



STERLING GROUP  
— HOLDINGS LIMITED —  
美臻集團控股有限公司

# 2025

## INTERIM REPORT

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1825



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## CORPORATE INFORMATION

### EXECUTIVE DIRECTORS

Ms. Wong Mei Wai Alice (*Chairperson*)  
Mr. Siu Yik Ming  
Mr. Yang Lun (*Appointed on 27 May 2025*)  
Ms. Zhang Man (*Appointed on 7 November 2025*)  
Mr. Chung Sam Kwok Wai (*Resigned on 16 April 2025*)  
Mr. Leung Ka Wai (*Resigned on 12 May 2025*)  
Mr. Ma Jian (*Resigned on 27 May 2025*)

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Chen Jie (*Appointed on 27 May 2025*)  
Ms. Gao Yuan Yuan (*Appointed on 27 May 2025*)  
Ms. Wu Jing (*Appointed on 18 September 2025*)  
Ms. Zhang Lingling (*Resigned on 27 May 2025*)  
Mr. Zhao Chuan (*Resigned on 27 May 2025*)  
Mr. Chow Yun Cheung (*Resigned on 20 June 2025*)

### COMPANY SECRETARY

Mr. Chow Yun Cheung (*Appointed on 11 July 2025*)  
Mr. Wong Sai Hung (*Resigned on 11 July 2025*)

### AUDIT COMMITTEE

Ms. Chen Jie (*Chairperson*) (*Appointed on 27 May 2025*)  
Ms. Gao Yuan Yuan (*Appointed on 27 May 2025*)  
Ms. Wu Jing (*Appointed on 18 September 2025*)  
Ms. Zhang Lingling (*Resigned on 27 May 2025*)  
Mr. Zhao Chuan (*Resigned on 27 May 2025*)  
Mr. Chow Yun Cheung (*Former Chairman, redesignated as member of the Audit Committee on 27 May 2025 and resigned on 20 June 2025*)

### REMUNERATION COMMITTEE

Ms. Gao Yuan Yuan (*Chairperson*)  
(*Appointed on 27 May 2025*)  
Ms. Chen Jie (*Appointed on 27 May 2025*)  
Ms. Wong Mei Wai Alice  
Ms. Zhang Lingling (*Resigned on 27 May 2025*)  
Mr. Zhao Chuan (*Appointed as Chairman of the Remuneration Committee on 4 October 2024 and resigned on 27 May 2025*)  
Mr. Chow Yun Cheung (*Resigned on 20 June 2025*)

### NOMINATION COMMITTEE

Ms. Wong Mei Wai Alice (*Chairperson*)  
Ms. Chen Jie (*Appointed on 27 May 2025*)  
Ms. Gao Yuan Yuan (*Appointed on 27 May 2025*)  
Ms. Zhang Lingling (*Resigned on 27 May 2025*)  
Mr. Zhao Chuan (*Resigned on 27 May 2025*)  
Mr. Chow Yun Cheung (*Resigned on 20 June 2025*)

### AUTHORISED REPRESENTATIVES

Mr. Yang Lun (*Appointed on 16 June 2025*)  
Mr. Chow Yun Cheung (*Appointed on 11 July 2025*)  
Mr. Wong Sai Hung (*Appointed on 16 April 2025 and resigned on 11 July 2025*)  
Mr. Ma Jian (*Appointed on 12 May 2025 and resigned on 16 June 2025*)  
Mr. Chung Sam Kwok Wai (*Resigned on 16 April 2025*)  
Mr. Leung Ka Wai (*Resigned on 12 May 2025*)



**REGISTERED OFFICE**

3rd Floor, Century Yard  
Cricket Square  
P.O. Box 902  
Grand Cayman, KY1-1103  
Cayman Islands

**HEADQUARTER AND PRINCIPAL PLACE  
OF BUSINESS IN HONG KONG**

18–19/F, Win Plaza  
9 Sheung Hei Street  
San Po Kong  
Kowloon  
Hong Kong

**COMPANY WEBSITE**

<http://www.sterlingapparel.com.hk>

**AUDITORS****Baker Tilly Hong Kong Limited**

*Certified Public Accountants*

*Registered Public Interest Entity Auditor*

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728 King's Road  
Quarry Bay  
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**LEGAL ADVISOR****CLKW Lawyers LLP**

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New World Tower I  
16–18 Queen's Road Central  
Central, Hong Kong

**STOCK CODE**

01825

**PRINCIPAL BANK****The Hongkong and Shanghai Banking  
Corporation Limited**

HSBC Main Building  
1 Queen's Road Central  
Central  
Hong Kong

**PRINCIPAL SHARE REGISTRAR AND  
TRANSFER OFFICE IN THE CAYMAN ISLANDS****Tricor Services (Cayman Islands) Limited**

3rd Floor, Century Yard  
Cricket Square  
P.O. Box 902  
Grand Cayman, KY1-1103  
Cayman Islands

**BRANCH SHARE REGISTRAR AND  
TRANSFER OFFICE IN HONG KONG****Tricor Investor Services Limited**

17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong



## FINANCIAL HIGHLIGHTS

## Six months ended 30 September

	2025 (Unaudited)	2024 (Unaudited)
<b>Operating results</b> (HK\$'000)		
Revenue	179,155	273,587
Gross profit	28,014	51,613
Gross profit margin	15.6%	18.9%
Selling and distribution costs	(7,287)	(11,122)
General and administrative expenses	(23,194)	(24,280)
Operating (loss)/profit	(7,606)	8,358
Expected credit loss recognised on trade and other receivables, net ("ECL")	–	(5,149)
<b>(Loss)/Profit for the period</b>	<b>(7,606)</b>	3,209
Add back:		
Depreciation charges	2,561	3,182
Finance costs	9,695	9,859
Income tax expense	–	–
<b>EBITDA* after ECL</b>	<b>4,650</b>	16,250
Add: Expected credit loss recognised on trade and other receivable, net	–	5,149
<b>EBITDA* before ECL</b>	<b>4,650</b>	21,399
<b>(LOSS)/EARNINGS PER SHARE</b>		
– Basic and diluted (HK cents)	(2.20)	1.27
Net profit margin	(4.2%)	1.2%
Return on total assets	(3.3%)	1.1%
Return on equity	(35.1%)	10.2%
	<b>At 30 September 2025 (Unaudited)</b>	<b>At 31 March 2025 (Audited)</b>
<b>Financial position</b> (HK\$'000)		
Total assets	232,756	250,253
Net assets	21,673	30,505
Cash and cash equivalents	14,150	14,710
<b>Key ratios</b>		
Current ratio	0.70	0.46
Quick ratio	0.60	0.36
Gearing ratio	293.6%	345.2%

\* EBITDA represents the profit before income tax expense, adding back finance costs, depreciation of property, plant and equipment and depreciation of right-of-use assets. The use of EBITDA has certain limitations because it does not reflect all items of income and expenses that affect the operations. The term EBITDA is not defined under the Hong Kong Financial Reporting Standards ("HKFRS"), and EBITDA is not a measure of profit and total comprehensive income or liquidity presented in accordance with HKFRS.



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **RESULTS AND BUSINESS REVIEW**

For the six months ended 30 September 2025 (the “Period under Review”), revenue for the Group was approximately HK\$179,155,000, which was a decrease of approximately 34.5% from approximately HK\$273,587,000 for the six months ended 30 September 2024 (the “Corresponding Period”). The decrease was attributable to the conservative purchases from the Group’s customers during the Period under Review in view of the continued uncertain global trade environment and the fierce competition in the apparel industry. As a result, the Group reported a gross profit of approximately HK\$28,014,000, a margin of approximately 15.6%, for the Period under Review, which is lower than a gross profit of approximately HK\$51,613,000, a margin of approximately 18.9%, for the Corresponding Period.

Cost control remained the main focus of the Group in view of the challenging sales environment. During the Period under Review, selling and distribution expenses decreased by approximately 34.5% to approximately HK\$7,287,000 (Corresponding Period: approximately HK\$11,122,000), primarily attributable to the decrease in payroll expenses. General and administrative expenses decreased by approximately 4.5% from approximately HK\$24,280,000 for the Corresponding Period to approximately HK\$23,194,000 for the Period under Review, chiefly due to the decrease in depreciation expenses.

Finance cost during the Period under Review was approximately HK\$9,695,000 as compared to approximately HK\$9,859,000 in the Corresponding Period, representing a decrease of approximately 1.7%. For the Period under Review, no additional provision of Expected Credit Loss (“ECL”) was made as compared to approximately HK\$5,149,000 for the Corresponding Period.

As a result of the aforementioned, the Group recorded a loss of approximately HK\$7,606,000 in the Period under Review as compared to a profit of HK\$3,209,000 for the Corresponding Period.

The EBITDA before ECL for the Period under Review was approximately HK\$4,650,000 as compared to approximately HK\$21,399,000 for the Corresponding Period; and after ECL, was approximately HK\$4,650,000 for the Period under Review as compared to approximately HK\$16,250,000 for the Corresponding Period.



## Revenue

The Group's apparel products can generally be divided into four categories, namely (i) outerwear (which includes mainly jackets, coats and blazers and is chiefly made from wool and wool blend), (ii) bottom (which includes pants, jeans and skirts, and are chiefly made from cotton, wool and wool blend), (iii) top (which includes mainly shirts, tunics and sweaters, and are chiefly made from cotton, polyester, triacetate, and lyocell) and (iv) others (which include mainly dresses, suits, jumpsuits and vests, and are chiefly made of cotton, wool and wool blend).

The following table sets out the contributions to the Group's revenue by product categories:

	Six months ended 30 September					
	2025 Revenue HK\$'000	2025 Quantity Pcs'000	Unit Price HK\$	2024 Revenue HK\$'000	2024 Quantity Pcs'000	Unit Price HK\$
Outerwear	94,369	237	398	145,438	389	374
Bottom	68,556	453	151	99,834	649	154
Top	5,086	35	147	11,492	115	100
Others	11,144	44	254	16,823	73	230
	179,155	769		273,587	1,226	

The apparel market experienced a downturn in revenue and quantity sold during the Period under Review compared to the Corresponding Period. All apparel products experienced varying degrees of decline.

The following table sets out the contributions to the Group's revenue by locations:

	Six months ended 30 September			
	2025 Revenue HK\$'000	% of revenue	2024 Revenue HK\$'000	% of revenue
USA	173,331	96.75%	273,162	99.8%
Hong Kong	39	0.02%	97	0.1%
Others	5,785	3.23%	328	0.1%
	179,155	100.0%	273,587	100.0%



### **Other Revenue**

Other revenue for the Period under Review was approximately HK\$3,049,000 (Corresponding Period: approximately HK\$2,015,000). It comprised sample income of approximately HK\$1,147,000 (Corresponding Period: approximately HK\$1,074,000), claims income of approximately HK\$10,000 (Corresponding Period: approximately HK\$56,000) and interest income of approximately HK\$1,557,000 (Corresponding Period: approximately HK\$624,000).

### **Other Gains and Losses, Net**

The net other gain amounted to approximately HK\$1,507,000 for the Period under Review (Corresponding Period: loss of approximately HK\$9,000). The gain for the Period under Review was chiefly due to the net exchange gain arising from depreciation of United States Dollar during the Period under Review.

### **Selling and Distribution Costs**

Selling and distribution costs for the Period under Review decreased by approximately 34.5% to approximately HK\$7,287,000 (Corresponding Period: approximately HK\$11,122,000). The reduction in selling and distribution costs was primarily attributed to the decrease in payroll expenses during the Period under Review.

### **General and Administrative Expenses**

General and administrative expenses decreased by approximately 4.5% from approximately HK\$24,280,000 for the Corresponding Period to approximately HK\$23,194,000 for the Period under Review. The reduction in general and administrative expenses was chiefly due to the decrease in depreciation expenses during the Period under Review.

### **Finance Costs**

The Group's finance costs decreased by approximately 1.7% from approximately HK\$9,859,000 for the Corresponding Period, to approximately HK\$9,695,000 for the Period under Review. It mainly comprised interest on bank borrowing of approximately HK\$3,057,000 (Corresponding Period: approximately HK\$6,068,000), financing charges on invoice financing arrangement and others of approximately HK\$2,226,000 (Corresponding Period: approximately HK\$3,644,000), guarantee fees on bank borrowings arrangement of approximately HK\$3,311,000 (Corresponding Period: Nil).

### **Financial Position**

As at 30 September 2025, the Group's cash and cash equivalents amounted to approximately HK\$14,150,000 (31 March 2025: approximately HK\$14,710,000).

Inventories increased by approximately HK\$499,000, i.e. approximately 2.4% to approximately HK\$21,001,000 as at 30 September 2025 from approximately HK\$20,502,000 as at 31 March 2025.

Trade and other receivables under current assets increased by approximately HK\$44,662,000 to approximately HK\$105,428,000 as at 30 September 2025 (31 March 2025: approximately HK\$60,766,000). The reason for the increase was mainly because of reclassification of loan and other receivables from non-current assets to current assets during the Period under Review.



Bank borrowings decreased by approximately 39.6% to approximately HK\$63,630,000 as at 30 September 2025 (31 March 2025: approximately HK\$105,305,000). It was mainly due to repayment of bank loans.

Trade, bills and other payables increased by approximately 34.1% from approximately HK\$95,539,000 as at 31 March 2025 to approximately HK\$128,086,000 as at 30 September 2025. The increase was primarily a result of seasonal sales fluctuations and delay in payments to key suppliers.

## OUTLOOK

The announcement and implementation of the U.S. tariff policy since January 2025 have had wide ranging impact on the U.S. economy ushering in a period of uncertainty about the inflation outlook, slower GDP growth and job losses not only from the down-sizing of the U S federal government under the new administration, but also layoffs from quite a number of large companies. More directly for the apparel retailers, they have to deal with higher cost of imports invariably leading to higher retail prices and lower consumer demand, supply chain disruption and the uncertainty of not knowing your costs when the tariffs are often subject to back and forth negotiations.

Against this backdrop of the new trade policy in the U.S., the Group reported a decrease in sales of approximately 34.5% for the Period under Review relative to the Corresponding Period. This decline is consistent with broader market intelligence indicating a sector-wide softening in US consumer demand for premium apparel, coupled with retailers' conservative strategy to buy less in the face of deteriorating economic conditions for consumers. The business environment for the second half of this fiscal year ending in March 2026 remains largely unchanged, and we expect to see continued softness in the Group's sales performance.

In light of this outlook, the immediate focus must shift from growth to resilience. Critical actions include:

- **Aggressive Cost Management:** Implement rigorous cost-control measures across operations in the Group, minimizing overheads without compromising organization effectiveness as we have done in the last two years.
- **Client Relationship Intensification:** Work collaboratively with our largest customer on their 2026 product development to secure a share of future orders, potentially leveraging our OEM expertise.
- **Accelerated Business Diversification:** to mitigate our reliance on a single predominant customer, we have acquired a new customer – a fast growing digitally-native retailer which has shown tremendous growth. The first sales was recorded in September 2025 and it's expected that this will contribute meaningfully to our sales in the second half of the current fiscal year.

In the next six months, our objective is to navigate this downturn by preserving operational integrity and positioning the company for a recovery when the US retail market rebounds.



In view of the challenging business environment in apparel industry, the Group has commenced to engage in the provision of digital marketing services through its subsidiaries in the People's Republic of China (the "PRC") as its new business recently. Such business, which includes performance-based advertising, display-based advertising and short video exposure services, is expected to have the potential to show synergy with the Group's existing garment business. Through collaborations with mainstream media, the Group intends to gradually expand its digital marketing services business. The management anticipates such new business will increase the income source of the Group and enhance the Group's existing business.

The Group will continue to right size its overheads to cope with the potential weak sales in the challenging business environment; and explore and develop new business opportunities as the Group has done in the last few years.

When evaluating the potential business development opportunities, the Company takes into account of its potential profitability, capital commitment, cash flows as well as industry prospects of such businesses, with the objective to enhance the Company's financial performance.

Further, the Company was in net current liabilities position as at 31 March 2025 and 30 September 2025. The Company has been exploring various ways to improve its financial position, such as equity fundraising, business restructuring, etc..

## **LIQUIDITY, CAPITAL RESOURCES AND CAPITAL STRUCTURE**

The Company manages its capital structure with the objectives of ensuring that the businesses of the Group can continue to maintain a sustainable growth and providing a long term reasonable return to its shareholders. The Group's financial position remained manageable but challenging. As at 30 September 2025, the Group had cash and bank balances amounting to approximately HK\$14,150,000 (as at 31 March 2025: approximately HK\$14,710,000), and current assets and current liabilities of approximately HK\$140,755,000 (as at 31 March 2025: approximately HK\$96,198,000) and approximately HK\$199,700,000 (as at 31 March 2025: approximately HK\$208,341,000) respectively.

As at 30 September 2025, the Group had bank borrowings of approximately HK\$63,630,000 (as at 31 March 2025: approximately HK\$105,305,000). The bank borrowings are mainly denominated in Hong Kong dollar and US dollar. As at 30 September 2025, the Group's interest-bearing bank borrowings carried mainly variable rate borrowings with annual interest rate of 4.56% to 6.05% (31 March 2025: 5.48%–5.74%) per annum.

The Group repaid significant bank borrowings during the Period under Review, leading to a decrease in the bank borrowings balances. On the other hand, the trade, bills and other payables increased from approximately HK\$95,539,000 as at 31 March 2025 to approximately HK\$127,362,000 as at 30 September 2025. The Group experienced liquidity pressures to maintain sufficient funding for its business operations, after the Group's discontinuation of certain bank loans and facilities which were secured by two office premises beneficially owned by a director of the Company during the Period under Review.



## GEARING RATIO

As at 30 September 2025, the gearing ratio of the Group, based on total bank borrowing to total equity (including all capital and reserves) of the Company was approximately 293.6% (31 March 2025: approximately 345.2%). The decrease was a direct result of the reduction of bank borrowings of the Group.

## PLEDGE OF ASSETS

As at 30 September 2025, the bank borrowings of the Group were secured by (a) prepaid insurance premium, (b) the personal guarantee of a director of the Company, and (c) a property of the Group.

As at 31 March 2025, the bank borrowings of the Group were secured by (a) prepaid insurance premium, (b) office premises beneficially owned by a director of the Company and her personal guarantee, and (c) a property of the Group.

## EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2025, the Group employed approximately 1,074 full-time employees (as at 31 March 2025: approximately 1,281 full-time employees) in Hong Kong, the PRC and Sri Lanka. The Group recognizes the importance of maintaining good relationship with its employees and retaining competent staff to ensure operational efficiency and effectiveness. The remuneration packages offered to the Group's employees are based on market conditions and each employee's qualifications, relevant experience, position and seniority. The Group conducts review on salary increments, bonuses and promotions based on the performance of each employee. The Group provides on-the-job training to its new employees. During the Period under Review, the Group had not experienced any strike, any significant problems with its employees or other significant labor disputes which had materially disrupted its operation during such period, and has not experienced any difficulties in the recruitment of experienced and skilled staff.

## TREASURY POLICIES AND FOREIGN CURRENCY EXPOSURE

The business activities and operations of the Group are located mainly in Hong Kong, the PRC, Philippines and Sri Lanka. The Group carries out foreign currency transactions in United States Dollars ("US\$"), Euro ("EUR"), Renminbi ("RMB") and Sri Lankan Rupees ("LKR"), which exposes it to foreign currency risks. The Group has not experienced any material difficulty or liquidity problems resulting from the foreign exchange fluctuations. It currently does not have a foreign currency hedging policy but maintains a conservative approach to foreign currency management to ensure its exposure to fluctuations in foreign exchange rates is minimized. It will also monitor exchange rate trends from time to time to consider if there is such a need for a currency hedging policy in the future in order to mitigate any risks arising from foreign exchange fluctuations.

## MATERIAL ACQUISITIONS AND DISPOSALS

During the Period under Review, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

## SIGNIFICANT INVESTMENT HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Company had not executed any agreement in respect of material investment or capital asset and did not have any other plans relating to material investment or capital asset during the Period under Review. Nonetheless, if any potential investment opportunity arises in the coming future, the Company will perform feasibility studies and prepare implementation plans to consider whether it is beneficial to the Company and the Shareholders as a whole.

## CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 September 2025, the Group has no material capital commitment.

The Group executed corporate guarantees as part of the securities for general banking facilities granted to certain wholly-owned subsidiaries.

## REPAYMENT PLAN OF RECEIVABLES FROM JP OUTFITTERS INC. (“JPO”) AND SANTAI GLOBAL ASSET MANAGEMENT LIMITED (“SANTAI”)

As at 30 September 2025, the Group had receivables from JPO and Santai of approximately HK\$147.1 million (or approximately US\$18.9 million) in aggregate. The Group expects the amounts shall be settled as follows:

<i>(in million)</i>	<b>Amounts to be settled</b>
On or before 30 August 2026	HK\$33.0 (or US\$4.2)
From 31 August 2026 to 30 June 2027	HK\$24.6 (or US\$3.2)
From 1 July 2027 to 30 September 2027	HK\$54.6 (or US\$7.0)
From 1 October 2027 to 31 December 2027	HK\$34.9 (or US\$4.5)
<b>Total</b>	<b>HK\$147.1 (or US\$18.9)</b>

Certain receivables from JPO and Santai are expected to be settled in 2027 after taking into account that, among others, Santai repaid approximately HK\$27.3 million (or approximately US\$3.5 million) in aggregate in April and May 2025, the expected repayments from JPO and Santai before 30 August 2026, and the cash flows and financial conditions of JPO and Santai.

## OTHER INFORMATION

### PURCHASE, SALE AND REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the Period under Review.

### MODEL CODE FOR SECURITIES TRANSACTIONS

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

Having made specific enquiry, all the Directors confirmed that they have complied with the required standards set out in the Model Code during the Period under Review. Employees who are likely to be in possession of inside information of the Company are also subject to compliance with guidelines on no less exacting terms than the Model Code.



## **CORPORATE GOVERNANCE CODE**

Throughout the Period under Review, the Company has complied with all applicable code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Part 2 of Appendix 14 to the Listing Rules, except for the deviation from code provision C.2.1 regarding the segregation of the roles of chairperson and chief executive.

C.2.1 of the Code Provisions stipulates that the roles of chairman and chief executive officer should be separated. During the Period under Review, Ms. Wong Mei Wai Alice is the Chairperson and the chief executive of the Company. Ms. Wong has held the key leadership position of the Group and has been involved in the formulation of corporate strategies and management of business and operations of the Group since early 1990s. Taking into account the consistent leadership within the Group and in order to enable more effective and efficient overall strategic planning and continuation of the implementation of such plans, the Board considers that Ms. Wong is the best candidate for both positions and the present arrangements are beneficial and in the interests of the Group and the shareholders as a whole. The Board will review this structure from time to time and consider the segregation of the two roles at an appropriate time.

## **REVIEW OF ACCOUNTS**

The Board is of the view that the disclosure of financial information in this report complies with Appendix 16 to the Listing Rules. The audit committee of the Company, comprising Ms. Chen Jie (chairperson of the audit committee), Ms. Gao Yuan Yuan and Ms. Wu Jing, has reviewed the Group’s unaudited interim financial information for the Period under Review.

## **CHANGE IN INFORMATION OF DIRECTORS**

Pursuant to Rule 13.51B(1) of the Listing Rules, there is no change in Directors’ information required to be disclosed, subsequent to the date of the annual report of the Company for the year ended 31 March 2025.

## **INTERESTS OF DIRECTORS AND THE CHIEF EXECUTIVE**

As at 30 September 2025, none of our Directors nor the chief executives of our Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”) which were required to be notified to the Company and SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and SEHK pursuant to the Model Code.



## **INTEREST OF SUBSTANTIAL SHAREHOLDERS**

As at 30 September 2025, the Directors are not aware of any other person had a beneficial interest or short position in the Shares as recorded in the register required to be kept under section 336 of the SFO or the underlying Shares which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

## **SHARE OPTION SCHEME**

The Company conditionally adopted a share option scheme upon passing the written resolutions of our shareholders on 21 September 2018 (the "Share Option Scheme"). Pursuant to the Share Option Scheme, our Directors may grant options to eligible participants to subscribe for the Shares subject to the terms and conditions stipulated therein. Upon the listing of the Shares on the Listing Date, all conditions set forth have been satisfied. A maximum of 20,000,000 Shares, representing approximately 5.79% of the total number of Shares in issue as at the date of this report, may be issued upon exercise of all options to be granted under the Share Option Scheme. No share option has been granted under the Share Option Scheme since its adoption.

## **INTERIM DIVIDEND**

The Directors do not recommend payment of an interim dividend to shareholders of the Company for the Period under Review.

## **EVENTS AFTER THE PERIOD UNDER REVIEW**

As at the date of this report, there is no significant event subsequent to 30 September 2025 which would materially affect the operating and financial performance of the Company or the Group.

By Order of the Board  
**Sterling Group Holdings Limited**  
美臻集團控股有限公司\*  
**Wong Mei Wai Alice**  
*Chairperson*

Hong Kong, 28 November 2025

\* For identification purposes only



## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 September	
	Notes	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue	4	179,155	273,587
Cost of sales		(151,141)	(221,974)
Gross Profit		28,014	51,613
Other revenue		3,049	2,015
Other gains and losses, net	5	1,507	(9)
Selling and distribution costs		(7,287)	(11,122)
General and administrative expenses		(23,194)	(24,280)
Expected credit loss recognised on trade and other receivables, net		–	(5,149)
Finance costs	6	(9,695)	(9,859)
(Loss)/profit before income tax expense		(7,606)	3,209
Income tax expense	7	–	–
<b>(Loss)/profit for the period</b>	8	<b>(7,606)</b>	3,209
<b>Other comprehensive income, net of tax</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(1,226)	107
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement gain on defined benefit obligation		–	7
Other comprehensive (loss)/income for the period		(1,226)	114
<b>Total comprehensive (loss)/income for the period</b>		<b>(8,832)</b>	3,323
		<b>HK cents</b>	<b>HK cents</b>
(Loss)/earnings per share			
– Basic and diluted	10	(2.20)	1.27



## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 September 2025 HK\$'000 (Unaudited)	At 31 March 2025 HK\$'000 (Audited)
<b>Non-current assets</b>			
Prepaid insurance premium		9,458	9,353
Property, plant and equipment	11	28,593	30,654
Intangible assets		6,399	6,399
Right-of-use assets	11	22,773	23,495
Deferred tax assets		9,418	9,418
Goodwill		15,360	15,360
Loan and other receivables		–	59,376
<b>Total non-current assets</b>		<b>92,001</b>	154,055
<b>Current assets</b>			
Inventories		21,001	20,502
Trade and other receivables	12	105,428	60,766
Tax recoverable		176	176
Cash and cash equivalents		14,150	14,710
Amount due from related parties		–	44
<b>Total current assets</b>		<b>140,755</b>	96,198
<b>Total assets</b>		<b>232,756</b>	250,253
<b>Current liabilities</b>			
Trade, bills and other payables	13	128,086	95,539
Amounts due to related parties	14	7,163	6,433
Bank borrowings	15	63,630	105,305
Lease liabilities		821	1,064
<b>Total current liabilities</b>		<b>199,700</b>	208,341
<b>Net current liabilities</b>		<b>(58,945)</b>	(112,143)



	Notes	At 30 September 2025 HK\$'000 (Unaudited)	At 31 March 2025 HK\$'000 (Audited)
<b>Non-current liabilities</b>			
Defined benefit obligation		3,043	3,079
Lease liabilities		2,741	2,912
Deferred tax liabilities		5,599	5,416
<b>Total non-current liabilities</b>		<b>11,383</b>	11,407
<b>Total Liabilities</b>		<b>211,083</b>	219,748
<b>NET ASSETS</b>		<b>21,673</b>	30,505
<b>Capital and reserves</b>			
Share capital	16	13,824	13,824
Share premium		74,590	74,590
Reserves		(66,741)	(57,909)
<b>TOTAL EQUITY</b>		<b>21,673</b>	30,505



## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Contributed reserve HK\$'000	Translation reserve HK\$'000	Remeasurement reserve HK\$'000	Accumulated losses HK\$'000	Total equity HK\$'000
<b>At 1 April 2024 (audited)</b>	9,600	69,741	45,700	4,078	(8,731)	444	(93,503)	27,329
Profit for the period	-	-	-	-	-	-	3,209	3,209
Remeasurement gain on defined benefit obligation	-	-	-	-	-	7	-	7
Exchange differences arising on translation of foreign operations	-	-	-	-	107	-	-	107
Total comprehensive income for the period	-	-	-	-	107	7	3,209	3,323
Share placement (note 16)	1,920	3,360	-	-	-	-	-	5,280
Transaction costs directly attributable to issue of shares	-	(158)	-	-	-	-	-	(158)
<b>At 30 September 2024 (unaudited)</b>	11,520	72,943	45,700	4,078	(8,624)	451	(90,294)	35,774
<b>At 1 April 2025 (audited)</b>	<b>13,824</b>	<b>74,590</b>	<b>45,700</b>	<b>4,078</b>	<b>(8,651)</b>	<b>610</b>	<b>(99,646)</b>	<b>30,505</b>
Loss for the period	-	-	-	-	-	-	(7,606)	(7,606)
Exchange differences arising on translation of foreign operations	-	-	-	-	(1,226)	-	-	(1,226)
Total comprehensive loss for the period	-	-	-	-	(1,226)	-	(7,606)	(8,832)
<b>At 30 September 2025 (unaudited)</b>	<b>13,824</b>	<b>74,590</b>	<b>45,700</b>	<b>4,078</b>	<b>(9,877)</b>	<b>610</b>	<b>(107,252)</b>	<b>21,673</b>



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****Six months ended 30 September**

	<b>2025</b> <b>HK\$'000</b> <b>(Unaudited)</b>	2024 HK\$'000 (Unaudited)
Net cash generated from operating activities	<b>48,652</b>	62,247
Cash flow from investing activities:		
Interest received	<b>10</b>	624
Withdrawal of pledged bank deposit	<b>–</b>	9,984
Repayment from related parties	<b>44</b>	–
Purchases of property, plant and equipment	<b>(124)</b>	(155)
Proceeds from disposal of property, plant and equipment	<b>–</b>	12
Net cash (used in)/generated from investing activities	<b>(70)</b>	10,465
Cash flow from financing activities:		
Proceeds from bank borrowings	<b>110,626</b>	68,214
Repayment of bank borrowings	<b>(152,301)</b>	(158,132)
Advances from related parties, net	<b>–</b>	18,096
Repayment of interest portion of lease liabilities	<b>(163)</b>	(147)
Repayment of principal portion of lease liabilities	<b>(591)</b>	(481)
Interest paid	<b>(6,221)</b>	(9,712)
Proceeds from placing of new shares	<b>–</b>	5,280
Transaction costs directly attributable to issue of shares	<b>–</b>	(158)
Net cash used in financing activities	<b>(48,650)</b>	(77,040)
Net decrease in cash and cash equivalents	<b>(68)</b>	(4,328)
Cash and cash equivalents at beginning of the period	<b>14,710</b>	26,965
Effect of exchange rate changes on cash and cash equivalents	<b>(492)</b>	(22)
Cash and cash equivalents at end of the period	<b>14,150</b>	22,615
<b>ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS:</b>		
Bank balances and cash	<b>14,150</b>	22,615



## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

### **1. GENERAL INFORMATION**

Sterling Group Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "SEHK").

The registered office of the Company is located at the offices of Tricor Services (Cayman Islands) Limited, 3rd Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands. Its principal place of business is 18-19/F., Win Plaza, 9 Sheung Hei Street, San Po Kong, Kowloon, Hong Kong.

The Company is an investment holding company and the Group is principally engaged in the manufacturing and trading of apparel products and licensing of trademark in the markets of the United States of America ("US") and Europe.

### **2. BASIS OF PREPARATION AND GOING CONCERN ASSUMPTION**

These condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the SEHK ("Listing Rules").

The condensed consolidated interim financial statements have been prepared under the historical cost basis except for prepaid insurance premium which is measured at fair value.

These condensed consolidated interim financial statements are presented in Hong Kong dollars, unless otherwise stated. These condensed consolidated interim financial statements contain the condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. These condensed consolidated interim financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRSs") and should be read in conjunction with the 2025 annual financial statements.

The Group's current liabilities exceeded its current assets by approximately HK\$58,945,000 as at 30 September 2025. The Group's liabilities included bank borrowings of approximately HK\$63,630,000 which is repayable on demand or within one year while the Group had cash and cash equivalents of approximately HK\$14,150,000 as at 30 September 2025. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

In preparing the condensed consolidated interim financial statements, the directors of the Company have given careful consideration to the future performance and liquidity of the Group in light of the above. In order to improve the liquidity and financial position, the Group has taken measures to improve its financial position and to alleviate its liquidity pressure, which include but not limited to that the Group continues to improve the operating efficiency by implementing measures to tighten cost controls over various operating expenses in order to enhance its ability to improve profitability and the cash flow from its operations in future.



The directors of the Company consider that, after taking into account the aforementioned measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due so as to enable the Group to continue as a going concern for at least the next twelve months from the date of authorisation for issue of these condensed consolidated interim financial statements. Accordingly, the condensed consolidated interim financial statements have been prepared on a going concern basis.

Notwithstanding the above, a material uncertainty exists as to whether the Group is able to maintain profitability from its operation and continue utilising banking facilities on a going concern basis, which incorporate assumptions about future events and conditions that are subject to inherent uncertainties.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for future liabilities which might arise and to reclassify non-current assets and liabilities to current assets and liabilities respectively. The effects of these potential adjustments has not been reflected in these condensed consolidated interim financial statements.

The preparation of the condensed consolidated interim financial statements in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense on a year to date basis. Actual results may differ from these estimates.

### 3. CHANGES IN ACCOUNTING POLICIES

The accounting policies applied in these condensed consolidated interim financial statements are consistent with those adopted in the consolidated financial statements for the year ended 31 March 2025.

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

None of these amendments to HKFRSs have had a material effect on the Group's results and financial position for the current or prior periods have been prepared or presented in the condensed consolidated interim financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 4. REVENUE AND SEGMENT INFORMATION

#### Operating segments

The Group is principally engaged in the manufacturing and trading of apparel products and licensing of trademarks. Information reported to the Group's chief operating decision maker ("CODM"), for the purpose of resources allocation and performance assessment, focuses on types of goods or services delivered or provided. The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the CODM and the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has presented the following two reportable segments.

- Manufacturing and trading of apparel products
- Licensing of trademark for licensing income

The Group's operations are mainly located in Hong Kong, the People's Republic of China (the "PRC") and Sri Lanka.



**Segment revenue and results**

The following is an analysis of the Group's revenue that is disaggregated by category of revenue and geographical location.

	<b>Six months ended 30 September</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Sales of apparel products	<b>179,155</b>	273,587
Licensing and related income	<b>–</b>	–
	<b>179,155</b>	273,587
<b>Major products and services</b>		
Outerwear	<b>94,369</b>	145,438
Bottom	<b>68,556</b>	99,834
Top	<b>5,086</b>	11,492
Others (Note (a))	<b>11,144</b>	16,823
	<b>179,155</b>	273,587
<b>Geographical location</b>		
US	<b>173,331</b>	273,162
Hong Kong	<b>39</b>	97
Others (Note (b))	<b>5,785</b>	328
	<b>179,155</b>	273,587
<b>Timing of revenue recognition</b>		
At a point in time	<b>179,155</b>	273,587
Transferred over time	<b>–</b>	–
	<b>179,155</b>	273,587

Notes:

- (a) Others mainly includes other products like dresses, suits, jumpsuits and vests.
- (b) Others mainly includes France and Netherlands.



**The Group's geographical location of prepaid insurance premium, property, plant and equipment, intangible assets, right-of-use assets and goodwill.**

**At 30 September 2025 (unaudited)**

	Hong Kong HK\$'000	PRC HK\$'000	Sri Lanka HK\$'000	Total HK\$'000
Prepaid insurance premium	9,458	–	–	9,458
Property, plant and equipment	3,479	1,524	23,590	28,593
Intangible assets	6,399	–	–	6,399
Right-of-use assets	4,760	864	17,149	22,773
Goodwill	–	10,558	4,802	15,360
	<b>24,096</b>	<b>12,946</b>	<b>45,541</b>	<b>82,583</b>

At 31 March 2025 (audited)

	Hong Kong HK\$'000	PRC HK\$'000	Sri Lanka HK\$'000	Total HK\$'000
Prepaid insurance premium	9,353	–	–	9,353
Property, plant and equipment	3,844	1,666	25,144	30,654
Intangible assets	6,399	–	–	6,399
Right-of-use assets	4,873	1,271	17,351	23,495
Goodwill	–	10,558	4,802	15,360
	<b>24,469</b>	<b>13,495</b>	<b>47,297</b>	<b>85,261</b>

## 5. OTHER GAINS AND LOSSES, NET

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Fair value changes on prepaid insurance premium	105	109
Net exchange gain/(loss)	1,402	(118)
	<b>1,507</b>	<b>(9)</b>



## 6. FINANCE COSTS

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Interest on bank borrowings		
– trust receipt loans	2,033	5,169
– term and revolving loans	1,024	899
Interest expenses on lease liabilities	163	147
Financing charges on invoice financing arrangement and others	2,226	3,644
Interest expense on loans from a director	122	–
Guarantee fees on bank borrowings arrangement	3,311	–
Interest expenses on trade payables to a vendor	816	–
	9,695	9,859

## 7. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which subsidiaries of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Pursuant to the income tax rules and regulations of the PRC, the subsidiary of the Group incorporated in the PRC is subject to the PRC Enterprise Income Tax ("EIT") which is calculated based on the statutory tax rate of 25% on their assessable profits for both periods.

The provision for Sri Lanka Corporate Income Tax ("CIT") is based on the statutory rate of 30% of the assessable profit of the Sri Lanka subsidiaries of the Group for both periods as determined in accordance with the Sri Lanka's Inland Revenue (Amendment) Act No. 45 of 2022 which was effective on 1 October 2022.

No Hong Kong Profits Tax, PRC EIT or Sri Lanka CIT has been provided in the condensed consolidated interim financial statements for both periods as the subsidiaries of the Group are either utilising brought forward tax losses or did not incur assessable profits.

## 8. (LOSS)/PROFIT FOR THE PERIOD

The Group's (loss)/profit is arrived at after charging/(crediting):

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Depreciation of property, plant and equipment	1,827	2,481
Depreciation of right-of-use assets	734	701
Employee costs (including directors' emoluments)	36,718	41,190
Expected credit loss recognised on trade and other receivables, net	–	5,149
Interest income	(1,557)	(624)

## 9. DIVIDENDS

The Board of directors does not recommend the payment of interim dividend for the six months ended 30 September 2025 (2024: nil).

## 10. (LOSS)/EARNINGS PER SHARE

Basic and diluted (loss)/earnings per share attributable to owners of the Company is calculated based on the following data:

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
<b>(Loss)/profit</b>		
(Loss)/profit for the period attributable to owners of the Company	<b>(7,606)</b>	3,209

	Six months ended 30 September	
	2025 '000 (Unaudited)	2024 '000 (Unaudited)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of calculations of basic and diluted (loss)/earnings per share	<b>345,600</b>	252,066
	<b>HK cents</b>	HK cents
(Loss)/earnings per share – Basic and diluted	<b>(2.20)</b>	1.27

The weighted average number of ordinary shares for the purpose of basic earnings per share for the six months ended 30 September 2024 has taken into account the impact from the share placement completed on 16 August 2024 (see note 16).

Diluted loss/(earnings) per share was the same as basic loss/(earnings) per share as the Company did not have any dilutive potential ordinary shares in issue for both periods.

## 11. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 September 2025, the Group acquired property, plant and equipment of approximately HK\$124,000 (2024: approximately HK\$155,000).

No material new or renewed lease agreements were entered into by the Group for both periods.



## 12. TRADE AND OTHER RECEIVABLES

	At 30 September 2025 HK\$'000 (Unaudited)	At 31 March 2025 HK\$'000 (Audited)
Trade receivables (Note (a))	151,793	107,061
Less: Loss allowances on trade receivables (Note (a) and (b))	(61,494)	(56,740)
	90,299	50,321
Prepayments	995	4,662
Other receivables	28,266	15,173
Utilities and sundry deposits	727	610
	29,988	20,445
Less: Loss allowances on other receivables (Note (b))	(14,859)	(10,000)
	15,129	10,445
	105,428	60,766

Notes:

- (a) The ageing analysis of trade receivables at amortised cost at 30 September 2025 and 31 March 2025, based on the invoice date, is as follows:

	At 30 September 2025 HK\$'000 (Unaudited)	At 31 March 2025 HK\$'000 (Audited)
0–30 days	15,398	11,480
31–90 days	4,004	179
91–180 days	738	–
181–365 days	3,016	936
Over 365 days	128,637	94,466
	151,793	107,061
Less: Loss allowances on trade receivables	(61,494)	(56,740)
	90,299	50,321



- (b) The movement in the allowance for expected credit loss of trade and other receivables during the six months ended 30 September 2025/year ended 31 March 2025 was as follow:

	At 30 September 2025 HK\$'000 (Unaudited)	At 31 March 2025 HK\$'000 (Audited)
<b>Trade receivables</b>		
At the beginning of the period/year	56,740	49,322
Reversed	–	(6,192)
Recognised	–	18,364
Transferred from/(to) loan and other receivables	4,754	(4,754)
At the end of the period/year	61,494	56,740
<b>Other receivables</b>		
At the beginning of the period/year	10,000	22,197
Reversed	–	(7,338)
Transferred from/(to) loan and other receivables	4,859	(4,859)
At the end of the period/year	14,859	10,000

### 13. TRADE, BILLS AND OTHER PAYABLES

	At 30 September 2025 HK\$'000 (Unaudited)	At 31 March 2025 HK\$'000 (Audited)
Trade payables	108,648	54,374
Bills payables	521	24,784
Other payables and accruals	18,917	16,381
	128,086	95,539



An ageing analysis of trade payables based on invoice dates is as follows:

	At 30 September 2025 HK\$'000 (Unaudited)	At 31 March 2025 HK\$'000 (Audited)
0–30 days	23,620	3,175
31–90 days	45,712	23,399
91–365 days	38,420	27,628
Over 365 days	896	172
	108,648	54,374

#### 14. AMOUNTS DUE TO RELATED PARTIES

	As at 30 September 2025 HK\$'000 (Unaudited)	As at 31 March 2025 HK\$'000 (Audited)
<b>Amounts due to related parties</b>		
Win 18 Limited	515	1,686
Win 19 Limited	515	1,426
Ms. Wong Mei Wai Alice ("Ms. Wong")	6,133	3,321
	7,163	6,433

The relationships between the Group and these related parties are disclosed in note 17. The amounts due to related parties are non-trade in nature, unsecured, interest-free and repayable on demand, except for the amount due to Ms. Wong as at 30 September 2025 which bore interest at a rate of 6.5% per annum.

#### 15. BANK BORROWINGS

	At 30 September 2025 HK\$'000 (Unaudited)	At 31 March 2025 HK\$'000 (Audited)
Interest bearing		
– trust receipt loans, secured	53,630	57,517
– term and revolving loans, secured	10,000	47,788
	63,630	105,305



Notes:

- (a) All of the bank borrowings are repayable on demand (with demand clause) or within one year.
- (b) The bank borrowings as at 30 September 2025 were secured by the assets held by the Group, and the personal guarantee executed by Ms. Wong, one of the directors of the Company (31 March 2025: secured by the assets of the Group, Win 18 Limited and Win 19 Limited, and the personal guarantee executed by Ms. Wong). The carrying amounts of the assets of the Group pledged were as follows:

	At 30 September 2025 HK\$'000 (Unaudited)	At 31 March 2025 HK\$'000 (Audited)
Prepaid insurance premium	9,458	9,353
Property, plant and equipment	3,658	3,743

## 16. SHARE CAPITAL

	Number of shares	Nominal value of ordinary shares of HK\$0.04 each HK\$'000
<b>Authorised:</b>		
At 1 April 2024 (audited), 31 March 2025 (audited) and 30 September 2025 (unaudited)	2,500,000,000	100,000
<b>Issued and fully paid:</b>		
At 1 April 2024 (audited)	240,000,000	9,600
Share placement (note)	105,600,000	4,224
At 31 March 2025 (audited) and 30 September 2025 (unaudited)	345,600,000	13,824

Note: Pursuant to a subscription agreement dated 30 July 2024, independent private investors subscribed for 48,000,000 new ordinary shares of HK\$0.11 each in the Group. Total net proceeds of HK\$5,122,000 were raised after deducting the transaction costs attributable to issue of new shares. These new shares were issued on 16 August 2024 under the general mandate granted to the directors of the Group at the annual general meeting of the Group held on 12 September 2023 and they shall rank pari passu with other shares in issue in all respects.

Pursuant to a subscription agreement dated 17 December 2024, independent private investors subscribed for 57,600,000 new ordinary shares of HK\$0.07 each in the Group. Total net proceeds of HK\$3,951,000 were raised after deducting the transaction costs attributable to issue of new shares. These new shares were issued on 8 January 2025 under the general mandate granted to the directors of the Group at the annual general meeting of the Group held on 24 September 2024 and they shall rank pari passu with other shares in issue in all respects.



## 17. RELATED PARTY DISCLOSURES

### (a) Related parties transactions

The Group entered into the following transactions with its related parties during the six months ended 30 September 2025 and 2024:

Name of entities	Relationship with the Group	Nature of transactions	Six months ended 30 September	
			2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Win 18 Limited	Common director, Ms. Wong and indirectly wholly owned by Ms. Wong	Rental expense	780	780
Win 19 Limited	Common director, Ms. Wong and indirectly wholly owned by Ms. Wong	Rental expense	780	780
Kam Li Fashion Factory	Common shareholder, Mr. Siu Chi Wai (the spouse of Ms. Wong)	Motor vehicle rental expenses	150	150
Ms. Wong	Director of the Company	Interest expenses and guarantee fee	2,935	195

### (b) Key management personnel compensation

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Salaries and other allowances	3,464	5,496
Discretionary bonus	–	–
Retirement benefit scheme contributions	18	27
	3,482	5,523

## 18. FINANCIAL INSTRUMENTS

### Categories of financial instruments

The following table shows the carrying amount and fair value of financial assets and liabilities:

	At 30 September 2025 HK\$'000 (Unaudited)	At 31 March 2025 HK\$'000 (Audited)
<b>Financial assets</b>		
<i>At FVTPL</i>		
– Prepaid insurance premium	9,458	9,353
<i>At amortised cost</i>		
– Loan and other receivables	–	59,376
– Trade and other receivables	104,433	56,104
– Amounts due from related parties	–	44
– Cash and cash equivalents	14,150	14,710
	<b>128,041</b>	139,587
<b>Financial liabilities</b>		
<i>At amortised cost</i>		
– Trade, bills and other payables	126,280	94,956
– Amounts due to related parties	7,163	6,433
– Bank borrowings	63,630	105,305
	<b>197,073</b>	206,694

### Fair value

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated interim financial statements at 30 September 2025 and 31 March 2025 approximate to their fair value.

The following table provides an analysis of financial and non-financial instruments carried at fair value by level of fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>At 30 September 2025 (Unaudited)</b>				
Prepaid insurance premium	–	9,458	–	9,458
<b>At 31 March 2025 (Audited)</b>				
Prepaid insurance premium	–	9,353	–	9,353

There were no transfers between levels during the current period and the prior year.