the Directors are also encouraged to attend relevant training courses at the Company's expenses.

The Directors confirmed that they have complied with the code provision C.1.4 of the CG Code for the year ended 31 March 2025 and they participated in the following types of continuous professional development:

Name of Director	Type of continuous professional development
Executive Directors	
Mr. Wong Wai Yue *(Chairman)*	(I), (II)
Mr. Man Yu Hin *(Chief Executive Officer)*	(I), (II)
Mr. Wong Ting Chun	(I), (II)
Mr. Li Po Sing	(I), (II)
Independent non-executive Directors	
Ms. Fan Chiu Fun, Fanny	(I), (II)
Mr. Kan Chung Nin, Tony	(I), (II)
Mr. Fan Chun Wah, Andrew	(I), (II)
Mr. Ip Shu Kwan, Stephen	(I), (II)

(I) Attending seminars/webinars.

(II) Reading/watching materials in relation to the roles, functions and duties of a listed company director and the latest developments in the relevant rules and regulations.

INVESTOR COMMUNICATIONS AND SHAREHOLDERS' RIGHTS

The Company considers timely communication to shareholders and/or investors and transparent reporting as key components of good corporate governance.

The Company aims to maintain frequent and timely communication with its shareholders and/or investors through a variety of communication channels, including but not limited to general meetings, annual and interim reports and official announcements. General meetings provide a platform for shareholders to exchange views with the Board and the Directors are available to answer questions at the Company's annual general meetings. Shareholders will be sent a copy of the annual and interim reports or be notified of the release of such reports. Annual and interim reports are accessible on the website of the Stock Exchange and the Company's website at www.namesonholdings.com, where general information on the Group's business and activities is available for public access. Official announcements will be released from time to time in accordance with the Listing Rules to update our shareholders and/or investors with the latest developments of the Group.

Moreover, the Company continues to enhance communications with its investors. Designated management maintain regular dialogue with investors to keep them abreast of the Company's latest developments.

Voting at general meetings of the Company is conducted by way of poll in accordance with the Listing Rules. The poll results will be published on the websites of the Stock Exchange and the Company, respectively.

Pursuant to article 58 of the Company's existing articles of association, one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings may deposit a written requisition (the "Written Requisition") to the Board or the company secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in the Written Requisition. Such meeting shall be held within two months after the deposit of the Written Requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Shareholders and investors are also welcome to submit any enquiries to the Board and suggestions or proposals at general meetings directly to the Company's principal place of business in Hong Kong as provided in the section headed "Corporate Information" in this annual report. The Board also encourages shareholders to attend general meetings to make enquiries with the Board directly.

The Board has reviewed the shareholders' communication policy conducted during the year ended 31 March 2025 and was satisfied with the effectiveness of the shareholders' communication policy conducted.

CONSTITUTIONAL DOCUMENTS

At the annual general meeting of the Company held on 26 August 2022, the adoption of a second amended and restated articles of association of the Company was approved by the shareholders of the Company. For details of the amendments, please refer to Appendix III to the circular of the Company dated 25 July 2022. During the year ended 31 March 2025, there is no change to the memorandum of association and the second amended and restated articles of association.

The Company has published its memorandum of association and second amended and restated articles of association on the Company's website at www.namesonholdings.com and on the website of the Stock Exchange.

ACCOUNTABILITY

The Directors have included a management discussion and analysis of the Group's performance for the year ended 31 March 2025 under the section headed "Management Discussion and Analysis" of this annual report.

INTERNAL CONTROLS AND RISK MANAGEMENT

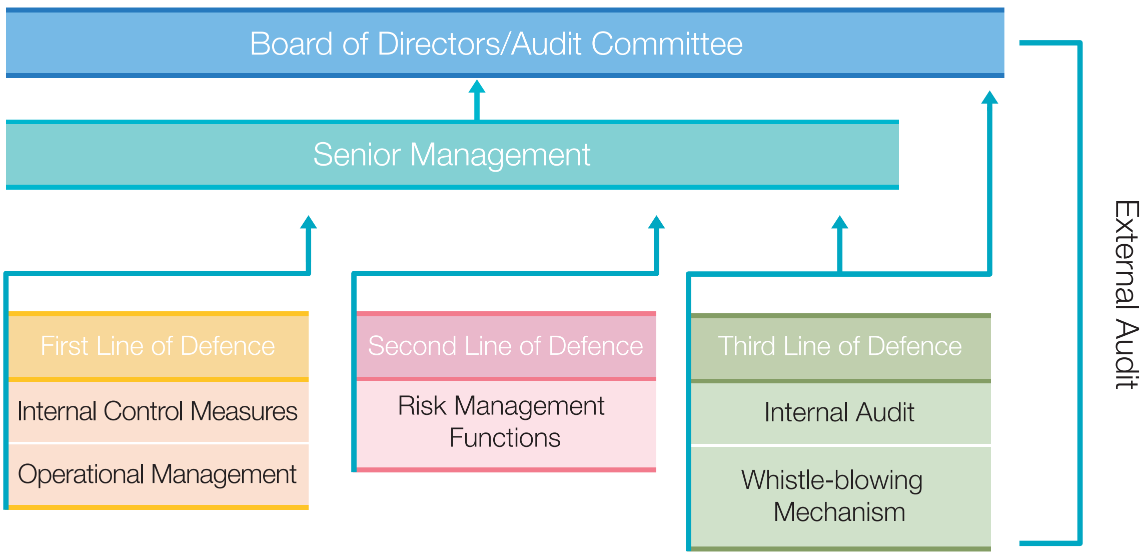
The Group has an internal control system which plays an important role in maintaining and improving accountability and transparency in the conduct of the Group's business, safeguarding the interests of the Company's shareholders and the assets of the Group and enhancing investor confidence. On the other hand, the Group improves its business and operational activities by identifying the areas of significant risks and taking appropriate measures to manage and mitigate these risks. The management of the Company reviews the significant internal control policies and procedures and highlights all significant matters to the audit committee and the Board on a regular basis.

Main Features of Risk Management and Internal Control Systems

We adopt the following risk structure to identify, analyse, evaluate and manage the risks associated with the Group. Our internal control system is developed based on the framework of Committee of Sponsoring Organisations of the Treadway Commission, which covers five components, namely Control Environment, Risk Assessment, Control Activities, Information and Communication as well as Monitoring Activities.

Risk Governance Framework

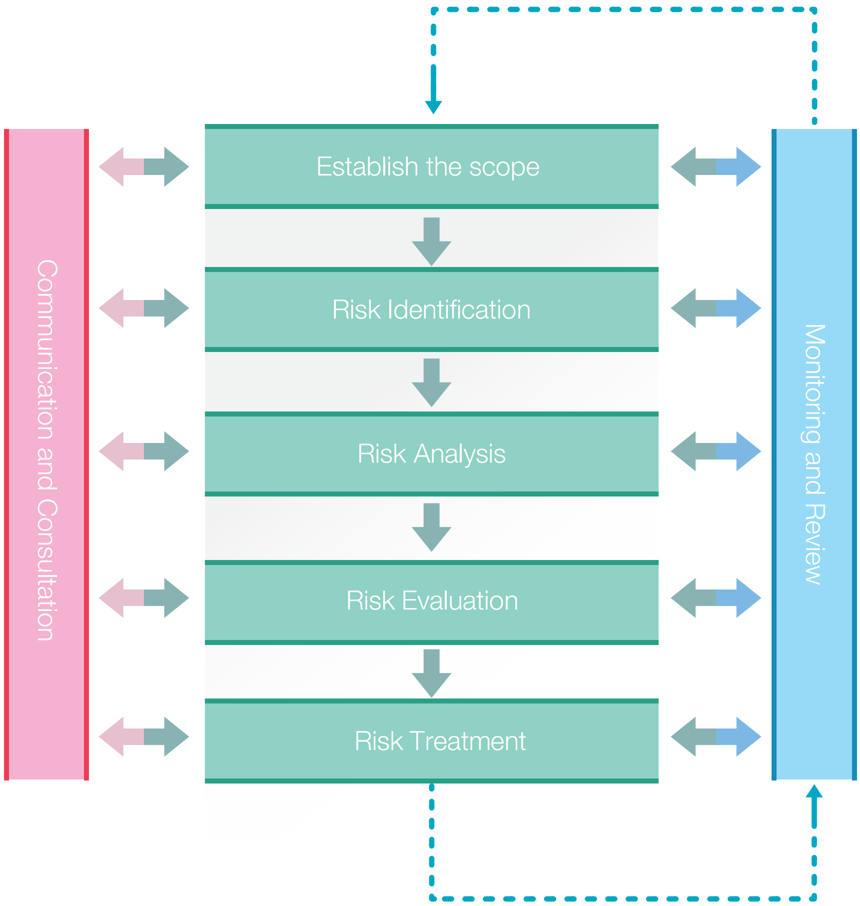
The Group's risk governance framework is guided by the "Three Lines of Defence" model, with the objective to achieve risk management by means of internal control measures, operational management, risk management functions, internal audit and whistle-blowing mechanism.



Being the first line of defence, the Group's business unit is responsible for identifying, evaluating and monitoring the risks associated with each business or transaction, minimising the potential risks posed to business operations through various policies, procedures of operational management and internal control measures. The second line of defence is to set the categories and scope for managing specific risks and to raise queries to the first line of defence on effective risk management and control. The third line of defence is the internal audit and whistle-blowing mechanism. Internal audit is a risk-based approach to determine whether significant monitoring measures can effectively control the risks exposed to the Group.

The controls built into the risk management system are intended to manage rather than completely eliminate significant risks in the Group's business environment. The Group's risk management procedures include the followings:

- to identify significant risks in the Group's operational environment and evaluate the impact of those risks on the Group's business;
- to develop necessary measures to manage those risks; and
- to monitor and review the effectiveness of the measures.



Process Used for Identifying, Evaluating and Managing Significant Risks

The process used by the Group to identify, evaluate and manage significant risks are briefly described as follows:

Establish the scope

- Establish the scope for assessing risk profiles and set the assessment criteria.

Risk Identification

- The Group adopts a bottom-up approach to identify risks that may have potential impact on the Group's business and operations.

Risk Analysis

- Mainly analyse from the two perspectives of the possibility of the occurrence of risks and the extent of the impact of those risks on the Group's objectives.

Risk Evaluation

- Evaluate the extent of identified risks using the assessment criteria established by the management; and

- Consider the impact of those risks on the business and the possibility of their occurrence.

Risk Treatment

- Prioritise risks by comparing the results of risk evaluation; and

- Risk management strategies and internal control procedures are established by operational management to prevent, avoid or mitigate risks through internal monitoring units.

Monitoring and Review

- Monitor risks on an ongoing and regular basis, and establish appropriate internal control procedures based on the production and operational process;

- In the event of any major changes in the production and operational process, review the risk management policy and revise the internal control procedures (if necessary); and

- Report the results of risk monitoring to the management, audit committee and Board on a regular basis.

Communication and Consultation

- It is necessary to communicate and consult with internal and external stakeholders in each step of the risk management process.

Risks are classified into six different categories for assessment: strategy, finance, operations, compliance, external environment and human capital. The Risk Register records the major risks exposed to the major operating units of the Group. The Group has classified the major risks based on the aforesaid categories that may have a significant impact on the Group, and will regularly assess the potential impact and possibility of each major risk on the Group. For significant risks, each operating unit shall propose and implement mitigation actions.

Each operating unit shall submit an update on its respective Risk Register every six months for compiling the Group's risk management report.

The Board confirms that it is responsible for monitoring the risk management and internal control systems of the Group, which includes taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. It is also responsible for reviewing their effectiveness through the audit committee at least annually. Such reviews cover all material controls, including financial, operational and compliance controls. The risk management and internal control systems are designed to manage rather than eliminate the risks associated with the failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group's Significant Risks

- The persistent fluctuations in the global trade situation, including tariff adjustments, uncertainties in market trade policies, exchange rate fluctuations, and rapid shifts in the global economic landscape, will have an impact on our business.

  International politics is becoming increasingly complex, characterised by geopolitical tensions such as the protracted US-China trade war, Russia-Ukraine situation and Israeli-Palestinian war tensions, which will have significant impacts on global economy stability and consumer market demand, thereby posing certain challenges and uncertainties to our business.

- As a multinational knitwear product manufacturer with multiple production bases, the Group has raw material suppliers all over the world. In the event that the supply chain is unstable or interrupted, our business will be affected unless we are able to make appropriate responses and find suitable resolutions in a timely manner.

- If demand in the global consumer markets continues to slow down or decline, it may put pressure on the business of some customers and affect their liquidity, which in turn may increase the bad debts risks of our accounts receivable.

  The Group may have difficulty in recoup its cash flow in the event of the solvency problem of a customer, thereby affecting the financial health of the Group.

- As a costly raw material, the price of cashmere is significantly affected by the rapid changes in market supply and demand. If the market price decreases during the period from procurement to turning it into a finished product, it will directly affect the selling price and profit of the products.

  In addition, fluctuations in the prices of raw materials may lead to outdated quotation information or deviation from the actual cost, or affect the expected earnings of the Group.

- Since our customer base is relatively concentrated, the major sales orders are attributable to our top five customers. If the demands of these customers such as requirements for origin of production or design, change rapidly, and we fail to make timely adjustments to our production schedules and production capacity of our products, it may affect customer satisfaction and increase the risk of customer turnover, which in turn will have an impact on our business and financial condition.

- As a company listed on the Stock Exchange, we have to comply with the Securities and Futures Ordinance and the Listing Rules. Also, we are governed by the laws and regulations of the jurisdictions in which we operate. Failure to promptly learn about and comply with the laws and regulations of the local government departments and relevant regulatory authorities in relation to taxation, foreign exchange control, environmental protection, social responsibilities, corporate governance and the amendments thereof may have a negative impact on our business.

- To align with the business development of the Group, we have a cashmere yarn production business in Mainland China and have expanded related businesses in knitting, printing and cashmere yarn products in Vietnam respectively. Moreover, the management continues to look for business diversification and related future development opportunities so as to broaden the revenue and customer base.

  However, these projects involve capital allocation, financing, budgeting, schedule, partnership, resource competition, grant of approval and other aspects, which may not be in line with our expectations or budgets. During the development and consolidation of diversified products and businesses, we may assess the market situation and development mistakenly and may not be able to establish a long-term partnership with customers. These risks may affect our business, prospects, financial condition and future development.

- The textile industry is a labour-intensive industry with a high sensitivity to labour costs. Although our knitwear product production process has been highly mechanised and automated, we still rely heavily on skilled workers. Any shortage of skilled workers or increase in labour costs will affect our profitability.

- The Group's operational data covers enterprise management systems, sales, costs, human resources and environmental, social and governance, etc. Failure to maintain such data accurate and updated in a time manner, or utilising it for analysis, it may lead to make a wrong decision, which in turn may affect the Group's business operations and resource allocation.

Measures to Enhance the Group's Internal Control System

On the other hand, we have also adopted the following corporate governance measures to enhance our internal control system and to be better positioned to comply with various applicable rules and regulations:

(a) Our Hong Kong legal adviser is appointed to advise us on Hong Kong laws and regulations and compliance matters in accordance with the Listing Rules;

(b) Trainings are provided to our employees in relation to their obligations to contribute to their part of the social insurance and housing provident funds on a regular basis in order to comply with the applicable PRC laws and regulations;

(c) Training programs and/or updates regarding the relevant Mainland China, Vietnam and Hong Kong laws and regulations applicable to our business operations and directors' responsibilities respectively are provided to our Directors and senior management on a regular basis with a view to proactively identify any concerns and issues relating to potential non-compliance; and

(d) An internal audit manager and two internal audit staff are appointed to oversee our internal controls in Hong Kong, Mainland China and Vietnam and to ensure the Group's ongoing compliance with the relevant legal and regulatory requirements.

The Company's audit committee is responsible for monitoring the effectiveness of the Group's risk management and internal control systems and their compliance with the Listing Rules.

The Company's internal audit department performs internal audit function and the Board is responsible for overseeing and reviewing the effectiveness of the risk management and internal control systems of the Group on an ongoing basis. The Board confirms that it has reviewed the effectiveness of the risk management and internal control system for the year ended 31 March 2025 and the Board considers them to be effective and adequate.

Measures to Safeguard the Interests of the Company and its Shareholders against Competition Issues

Happy Family Assets Limited, Nameson Investments Limited, Mr. Wong Ting Chung, Mr. Wong Ting Kau and Mr. Wong Ting Chun (the "Covenantors") have entered into a deed of non-competition dated 24 March 2016 in favour of the Company and its subsidiaries, pursuant to which each of the Covenantors has undertaken that it/he and its/his respective close associates (other than any members of the Group) will not directly or indirectly engage, participate, compete, invest or otherwise be interested in or acquire or hold any restricted business unless such restricted business has first been offered or made available to the Group, and the Group, after review and approval by an independent board committee of the Company comprising only of independent non-executive Directors who do not have a material interest in such restricted business, has declined to pursue such opportunity.

For details of the above-mentioned non-competition undertaking, please refer to the Company's prospectus dated 30 March 2016.

The Covenantors have also given a non-competition undertaking in favour of the Company with respect to the Group's knitted footwear business and/or footwear business and other footwear ancillary businesses as disclosed in the Company's circular dated 24 November 2017.

The Directors are of the view that the measures in place are sufficient to safeguard the interests of the Company and its shareholders against any competition issues or potential competition issues.

PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Company has developed an inside information policy which provides a guidance to the Directors and the Company's senior management and relevant employees in handling inside information, monitoring information disclosure and responding to enquiries. The Company should take all reasonable measures to ensure the confidentiality of inside information until consistent and timely disclosure of such information is made.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors acknowledge their responsibility for preparing the financial statements of the Group for the year ended 31 March 2025 and confirm that the financial statements contained herein give a true and fair view of the results and state of affairs of the Group for the year under review. The Directors consider that the financial statements have been prepared in conformity with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and reflect amounts which are based on best estimates and reasonable, informed and prudent judgment of the Board. Such acknowledgement should be read in conjunction with, but be distinguished from, the statement of the external auditor of the Company, PricewaterhouseCoopers, in relation to their reporting responsibilities as set out in their auditor's report on pages 57 to 62 of this annual report.

GOING CONCERN

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's and the Group's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements on a going concern basis.

SENIOR MANAGEMENT REMUNERATION BY BANDS

The remuneration of the Company's senior management, whose biographies are set out on page 22 of this annual report, for the year ended 31 March 2025 is set out below:

	Number of Individuals
Remuneration bands	
HK$Nil–HK$500,000	1
HK$500,001–HK$1,000,000	1
HK$1,000,001–HK$1,500,000	1
HK$2,500,001–HK$3,000,000	1

Directors' Report

The board (the "Board") of directors (the "Directors") of Nameson Holdings Limited (the "Company") is pleased to present the annual report together with the audited financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 March 2025.

CORPORATE REORGANISATION AND INITIAL PUBLIC OFFERING

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 11 August 2015 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Through a series of group reorganisation procedures, the Company became the holding company of the Group when the reorganisation was completed on 21 March 2016.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 12 April 2016 (the "Listing Date").

PRINCIPAL ACTIVITIES

The Company is an investment holding company and the principal activities of the Group are the manufacturing of knitwear products. Particulars of the principal activities of the Company's subsidiaries are set out in note 11 to the consolidated financial statements of the Group. There were no significant changes in the nature of the Group's principal activities during the year ended 31 March 2025.

BUSINESS REVIEW

A business review of the Group for the year ended 31 March 2025 and its future development is set out in the chairman's statement from pages 4 to 7 and management discussion and analysis from pages 8 to 17 of this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2025 are set out in the consolidated income statement on page 63 of this annual report.

An interim dividend of 9.8 HK cents per share was paid on 20 December 2024 to the shareholders. The Board has resolved to declare a second interim dividend of 1.5 HK cents per share for the year ended 31 March 2025. The second interim dividend of 1.5 HK cents per share is expected to be payable on or about Wednesday, 23 July 2025 to the shareholders of the Company whose names are recorded on the register of members of the Company at the close of business on Friday, 11 July 2025. The Company's register of members will be closed from Wednesday, 9 July 2025 to Friday, 11 July 2025 (both days inclusive), and during such period no transfer of the Company's shares will be registered. In order to qualify for the second interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration by 4:30 p.m. on Tuesday, 8 July 2025.

DONATIONS

Charitable and other donations made by the Group for the year ended 31 March 2025 amounted to approximately HK$2.3 million (2024: HK$1.7 million).

RESERVES AND DISTRIBUTABLE RESERVES OF THE COMPANY

Movements in the reserves of the Group and the Company during the year ended 31 March 2025 are set out in note 29 and note 35(a) to the consolidated financial statements respectively.

As at 31 March 2025, the Company's reserves available for distribution to equity shareholders in accordance with its articles of association and the laws of the Cayman Islands amounted to approximately HK$2,148.6 million (2024: HK$2,157.7 million).

DIVIDEND POLICY

The Company considers stable and sustainable returns to the shareholders of the Company to be our goal. In deciding whether to propose a dividend and in determining the dividend amount, the Board takes into account the Group's earnings and financial condition, operating requirements, capital requirements and any other conditions that our Directors may deem relevant. The proposal and payment of dividend by the Company is also subject to any restrictions under the Companies Law of the Cayman Islands, any applicable laws, rules and regulations and the memorandum and articles of association of the Company.

Our Board currently intends, subject to the above limitations, and in the absence of any circumstances which might reduce the amount of available distributable reserves, whether by losses or otherwise, to distribute to our shareholders at least 35% of any distributable profit. However, there is no assurance that dividends will be paid in any particular amount for any given period.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

BORROWINGS

Details of the bank borrowings and lease liabilities of the Group as at 31 March 2025 are set out in note 23 and note 24 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in the issued share capital of the Company for the year ended 31 March 2025 are set out in note 28 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association and there are no restrictions against such rights under the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of sales and purchases for the year ended 31 March 2025 attributable to the Group's major customers and suppliers are as follows:

Revenue from sales of goods attributable to:	
— the largest customer	46.8%
— five largest customers in aggregate	68.9%
Purchases attributable to:	
— the largest supplier	30.8%
— five largest suppliers in aggregate	68.5%

None of the Directors, or any of their close associates (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")), or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital), had any interest in any of the five largest customers or suppliers of the Group during the year ended 31 March 2025.

FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the five years ended 31 March 2025 are set out on page 134 of this annual report. This summary does not form part of the audited financial statements.

DIRECTORS

The Directors during the year ended 31 March 2025 and up to the date of this annual report are as follows:

Executive Directors

Mr. Wong Wai Yue *(Chairman)*
Mr. Man Yu Hin *(Chief Executive Officer)*
Mr. Wong Ting Chun
Mr. Li Po Sing

Independent non-executive Directors

Ms. Fan Chiu Fun, Fanny
Mr. Kan Chung Nin, Tony
Mr. Fan Chun Wah, Andrew
Mr. Ip Shu Kwan, Stephen

In accordance with article 84(1) of the Company's articles of association, Mr. Wong Wai Yue, Mr. Li Po Sing and Ms. Fan Chiu Fun, Fanny will retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

All Directors are subject to retirement by rotation at least once every three years but are eligible for re-election by shareholders at the annual general meeting of the Company pursuant to article 84 of the Company's articles of association.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of the executive Directors and non-executive Director has entered into a service contract with the Company for a fixed term of three years, which may be terminated by not less than three months' notice in writing served by either party on the other.

Each of the independent non-executive Directors was appointed by the Company for a fixed term of three years in accordance with their respective letters of appointment with the Company, which may be terminated by not less than three months' notice in writing served by either party on the other.

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Board considers all the independent non-executive Directors to be independent in accordance with Rule 3.13 of the Listing Rules.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Continuing Connected Transactions" below and in note 33 to the consolidated financial statements, no transactions, arrangements or contracts of significance between the Company or any of its subsidiaries and the Company's controlling shareholder or any of its subsidiaries, or in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted during or at the end of the year ended 31 March 2025.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision contained in the Company's articles of association that is subject to the requirements specified in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) for the benefit of the Directors of the Company was in force during the year ended 31 March 2025 and up to the date of this annual report.

CONTINUING CONNECTED TRANSACTIONS

The following transactions entered into between a connected person (as defined in the Listing Rules) and the Group constituted a non-exempt continuing connected transactions for the year ended 31 March 2025 under Chapter 14A of the Listing Rules.

The Group entered into the following agreement with a connected person:

Raw Materials Purchase Agreement

(i) On 25 March 2024, Hebei Yuteng Cashmere Products Co., Ltd. ("Hebei Yuteng") (as seller) and Hebei Nanguan Technology Co., Ltd. ("Nanguan Tech") (the Company's non-wholly owned subsidiary), Huizhou Nanxuan Knitting Factory Limited ("Huizhou Nanxuan"), Huizhou Nanguan Knitting Factory Limited ("Huizhou Nanguan") (both being the Company's wholly owned subsidiaries) and M.ORO International Limited ("Moro International") (the Company's non-wholly owned subsidiary) (as purchasers) entered into the raw materials purchase agreement (the "Raw Materials Purchase Agreement") in respect of the purchase of cashmere and other raw materials by the purchasers from Hebei Yuteng for a term of one year from 1 April 2024 to 31 March 2025. The Raw Materials Purchase Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules and the annual cap of the transactions contemplated under the Raw Materials Purchase Agreement for the year ended 31 March 2025 is RMB710.0 million. The Group has followed the pricing policies set out in the Raw Materials Purchase Agreement in determining the price and terms of the continuing connected transactions conducted during the year ended 31 March 2025.

Two of Nanguan Tech's directors and a director of Moro International are also the controlling shareholders of Hebei Yuteng, which is an associate of such directors. In addition, Hebei Yuteng is a substantial shareholder of each of Nanguan Tech and Moro International. Consequently, Hebei Yuteng is a connected person of the Company at the subsidiary level under the Listing Rules.

For details on the Raw Materials Purchase Agreement, please refer to the Company's announcement dated 25 March 2024.

The independent non-executive Directors have reviewed and confirmed that the aforementioned continuing connected transaction was entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to review the continuing connected transaction contemplated under the Raw Materials Purchase Agreement. The auditors have, based on the work performed, provided a letter to the Directors confirming that nothing has come to their attention that causes them to believe that such continuing connected transaction:

(i) has not been approved by the Board;

(ii) was not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve provision of goods or services by the Group;

(iii) was not entered into, in all material respects, in accordance with the relevant agreement governing the transaction; and

(iv) has exceeded the relevant annual cap.

The continuing connected transaction disclosed above also constitutes a related party transaction under the Hong Kong Financial Reporting Standards. A summary of the related party transactions entered into by the Group during the year ended 31 March 2025 is contained in note 33 to the consolidated financial statements.

On the other hand, the Group entered into the following agreement with a connected person on 31 March 2025, which constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules:

New Raw Materials Purchase Agreement

(i) On 31 March 2025, Hebei Yuteng (as seller) and Nanguan Tech and Moro International (as purchasers) entered into the new raw materials purchase agreement (the "New Raw Materials Purchase Agreement") in respect of the purchase of cashmere and other raw materials by the purchasers from Hebei Yuteng for a term of one year from 1 April 2025 to 31 March 2026. The New Raw Materials Purchase Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules and the annual cap of the transactions contemplated under the New Raw Materials Purchase Agreement for the year ending 31 March 2026 is RMB670.0 million.

For details on the New Raw Materials Purchase Agreement, please refer to the Company's announcement dated 31 March 2025.

CONNECTED TRANSACTIONS

The following transactions entered into between a connected person (as defined in the Listing Rules) and the Group constituted a non-exempted connected transactions for the year ended 31 March 2025 under Chapter 14A of the Listing Rules.

The Group entered into the following connected transaction with a connected person on 26 April 2024:

The Joint Venture Agreement

(i) On 26 April 2024, South Champion Limited ("South Champion") (the Company's wholly-owned subsidiary) entered into a joint venture agreement (the "Joint Venture Agreement") with Hebei Yuteng in relation to, among others, the management of the joint venture company (the "Joint Venture Company") (M.ORO Group Limited, a company incorporated in the BVI with limited liability) for the production of cashmere yarn in Vietnam. Pursuant to the Joint Venture Agreement, South Champion and Hebei Yuteng shall make capital injection of US$4.4 million and US$3.6 million respectively to the Joint Venture Company by 25 April 2027, in proportion to their respective shareholding in the Joint Venture Company, representing 55% and 45% of the issued share capital of the Joint Venture Company respectively.

For details on the Joint Venture Agreement, please refer to the Company's announcement dated 26 April 2024.

Moreover, the Group entered into the following connected transaction with a connected person on 31 March 2025:

2025 Hebei Lease Agreement

(i) On 31 March 2025, Hebei Yuteng (as lessor) and Nanguan Tech (as lessee) entered into the new lease agreement (the "2025 Hebei Lease Agreement") in respect of the lease of the factory plant by Nanguan Tech from Hebei Yuteng for the production of cashmere yarn for a term of three years from 1 April 2025 to 31 March 2028. The 2025 Hebei Lease Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and the monthly rent under the 2025 Hebei Lease Agreement is RMB648,538. The value of the right-of-use assets to be recognised by the Group under the 2025 Hebei Lease Agreement is estimated to be approximately HK$23.3 million.

For details on the Tenancy Agreement, please refer to the Company's announcement dated 31 March 2025.

The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the connected transactions or continuing connected transactions.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

Save as disclosed below, as at 31 March 2025, the interests and/or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required to be and were recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules were as follows:

Long position in the Ordinary Shares of the Company

Name of Directors	Nature of interests	Number of ordinary shares/ underlying shares held or interested in	Approximate percentage of the issued share capital of the Company(7)
Mr. Man Yu Hin (1)	Interest of spouse	700,000	0.03%
Mr. Wong Ting Chun (2)(3)	Beneficiary of a trust	1,500,000,000	65.81%
	Beneficial owner	1,500,000	0.07%
Mr. Li Po Sing (4)	Beneficial owner	3,500,000	0.15%
Ms. Fan Chiu Fun, Fanny (5)	Beneficial owner	1,500,000	0.07%
Mr. Kan Chung Nin, Tony (5)	Beneficial owner	1,500,000	0.07%
Mr. Fan Chun Wah, Andrew (5)	Beneficial owner	1,500,000	0.07%
Mr. Ip Shu Kwan, Stephen (6)	Beneficial owner	1,500,000	0.07%

Note 1: Mr. Man Yu Hin is deemed to be interested in 700,000 shares held by his spouse as his spouse has a beneficial interest in the share options granted to her on 29 August 2016 and 28 August 2017 under the Share Option Scheme (as defined below) and which, if exercised in full, would result in the issue of 700,000 shares to her.

Note 2: Mr. Wong Ting Chun is one of the beneficiaries of the Happy Family Trust and therefore he is deemed to be interested in the shares held by the Happy Family Trust under the SFO.

Note 3: Mr. Wong Ting Chun has a beneficial interest in the share options granted to him on 29 August 2016 under the Share Option Scheme and which, if exercised in full, would result in the issue of 1,500,000 shares to him.

Note 4: Mr. Li Po Sing has a beneficial interest in the share options granted to him on 29 August 2016 and 28 August 2017 under the Share Option Scheme and which, if exercised in full, would result in the issue of 3,500,000 shares to him.

Note 5: Each of Ms. Fan Chiu Fun, Fanny, Mr. Kan Chung Nin, Tony and Mr. Fan Chun Wah, Andrew has a beneficial interest in options granted to him/her on 28 August 2017 under the Share Option Scheme and which, if exercised in full, would result in the issue of 1,500,000 shares to him/her.

Note 6: Mr. Ip Shu Kwan, Stephen has a beneficial interest in options granted to him on 20 April 2018 under the Share Option Scheme and which, if exercised in full, would result in the issue of 1,500,000 shares to him.

Note 7: The calculation is based on the total number of issued ordinary shares of 2,279,392,000 shares as at 31 March 2025.

Details of the interests of the Directors and chief executive in the options (being regarded as unlisted physically settled equity derivatives) granted to them under the Share Option Scheme (as defined below) are set out in the section headed "Share Option Scheme" in this annual report.

DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the Share Option Scheme (as defined below), at no time for the year ended 31 March 2025 was the Company or any of its subsidiaries, holding companies, or any of the subsidiary undertakings (within the meaning of the Companies (Directors' Report) Regulation) of such holding companies a party to any arrangements whose objects are, or one of whose objects is, to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. Save as disclosed above, none of the Directors and chief executive of the Company (including their spouses and children under the age of 18) had any interests in or was granted any right to subscribe for the securities of the Company or its associated corporations (within the meaning of Part XV of the SFO), or had exercised any such rights.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 March 2025, none of the Directors had any interest in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

DEED OF NON-COMPETITION

For the year ended 31 March 2025, each of the Company's controlling shareholders has confirmed to the Company of his/its compliance with (i) the non-competition undertakings given by him/it to the Company under the deed of non-competition, as defined in the Company's prospectus dated 30 March 2016; and (ii) the non-competition undertakings given by him/it to the Company with respect to the Group's knitted footwear business and/or footwear business and other footwear ancillary businesses as disclosed in the Company's circular dated 24 November 2017.

The Directors are of the view that there are sufficient measures in place to safeguard the interests of the Company and its shareholders against any competition issues or potential competition issues.

SHARE OPTION SCHEME

The Company has approved and adopted a share option scheme on 29 January 2016 (the "Share Option Scheme"). Under the Share Option Scheme, the eligible participants may be granted share options pursuant to the Share Option Scheme. The following is a summary of the principal terms of the Share Option Scheme.

(a) Purpose

The purposes of the Share Option Scheme are to provide the eligible participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

(i) motivate the eligible participants to optimise their performance efficiency for the benefit of the Group; and

(ii) attract and retain or otherwise maintain an on-going business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group.

(b) Eligible participants

The eligible Participants include (i) any full-time or part-time employees, executives or officers of our Company or any of its subsidiaries; (ii) any directors (including independent non-executive directors) of our Company or any of its subsidiaries; and (iii) any advisers, consultants, agents, suppliers, customers, distributors and such other persons who in the sole opinion of the Board will contribute or have contributed to our Company and/or any of its subsidiaries.

(c) Maximum number of shares

The maximum number of shares which may be issued upon exercise of all the share options to be granted under the Share Option Scheme and any other share option scheme of the Company (if any) shall not in aggregate exceed 10% of the shares in issue (i.e. a maximum of 200,000,000 shares) immediately after listing, provided that:

(i) the maximum number of shares may be renewed, with the approval of the shareholders in a general meeting, up to a maximum of 10% of the issued share capital of the Company at the date of such shareholders' approval, inclusive of the maximum number of shares in respect of which share options may be granted under another scheme, if any;

(ii) the Company may obtain a separate approval from the Company's shareholders in a general meeting to permit the granting of share options which will result in the number of shares in respect of all the share options granted exceeding the then maximum number of shares provided that such share options are granted only to eligible participants specifically identified by the Company before shareholders' approval is sought (in which case such share options granted shall not be counted towards the then applicable maximum number of shares); and

(iii) the total maximum number of shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share options granted and yet to be exercised under another scheme shall not exceed 30% of the issued share capital of the Company from time to time.

The total number of shares available for issue under the Share Option Scheme was 47,506,000, representing approximately 2.08% of the issued share capital of the Company as at the date of this annual report.

(d) Maximum entitlement of each eligible participant

Unless approved by the shareholders in a general meeting (with the relevant eligible participant and his/her close associates abstaining from voting), no eligible participant shall be granted a share option if the total number of shares issued and to be issued upon exercise of the share options granted and to be granted to such eligible participant in any 12-month period up to the date of the latest grant would exceed 1% of the issued share capital of the Company from time to time.

An offer of the grant of an option to a Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options).

Where any grant of share options to a substantial shareholder or an independent non-executive Director, or any of their respective associates, would result in the shares issued and to be issued upon exercise of all share options already granted and to be granted (including share options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

(i) representing in aggregate over 0.1% of the shares in issue; and

(ii) having an aggregate value, based on the official closing price of the shares at the date of each grant, in excess of HK$5.0 million,

such further grant of share options will be subject to the issue of a circular by the Company and must be approved by the shareholders in general meeting on a poll. The grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting.

(e) Acceptance of an offer of share options

A share option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptances of the share options duly signed by the grantee, together with a remittance in favour of the Company of HK$0.01 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date. To the extent that the offer to grant a share option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

(f) Performance target

A grantee may be required to achieve any performance targets as the Board may then specify in the grant before any share options granted under the Share Option Scheme can be exercised.

(g) Subscription price

The subscription price in respect of any share option shall be a price determined by the Board and notified to an eligible participant (subject to any adjustments made pursuant to the terms and conditions of the Share Option Scheme) which must be at least the higher of:

(i) the official closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;

(ii) the average of the official closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant; or

(iii) the nominal value of the shares.

(h) Ranking of shares

The shares to be allotted upon the exercise of a share option will be subject to all the provisions of the articles of association for the time being in force and will rank pari passu in all respects with and shall have the same voting, dividend, transfer and other rights. Shares issued on the exercise of a share option shall not rank for any rights attaching to the shares by reference to a record date preceding the date of allotment.

The shares to be allotted upon the exercise of a share option will not carry voting rights until completion of the registration of the grantee (such other person nominated by the grantee) as the holder thereof.

(i) Life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of 10 years from the Listing Date, after which no further options shall be offered but the provisions of the Share Option Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any share options granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Share options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the Share Option Scheme. As at the date of this annual report, the Share Option Scheme had a remaining life of approximately 1 year.

For the year ended 31 March 2025, no share option was granted under the Share Option Scheme. As at 31 March 2025, the number of share options available for grant under the Share Option Scheme was 110,600,000 share options representing approximately 4.85% of the existing issued share capital of the Company (1 April 2024: 110,600,000).

Details of the movements of the share options under the Share Option Scheme during the year ended 31 March 2025 are as follows:

				Number of Share Options					
Grantee	**Date of Grant** (Note 1)	**Exercise Price** HK$	**Exercise Period** (Note 2)	**Balance as at 1 April 2024**	**Granted during the year**	**Exercised during the year**	**Cancelled during the year**	**Lapsed during the year**	**Balance as at 31 March 2025** (Note 3)
Directors									
Mr. Wong Ting Chun	29 August 2016	1.394	29 August 2017 to 28 August 2026	1,500,000	–	–	–	–	1,500,000
Mr. Li Po Sing	29 August 2016	1.394	29 August 2017 to 28 August 2026	1,500,000	–	–	–	–	1,500,000
	28 August 2017	1.462	28 August 2018 to 27 August 2027	2,000,000	–	–	–	–	2,000,000
Ms. Fan Chiu Fun, Fanny	28 August 2017	1.462	28 August 2018 to 27 August 2027	1,500,000	–	–	–	–	1,500,000
Mr. Kan Chung Nin, Tony	28 August 2017	1.462	28 August 2018 to 27 August 2027	1,500,000	–	–	–	–	1,500,000
Mr. Fan Chun Wah, Andrew	28 August 2017	1.462	28 August 2018 to 27 August 2027	1,500,000	–	–	–	–	1,500,000
Mr. Ip Shu Kwan, Stephen	20 April 2018	1.700	20 April 2019 to 19 April 2028	1,500,000	–	–	–	–	1,500,000
Employees									
Other employees of the Group (Note 4)	29 August 2016	1.394	29 August 2017 to 28 August 2026	11,138,000	–	–	(132,000)	–	11,006,000
	28 August 2017	1.462	28 August 2018 to 27 August 2027	26,400,000	–	–	(900,000)	–	25,500,000
Total				48,538,000	–	–	(1,032,000)	–	47,506,000

Notes:

1. The closing price of the shares of the Company immediately before the date on which the share options were granted on (i) 29 August 2016, i.e. 26 August 2016, was HK$1.40; (ii) 28 August 2017, i.e. 25 August 2017, was HK$1.48; and (iii) 20 April 2018, i.e. 19 April 2018, was HK$1.68.

2. The share options granted to the above Directors and other employees of the Group shall be vested in three equal tranches. The vesting periods of the share options are between the date of grant and the dates of commencement of exercise periods. The vesting periods and exercise periods of the share options are as follows:

Share options	Vesting period	Exercise period
Granted on 29 August 2016		
One-third of the share options (rounded to the nearest number of share options which represents an integral multiples of one board lot)	29 August 2016 to 28 August 2017	29 August 2017 to 28 August 2026
One-third of the share options (rounded to the nearest number of share options which represents an integral multiples of one board lot)	29 August 2016 to 28 August 2018	29 August 2018 to 28 August 2026
The remaining share options	29 August 2016 to 28 August 2019	29 August 2019 to 28 August 2026
Granted on 28 August 2017		
One-third of the share options (rounded to the nearest number of share options which represents an integral multiples of one board lot)	28 August 2017 to 27 August 2018	28 August 2018 to 27 August 2027
One-third of the share options (rounded to the nearest number of share options which represents an integral multiples of one board lot)	28 August 2017 to 27 August 2019	28 August 2019 to 27 August 2027
The remaining share options	28 August 2017 to 27 August 2020	28 August 2020 to 27 August 2027
Granted on 20 April 2018		
One-third of the share options (rounded to the nearest number of share options which represents an integral multiples of one board lot)	20 April 2018 to 19 April 2019	20 April 2019 to 19 April 2028
One-third of the share options (rounded to the nearest number of share options which represents an integral multiples of one board lot)	20 April 2018 to 19 April 2020	20 April 2020 to 19 April 2028
The remaining share options	20 April 2018 to 19 April 2021	20 April 2021 to 19 April 2028

3. The weighted average exercise price of the outstanding share options as at 31 March 2025 was HK$1.449.

4. Employees working under employment contracts that were regarded as "continuous contracts" for the purpose of the Hong Kong Employment Ordinance.

5. The fair value of the share options as at the date of grant, its calculation and the model and assumptions used to estimate the fair value of the share options are set out in note 30 to the consolidated financial statements.

6. As the Share Option Scheme was adopted before the amended Chapter 17 of the Listing Rules which became effective on 1 January 2023, certain terms of the Share Option Scheme may not be in full compliance with the amended Chapter 17 of the Listing Rules. The Company will comply with the transitional arrangements for share schemes existing as at 1 January 2023, including but not limited to the scope of eligible participants of share option schemes and the minimum vesting period requirements.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

Save as disclosed below, so far as known to the Directors and chief executive of the Company, as at 31 March 2025, the following persons or corporations (other than our Directors and chief executive of our Company) who had interest and/or short positions in the shares or underlying shares of the Company which would be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO were as follows:

Long position in the ordinary shares of the Company

Name of substantial shareholders	Nature of interest	Number of ordinary shares/ underlying shares held or interested in	Approximate percentage of issued share capital of the Company (8)
Nameson Investments Limited (1)	Beneficial owner	1,500,000,000	65.81%
Happy Family Assets Limited (1)	Interest in a controlled corporation	1,500,000,000	65.81%
East Asia International Trustees Limited (1)	Trustee of a trust	1,500,000,000	65.81%
Mr. Wong Ting Chung (2)(3)	Beneficiary of a trust Beneficial owner	1,500,000,000 200,000,000	65.81% 8.77%
Ms. Wang Kam Chu (4)	Interest of spouse	1,700,000,000	74.58%
Mr. Wong Ting Kau (5)	Beneficiary of a trust	1,500,000,000	65.81%
Ms. Tsoi Suet Ngai (6)	Interest of spouse	1,501,500,000	65.87%
Ms. Chan Ka Wai (7)	Interest of spouse	1,500,000,000	65.81%

Notes:

(1) Nameson Investments Limited is wholly owned by Happy Family Assets Limited, the holding vehicle incorporated in the British Virgin Islands used by East Asia International Trustees Limited, the trustee of the Happy Family Assets Limited which is a trust established by Mr. Wong Ting Chung as the settlor and the protector. Accordingly, each of Happy Family Assets Limited and Mr. Wong Ting Chung is deemed to be interested in the 1,500,000,000 shares held by Nameson Investments Limited under the SFO.

(2) Mr. Wong Ting Chung is the settlor, the protector and one of the beneficiaries of the Happy Family Trust and therefore he is deemed to be interested in the shares held by the Happy Family Trust under the SFO.

(3) Mr. Wong Ting Chung beneficially owned 200,000,000 shares which were issued by the Company on 15 December 2017 as consideration shares pursuant to the acquisition of V. Success Group.

(4) Ms. Wang Kam Chu is the spouse of Mr. Wong Ting Chung and is therefore deemed to be interested in the shares held, directly or indirectly, by Mr. Wong Ting Chung under the SFO.

(5) Mr. Wong Ting Kau is one of the beneficiaries of the Happy Family Trust and therefore he is deemed to be interested in the shares held by the Happy Family Trust under the SFO.

(6) Ms. Tsoi Suet Ngai is the spouse of Mr. Wong Ting Chun and is therefore deemed to be interested in the shares held, directly or indirectly, by Mr. Wong Ting Chun under the SFO.

(7) Ms. Chan Ka Wai is the spouse of Mr. Wong Ting Kau and is therefore deemed to be interested in the shares held, directly or indirectly, by Mr. Wong Ting Kau under the SFO.

(8) The calculation is based on the total number of issued ordinary shares of 2,279,392,000 shares as at 31 March 2025.

EQUITY-LINKED AGREEMENTS

Other than the Share Option Scheme, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year ended 31 March 2025 or subsisted as at 31 March 2025.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or substantial part of the business of the Group were entered into or existed during the year ended 31 March 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the year ended 31 March 2025, neither the Company nor any of its subsidiaries, has purchased, sold or redeemed any of the Company's listed securities. The Company did not hold any treasury shares during the year ended 31 March 2025.

USE OF NET PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The net proceeds from the listing of the Company amounted to approximately HK$635.4 million. Such proceeds have been used according to the allocation set out in the Company's prospectus dated 30 March 2016 and/or the subsequent change in use of net proceeds set out in the Company's announcement dated 27 September 2023 (the "Announcement"). As disclosed in the Announcement, in order to capture the rising opportunities in Vietnam, the Board considered it necessary to increase the production capacity of the Group by setting up a new factory in the Dak Lak Province (the "Dak Lak Factory") in Central Vietnam. Accordingly, the Board resolved to change the use of the unutilised net proceeds of approximately HK$63.6 million and the expected timeline of full utilisation for the construction of factory buildings and purchase of machinery for the Dak Lak Factory. Please refer to the Announcement for details.

Use of net proceeds from the date of listing to 31 March 2025 is set out below as follows:

	Proportion after the change in use of net proceeds	**Planned use of the total net proceeds after the change in use of net proceeds**	**Utilised amount up to 31 March 2024**	**Actual utilised amount during the year ended 31 March 2025**	**Utilised amount up to 31 March 2025**	**Unutilised balance as at 31 March 2025**
	% (approximately)	HK$ million (approximately)	HK$ million (approximately)	HK$ million (approximately)	HK$ million (approximately)	HK$ million (approximately)
Construction of factory buildings and purchase of machinery for the second phase of our factory in the Tay Ninh Province, Vietnam	59.5%	378.1	378.1	–	378.1	–
Repayment of part of our bank loans	14.7%	93.2	93.2	–	93.2	–
Enhancing design and product development capabilities	3.6%	22.8	22.8	–	22.8	–
Enhancing the existing enterprise resource planning system	3.6%	23.0	23.0	–	23.0	–
Working capital and general corporate purposes	8.6%	54.7	54.7	–	54.7	–
Construction of factory buildings and purchase of machinery for the Dak Lak Factory	10.0%	63.6	50.2	13.4	63.6	–
Total	100.0%	635.4	622.0	13.4	635.4	–

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

In accordance with the disclosure requirements of Rule 13.21 of the Listing Rules, the following disclosure is included in respect of the Company's existing loan agreements/facility letter, which contain covenants requiring performance obligations of the controlling shareholder(s) of the Company, as follows:

Date of the agreement/ facility letter	Banking facilities	Specific performance obligations
12 December 2024	Three-year term loan facility of up to HK$250,000,000	(i) Mr. Wong Ting Chung and his family collectively owns more than 60% share interests in the Company; and (ii) Mr. Wong Ting Chung and his family maintain the majority of the management control of the Company
12 September 2024	Three-year term loan facility of up to HK$200,000,000	Mr. Wong Ting Chung or his family members remains at the majority ultimate beneficial owner holding not less than 50% shareholdings in the Company with management control in the Company
12 December 2023	Two three-year term loan facilities with a total amount of up to HK$300,000,000	Mr. Wong Ting Chung and/or his family members shall maintain not less than 50% shareholdings in the Company
27 June 2023	Three-year term loan facility of up to HK$200,000,000	Wong's family (Note (I)) remains as the majority shareholder of the Company and maintains the management control of the Company
8 March 2023	Three-year term loan facility of up to HK$150,000,000	Mr. Wong Ting Chung together with his family members shall remain (directly or indirectly) the largest shareholder of the Company at all times throughout the entire life of the term loan facility
15 December 2022	Three-year term loan facility of up to HK$130,000,000	Mr. Wong Ting Chung or his family members are and will remain as the majority ultimate beneficial owner holding not less than 50% of all issued share capital of the Company with management control in the Company

Note (I): Wong's family means one or more of:

- (i) Mr. Wong Ting Chung, Mr. Wong Ting Chun and Mr. Wong Ting Kau;
- (ii) any family members of each of (i) above;
- (iii) any charitable foundation or company controlled by any of (i) and (ii) above;
- (iv) the executors and trustees of the estate of any of (i) and (ii) above; and
- (v) the trustees of any trust or trusts, the principal beneficiaries of which during their lifetimes are (i) and (ii) above.

RETIREMENT BENEFITS SCHEMES

Details of the retirement benefits schemes participated by the Group are set out in note 9 to the consolidated financial statements.

DIRECTORS AND SENIOR MANAGEMENT

Particulars of the directors and senior management of the Company are set out on pages 18 to 22 of this annual report.

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles as set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix C1 of the Listing Rules. The Board is of the view that the Company is in compliance with the mandatory code provisions of the CG Code for the year ended 31 March 2025.

For details of the Corporate Governance Report, please refer to pages 23 to 40 of this annual report.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption to which the shareholders of the Company are entitled by reason of their holding of the shares of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of the Company's issued shares for the year ended 31 March 2025.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "AGM") for the year ended 31 March 2025 is scheduled to be held in September 2025. A notice convening the AGM will be issued and disseminated to the Company's shareholders in due course.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Environmental Policies

We are committed to implement policies in relation to environmental protection in order to conserve natural resources. We strive to minimise our environmental impact through reducing electricity and water consumption and encouraging recycle of office supplies and other materials. We are also committed to ensure that the Group is in strict compliance with the applicable environmental laws and regulations of the jurisdictions where our factories are located.

Compliance with Laws and Regulations

The Group's operations are mainly carried out by the Company's subsidiaries in Hong Kong, Mainland China and Vietnam and are therefore subject to relevant local laws and regulations in Hong Kong, Mainland China and Vietnam. Given that the operations of the Group's factories involve consumption of resources and discharges of pollutants which may affect the environment, certain environmental laws in Vietnam and Mainland China will have impact on the Group's operations.

The Group's manufacturing process produces pollutants such as waste water, noise, smoke and dust. The discharge of waste water and other pollutants from the manufacturing operations into the environment may give rise to liabilities that the Group may incur extra costs to remedy such discharge. There may be additional production costs resulting from the implementation of additional environmental protection measures and/or failure to comply with new environmental laws or regulations, which may have a material adverse effect on the Group's business and results of operations.

During the year ended 31 March 2025, the Board is not aware of any material breach or non-compliance with relevant local laws and regulations which have a significant impact on the Group's business.

Workplace Quality

We believe that employees constitute one of the valuable assets of the Group and regard human resources as the Group's corporate wealth. The Group offers employees with competitive remuneration packages and provides additional bonus in accordance with their performance and contributions to the growth and development of the Group. The Group provides on-the-job training and development opportunities to enhance employees' career progression, these training programs cover different areas such as management skills, sales and production, and other courses relating to the Group and the industry.

We are dedicated to promoting equal opportunities for all of our employees and do not discriminate on the basis of personal characteristics. All employees are assessed based on their ability, performance and contribution, irrespectively of their nationality, race, religion, gender, age or family status. The Group has employee handbooks outlining terms and conditions of employment, employees' rights and benefits, duties and responsibilities, conducts and behavior.

Health and Safety

The Group is committed to the health and safety of our employees and provides a safe and effective working environment. We pledge full compliance with all occupational health and safety legislation, and our factories in Mainland China and Vietnam are in full compliance with ISO 9001 requirements. The Group values the health and well-being of our employees. We supply free first-aid kits and medicine to our employees and they are entitled to medical insurance benefits.

Development and Training

The Group is committed to the professional and personal development and growth of employees and considers development and training as a continual process. We offer and encourage employees at all levels to participate in various internal and external courses in order to promote the advancement of their job-related skills. Our employees are provided with fair opportunities for adequate learning, trainings and promotions.

RELATIONSHIP WITH CUSTOMERS AND SUPPLIERS

The Group maintains solid and steady relationship with its customers and provides products which satisfy their needs and requirements. The Group enhances the relationship by continuous interaction with customers to gain insights on market demand and customers' needs so that the Group could respond proactively. The Group also maintains close relationship with its suppliers. This leads to a high degree of cooperative development and enables the Group to deliver high-quality solutions as required and expected by our customers.

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers. A resolution for the appointment of the Company's auditor will be proposed for shareholders' approval at the AGM.

On behalf of the Board
Wong Wai Yue, *MH*
Chairman and Executive Director
20 June 2025

Independent Auditor's Report

羅兵咸永道

To the Shareholders of Nameson Holdings Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Nameson Holdings Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 63 to 133, comprise:

- the consolidated balance sheet as at 31 March 2025;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in our audit is related to tax provision:

Key Audit Matter	How our audit addressed the Key Audit Matter
Tax provision	
Refer to Notes 4(a) and 12 to the consolidated financial statements. The Group's current income tax provision covers the current and potential obligations in relation to the respective income tax positions across different jurisdictions. The Group operates mainly in Hong Kong, the People's Republic of China (the "PRC" or "Mainland China") and Vietnam which are subject to different types of cross-border arrangements, laws and regulations, government practices, interpretation of tax rules by respective tax authorities, tax concession schemes of different jurisdictions which may result in different approaches and timing of recording transactions. Significant management judgements are therefore required in assessing the income tax provisions for different potential obligations across different jurisdictions in particular on the Group's intercompany transactions and cross-border business arrangements. Where the final tax outcome is different from the amounts that were initially estimated, such differences will impact the income tax provisions in the period in which such determination is made. We focused on this area as the provision of current income tax required significant judgments and estimates by management.	Our procedures in relation to management's assessment on tax provision included: We assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors. We evaluated the outcome of prior period assessment of income tax provisions to assess the effectiveness of management's estimation process. We evaluated management's income tax provisions assessments by examining relevant documents supporting their conclusion, which was primarily based on the factual cross-border business arrangements, recent practice of local tax authorities, market practice for local companies, tax returns and computations as well as the advice from the Group's external independent tax advisor. We evaluated the appropriateness and consistency of the basis that management used in the current income tax provision assessments.

KEY AUDIT MATTERS *(Continued)*

Key Audit Matter	How our audit addressed the Key Audit Matter
	We discussed with management to understand their interpretation of the relevant tax rules and regulations. We obtained management's current income tax provision calculations and checked their accuracy by testing the underlying calculations and tracing the inputs to the relevant tax rules and regulations. We obtained explanations and reviewed corroborative evidence from management, including management communications with local tax authorities and the tax advice issued by the Group's external independent tax advisor, regarding the tax treatments applied to the income tax provisions assessments. We evaluated management judgments with the involvement of our tax specialists based on our understanding of the relevant tax rules and regulations. Based on the procedures performed, we found the judgments made by management in relation to the current income tax provision were supportable by available evidence.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in Nameson Holdings Limited 2025 Annual Report (the "annual report") other than the consolidated financial statements and our auditor's report thereon. We have obtained some of the other information including Corporate Information, Chairman's Statement and Management Discussion and Analysis prior to the date of this auditor's report. The remaining other information, including Biographical Details of Directors and Members of Senior Management, Corporate Governance Report, Directors' Report and the other sections to be included in the annual report, is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining other information to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Audit Committee and take appropriate action considering our legal rights and obligations.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is WONG Wai Bong Benson (practising certificate number: P04878).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 20 June 2025

Consolidated Income Statement

For the year ended 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
Revenue	5	**4,352,130**	4,378,888
Cost of sales	7	**(3,570,315)**	(3,604,649)
Gross profit		**781,815**	774,239
Other income	6	**20,487**	13,270
Other gains, net	8	**41,163**	78,191
Selling and distribution expenses	7	**(39,606)**	(32,359)
General and administrative expenses	7	**(353,949)**	(331,839)
Impairment loss on the production base in Myanmar	7, 15	**–**	(34,005)
Operating profit		**449,910**	467,497
Share of post-tax profit of a joint venture	27	**1,493**	1,561
Finance income	10	**7,812**	29,626
Finance expenses	10	**(51,335)**	(64,779)
Finance expenses, net		**(43,523)**	(35,153)
Profit before income tax		**407,880**	433,905
Income tax expenses	12	**(52,466)**	(53,201)
Profit for the year		**355,414**	380,704
Profit for the year attributable to:			
— Owners of the Company		**342,327**	361,672
— Non-controlling interests		**13,087**	19,032
		355,414	380,704
Earnings per share attributable to the owners of the Company during the year			
— Basic and diluted (HK cents per share)	13	**15.02**	15.87

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
Profit for the year		**355,414**	380,704
Other comprehensive loss, net of tax:			
Items that have been reclassified or may be subsequently reclassified to profit or loss			
— Currency translation differences		**(50,423)**	(29,240)
— Share of other comprehensive (loss)/income of a joint venture	27	**(468)**	39
Other comprehensive loss for the year, net of tax		**(50,891)**	(29,201)
Total comprehensive income for the year		**304,523**	351,503
Total comprehensive income for the year attributable to:			
— Owners of the Company		**291,606**	338,272
— Non-controlling interests		**12,917**	13,231
		304,523	351,503

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
Assets			
Non-current assets			
Property, plant and equipment	15	**1,873,536**	1,785,060
Right-of-use assets	16(a)	**358,786**	290,709
Investment properties	17	**7,686**	1,590
Interest in a joint venture	27	**6,174**	7,083
Financial assets at fair value through profit or loss	18	**197,358**	191,118
Prepayments, deposits, other receivables and other assets	21	**99,256**	122,908
Loan to a non-controlling shareholder of a subsidiary	33(b)	**6,987**	–
Deferred income tax assets	26	**986**	704
		2,550,769	2,399,172
Current assets			
Inventories	19	**1,207,897**	910,552
Trade and bills receivables	20	**153,114**	167,149
Prepayments, deposits, other receivables and other assets	21	**435,997**	253,826
Cash and cash equivalents	22	**430,818**	717,404
		2,227,826	2,048,931
Total assets		**4,778,595**	4,448,103
Equity			
Capital and reserves attributable to the owners of the Company			
Share capital	28	**22,794**	22,794
Reserves	29	**2,348,761**	2,360,314
		2,371,555	2,383,108
Non-controlling interests		**266,150**	215,851
Total equity		**2,637,705**	2,598,959

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet (continued)

As at 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
Liabilities			
Non-current liabilities			
Bank borrowings	23	**563,453**	454,811
Loans from non-controlling shareholders of subsidiaries	33(b)	**1,565**	3,359
Lease liabilities	24	**153,933**	120,675
Provision for reinstatement costs	25(b)	**2,372**	4,409
Provision for long service payment	25(b)	**1,450**	–
Deferred income tax liabilities	26	**4,883**	4,812
		727,656	588,066
Current liabilities			
Trade and bills payables	25(a)	**400,731**	335,457
Accruals and other payables	25(b)	**333,562**	255,832
Current income tax liabilities		**301,228**	274,275
Bank borrowings	23	**309,335**	353,129
Lease liabilities	24	**68,378**	42,385
		1,413,234	1,261,078
Total liabilities		**2,140,890**	1,849,144
Total equity and liabilities		**4,778,595**	4,448,103
Net current assets		**814,592**	787,853

The financial statements on pages 63 to 133 were approved by the Board of Directors on 20 June 2025 and were signed on its behalf.

Wong Wai Yue
Chairman and Executive Director

Man Yu Hin
Chief Executive Officer and Executive Director

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Attributable to the owners of the Company				
	Share capital (Note 28) HK$'000	Reserves (Note 29) HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
As at 1 April 2024	**22,794**	**2,360,314**	**2,383,108**	**215,851**	**2,598,959**
Profit for the year	**–**	**342,327**	**342,327**	**13,087**	**355,414**
Other comprehensive loss:					
— Currency translation differences	**–**	**(50,253)**	**(50,253)**	**(170)**	**(50,423)**
— Share of other comprehensive loss of a joint venture	**–**	**(468)**	**(468)**	**–**	**(468)**
Total comprehensive income	**–**	**291,606**	**291,606**	**12,917**	**304,523**
Transactions with owners					
Capital contribution from non-controlling interests (Note 11(a)(i))	**–**	**–**	**–**	**37,382**	**37,382**
Dividends (Note 14)	**–**	**(303,159)**	**(303,159)**	**–**	**(303,159)**
As at 31 March 2025	**22,794**	**2,348,761**	**2,371,555**	**266,150**	**2,637,705**
As at 1 April 2023	22,794	2,252,260	2,275,054	202,620	2,477,674
Profit for the year	–	361,672	361,672	19,032	380,704
Other comprehensive loss:					
— Currency translation differences	–	(23,439)	(23,439)	(5,801)	(29,240)
— Share of other comprehensive income of a joint venture	–	39	39	–	39
Total comprehensive income	–	338,272	338,272	13,231	351,503
Transactions with owners					
Dividends (Note 14)	–	(230,218)	(230,218)	–	(230,218)
As at 31 March 2024	22,794	2,360,314	2,383,108	215,851	2,598,959

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statement

For the year ended 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
Cash flows from operating activities			
Cash generated from operations	31(a)	**363,560**	700,004
Interest paid		**(53,188)**	(65,570)
Income tax paid, net		**(87,432)**	(51,485)
Net cash generated from operating activities		**222,940**	582,949
Cash flows from investing activities			
Purchases of property, plant and equipment		**(255,539)**	(216,264)
Proceeds from disposals of property, plant and equipment	31(b)	**14,473**	41,581
Loan to a non-controlling shareholder of a subsidiary		**(6,987)**	–
Dividend received from a joint venture		**1,934**	–
Interest received		**7,812**	29,626
Net cash used in investing activities		**(238,307)**	(145,057)
Cash flows from financing activities			
Proceeds from new bank borrowings	31(d)	**1,197,520**	667,940
Repayments of bank borrowings	31(d)	**(1,132,672)**	(796,755)
Repayments of lease liabilities	31(d)	**(58,929)**	(74,572)
Dividends paid		**(303,159)**	(230,218)
Capital contributions from non-controlling interests		**26,920**	–
Repayments of loans from non-controlling shareholders of subsidiaries	31(d)	**(1,794)**	(2,317)
Net cash used in financing activities		**(272,114)**	(435,922)
Net (decrease)/increase in cash and cash equivalents		**(287,481)**	1,970
Cash and cash equivalents at beginning of the year		**717,404**	717,027
Exchange difference on cash and cash equivalents		**895**	(1,593)
Cash and cash equivalents at end of the year	22	**430,818**	717,404

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 11 August 2015 as an exempted company with limited liability under the laws of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together the "Group") are principally engaged in the manufacturing of knitwear products. The ultimate holding company of the Company is Happy Family Assets Limited. The Company has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 12 April 2016.

These consolidated financial statements are presented in thousands of Hong Kong dollars ("HK$'000"), unless otherwise stated.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards, which is a collective term referred to all applicable individual Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The actual results may differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these consolidated financial statements, are disclosed in Note 4.

(a) Amended standards and revised interpretation adopted by the Group

The Group has applied the following amended standards and revised interpretation for the first time for the financial year beginning 1 April 2024:

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

The amended standards and revised interpretation listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

(b) New and amended standards and revised interpretation issued but not yet adopted by the Group

The following new and amended standards and revised interpretation have been issued but are not effective for the Group's financial year beginning 1 April 2024 and have not been early adopted by the Group:

		Effective for accounting period beginning on or after
HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability	1 January 2025
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosure	1 January 2027
Hong Kong Interpretation 5 (Amendments)	Hong Kong Interpretation 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in process of making an assessment of the impact of these new and amended standards and revised interpretation upon initial application, and has concluded on a preliminary basis that these are not expected to have a significant impact on the Group's results of operations or financial position.

2.2 Material accounting policies

Apart from the accounting policies presented within the corresponding notes to the consolidated financial statements, other material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Subsidiaries

(i) Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.2 Material accounting policies *(Continued)*

(a) Subsidiaries *(Continued)*

(i) Consolidation *(Continued)*

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their fair value at the acquisition date, unless another measurement basis is required by HKFRS Accounting Standards.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(ii) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors and senior management of the Company led by the Group's chief executive officer that makes strategic decisions.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the Company's functional and the Group's presentation currency.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.2 Material accounting policies *(Continued)*

(c) Foreign currency translation *(Continued)*

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in profit or loss.

Foreign exchange gains and losses are presented in profit or loss within "Other gains, net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities are recognised in profit or loss as part of the fair value gain or loss.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.2 Material accounting policies *(Continued)*

(d) Property, plant and equipment

Land and buildings comprise mainly manufacturing factories and offices. Leasehold land classified as right-of-use assets and all other property, plant and equipment other than construction in progress are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Construction in progress represents buildings and leasehold improvements in which construction work has not been completed and plant, machinery and equipment pending for installation. It is carried at cost which includes construction expenditures and other direct costs less any impairment losses. On completion, construction in progress is transferred to the appropriate categories of property, plant and equipment at cost less accumulated impairment losses, if any. No depreciation is provided for construction in progress until it is completed and available for use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	2.5% to 4%
Leasehold improvements	Over the term of the leases
Plant and machinery	6.7% to 12.5%
Furniture, fixtures and other equipment	12.5% to 20%
Motor vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.2(e)).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other gains, net" in the profit or loss.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.2 Material accounting policies *(Continued)*

(e) Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or groups of assets (i.e. cash generating units or CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(f) Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories: those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.2 Material accounting policies *(Continued)*

(f) Financial assets *(Continued)*

(iii) Measurement (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instrument:

- Amortised cost
  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "Other gains, net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

- FVOCI
  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Other gains, net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "Other gains, net" and impairment expenses are presented as separate line item in the consolidated income statement.

- FVTPL
  Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "Other gains, net" in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as "Other income" when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in "Other gains, net" in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.2 Material accounting policies *(Continued)*

(f) Financial assets *(Continued)*

(iv) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by HKFRS 9 "Financial Instruments" ("HKFRS 9"), which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(h) Trade and other receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are generally due for settlement within the credit period and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

(i) Trade and other payables

Trade and other payables are liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(j) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting period.

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.2 Material accounting policies *(Continued)*

(k) Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attribute to temporary differences and to unused tax losses.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(ii) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in OCI or directly in equity. In this case, the tax is also recognised in OCI or directly in equity respectively.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.2 Material accounting policies *(Continued)*

(l) Employee benefits

The Group operates various post-employment schemes, including defined contribution pension plans.

(i) Pension obligations

The Group participates in various defined contribution pension plans for its employees. The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory or contractual basis.

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme, a defined contribution scheme managed by an independent trustee. The Group's subsidiaries operating in Mainland China and Vietnam make contributions to staff retirement schemes managed by local government authorities in accordance with the relevant rules and regulations.

The contributions to the defined contribution pension plans are recognised as employee benefit expense when they are due. The Group has no legal or constructive obligations to pay further contributions.

(ii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(iii) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(iv) Long service payments

The Group's post-employment benefit obligation in respect of long service payments to its employees in Hong Kong upon cessation of their employment in certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefits that the employees have earned in return for their services in the current and prior periods.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.2 Material accounting policies *(Continued)*

(m) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to anyone item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(n) Leases

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.2 Material accounting policies *(Continued)*

(n) Leases *(Continued)*

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liabilities.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and

- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;

- any lease payments made at or before the commencement date less any lease incentives received;

- any initial direct costs; and

- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated balance sheet based on their nature.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.2 Material accounting policies *(Continued)*

(o) Revenue and income recognition

(i) ***Sales of goods***

The Group manufactures and sells a range of knitwear products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from the sale of goods is based on the price specified in the sales contracts. Accumulated experience is used to estimate provision for returns.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

If the Group recognises the related revenue before being unconditionally entitled to the consideration for the promised goods and services in the contract, then the entitlement to consideration is classified as a contract asset.

Contract assets, if any, are assessed for impairment under the same approach adopted for impairment assessment of financial assets carried at amortised cost.

Similarly, a contract liability, is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis. Receipts in advance collected from the customers before product delivery are recognised as contract liabilities.

(ii) ***Interest income***

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 10 below. Any other interest income is included in "Other income".

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(iii) ***Rental income***

Rental income is recognised on a straight-line basis over the period of the lease.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.3 Other accounting policies

(a) Joint arrangements

Under HKFRS 11 "Joint Arrangements", investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has interest in a joint venture.

Interests in joint ventures are accounted for using the equity method (Note 2.3(a)(i)), after initially being recognised at cost in the consolidated balance sheet.

(i) Equity accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in OCI of the investee in OCI. Dividends received or receivable from joint venture are recognised as a reduction in the carrying amount of the investment.

When the Group's share of loss in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and joint venture are eliminated to the extent of the Group's interest in this entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.2(e).

When the Group ceases to equity account for an investment because of a loss of joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in OCI in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in OCI are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in OCI are reclassified to profit or loss where appropriate.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.3 Other accounting policies *(Continued)*

(b) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(c) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair values. Changes in the fair value of derivative instruments that do not qualify for hedge accounting are recognised immediately in the profit or loss. Derivative financial assets are classified as current assets if they are expected to be realised within 12 months after the balance sheet date. Derivative financial liabilities are classified as current liabilities if they are due to be settled within 12 months after the balance sheet date.

(d) Investment property

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group.

Investment property is initially recognised at cost and subsequently carries at cost less accumulated depreciation and accumulated impairment loss. Depreciation is calculated using a straight-line method to allocate the depreciation amounts over the estimated useful lives, as follows:

Leasehold land	The remaining lease term
Buildings	2.1% to 4.0%

The residual value and useful life of investment property are reviewed, and adjusted as appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.2(e)).

Gains and losses on disposal are determined by comparing the proceeds with the carrying amounts and are recognised in the profit or loss.

(e) Cash and cash equivalents

In the consolidated cash flow statement, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(f) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.3 Other accounting policies *(Continued)*

(g) Government subsidies

Subsidies from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government subsidies relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

(h) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow interest-rate risk), credit risk, liquidity risk and price risk. The Group's overall risk management programme focuses on the volatility of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group used derivative financial instruments to manage certain risk exposures occasionally.

(a) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group is exposed to foreign exchange risk primarily with respect to Renminbi ("RMB") and United States dollar ("US$") since a considerable portion of its operating expenses are denominated in RMB while most of the sales are denominated in US$. Since HK$ is pegged with US$, management is of the opinion that the foreign exchange risk arising from US$ is insignificant.

The Group also manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and has entered into certain foreign exchange contracts to manage foreign exchange risks. As at 31 March 2025 and 2024, the Group did not have any outstanding forward foreign currency contracts.

As at 31 March 2025, if HK$ has weakened/strengthened by 5% against RMB, with all other variables held constant, the profit before tax for the year would have been approximately HK$1,716,000 (2024: HK$393,000) higher/lower, mainly as a result of net foreign exchange gains/losses on translation of RMB denominated deposits and other receivables (Note 21) and cash and cash equivalents (Note 22).

As at 31 March 2025, if US$ has weakened/strengthened by 5% against RMB, with all other variables held constant, the profit before tax for the year would have been approximately HK$1,105,000 higher/lower (2024: HK$111,000 lower/higher), mainly as a result of net foreign exchange gains/losses (2024: net foreign exchange losses/gains) on translation of US$ denominated cash and cash equivalents (Note 22) and lease liabilities (Note 24).

As at 31 March 2025, if US$ has weakened/strengthened by 5% against Vietnamese Dong ("VND"), with all other variables held constant, the profit before tax for the year would have been approximately HK$1,088,000 (2024: HK$667,000) lower/higher, mainly as a result of net foreign exchange losses/gains on translation of US$ denominated trade and bills receivables (Note 20) and cash and cash equivalents (Note 22).

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Cash flow interest-rate risk

The Group has no significant interest-bearing assets except for bank deposits, details of which are disclosed in Note 22. The Group's exposure to changes in interest rates is mainly attributable to its bank borrowings, details of which are disclosed in Note 23. Bank borrowings carried at floating rates expose the Group to cash flow interest rate risk. The Group has used interest rate swaps to hedge some of its exposure to interest rate risk.

As at 31 March 2025, if the interest rates on bank borrowings had been 50 basis points higher/lower, with all other variables held constant, the profit before tax for the year would have been approximately HK$4,202,000 (2024: HK$4,362,000) lower/higher, mainly as a result of higher/lower interest expense on floating-rate bank borrowings.

(c) Credit risk

(i) Risk Management

The credit risk of the Company mainly arises from trade and bills receivables, deposits, other receivables, loan to a non-controlling shareholder of a subsidiary, other financial assets at amortised cost and cash and cash equivalents. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets.

As at 31 March 2025, the majority of the bank balances as detailed in Note 22 are held with major financial institutions located in Hong Kong, Mainland China and Vietnam which the directors believe are of high credit quality. For deposits, other receivables and other financial assets at amortised cost, management has policies in place to monitor the exposures to these credit risks on an on-going basis. The directors do not expect any losses arising from non-performance by these counterparties.

The Group's credit sales are generally on credit terms within 90 days. Normally the Group does not require collaterals from trade debtors. As at 31 March 2025, the Group's largest debtor accounted for 8% (2024: 17%) of the Group's total trade receivables. The existing debtors have no significant default in the past.

In order to minimise the credit risk, the Group has policies in place to ensure that sales of products on credit terms are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers, taking into account their financial position, past experience and other factors.

(ii) Impairment of financial assets

The Group has two types of financial assets that are subject to the expected credit loss model:

— trade receivables

— other financial assets at amortised cost

Trade receivables

For trade receivables, the Group measures the expected credit losses on a combination of both individual and collective basis.

<u>Measurement of expected credit loss on individual basis</u>

For trade receivables relating to accounts which are overdue with significant amounts or known insolvencies or non-response to collection activities, they are assessed individually for impairment.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(c) Credit risk *(Continued)*

(ii) Impairment of financial assets *(Continued)*

Trade receivables (Continued)

Measurement of expected credit loss on collective basis

The Group then applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all remaining trade receivables.

To measure the expected credit losses, trade receivables have been grouped with similar risk characteristics and, collectively or individually, assessing them for likelihood of recovery, taking into account the nature of the customer, its geographical location and its ageing category, and applying the expected credit loss rates to the respective gross carrying amounts of the receivables.

The Group categorises its trade receivables, except those individually assessed, based on shared credit risk characteristics and the days past due. The expected loss rates are based on past repayment history and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in this factor. Based on the Group's assessment, expected credit loss rate of trade receivables is close to zero.

Trade receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

As at 31 March 2025 and 2024, no provision for impairment for trade receivables assessed individually was made by the Group (Note 20) whilst the loss allowance for trade receivables assessed collectively was not material (2024: same).

Other financial assets at amortised cost

The directors of the Company consider the probability of default, loss given default and exposure at default since initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. Especially the following indicators are incorporated:

(a) actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparties' ability to meet its obligations;

(b) actual or expected significant changes in the operating results of the counterparties; and

(c) significant changes in the expected performance and behaviour of the counterparties, including changes in the payment status of the counterparties.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment/repayable demanded. During the years ended 31 March 2025 and 2024, no impairment loss on other financial assets at amortised cost was recognised in profit or loss (Note 21).

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(d) Liquidity risk

The Group adopts a prudent liquidity risk management by maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities.

The Group's primary cash requirements are mainly for additions of property, plant and equipment, repayments of lease liabilities and payments for purchases, operating expenses and dividends. The Group mainly finances its working capital requirements through internal resources and bank borrowings.

The Group monitors and maintains a level of cash and cash equivalents considered adequate by the directors to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The directors monitor the utilisation of bank borrowings to ensure adequate unutilised banking facilities and compliance with loan covenants.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table represent the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	HK$'000	HK$'000	HK$'000	HK$'000
At 31 March 2025				
Trade and bills payables	**400,731**	**–**	**–**	**400,731**
Accruals and other payables	**247,638**	**–**	**–**	**247,638**
Bank borrowings	**340,521**	**371,838**	**209,277**	**921,636**
Loans from non-controlling shareholders of subsidiaries	**–**	**1,565**	**–**	**1,565**
Lease liabilities	**78,378**	**81,465**	**81,827**	**241,670**
	1,067,268	**454,868**	**291,104**	**1,813,240**
At 31 March 2024				
Trade and bills payables	335,457	–	–	335,457
Accruals and other payables	150,040	–	–	150,040
Bank borrowings	384,360	201,053	279,192	864,605
Loans from non-controlling shareholders of subsidiaries	–	3,359	–	3,359
Lease liabilities	48,629	45,515	82,862	177,006
	918,486	249,927	362,054	1,530,467

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(e) Price risk

The Group is exposed to price risk arising from its investments in unlisted key management insurance which are classified on the consolidated balance sheet as financial assets at FVTPL.

The fair value of the unlisted investments will fluctuate, subject to the returns which are at the discretion of the issuer of the investments. Such investments have a minimum guaranteed returns during the holding period. Management is of the opinion that the price risk arising from these investments is insignificant.

3.2 Fair value estimation

The carrying amounts of the Group's current financial assets including bank balances and cash, deposits, receivables and other assets, and current financial liabilities including payables, bank borrowings and lease liabilities approximate their fair values due to their short maturities. The carrying amounts of non-current financial assets including deposits, receivables and other assets and loan to a non-controlling shareholder of a subsidiary, and non-current financial liabilities including bank borrowings and lease liabilities are assumed to approximate their fair values as the amounts bear interest at commercial rates.

The carrying value of financial instruments measured at fair value at the balance sheet date are categorised among the three levels of the fair value hierarchy defined in HKFRS 13 "Fair value Measurement", with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets that are measured at fair values at 31 March 2025 and 2024.

	Level 1 HK$'000	**Level 2** HK$'000	**Level 3** HK$'000	**Total** HK$'000
At 31 March 2025				
Assets				
Financial assets at FVTPL				
— Unlisted investments	**–**	**–**	**197,358**	**197,358**
At 31 March 2024				
Assets				
Financial assets at FVTPL				
— Unlisted investments	–	–	191,118	191,118

There were no transfers among levels 1, 2 and 3 and no change in valuation during the year ended 31 March 2025 (2024: same).

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Fair value estimation *(Continued)*

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(c) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

For the changes in level 3 instruments for the years ended 31 March 2025 and 2024, please refer to Note 18.

The fair value of the key management insurance contract purchased for key management personnel of the Group is determined based on the cash surrender value in accordance with the key management insurance contract which is not an observable input. Management estimates the fair value based on the latest policy monthly statement of the key management insurance contract provided by the insurance company. The unobservable input is the cash surrender value quoted by the insurance company according to the key management insurance contract. When the cash surrender value is higher, the fair value of the key management insurance will be higher.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

In order to maintain or adjust the capital structure, the Group may adjust the amount of distributions to shareholders, issue new shares or sell assets.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including lease liabilities) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated balance sheet, plus net debt.

The gearing ratios at 31 March 2025 and 2024 were as follows:

	As at 31 March	
	2025	2024
	HK$'000	HK$'000
Total borrowings	**1,095,099**	971,000
Less: cash and cash equivalents	**(430,818)**	(717,404)
Net debt	**664,281**	253,596
Total equity	**2,637,705**	2,598,959
Total capital	**3,301,986**	2,852,555
Gearing ratio	**20.12%**	8.89%

The increase in gearing ratio from 8.89% as at 31 March 2024 to 20.12% as at 31 March 2025 was primarily due to the increase of net debt as a result of net proceeds from bank borrowings and additions of lease liabilities during the year.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments used in preparing financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below.

(a) Current and deferred income tax provision

The Group is subject to income taxes in various jurisdictions. Significant judgment is required in determining the provision for income taxes. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. The Group's inter-company transactions and cross-border business arrangements during the ordinary course of business may impose inherent uncertainty over the Group's profit allocation and its respective tax position across different jurisdictions. The Group also recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes may be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax provision in the period in which such determination is made.

Deferred income tax assets relating to temporary differences and tax losses are recognised when management expects it is probable that future taxable profits will be available to utilise against the temporary differences or tax losses. Where the expectations are different from the original estimates, such differences will impact the recognition of deferred income tax assets in the period in which such estimates have been changed.

(b) Impairment of non-financial assets

Non-financial assets including property, plant and equipment and right-of-use assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on the higher of value in use calculations and fair value less costs of disposal. These calculations require the use of judgments and estimates.

Management judgment is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs of disposal and value in use; and (iii) the appropriate key assumptions to be applied in value in use calculation and fair value less costs of disposal. Changing the assumptions selected by management in assessing impairment, including the discount for property asking price, agency costs for sales of property and scrap values of machineries, could materially affect the recoverable amount of underlying assets and as a result affect the Group's financial position and results of operations.

The Group has a production base in Myanmar. Due to the ongoing incidents of social unrest and military conflicts in Myanmar, the production has not commenced. Therefore, the directors of the Company have carried out an impairment assessment on the assets in Myanmar. Please refer to Note 15 for the details.

5 SEGMENT INFORMATION

The Group's operating segments have been determined based on the information reported to and reviewed by the executive directors and senior management of the Company led by the Group's chief executive officer, being the Group's CODM, which are used for the purposes of assessing performance and making strategic decisions. For the purpose of internal reporting and management's operation review, the CODM considered that the Group's business is operated and managed as one single operating segment (i.e. manufacturing of knitwear products) and no separate information was presented for the years ended 31 March 2025 and 2024.

(a) Revenue by location of goods delivery

	2025 HK$'000	2024 HK$'000
Japan	**1,097,820**	1,362,300
North America	**606,419**	533,409
Europe	**832,834**	688,870
Mainland China	**836,943**	899,939
Southeast Asia	**471,609**	439,644
Other countries	**506,505**	454,726
	4,352,130	4,378,888

(b) Non-current assets

	2025 HK$'000	2024 HK$'000
Hong Kong	**31,097**	30,725
Mainland China	**381,229**	436,038
Vietnam	**1,786,746**	1,594,319
Myanmar	**121,709**	134,498
	2,320,781	2,195,580

The non-current assets information above is based on the location of the assets and excludes interest in a joint venture, financial instruments and deferred income tax assets.

5 SEGMENT INFORMATION *(Continued)*

(c) Major customers

Revenue from customers individually contributing over 10% of the total revenue of the Group is as follows:

	2025 HK$'000	2024 HK$'000
Customer A	**2,036,569**	2,287,148
Customer B	**456,620**	N/A*

* The revenue from customer B did not contribute over 10% of the total revenue of the Group for the year ended 31 March 2024.

The five largest customers accounted for approximately 68.9% (2024: 72.3%) of revenue for the year ended 31 March 2025.

(d) Disaggregation of revenue from contracts with customers

For the years ended 31 March 2025 and 2024, the revenue of the Group was recognised at a point in time.

(e) Liabilities related to contracts with customers

The Group has recognised the following liabilities related to contracts with customers:

	2025 HK$'000	2024 HK$'000
Contract liabilities — receipts in advance (Note 25(b))	**9,008**	28,142

Contract liabilities for sales of goods contracts have decreased by HK$19,134,000 (2024: HK$15,519,000) due to a decrease in unfulfilled performance obligations as at year end date.

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities:

	2025 HK$'000	2024 HK$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**23,732**	4,243

6 OTHER INCOME

	2025 HK$'000	2024 HK$'000
Rental income from investment properties	**11,716**	770
Rental income from properties occupied by employees	**886**	1,198
Government subsidies (Note(a))	**4,812**	5,371
Others	**3,073**	5,931
	20,487	13,270

Note:

(a) During the year ended 31 March 2025, the government subsidies consisted of HK$4,812,000 (2024: HK$5,371,000) received from the government of Mainland China.

7 EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses, general and administrative expenses and impairment loss on the production base in Myanmar are analysed as follows:

	2025 HK$'000	2024 HK$'000
Advertising and promotion expenses	6,986	7,289
Auditor's remuneration		
— audit services	2,323	3,014
— non-audit services	577	711
Depreciation		
— owned property, plant and equipment (Note 15)	197,188	193,455
— right-of-use assets (Note 16)	39,309	32,501
Depreciation of investment properties (Note 17)	2,755	82
Employment benefit expenses (including directors' emoluments) (Note 9)	1,023,948	998,064
Raw materials used	2,137,400	2,169,151
Changes in inventories of finished goods and work in progress	(41,925)	(6,436)
(Reversal of)/provision for impairment of inventories	(17,223)	396
Consumables	110,852	112,762
Subcontracting charges	190,652	157,863
Impairment loss on the production base in Myanmar (Note 15)	–	34,005
Agency and commission expenses	2,291	2,345
Transportation charges	34,556	27,422
Sample charges	15,491	11,142
Donations	2,348	1,666
Short-term lease payments (Note 16(b))	1,069	667
Utilities expenses	120,565	122,797
Others	134,708	133,956
Total cost of sales, selling and distribution expenses, general and administrative expenses and impairment loss on the production base in Myanmar	3,963,870	4,002,852

8 OTHER GAINS, NET

	2025 HK$'000	2024 HK$'000
Net foreign exchange gains	**23,194**	44,244
Net gains on financial assets at FVTPL (Note 18)	**6,240**	6,188
Net gains on disposals of property, plant and equipment (Note 31(b))	**12,155**	28,553
Net realised and unrealised losses from derivative financial instruments	**(426)**	(794)
	41,163	78,191

9 EMPLOYMENT BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

Employment benefit expenses, including directors' emoluments, consist of:

	2025 HK$'000	2024 HK$'000
Wages, salaries, commissions, allowances, bonuses, welfare and other benefits	**928,664**	905,515
Pension costs — defined contribution plans	**95,284**	92,549
	1,023,948	998,064

(a) Pension costs — defined contribution plans

The Group has no material obligation for post-retirement benefits beyond contributions to the Mandatory Provident Fund Scheme managed by an independent trustee in Hong Kong and the staff retirement schemes managed by local government authorities in accordance with the relevant rules and regulations in Mainland China and Vietnam.

No forfeited contribution is available to reduce the contribution payable in future year.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 March 2025 include four (2024: four) directors whose emoluments are reflected in Note 34 to the consolidated financial statements. The emoluments payable to the remaining one (2024: one) individual during the year are as follows:

	2025 HK$'000	2024 HK$'000
Wages, salaries, commissions, allowances, welfare and other benefits	**1,740**	1,680
Pension costs — defined contribution plans	**18**	18
Bonus	**1,000**	880
	2,758	2,578

9 EMPLOYMENT BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) *(Continued)*

(b) Five highest paid individuals *(Continued)*

The emoluments fell within the following band:

	2025	2024
Emolument band		
HK$2,500,001–HK$3,000,000	**1**	1

No directors or any of the five highest paid individuals received any emoluments from the Group as an inducement to join or upon joining the Group or compensation for loss of office.

10 FINANCE EXPENSES, NET

	2025 **HK$'000**	2024 HK$'000
Finance income		
Interest income from:		
— Bank deposits	**7,812**	29,626
Finance expenses		
Interest expenses on:		
— Bank borrowings	**(39,389)**	(59,043)
— Lease liabilities (Note 16(b))	**(11,946)**	(5,736)
	(51,335)	(64,779)
Finance expenses, net	**(43,523)**	(35,153)

11 SUBSIDIARIES

The following are details of the principal subsidiaries at 31 March 2025:

Company name	Place of incorporation and type of legal entity	Issued/ registered and paid up capital	Principal activities/ place of operation	Effective interest held (%) The Company 2025	2024	The non-controlling interest 2025	2024
Directly owned:							
Nameson Group Limited	The British Virgin Islands ("BVI"), limited liability company	US$10	Investment holding, Hong Kong	**100%**	100%	**–**	–
Indirectly owned:							
Nameson Industrial Limited	Hong Kong, limited liability company	HK$3,000,000	Manufacturing of knitwear products, Hong Kong	**100%**	100%	**–**	–
Winner Way Industrial Limited	Hong Kong, limited liability company	HK$60,000	Manufacturing of knitwear products, Hong Kong	**100%**	100%	**–**	–
First Team (HK) Limited	Hong Kong, limited liability company	HK$1	Manufacturing of knitwear products, Hong Kong	**100%**	100%	**–**	–
First Team (Vietnam) Garment Limited	Vietnam, limited liability company	US$130,000,000	Manufacturing of knitwear products, Vietnam	**100%**	100%	**–**	–
Huizhou Nanxuan Knitting Fty. Ltd.	The PRC, wholly foreign owned enterprise	US$36,000,000	Manufacturing of knitwear products, the PRC	**100%**	100%	**–**	–
Huizhou Nanguan Knitting Fty. Ltd.	The PRC, wholly foreign owned enterprise	US$1,000,000	Manufacturing of knitwear products, the PRC	**100%**	100%	**–**	–
S. Power (Vietnam) Textile Limited	Vietnam, limited liability company	US$54,082,042	Manufacturing of knitting fabric, Vietnam	**100%**	100%	**–**	–
Top Galaxy (Myanmar) Apparel Limited	Myanmar, limited liability company	US$53,215,500	Manufacturing of knitwear products, Myanmar	**100%**	100%	**–**	–
Sumtex Industrial Limited	Hong Kong, limited liability company	HK$70	Investment holding and trading of fabric, Hong Kong	**100%**	100%	**–**	–
Able Joy (Dak Lak) Garment Limited	Vietnam, limited liability company	VND 983,593,710,188	Manufacturing of knitwear products, Vietnam	**100%**	100%	**–**	–
Hebei Nanguan Technology Co., Ltd.	The PRC, limited liability company	RMB200,000,000	Manufacturing of cashmere yarn, the PRC	**55%**	55%	**45%**	45%

11 SUBSIDIARIES *(Continued)*

(a) Non-controlling interests

(i) Transactions with non-controlling interests

During the year ended 31 March 2025, Nameson Group Limited, a subsidiary of the Group, and Dongguan Jiuying Trading Co., Ltd., non-controlling interests ("NCI"), agreed to make capital contribution of HK$15,472,000 and HK$9,483,000 respectively to Best Time (BVI) Limited.

In addition, South Champion Limited, a subsidiary of the Group, and Hebei Yuteng Cashmere Products Co., Ltd., NCI, agreed to make capital contribution of HK$34,100,000 and HK$27,899,000 respectively to M.oro Group Limited.

(ii) Summary of key non-controlling interest

Set out below is summarised financial information for Hebei Nanguan Technology Co., Ltd., a subsidiary that has NCI and it is material to the Group. The amounts disclosed for the subsidiary are before inter-company eliminations.

Summarised income statement

	2025 HK$'000	2024 HK$'000
Revenue	**842,537**	727,275
Profit for the year	**34,604**	41,569
Other comprehensive loss	**–**	(12,044)
Total comprehensive income	**34,604**	29,525
Profit allocated to NCI	**15,572**	18,706
Other comprehensive loss allocated to NCI	**–**	(5,420)
Total comprehensive income allocated to NCI	**15,572**	13,286

Summarised balance sheet

	2025 HK$'000	2024 HK$'000
Current assets	**806,933**	580,314
Current liabilities	**(388,869)**	(223,851)
Current net assets	**418,064**	356,463
Non-current assets	**96,967**	125,386
Non-current liabilities	**(971)**	(2,391)
Non-current net assets	**95,996**	122,995
Net assets	**514,060**	479,458
Accumulated NCI	**(231,327)**	(215,756)

11 SUBSIDIARIES *(Continued)*

(a) Non-controlling interests *(Continued)*

(ii) Summary of key non-controlling interest *(Continued)*

Summarised cash flows

	2025 HK$'000	2024 HK$'000
Cash inflows/(outflows) from operating activities	**55,644**	(48,440)
Cash outflows from investing activities	**(450)**	(267)
Cash outflows from financing activities	**(10,289)**	(10,124)
Net increase/(decrease) in cash and cash equivalents	**44,905**	(58,831)

12 INCOME TAX EXPENSES

For the year ended 31 March 2025, Hong Kong profits tax has been provided for at the rate of 16.5% (2024: 16.5%) on the estimated assessable profit for the year. The Group's subsidiaries in Mainland China are subject to the China Corporate Income Tax at a rate of 25% (2024: 25%) on estimated assessable profits. Two (2024: two) of the Group's subsidiaries in Mainland China are subject to the China Corporate Income Tax at the rate of 15% after being assessed as high and new technology enterprises.

The Group's subsidiaries in Vietnam are subject to preferential business income tax ("BIT") at the rate of 17% for the first 10 years from the commencement of operation. After that the entities are subject to BIT at a standard rate of 20%. According to the investment certificates, the subsidiaries are subject to preferential BIT rate on taxable income for the first 10 years from the commencement of operation. In addition, the subsidiaries are entitled to full exemption from BIT for the first 2 years from the first year of earning taxable profit and are eligible for a 50% reduction in the BIT rate in the 4 years thereafter. For one of the subsidiaries in Vietnam, the current year is subject to the BIT rate of 20% (2024: 17%). However, it had no taxable profit during the year ended 31 March 2025. As for the other three subsidiaries in Vietnam, they are entitled to the first year of full exemption from BIT if there is any taxable profit. However, they have no taxable profit for the current year (2024: same).

	2025 HK$'000	2024 HK$'000
Current tax		
Current tax on profits for the year		
— Hong Kong profits tax	**14,758**	13,631
— China corporate income tax	**35,405**	28,823
— Vietnam business income tax	**385**	6,129
	50,548	48,583
Under provision of current tax in prior year		
— China corporate income tax	**2,088**	–
	52,636	48,583
Deferred income tax		
— Deferred taxation (Note 26)	**(170)**	4,618
	52,466	53,201

12 INCOME TAX EXPENSES *(Continued)*

The difference between the actual income tax charged to the consolidated income statement and the amounts which would result from applying the enacted tax rates to profit before income tax can be reconciled as follows:

	2025 HK$'000	2024 HK$'000
Profit before income tax	**407,880**	433,905
Tax calculated at domestic tax rates applicable to profits in the respective jurisdictions	**87,767**	87,327
Income not subject to tax	**(376,836)**	(389,069)
Expenses not deductible for tax purposes	**329,940**	342,637
Under provision in prior year	**2,088**	–
Others	**9,507**	12,306
Income tax expenses	**52,466**	53,201

13 EARNINGS PER SHARE

(a) Basic

Basic earnings per share for the years ended 31 March 2025 and 2024 are calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2025	2024
Profit attributable to the owners of the Company (HK$'000)	**342,327**	361,672
Weighted average number of ordinary shares in issue ('000)	**2,279,392**	2,279,392
Basic earnings per share (HK cents)	**15.02**	15.87

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

Diluted earnings per share for the years ended 31 March 2025 and 2024 equals basic earnings per share as the exercise of the outstanding share options would be anti-dilutive.

14 DIVIDENDS

At the board meeting held on 22 November 2024, the Board of Directors declared an interim dividend for the year ended 31 March 2025 of 9.8 HK cents per share amounting to a total of HK$223,380,000 and paid on 20 December 2024.

At the board meeting held on 20 June 2025, the Board of Directors declared a second interim dividend of 1.5 HK cents per share (in lieu of a final dividend) amounting to a total of HK$34,191,000. The second interim dividends are not reflected as a dividend payable in these consolidated financial statements and will be reflected as appropriation of retained earnings for the year ending 31 March 2026.

At the board meeting held on 24 November 2023, the Board of Directors declared an interim dividend for the year ended 31 March 2024 of 9.5 HK cents per share amounting to a total of HK$216,542,000 and paid on 20 December 2023.

At the board meeting held on 21 June 2024, the Board of Directors declared a second interim for the year ended 31 March 2024 of 3.5 HK cents per share (in lieu of a final dividend) amounting to a total of HK$79,779,000 and paid on 23 July 2024.

15 PROPERTY, PLANT AND EQUIPMENT

	Buildings HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fixtures and other equipment HK$'000	Motor vehicles HK$'000	Construction in progress HK$'000	Total HK$'000
At 1 April 2023							
Cost	973,144	53,321	2,694,932	95,069	43,008	314,172	4,173,646
Accumulated depreciation	(386,961)	(29,385)	(1,635,671)	(62,877)	(34,904)	–	(2,149,798)
Accumulated impairment	–	–	–	–	–	(243,416)	(243,416)
Net book amount	586,183	23,936	1,059,261	32,192	8,104	70,756	1,780,432
Year ended 31 March 2024							
Opening net book amount	586,183	23,936	1,059,261	32,192	8,104	70,756	1,780,432
Additions	8,469	–	16,913	6,259	2,870	129,861	164,372
Disposals (Note 31(b))	–	(41)	(12,883)	(1)	(103)	–	(13,028)
Written off	–	–	(1,966)	–	–	–	(1,966)
Transfers	59,765	2,155	3,842	396	–	(66,158)	–
Reclassification (Note 16)	–	–	94,737	–	–	–	94,737
Exchange differences	(2,972)	(548)	(6,236)	(2,290)	(12)	31	(12,027)
Depreciation (Note 7)	(31,833)	(1,394)	(150,199)	(6,960)	(3,069)	–	(193,455)
Impairment (Note 7)	–	–	(31,673)	(2,225)	(107)	–	(34,005)
Closing net book amount	619,612	24,108	971,796	27,371	7,683	134,490	1,785,060
At 31 March 2024							
Cost	1,030,638	54,616	2,577,006	97,699	42,712	134,490	3,937,161
Accumulated depreciation	(167,610)	(30,508)	(1,573,537)	(68,103)	(34,922)	–	(1,874,680)
Accumulated impairment	(243,416)	–	(31,673)	(2,225)	(107)	–	(277,421)
Net book amount	619,612	24,108	971,796	27,371	7,683	134,490	1,785,060
Year ended 31 March 2025							
Opening net book amount	**619,612**	**24,108**	**971,796**	**27,371**	**7,683**	**134,490**	**1,785,060**
Additions	**30,685**	**597**	**51,138**	**7,097**	**2,121**	**257,307**	**348,945**
Disposals (Note 31(b))	**–**	**–**	**(2,200)**	**–**	**(118)**	**–**	**(2,318)**
Transfers	**–**	**–**	**9,548**	**–**	**–**	**(9,548)**	**–**
Transfer to investment properties (Note 17)	**(8,851)**	**–**	**–**	**–**	**–**	**–**	**(8,851)**
Reclassification (Note 16)	**–**	**–**	**6,878**	**–**	**–**	**–**	**6,878**
Exchange differences	**(20,912)**	**–**	**(28,553)**	**(1,377)**	**(143)**	**(8,005)**	**(58,990)**
Depreciation (Note 7)	**(31,947)**	**(1,436)**	**(151,107)**	**(9,924)**	**(2,774)**	**–**	**(197,188)**
Closing net book amount	**588,587**	**23,269**	**857,500**	**23,167**	**6,769**	**374,244**	**1,873,536**
At 31 March 2025							
Cost	**963,274**	**55,213**	**2,377,167**	**99,548**	**39,131**	**374,244**	**3,908,577**
Accumulated depreciation	**(131,271)**	**(31,944)**	**(1,487,994)**	**(74,156)**	**(32,255)**	**–**	**(1,757,620)**
Accumulated impairment	**(243,416)**	**–**	**(31,673)**	**(2,225)**	**(107)**	**–**	**(277,421)**
Net book amount	**588,587**	**23,269**	**857,500**	**23,167**	**6,769**	**374,244**	**1,873,536**

15 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	2025 HK$'000	2024 HK$'000
Depreciation charged in consolidated income statement:		
— Cost of sales	**180,696**	175,814
— General and administrative expenses	**16,492**	17,641
	197,188	193,455

During the year ended 31 March 2025, the Group assumed to have the ownership of right-of-use assets with an aggregate net book value of HK$6,878,000 (2024: HK$94,737,000) at the time of the expiry of leases in accordance with the terms of leases.

Buildings are primarily situated in Mainland China, Vietnam and Myanmar.

As at 31 March 2025, the Group's production base in Myanmar had certain assets with a net carrying amount before impairment of approximately HK$392,340,000 (2024: HK$411,919,000), which included property, plant and equipment, right-of-use assets and prepayments for property, plant and equipment (2024: same).

The development progress of the production base in Myanmar has been affected by the ongoing social unrest and military conflicts in Myanmar. The directors of the Company have carried out impairment assessments over the property, plant and equipment, right-of-use assets and prepayments for property, plant and equipment in Myanmar with reference to the valuations performed by Vincorn Consulting and Appraisal Limited, an independent professional valuer. As at 31 March 2025, the management considered the recoverable amount of each of these assets being the higher of value in use and fair value less costs of disposal and concluded that the recoverable amount of each of these assets in Myanmar is determined by using fair value less costs of disposal under market approach (2024: same).

The fair value measurement is categorised at level 3 fair value hierarchy and the key unobservable inputs for assessing the recoverable amount of the assets in Myanmar as at 31 March 2025 and 2024 are as follows:

Discount for property asking price:	40% (2024: same)
Agency costs for sales of property:	5% (2024: same)
Scrap values of machineries:	10% of the cost of machineries (2024: same)

Based on the valuations carried out by the valuer as at 31 March 2025, the recoverable amount of these assets determined based on fair value less costs of disposal was higher than their net carrying amount. Therefore, no further provision for impairment of property, plant and equipment was made for the year ended 31 March 2025 (2024: provision for impairment of approximately HK$34,005,000 was made).

The Group has performed a sensitivity analysis for the recoverable amount of these assets as at 31 March 2025. If the discount for asking prices of the properties in Myanmar has increased/decreased by 5%, with all other variables held constant, the recoverable amount of these assets in Myanmar would have been approximately HK$15,500,000 lower/higher.

16 RIGHT-OF-USE ASSETS

(a) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to right-of-use assets:

	Plant and machinery HK$'000	Leased properties HK$'000	Land use rights (Note i) HK$'000	Total HK$'000
Year ended 31 March 2024				
Opening net book amount	194,761	24,013	115,676	334,450
Additions (Note 31(c))	78,440	6,047	–	84,487
Lease modification	–	(128)	–	(128)
Reclassification (Note 15)	(94,737)	–	–	(94,737)
Depreciation (Note 7)	(16,800)	(13,492)	(2,209)	(32,501)
Exchange differences	–	(332)	(530)	(862)
Closing net book amount at 31 March 2024	161,664	16,108	112,937	290,709
Year ended 31 March 2025				
Opening net book amount	**161,664**	**16,108**	**112,937**	**290,709**
Additions (Note 31(c))	**108,862**	**9,105**	**–**	**117,967**
Reclassification (Note 15)	**(6,878)**	**–**	**–**	**(6,878)**
Depreciation (Note 7)	**(22,485)**	**(13,674)**	**(3,150)**	**(39,309)**
Exchange differences	**–**	**(203)**	**(3,500)**	**(3,703)**
Closing net book amount at 31 March 2025	**241,163**	**11,336**	**106,287**	**358,786**

Note:

(i) As at 31 March 2025 and 2024, the Group's interests in land use rights represent prepaid operating lease payments in Mainland China, Vietnam and Myanmar.

16 RIGHT-OF-USE ASSETS *(Continued)*

(b) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	2025 HK$'000	2024 HK$'000
Depreciation of right-of-use assets (Note 7)	**39,309**	32,501
Interest expense (Note 10)	**11,946**	5,736
Short-term lease payments (Note 7)	**1,069**	667
	52,324	38,904

The total cash outflow for leases for the year ended 31 March 2025 was HK$71,944,000 (2024: HK$80,975,000).

(c) The Group's leasing activities and how these are accounted for

As a lessee

The Group leases various land, properties, plant and machinery. Rental contracts are typically made for fixed periods of 1 to 50 years, but may have extension and termination options as described in (d) below.

(d) Extension and termination options

Extension and termination options are included in a number of land leases and property leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

(e) Leases not yet commenced to which the lessee is committed

At 31 March 2025 and 2024, there were no payments for leases that the Group has committed to but not commenced.

17 INVESTMENT PROPERTIES

	2025 HK$'000	2024 HK$'000
At cost		
Beginning net book amount of the year	**1,590**	1,672
Transfer from property, plant and equipment (Note 15)	**8,851**	–
Depreciation (Note 7)	**(2,755)**	(82)
End of the year	**7,686**	1,590
Cost	**77,547**	4,640
Accumulated depreciation	**(69,861)**	(3,050)
Net book amount	**7,686**	1,590

The fair values of the Group's investment properties as at 31 March 2025 were HK$171,177,000 (31 March 2024: HK$24,700,000) and the investment properties are situated in Mainland China and Hong Kong.

Depreciation of approximately HK$2,755,000 for the year ended 31 March 2025 (2024: HK$82,000) has been included in "general and administrative expenses".

Outgoings in respect of the investment properties amounted to HK$1,279,000 for the year ended 31 March 2025 (2024: HK$136,700).

For minimum lease payments receivable on leases of investment properties, refer to Note 32(a).

18 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 HK$'000	2024 HK$'000
Financial assets at FVTPL		
— Unlisted investments, at fair value (Note)	197,358	191,118

Note: Unlisted investments represent unlisted key management insurance contracts which are debt instruments classified as financial assets at FVTPL. Minimum returns are guaranteed under these contracts with upside variable returns and the respective fixed and determinable returns are recognised as part of "Other gains, net". The portion allocated as insurance premium is recognised as prepayment and is amortised to the consolidated income statement based on the estimated years that the Group intends to hold such contracts.

Movement of the financial assets at FVTPL is as follows:

	HK$'000
As at 1 April 2023	184,930
Fair value gains on unlisted investments at FVTPL recognised in "Other gains, net" (Note 8)	6,188
As at 31 March 2024 and 1 April 2024	191,118
Fair value gains on unlisted investments at FVTPL recognised in "Other gains, net" (Note 8)	6,240
As at 31 March 2025	197,358

Information about the Group's exposure to price risk is provided in Note 3.1(e). For information about the methods and assumptions used in determining fair value, refer to Note 3.2.

Financial assets at FVTPL are denominated in US$.

19 INVENTORIES

	2025 HK$'000	2024 HK$'000
Raw materials	461,914	206,158
Work-in-progress	576,182	579,583
Finished goods	169,801	124,811
	1,207,897	910,552

The cost of inventories recognised as expense and included in "cost of sales" in the consolidated income statement amounted to HK$2,078,252,000 (2024: HK$2,163,111,000) for the year ended 31 March 2025. A reversal of provision for impairment of inventories amounted to HK$17,223,000 (2024: provision for impairment of inventories amounted to HK$396,000) was made during the year.

20 TRADE AND BILLS RECEIVABLES

	2025 HK$'000	2024 HK$'000
Trade and bills receivables	**153,114**	167,149

The carrying amounts of trade and bills receivables are denominated in the following currencies:

	2025 HK$'000	2024 HK$'000
US$	**113,149**	108,796
RMB	**39,328**	58,148
HK$	**617**	–
VND	**20**	205
	153,114	167,149

The credit periods granted by the Group to its customers generally range from 0 to 90 days. As at 31 March 2025 and 2024, the ageing analysis of the trade and bills receivables based on the invoice date is as follows:

	2025 HK$'000	2024 HK$'000
Up to three months	**139,328**	145,002
Three to six months	**11,658**	20,904
Over six months	**2,128**	1,243
	153,114	167,149

No provision for impairment of trade and bills receivables was made during the years ended 31 March 2025 and 2024.

Information about the impairment of trade receivables and the Group's exposure to credit risk is set out in Note 3.1(c).

The maximum exposure to credit risk at the reporting date is the carrying value of receivables as set out above. The Group did not hold any collateral as security.

As at 31 March 2025, total bills receivable amounted to HK$14,191,000 (2024: Nil). All bills receivable by the Group are with a maturity period of less than six months.

21 PREPAYMENTS, DEPOSITS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 HK$'000	2024 HK$'000
Prepayments for property, plant and equipment	**28,879**	87,168
Prepayments for subcontracting charges	**12,376**	23,824
Prepayments to raw materials suppliers (Note)	**248,091**	125,764
Other prepayments	**106,689**	38,693
Prepaid insurance premium for the key management insurance	**20,950**	22,106
	416,985	297,555
Deposits (Note)	**13,421**	8,141
Other receivables (Note)	**103,167**	69,358
Other assets	**1,680**	1,680
	118,268	79,179
	535,253	376,734
Less: Non-current portion	**(99,256)**	(122,908)
Current portion	**435,997**	253,826

Note: As at 31 March 2025, prepayments, deposits, other receivables and other assets include prepayments for raw materials to a related company of approximately HK$245,066,000 (2024: HK$124,564,000), deposits to a related company of approximately HK$109,000 (2024: HK$109,000) and receivable from a related company of approximately HK$10,463,000 (2024: Nil) respectively (Note 33(b)).

Movements in the Group's provision for impairment of prepayments and other receivables are as follows:

	2025 HK$'000	2024 HK$'000
Beginning of the year	**–**	4,835
Written off	**–**	(4,835)
End of the year	**–**	–

22 CASH AND CASH EQUIVALENTS

	2025 HK$'000	2024 HK$'000
Cash and cash equivalents	**430,818**	717,404

Cash and cash equivalents are denominated in the following currencies:

	2025 HK$'000	2024 HK$'000
US$	**227,807**	424,057
HK$	**62,726**	91,365
RMB	**128,063**	164,254
VND	**10,813**	35,572
Others	**1,409**	2,156
	430,818	717,404

23 BANK BORROWINGS

	2025 HK$'000	2024 HK$'000
Current		
Short-term bank borrowings, unsecured	**100,000**	60,000
Portion of long-term bank borrowings, unsecured, due for repayment within one year	**209,335**	293,129
	309,335	353,129
Non-current		
Bank borrowings, unsecured	**563,453**	454,811
Total bank borrowings	**872,788**	807,940

23 BANK BORROWINGS *(Continued)*

The weighted average effective interest rate as at 31 March 2025 is 4.65% (2024: 5.66%).

The bank borrowings are due for repayment as follows:

	2025 HK$'000	2024 HK$'000
Within one year	**309,335**	353,129
Between one and two years	**354,176**	181,006
Between two and five years	**209,277**	273,805
	872,788	807,940

The above amounts due are based on the schedule repayment dates set out in the relevant agreements and ignore the effect of any repayment on demand clause.

The carrying amounts of bank borrowings approximate their fair values and are denominated in the following currencies:

	2025 HK$'000	2024 HK$'000
HK$	**872,788**	807,940

24 LEASE LIABILITIES

The Group's lease liabilities are analysed as follows:

	2025 HK$'000	2024 HK$'000
Current		
Lease liabilities due for repayment within one year	**68,378**	42,385
Non-current		
Lease liabilities due for repayment after one year:		
Between one and two years	**75,087**	41,052
Between two and five years	**78,846**	79,623
	153,933	120,675
Total lease liabilities	**222,311**	163,060

The weighted average effective interest rate as at 31 March 2025 is 5.18% (2024: 4.31%).

The lease liabilities are due for repayment as follows:

	2025 HK$'000	2024 HK$'000
Gross lease liabilities — minimum lease payments:		
Within one year	**78,378**	48,629
Between one and two years	**81,465**	45,515
Between two and five years	**81,827**	82,862
	241,670	177,006
Future finance charges on leases	**(19,359)**	(13,946)
Present value of lease liabilities	**222,311**	163,060

As at 31 March 2025, the carrying amounts of lease liabilities are denominated in US$, RMB and HK$ (2024: same).

25 TRADE AND BILLS PAYABLES, ACCRUALS AND OTHER PAYABLES

(a) Trade and bills payables

Trade and bills payables are denominated in the following currencies:

	2025 HK$'000	2024 HK$'000
US$	**338,290**	251,232
HK$	**7,095**	20,044
RMB	**43,586**	63,392
VND	**11,760**	789
	400,731	335,457

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

Note: As at 31 March 2025, trade and bills payables include trade payables to a related company of approximately HK$3,586,000 (2024: HK$2,975,000) (Note 33(b)).

The ageing analysis of the trade and bills payables based on the invoice date is as follows:

	2025 HK$'000	2024 HK$'000
Within one month	**226,037**	192,782
One to two months	**103,544**	68,148
Two to three months	**60,857**	63,536
Over three months	**10,293**	10,991
	400,731	335,457

(b) Accruals and other payables

	2025 HK$'000	2024 HK$'000
Accrued subcontracting charges	**795**	3,579
Accrued salaries	**74,474**	70,069
Contract liabilities (Note 5(e))	**9,008**	28,142
Other accrued expenses	**13,065**	14,593
Other payables (Note)	**236,220**	139,449
Provision for reinstatement costs	**2,372**	4,409
Provision for long service payment	**1,450**	–
	337,384	260,241
Less: Non-current portion	**(3,822)**	(4,409)
Current portion	**333,562**	255,832

Note: As at 31 March 2025, other payables include payables to a related company of approximately HK$166,304,000 (2024: HK$83,641,000) (Note 33(b)).

26 DEFERRED INCOME TAX

The analysis of deferred income tax (liabilities)/assets is as follows:

	2025 HK$'000	2024 HK$'000
Deferred income tax assets:		
— Deferred income tax assets to be recovered after more than 12 months	**986**	704
Deferred income tax liabilities:		
— Deferred income tax liabilities to be recovered after more than 12 months	**(4,883)**	(4,812)
Deferred income tax liabilities, net	**(3,897)**	(4,108)

The net movement on the deferred income tax account is as follows:

	2025 HK$'000	2024 HK$'000
Beginning of the year	**(4,108)**	510
Credited/(charged) to consolidated income statement (Note 12)	**170**	(4,618)
Exchange difference	**41**	–
End of the year	**(3,897)**	(4,108)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax liabilities:

	Accelerated tax depreciation HK$'000	**Right-of-use assets** HK$'000	**Withholding tax** HK$'000	**Total** HK$'000
As at 1 April 2023	(165)	(10,703)	–	(10,868)
Charged/(credited) to consolidated income statement	59	1,284	(4,705)	(3,362)
Exchange difference	–	50	–	50
As at 31 March 2024	**(106)**	**(9,369)**	**(4,705)**	**(14,180)**
(Credited)/charged to consolidated income statement	**(73)**	**1,768**	**–**	**1,695**
Exchange difference	**–**	**38**	**3**	**41**
As at 31 March 2025	**(179)**	**(7,563)**	**(4,702)**	**(12,444)**

26 DEFERRED INCOME TAX *(Continued)*

Deferred income tax assets:

	Decelerated tax depreciation HK$'000	Lease liabilities HK$'000	Total HK$'000
As at 1 April 2023	421	10,957	11,378
Charged to consolidated income statement	(43)	(1,213)	(1,256)
Exchange difference	–	(50)	(50)
As at 31 March 2024	**378**	**9,694**	**10,072**
Charged to consolidated income statement	**(60)**	**(1,465)**	**(1,525)**
As at 31 March 2025	**318**	**8,229**	**8,547**

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of HK$37,633,000 (2024: HK$29,353,000) in respect of accumulated tax losses amounting to HK$207,998,000 (2024: HK$153,484,000) as at 31 March 2025, that can be carried forward against future taxable income. As at 31 March 2025, the accumulated tax losses amounting to HK$122,428,000 (2024: HK$122,577,000) will expire in five years. There is no expiry period for the other tax losses.

As at 31 March 2025, deferred income tax liabilities of approximately HK$8,731,000 (2024: HK$6,749,000) have not been recognised for the withholding taxation that would be payable on the unremitted earnings of subsidiaries in Mainland China of approximately HK$174,618,000 (2024: HK$134,976,000), as the management considered that the timing of the reversal of the related temporary differences can be controlled and the related temporary difference will not be reversed in the foreseeable future.

27 INTEREST IN A JOINT VENTURE

Movements in the investment in a joint venture are as follows:

	2025 HK$'000	2024 HK$'000
Beginning of the year	**7,083**	5,483
Share of post-tax profit	**1,493**	1,561
Share of other comprehensive (loss)/income	**(468)**	39
Dividend received	**(1,934)**	–
End of the year	**6,174**	7,083

Nature of interest in a joint venture as at 31 March 2025 and 2024:

Name of joint venture	Place of incorporation	Place of operation	Equity interest attributable to the Group 2025	2024	Proportion of voting power held 2025	2024	Principal activities
Directly held:							
SML & FT (HK) Limited	Hong Kong	Hong Kong	**30%**	30%	**50%**	50%	Investment holding
Indirectly held:							
SML & FT (Vietnam) Limited	Vietnam	Vietnam	**30%**	30%	**50%**	50%	Manufacturing of labels and hang tags

Summarised financial information for joint venture

Set out below is the summarised financial information for SML & FT (HK) Limited and its subsidiary which is accounted for using the equity method.

27 INTEREST IN A JOINT VENTURE *(Continued)*

Summarised balance sheet

	2025 HK$'000	2024 HK$'000
Current		
Total current assets	**21,874**	23,269
Total current liabilities	**(18,372)**	(17,802)
Non-current		
Total non-current assets	**4,479**	6,001
Total non-current liabilities	**–**	(456)
Net assets	**7,981**	11,012

Summarised statement of comprehensive income

	2025 HK$'000	2024 HK$'000
Revenue	**17,408**	16,990
Profit for the year	**4,976**	5,203
Other comprehensive (loss)/income	**(1,558)**	130
Total comprehensive income	**3,418**	5,333

Reconciliation of the summarised financial information presented to the carrying amount of its interest in the joint venture:

	2025 HK$'000	2024 HK$'000
Reconciled to the Group's interest in the joint venture		
Gross amounts of net assets of the joint venture	**7,981**	11,012
Group's effective interest	**30%**	30%
	2,394	3,303
Loan to the joint venture (Note)	**3,780**	3,780
Group's share of interest in the joint venture	**6,174**	7,083

Note: Loan to a joint venture represents a loan advanced which is unsecured, interest-free and to be repaid on a date mutually agreed between the Company and the joint venture.

28 SHARE CAPITAL

	2025 Number of shares	2025 Nominal value HK$	2024 Number of shares	2024 Nominal value HK$
Authorised:				
Ordinary shares at HK$0.01 each as at 1 April and 31 March	**5,000,000,000**	**50,000,000**	5,000,000,000	50,000,000

	2025 Number of shares	2025 Nominal Value HK$	2024 Number of shares	2024 Nominal value HK$
Issued and fully paid:				
Ordinary shares of HK$0.01 each as at 1 April and 31 March	**2,279,392,000**	**22,793,920**	2,279,392,000	22,793,920

29 RESERVES

	Attributable to the owners of the Company				
	Other reserves (Note) HK$'000	Exchange reserve HK$'000	Share option reserve HK$'000	Retained earnings HK$'000	Total HK$'000
As at 1 April 2024	1,586,311	(19,365)	13,761	779,607	2,360,314
Profit for the year	–	–	–	342,327	342,327
Other comprehensive loss:					
— Currency translation differences	–	(50,253)	–	–	(50,253)
— Share of other comprehensive loss of a joint venture	–	(468)	–	–	(468)
Total comprehensive income	–	(50,721)	–	342,327	291,606
Transactions with owners					
Share option scheme					
Transfer of reserve upon forfeiture	–	–	(241)	241	–
Dividends (Note 14)	–	–	–	(303,159)	(303,159)
	–	–	(241)	(302,918)	(303,159)
As at 31 March 2025	1,586,311	(70,086)	13,520	819,016	2,348,761

29 RESERVES *(Continued)*

	Attributable to the owners of the Company				
	Other reserves (Note) HK$'000	Exchange reserve HK$'000	Share option reserve HK$'000	Retained earnings HK$'000	Total HK$'000
As at 1 April 2023	1,586,311	4,035	13,981	647,933	2,252,260
Profit for the year	–	–	–	361,672	361,672
Other comprehensive loss:					
— Currency translation differences	–	(23,439)	–	–	(23,439)
— Share of other comprehensive income of a joint venture	–	39	–	–	39
Total comprehensive income	–	(23,400)	–	361,672	338,272
Transactions with owners					
Share option scheme					
Transfer of reserve upon forfeiture	–	–	(220)	220	–
Dividends (Note 14)	–	–	–	(230,218)	(230,218)
	–	–	(220)	(229,998)	(230,218)
As at 31 March 2024	1,586,311	(19,365)	13,761	779,607	2,360,314

Note: Other reserves represent mainly the share premium, and fair value of the consideration given in excess of the paid-in capital of the companies comprising the Group in relation to the Company's reorganisation.

30 SHARE-BASED PAYMENTS

Movements of the share options under the share option scheme during the year ended 31 March 2025 are as follows:

Date of grant	Exercise price HK$	Exercise period	Number of share options: As at 1 April 2024	Granted during the year	Exercised during the year	Cancelled during the year	As at 31 March 2025
Directors							
29 August 2016	1.394	29 August 2017 to 28 August 2026	**3,000,000**	**–**	**–**	**–**	**3,000,000**
28 August 2017	1.462	28 August 2018 to 27 August 2027	**6,500,000**	**–**	**–**	**–**	**6,500,000**
20 April 2018	1.700	20 April 2019 to 19 April 2028	**1,500,000**	**–**	**–**	**–**	**1,500,000**
Other employees of the Group							
29 August 2016	1.394	29 August 2017 to 28 August 2026	**11,138,000**	**–**	**–**	**(132,000)**	**11,006,000**
28 August 2017	1.462	28 August 2018 to 27 August 2027	**26,400,000**	**–**	**–**	**(900,000)**	**25,500,000**
Total			**48,538,000**	**–**	**–**	**(1,032,000)**	**47,506,000**

Movements of the share options under the share option scheme during the year ended 31 March 2024 are as follows:

Date of grant	Exercise price HK$	Exercise period	Number of share options: As at 1 April 2023	Granted during the year	Exercised during the year	Cancelled during the year	As at 31 March 2024
Directors							
29 August 2016	1.394	29 August 2017 to 28 August 2026	3,000,000	–	–	–	3,000,000
28 August 2017	1.462	28 August 2018 to 27 August 2027	6,500,000	–	–	–	6,500,000
20 April 2018	1.700	20 April 2019 to 19 April 2028	1,500,000	–	–	–	1,500,000
Other employees of the Group							
29 August 2016	1.394	29 August 2017 to 28 August 2026	11,504,000	–	–	(366,000)	11,138,000
28 August 2017	1.462	28 August 2018 to 27 August 2027	27,000,000	–	–	(600,000)	26,400,000
Total			49,504,000	–	–	(966,000)	48,538,000

30 SHARE-BASED PAYMENTS *(Continued)*

The share options granted to the above directors and other employees of the Group shall be vested in three equal tranches. The vesting periods of the share options are between the dates of grant and the dates of commencement of exercise periods. The vesting periods and exercise periods of the share options are as follows:

Share options	Vesting period	Exercise period
Granted on 29 August 2016		
9,366,666 share options (rounded to the nearest number of share options which represents an integral multiples of one board lot)	29 August 2016 to 28 August 2017	29 August 2017 to 28 August 2026
9,366,666 share options (rounded to the nearest number of share options which represents an integral multiples of one board lot)	29 August 2016 to 28 August 2018	29 August 2018 to 28 August 2026
9,366,668 share options	29 August 2016 to 28 August 2019	29 August 2019 to 28 August 2026
Granted on 28 August 2017		
19,933,333 share options (rounded to the nearest number of share options which represents an integral multiples of one board lot)	28 August 2017 to 27 August 2018	28 August 2018 to 27 August 2027
19,933,333 share options (rounded to the nearest number of share options which represents an integral multiples of one board lot)	28 August 2017 to 27 August 2019	28 August 2019 to 27 August 2027
19,933,334 share options	28 August 2017 to 27 August 2020	28 August 2020 to 27 August 2027
Granted on 20 April 2018		
500,000 share options	20 April 2018 to 19 April 2019	20 April 2019 to 19 April 2028
500,000 share options	20 April 2018 to 19 April 2020	20 April 2020 to 19 April 2028
500,000 share options	20 April 2018 to 19 April 2021	20 April 2021 to 19 April 2028

The Company has used the Binomial Model for assessing the fair value of the share options granted. According to the Binomial Model, the fair value of the options granted measured as at the date of grant was approximately in a range of HK$0.478 to HK$0.482 for each of the three tranches, taking into account various factors, variables and assumptions which include the following:

	Date of grant		
	29 August 2016	**28 August 2017**	**20 April 2018**
Risk-free interest rate	1.01%	1.50%	1.50%
Expected volatility	40.28%	39.02%	39.02%
Expected annual dividend yield	3.95%	3.83%	3.83%

No expense for the share options granted to the directors and employees was recognised as "employment benefit expenses" for the year ended 31 March 2025 (2024: same).

31 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of profit before income tax to cash generated from operations:

	2025 HK$'000	2024 HK$'000
Profit before income tax	**407,880**	433,905
Adjustments for:		
Finance income	**(7,812)**	(29,626)
Finance expenses	**51,335**	64,779
Depreciation of property, plant and equipment	**197,188**	193,455
Depreciation of right-of-use assets	**39,309**	32,501
Depreciation of investment properties	**2,755**	82
Net gains on financial assets at FVTPL	**(6,240)**	(6,188)
Net gains on disposals of property, plant and equipment	**(12,155)**	(28,553)
(Reversal of)/provision for impairment of inventories	**(17,223)**	396
Written off of property, plant and equipment	**–**	1,966
Impairment loss on the production base in Myanmar	**–**	34,005
Share of post-tax profit of a joint venture	**(1,493)**	(1,561)
Exchange difference	**10,788**	(26,899)
Changes in working capital:		
Inventories	**(280,122)**	120,477
Trade and bills receivables	**14,035**	(34,708)
Prepayments, deposits, other receivables and other assets	**(144,632)**	(69,494)
Trade and bills payables	**65,438**	(27,772)
Accruals and other payables	**44,509**	43,239
Cash generated from operations	**363,560**	700,004

31 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT *(Continued)*

(b) In the consolidated cash flow statement, proceeds from disposals of property, plant and equipment comprise:

	2025	2024
	HK$'000	HK$'000
Net book amount (Note 15)	**2,318**	13,028
Net gains on disposals of property, plant and equipment recognised in consolidated income statement (Note 8)	**12,155**	28,553
Proceeds from disposals of property, plant and equipment	**14,473**	41,581
Proceeds from disposals of property, plant and equipment included in consolidated cash flow statement:		
— Cash flows from investing activities	**14,473**	41,581

(c) Significant non-cash transactions:

The significant non-cash transactions for the years ended 31 March 2025 and 2024 were related to the additions of right-of-use assets (Note 16(a)).

(d) Reconciliation of liabilities arising from financing activities:

	Bank borrowings	**Lease liabilities**	**Loans from non-controlling shareholders of subsidiaries**
	HK$'000	HK$'000	HK$'000
As at 1 April 2023	936,755	157,749	5,767
Cash outflow	(796,755)	(74,572)	(2,317)
Cash inflow	667,940	–	–
Non-cash changes	–	79,883	(91)
As at 31 March 2024	807,940	163,060	3,359
As at 1 April 2024	**807,940**	**163,060**	**3,359**
Cash outflow	**(1,132,672)**	**(58,929)**	**(1,794)**
Cash inflow	**1,197,520**	**–**	**–**
Non-cash changes	**–**	**118,180**	**–**
As at 31 March 2025	**872,788**	**222,311**	**1,565**

32 COMMITMENTS

(a) Operating lease arrangements

As at 31 March 2025 and 2024, the aggregate future minimum lease payments receivable under non-cancellable operating leases in respect of the Group's investment properties are as follows:

	2025 **HK$'000**	2024 HK$'000
Within one year	**17,193**	260
Between one to two years	**17,064**	–
Between two to three years	**17,064**	–
Between three to four years	**17,746**	–
Between four to five years	**18,087**	–
Later than five years	**286,352**	–
	373,506	260

(b) Capital commitments

As at 31 March 2025 and 2024, the capital expenditure contracted but not yet incurred is as follows:

	2025 **HK$'000**	2024 HK$'000
Property, plant and equipment and right-of-use assets contracted but not provided for	**157,058**	165,638

33 RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in the financial statements, the following is a summary of significant related party transactions which, in the opinion of the directors, are entered into the ordinary course of business between the Group and its related parties, and the balances arising from related party transactions.

Name of related parties	Relationship with the Group
Hanyi Investments Limited	Controlled by Mr. Wong Ting Chung#, Mr. Wong Ting Chun# (Executive Director) and Mr. Wong Ting Kau#
Huizhou Gangsheng Property Co., Ltd.*	Controlled by Mr. Wong Ting Chung#, Mr. Wong Wai Yue (Chairman and Executive Director), Mr. Wong Ting Chun# (Executive Director), Mr. Wong Ting Kau# and Mr. Lin Xiugao, the cousin of Mr. Wong Ting Chung#
Huizhou Huaerkang Technology Co., Ltd.*	Controlled by Mr. Wong Wai Yue (Chairman and Executive Director)
HEK (HK) Ltd.	Controlled by Mr. Wong Wai Yue (Chairman and Executive Director)
Hebei Yuteng Cashmere Products Co., Ltd.*	The non-controlling interests of a subsidiary of the Group
Huizhou Chuang Ye Xing Property Management Co., Ltd.*	Controlled by Mr. Wong Ting Chung#
SML & FT (Vietnam) Limited	Wholly owned subsidiary of a joint venture formed between the Group and an independent third party
Tongxiang Yuteng Cashmere Clothing Co., Ltd.*	Wholly owned subsidiary of the non-controlling interests of a subsidiary of the Group
Anchor International Holdings Limited	The non-controlling interests of a subsidiary of the Group
AY International Trading Limited	The non-controlling interests of a subsidiary of the Group
Dongguan Jiuying Trading Co., Ltd.*	The non-controlling interests of a subsidiary of the Group

As Mr. Wong Ting Chung is the settlor, the protector and one of the beneficiaries of the Happy Family Trust (which is a substantial shareholder of the Company), and Mr. Wong Ting Chun and Mr. Wong Ting Kau are beneficiaries of the Happy Family Trust, Mr. Wong Ting Chung, Mr. Wong Ting Chun and Mr. Wong Ting Kau are therefore controlling shareholders of the Company.

* English translations of company name in Chinese for identification purposes only.

33 RELATED PARTY TRANSACTIONS *(Continued)*

(a) Significant transactions

	Note	2025 HK$'000	2024 HK$'000
Continuing transactions:			
Hotel services fee charged by Huizhou Gangsheng Property Co., Ltd.	(i), (vi)	**1,213**	1,526
Rental charged by Hanyi Investments Limited	(ii), (vi)	**3,600**	2,988
Rental charged by Hebei Yuteng Cashmere Products Co., Ltd.	(iii), (vi)	**8,645**	8,776
Rental charged by Tongxiang Yuteng Cashmere Clothing Co., Ltd.	(iv), (vi)	**823**	857
Rental charged by Huizhou Chuang Ye Xing Property Management Co., Ltd.	(v), (vi)	**–**	21
Purchase of cashmere from Hebei Yuteng Cashmere Products Co., Ltd.	(i), (vi)	**732,244**	604,457
Purchase of mask and Covid-19 rapid test kit from Huizhou Huaerkang Technology Co., Ltd. and HEK(HK) Ltd.	(i), (vi)	**2**	38
Purchase of labels and hang tags from SML & FT (Vietnam) Limited	(i)	**16,499**	16,265

Notes:

(i) Terms of the above transactions are mutually agreed between the relevant parties.

(ii) The Group has renewed its lease agreement with Hanyi Investments Limited on terms mutually agreed by both parties. The Group has recognised a right-of-use asset of HK$6,548,000 at 31 March 2025 and there was no right-of-use assets remained at 31 March 2024. The lease payments to this related company under this agreement for the year ended 31 March 2025 was HK$3,600,000 (2024: HK$2,988,000).

(iii) The Group has renewed its lease agreement with Hebei Yuteng Cashmere Products Co., Ltd. in respect of properties on terms mutually agreed by both parties. The Group has recognised a right-of-use asset of HK$8,429,000 at 31 March 2024 and there was no right-of-use assets remained at 31 March 2025. The lease payments to this related company under this agreement for the year ended 31 March 2025 was HK$8,645,000 (2024: HK$8,776,000).

(iv) The Group has entered into a lease agreement with Tongxiang Yuteng Cashmere Clothing Co., Ltd. on terms mutually agreed by both parties. The Group has recognised a right-of-use asset of HK$981,000 at 31 March 2025 (2024: HK$1,766,000). The lease payments to this related company under this agreement for the year ended 31 March 2025 was HK$823,000 (2024: HK$857,000).

(v) The Group has entered into a lease agreement with Huizhou Chuang Ye Xing Property Management Co., Ltd. on terms mutually agreed by both parties. There was no right-of-use assets remained at 31 March 2024. The lease payments to this related company under this agreement for the year ended 31 March 2024 was HK$21,000.

(vi) These related party transactions also fall under the definition of continuing connected transactions or connected transactions in Chapter 14A of the Listing Rules. The Company has complied with the requirements in accordance with Chapter 14A of the Listing Rules.

33 RELATED PARTY TRANSACTIONS *(Continued)*

(b) Year end balances

	Note	2025 HK$'000	2024 HK$'000
Prepayment to Hebei Yuteng Cashmere Products Co., Ltd.	21, (i)	**245,066**	124,564
Deposit to Tongxiang Yuteng Cashmere Clothing Co., Ltd.	21, (i)	**109**	109
Receivable from Hebei Yuteng Cashmere Products Co., Ltd.	21, (i)	**10,463**	–
Loan to Dongguan Jiuying Trading Co., Ltd.	(ii)	**6,987**	–
Trade payable to SML & FT (Vietnam) Limited	25(a), (iii)	**3,586**	2,975
Other payable to Hebei Yuteng Cashmere Products Co., Ltd.	25(b), (iv)	**166,304**	83,641
Lease liabilities due to Hanyi Investments Limited		**6,762**	–
Lease liabilities due to Hebei Yuteng Cashmere Products Co., Ltd.		**–**	8,568
Lease liabilities due to Tongxiang Yuteng Cashmere Clothing Co., Ltd.		**1,008**	1,787
Loans from Anchor International Holdings Limited and AY International Trading Limited	(v)	**1,565**	3,359

Notes:

(i) Prepayment, deposit and receivables were presented in the consolidated balance sheet within "Prepayments, deposits, other receivables and other assets" (Note 21).

(ii) The loan to a non-controlling shareholder of a subsidiary is unsecured, bearing interest at the rate of 4% per annum and repayable in five years.

(iii) Payables were presented in the consolidated balance sheet within "Trade and bills payables" (Note 25(a)).

(iv) Payables were presented in the consolidated balance sheet within "Accruals and other payables", of which loans from the non-controlling shareholder Hebei Yuteng Cashmere Products Co., Ltd. of HK$166,304,000 are unsecured, interest-free, denominated in RMB and repayable in a year (Note 25(b)).

(v) The loans from non-controlling shareholders of subsidiaries are unsecured, interest-free, denominated in RMB and mature in December 2026.

(c) Key management compensation

Key management includes directors and senior management. The compensation paid or payable to key management for employee services is shown below:

	2025 HK$'000	2024 HK$'000
Salaries, pension costs and other short-term employee benefits	**13,648**	13,525
Bonuses	**12,360**	11,730
	26,008	25,255

34 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622) AND COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES)

The remuneration of each director and the chief executive officer for the year ended 31 March 2025 is set out below:

	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertakings					
Name	Fees HK$'000	Salary HK$'000	Discretionary bonuses HK$'000	Other benefits HK$'000	Employer's contribution to pension scheme HK$'000	Total HK$'000
Executive directors:						
Mr. Wong Wai Yue (Chairman) (Note (i))	360	1,440	3,000	–	18	4,818
Mr. Man Yu Hin (Chief Executive Officer) (Note (i))	360	1,440	3,000	–	18	4,818
Mr. Wong Ting Chun (Note (i))	360	1,800	3,000	–	18	5,178
Mr. Li Po Sing (Note (i))	360	2,160	1,500	–	18	4,038
Independent non-executive directors:						
Ms. Fan Chiu Fun, Fanny	360	–	–	–	–	360
Mr. Kan Chung Nin, Tony	360	–	–	–	–	360
Mr. Fan Chun Wah, Andrew	360	–	–	–	–	360
Mr. Ip Shu Kwan, Stephen	360	–	–	–	–	360
	2,880	6,840	10,500	–	72	20,292

34 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622) AND COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) *(Continued)*

The remuneration of each director and the chief executive officer for the year ended 31 March 2024 is set out below:

	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertakings					
Name	Fees	Salary	Discretionary bonuses	Other benefits	Employer's contribution to pension scheme	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Executive directors:						
Mr. Wong Wai Yue (Chairman) (Note (i))	360	1,440	3,000	–	18	4,818
Mr. Man Yu Hin (Chief Executive Officer) (Note (i))	360	1,440	3,000	–	18	4,818
Mr. Wong Ting Chun (Note (i))	360	1,800	3,000	–	18	5,178
Mr. Li Po Sing (Note (i))	360	2,160	1,500	–	18	4,038
Independent non-executive directors:						
Ms. Fan Chiu Fun, Fanny	360	–	–	–	–	360
Mr. Kan Chung Nin, Tony	360	–	–	–	–	360
Mr. Fan Chun Wah, Andrew	360	–	–	–	–	360
Mr. Ip Shu Kwan, Stephen	360	–	–	–	–	360
	2,880	6,840	10,500	–	72	20,292

34 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622) AND COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) *(Continued)*

Notes:

(i) The remuneration shown above included remuneration received from the Group by the directors in their capacity as employees of the subsidiaries during the years ended 31 March 2025 and 2024.

(ii) No remunerations were paid or receivable in respect of accepting office as directors during the year ended 31 March 2025 (2024: Nil).

(iii) No directors waived any emoluments during the year ended 31 March 2025 (2024: Nil).

(a) Directors' retirement benefits

There were no retirement benefits paid to directors during the year ended 31 March 2025 (2024: Nil) by a defined benefit pension plan operated by the Group in respect of the service as a director of the Company and its subsidiaries.

(b) Directors' termination benefits

During the year ended 31 March 2025, there was no board resolution to early terminate of the directors' appointment in office (2024: Nil).

(c) Consideration provided to third parties for making available of directors' services

No consideration was provided to third parties for making available of directors' services during the year ended 31 March 2025 (2024: Nil).

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There was no arrangement in relation to loans, quasi-loans and other dealings between the Group and the directors, subsisted at the end of the year or at any time during the year ended 31 March 2025 (2024: Nil).

(e) Directors' material interests in transactions, arrangements or contracts

Saved as disclosed in Note 33, there are no significant transactions, arrangements and contracts in relation to Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years ended 31 March 2025 and 2024.

35 BALANCE SHEET AND RESERVE MOVEMENTS OF THE COMPANY

Balance sheet of the Company

	Note	2025 HK$'000	2024 HK$'000
Assets			
Non-current asset			
Interest in subsidiaries		**610,077**	610,077
Current assets			
Prepayments, deposits, other receivables and other assets		**493**	758
Amounts due from subsidiaries		**3,008,175**	2,655,273
Cash and cash equivalents		**11,893**	3,164
		3,020,561	2,659,195
Total assets		**3,630,638**	3,269,272
Equity			
Equity attributable to the owners of the Company			
Share capital		**22,794**	22,794
Reserves	(a)	**2,148,614**	2,157,660
Total equity		**2,171,408**	2,180,454
Liabilities			
Non-current liability			
Bank borrowings		**563,453**	454,811
Current liabilities			
Accruals and other payables		**19**	18
Amounts due to subsidiaries		**586,423**	340,860
Bank borrowings		**309,335**	293,129
		895,777	634,007
Total liabilities		**1,459,230**	1,088,818
Total equity and liabilities		**3,630,638**	3,269,272

The Balance Sheet of the Company was approved by Board of Directors on 20 June 2025 and was signed on its behalf.

Wong Wai Yue
Chairman and Executive Director

Man Yu Hin
Chief Executive Officer and Executive Director

35 BALANCE SHEET AND RESERVE MOVEMENTS OF THE COMPANY *(Continued)*

(a) Reserve movements of the Company

	Other reserves HK$'000	Share option reserve HK$'000	Retained earnings HK$'000	Total HK$'000
As at 1 April 2023	1,866,583	13,981	212,138	2,092,702
Profit for the year	–	–	295,176	295,176
Dividends (Note 14)	–	–	(230,218)	(230,218)
Share option scheme:				
— Transfer of reserve upon forfeiture	–	(220)	220	–
As at 31 March 2024 and 1 April 2024	**1,866,583**	**13,761**	**277,316**	**2,157,660**
Profit for the year	**–**	**–**	**294,113**	**294,113**
Dividends (Note 14)	**–**	**–**	**(303,159)**	**(303,159)**
Share option scheme:				
— Transfer of reserve upon forfeiture	**–**	**(241)**	**241**	**–**
As at 31 March 2025	**1,866,583**	**13,520**	**268,511**	**2,148,614**

Financial Summary

RESULTS

	Year ended 31 March				
	2025 HK$'000	2024 HK$'000	2023 HK$'000	2022 HK$'000	2021 HK$'000
Revenue	**4,352,130**	4,378,888	4,602,307	4,040,472	3,848,554
Cost of sales	**(3,570,315)**	(3,604,649)	(3,856,803)	(3,334,374)	(3,147,112)
Gross profit	**781,815**	774,239	745,504	706,098	701,442
Profit before income tax	**407,880**	433,905	209,422	319,026	334,667
Income tax expenses	**(52,466)**	(53,201)	(51,095)	(43,422)	(36,309)
Profit for the year	**355,414**	380,704	158,327	275,604	298,358
Profit for the year attributable to:					
Owners of the Company	**342,327**	361,672	134,844	263,302	313,677
Non-controlling interests	**13,087**	19,032	23,483	12,302	(15,319)
	355,414	380,704	158,327	275,604	298,358

ASSETS AND LIABILITIES

	As at 31 March				
	2025 HK$'000	2024 HK$'000	2023 HK$'000	2022 HK$'000	2021 HK$'000
Non-current assets	**2,550,769**	2,399,172	2,382,275	2,771,180	2,869,362
Current assets	**2,227,826**	2,048,931	2,046,826	2,043,077	1,786,248
Total assets	**4,778,595**	4,448,103	4,429,101	4,814,257	4,655,610
Total equity	**2,637,705**	2,598,959	2,477,674	2,602,894	2,416,135
Capital and reserves attributable to:					
Owners of the Company	**2,371,555**	2,383,108	2,275,054	2,408,404	2,241,191
Non-controlling interests	**266,150**	215,851	202,620	194,490	174,944
	2,637,705	2,598,959	2,477,674	2,602,894	2,416,135
Non-current liabilities	**727,656**	588,066	619,033	989,746	458,460
Current liabilities	**1,413,234**	1,261,078	1,332,394	1,221,617	1,781,015
Total liabilities	**2,140,890**	1,849,144	1,951,427	2,211,363	2,239,475
Total equity and liabilities	**4,778,595**	4,448,103	4,429,101	4,814,257	4,655,610
Net current assets	**814,592**	787,853	714,432	821,460	5,233