

KNT

KNT HOLDINGS LIMITED

嘉藝控股有限公司*

(Incorporated in the Cayman Islands with limited liability)
Stock code: 1025

Interim Report
2025



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Chong Sik (*Chairman*
and *Chief Executive Officer*)
Chong Pun
Lam Chi Yuen
Tsui Wing Tak
Wu Zongmei

Independent Non-executive Directors

Chan Kai Chung
Lau Koong Yep
Yuen King Sum

AUDIT COMMITTEE

Chan Kai Chung (*Chairman*)
Lau Koong Yep
Yuen King Sum

REMUNERATION COMMITTEE

Lau Koong Yep (*Chairman*)
Chan Kai Chung
Yuen King Sum

NOMINATION COMMITTEE

Chong Sik (*Chairman*)
Chan Kai Chung
Lau Koong Yep
Yuen King Sum

JOINT COMPANY SECRETARIES

Chan Nga Chun
Chan Chiu Hung Alex

AUTHORISED REPRESENTATIVES

Chong Sik
Chan Nga Chun

AUDITOR

Infinity CPA Limited
Room 1501, 15/F, Olympia Plaza
255 King's Road, North Point
Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

30th Floor
EW International Tower
No. 120 Texaco Road
Tsuen Wan
New Territories
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited
DBS Bank (Hong Kong) Limited

STOCK CODE

01025

COMPANY WEBSITE

www.kntholdings.com

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a one-stop solutions provider of bridesmaid dresses, bridal gowns and special occasion dresses. The Group principally sells its products to brand apparel companies based in the United States and Hong Kong. Over the years, the Group has built reputation and gained customers' recognition from its dedication to provide its customers with one-stop solutions and consistently high quality products, which has increased its customers' reliance on it. In addition to manufacturing apparels for its customers, the Group strives to become an integral part of its customers' business operations by offering a wide range of value-added services ranging from fashion trend analysis, product design and development, raw material procurement, production, quality assurance to inventory management. The Group has also engaged in online business for the sale of fashion apparels; and the business of selling accessories.

The Group recorded revenue of approximately HK\$16.7 million for the six months ended 30 September 2025, representing a decrease of approximately 58.5% as compared to that of approximately HK\$40.2 million for the six months ended 30 September 2024. Revenue from the United States accounted for approximately 65.9% and 18.6% of the total revenue of the Group for the six months ended 30 September 2024 and 2025 respectively. The gross profit margin decreased from 13.2% for the six months ended 30 September 2024 to 8.0% for the six months ended 30 September 2025. Loss for the period amounted to approximately HK\$19.3 million for the six months ended 30 September 2025, representing an increase in loss of approximately 89.2% as compared to loss of approximately HK\$10.2 million for the six months ended 30 September 2024.

During the six months ended 30 September 2025, the Group continued to experience a challenging operating environment in view of prolonged trade disputes between the United States and China, tariff imposed, political tensions and continuing uncertainties in global economy. Since the Group's revenue was mostly derived from customers based in the United States, these factors in aggregate led to a certain extent of impact on the overall business performance of the Group.

In addition, the post-pandemic impact has brought significant disruption to the global economy and caused adverse impact to the business environment of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

PROSPECT

Looking ahead, the Group foresee a challenging year ahead, marked by the uncertainty arise from the recent development of US tariff regime and political tensions in the southeast Asia countries and the demand growth from our customers is less than expected. In response to the challenges, the Group will revisit the strategy and negotiation mandate with the reputable outlet operator (the "Outlet Partner") in the PRC for the development of possible procurement and distribution business for the New Retail and the Outlet Partner in the PRC and its existing business from time to time and take appropriate measures to tackle any possible impacts from the challenges.

On the other hand, the Group will also proactively seek potential business opportunities that will broaden the sources of income and increase the return of shareholders of the Company. On 2 May 2025, the Group entered into a non-legally binding memorandum of understanding (the "Memorandum") with Fine Vast Corporation Limited ("Fine Vast"). Pursuant to the Memorandum, the Group and Fine Vast intend to collaborate in the development of the petrochemical business in the PRC, focusing on the industrial operations of gas production, gas processing, liquefied gas processing, gas gathering services, and related businesses. The potential cooperation is subject to the results of the due diligence works and no formal agreement was made at the date of this report.

The Group's revenue base will therefore be broadened in the future and is expected to increase investment returns to the shareholders. The Group is also taking cost-control measures throughout the year so as to cope with the lingering business downturn. With the Group's proven track record, experienced management team and reputation in the market, the Group is well-positioned and well-equipped to sustain its development and grasp the opportunities to enhance the long-term potential growth in future for safeguard the interest of the shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Revenue

Revenue represents revenue from the sale of bridesmaid dresses, bridal gowns, special occasion dresses, accessories, fashion apparels and fabrics and other garment accessories.

Revenue decreased by approximately HK\$23.5 million or approximately 58.5% from approximately HK\$40.2 million for the six months ended 30 September 2024 to approximately HK\$16.7 million for the six months ended 30 September 2025. The overall decrease in revenue was primarily attributable to the decrease in revenue generated from the sale of bridesmaid dresses of approximately HK\$22.4 million and the increase in revenue generated from the sale of special occasion dresses of approximately HK\$2.4 million.

The decrease in revenue generated from the sale of bridesmaid dresses from approximately HK\$25.8 million for the six months ended 30 September 2024 to approximately HK\$3.3 million for the six months ended 30 September 2025 was primarily as a result of the decrease in sales quantity from 121.9 thousand units for the six months ended 30 September 2024 to 13.5 thousand units for the six months ended 30 September 2025.

The increase in revenue generated from the sale of special occasion dresses from approximately HK\$5.0 million for the six months ended 30 September 2024 to approximately HK\$7.4 million for the six months ended 30 September 2025 was primarily as a result of the increase in sales quantity from 10.6 thousand units for the six months ended 30 September 2024 to 62.2 thousand units for the six months ended 30 September 2025.

The decrease in sales quantity of bridesmaid dresses was attributable to the decrease in orders from a major customer during the six months ended 30 September 2025. The increase in sales quantity of special occasion dresses was attributable to bulk orders placed from a new customer during the six months ended 30 September 2025.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Cost of sales

Cost of sales primarily consists of raw material costs, subcontracting charges, labour costs, overhead costs and others.

Cost of sales decreased by approximately HK\$19.5 million or approximately 55.9% from approximately HK\$34.9 million for the six months ended 30 September 2024 to approximately HK\$15.4 million for the six months ended 30 September 2025. The decrease was in line with the decrease in revenue.

Gross profit and gross profit margin

Gross profit decreased by approximately HK\$4.0 million or approximately 75.5% from approximately HK\$5.3 million for the six months ended 30 September 2024 to approximately HK\$1.3 million for the six months ended 30 September 2025. Gross profit margin decreased from 13.2% for the six months ended 30 September 2024 to 8.0% for the six months ended 30 September 2025. The decrease in gross profit and the decrease in gross profit margin was mainly attributable to the decrease in revenue during the six months ended 30 September 2025 as compared to that of last period.

Other income

Other income increased by approximately HK\$0.47 million or approximately 162.1% from approximately HK\$0.29 million for the six months ended 30 September 2024 to approximately HK\$0.76 million for the six months ended 30 September 2025. The increase was mainly attributable to the increase in government grants in respect of dedicated fund on branding, upgrading and domestic sales launched by the Hong Kong government during the six months ended 30 September 2025.

Other gains and losses, net

Other gains and losses, net mainly represented gain on disposal of property, plant and equipment and net exchange gains for the six months ended 30 September 2025.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Selling and distribution expenses

Selling and distribution expenses decreased by approximately HK\$0.7 million or approximately 23.3% from approximately HK\$3.0 million for the six months ended 30 September 2024 to approximately HK\$2.3 million for the six months ended 30 September 2025. The decrease was mainly attributable to the decrease in staff costs and transportation costs.

Administrative expenses

Administrative expenses increased by approximately HK\$7.2 million or approximately 75.0% from approximately HK\$9.6 million for the six months ended 30 September 2024 to approximately HK\$16.8 million for the six months ended 30 September 2025. The increase was mainly attributable to the increase in staff costs compared to the corresponding period in last year due to compensation paid to staff for the voluntary resignation scheme during the six months ended 30 September 2025.

Finance costs

Finance costs increased by approximately HK\$0.2 million or approximately 25.0% from approximately HK\$0.8 million for the six months ended 30 September 2024 to approximately HK\$1.0 million for the six months ended 30 September 2025. The increase was mainly attributable to the increase in bond payable during the six months ended 30 September 2025.

Income tax expense

Income tax expense for the six months ended 30 September 2025 mainly represented the PRC Enterprise Income Tax and the temporary differences arising from depreciation.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Loss for the period

The Group recorded a loss of approximately HK\$19.3 million for the six months ended 30 September 2025 and a loss of approximately HK\$10.2 million for the six months ended 30 September 2024. The increase in loss was mainly attributable to the increase in administrative expenses and the decrease in gross profit.

Interim dividend

The board of Directors (the “Board”) does not recommend the payment of an interim dividend for the six months ended 30 September 2025 (six months ended 30 September 2024: nil).

Capital structure

The capital structure of the Company comprises of issued share capital and reserves. As at 30 September 2025, the issued share capital of the Company was HK\$40.4 million and the number of issued ordinary shares was 202,183,720 of HK\$0.20 each.

Liquidity and financial resources

The Group generally finances its operation by internal cash generated from operations and borrowings. As at 30 September 2025, the Group had bank balances and cash of approximately HK\$5.5 million (31 March 2025: approximately HK\$6.8 million) and bank overdrafts of approximately HK\$6.0 million (31 March 2025: approximately HK\$5.9 million) and had net current assets of approximately HK\$15.2 million (31 March 2025: net current liabilities of approximately HK\$6.3 million).

The current ratio of the Group was approximately 1.3 times as at 30 September 2025, as compared to that of approximately 0.9 times as at 31 March 2025. The current ratio increased was mainly attributable to the decrease in amounts due from directors.

The gearing ratio of the Group, which is calculated by dividing the total borrowings and bond payable by the total equity and then multiplied by 100%, was 45.3% as at 30 September 2025 (31 March 2025: 78.0%). The gearing ratio decreased was mainly attributable to the increase in share capital for the period which led to an increase in total equity compared to that of 31 March 2025.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Pledge of assets

As at 30 September 2025, the Group pledged leasehold land and buildings with carrying value of approximately HK\$25.0 million (31 March 2025: HK\$25.6 million) and investment properties with carrying value of HK\$10.3 million (31 March 2025: HK\$10.3 million) to secure certain banking facilities and other loan granted to the Group, respectively.

Foreign exchange risk

Certain transactions of the Group are denominated in foreign currencies which are different from Hong Kong Dollar, the functional currency of the Group, and therefore the Group is exposed to foreign currency risk.

The Group currently does not have a foreign currency hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Material acquisitions and disposals of subsidiaries and associated companies

Save as disclosed elsewhere in this report, during the six months ended 30 September 2025, the Group did not have any other material acquisitions and disposals of subsidiaries and associated companies.

Significant investments held

As at 30 September 2025, the Group had no significant investments held (31 March 2025: nil).

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Events after the reporting period

On 2 November 2025, the Company proposed to raise gross proceeds of up to approximately HK\$40.4 million by way of the issue of up to 202,183,720 rights shares at the subscription price of HK\$0.20 per rights share on the basis of one rights share for every one share held by the qualifying shareholders on the record date (the "Proposed Rights Issue"). The Proposed Rights Issue is subject to the approval of the independent shareholders of the Company at the extraordinary general meeting by way of poll. Details of the Proposed Rights Issue were set out in the announcements of the Company dated 2 November 2025, 12 November 2025, 18 November 2025 and 25 November 2025.

Employees and remuneration policy

As at 30 September 2025, the Group had 90 employees (31 March 2025: 206 employees). The total staff costs, including directors' emoluments, of the Group for the six months ended 30 September 2025 were approximately HK\$15.8 million (six months ended 30 September 2024: approximately HK\$13.6 million).

Remuneration is determined with reference to market norms and the performance, qualification and experience of individual employee. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustment commensurate with the pay level in the industry. The remuneration package generally includes basic salaries, discretionary bonuses and contributions to retirement benefits scheme. The Group provides training for its employees so that new employees can master the basic skills required to perform their functions and existing employees can upgrade or improve their production skills.

Capital commitment

As at 30 September 2025, the Group did not have any material capital commitment (31 March 2025: nil).

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Contingent liabilities

As at 30 September 2025, the Group did not have any material contingent liabilities (31 March 2025: nil).

Use of net proceeds

Use of net proceeds from the Rights Issue

On 11 April 2025, the Company completed a rights issue (the "Rights Issue") on the basis of three rights shares for every one share held by the qualifying shareholders on the record date at the subscription price of HK\$0.29 per rights share and issued 151,637,790 ordinary shares of the Company. Details of the Rights Issue were set out in the announcements of the Company dated 10 December 2024, 20 December 2024, 20 March 2025, 1 April 2025, 10 April 2025 and 11 April 2025, the circular of the Company dated 10 January 2025 and the prospectus of the Company dated 3 March 2025.

The net proceeds from the Rights Issue, after deducting all related costs, fees, expenses and commission, were approximately HK\$41.6 million.

As at 30 September 2025, the Group has utilised approximately HK\$40.2 million, representing approximately 96.6%, of the net proceeds from the Rights Issue.

As disclosed in the announcement of the Company dated 22 August 2025, the Board resolved to change the use of unutilised Net Proceeds in the amount of HK\$4.0 million to repayment of debts and HK\$8.0 to general working capital of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Use of net proceeds (continued)

Use of net proceeds from the Rights Issue (continued)

Intended use of Net Proceeds	Actual amount of Net Proceeds	Actual amount utilised	Amount of unutilised Net Proceeds	Expected timeline for the intended use
	as at 11 April 2025	as at 22 August 2025	as at 30 September 2025	
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Investment in further expanding and/or diversifying the manufacturing business of the Group in southeast Asia	12.0	(12.0)	–	–
Investment in new business segment	5.0	–	5.0	–
Repayment of debts	15.0	4.0	17.6	1.4
General working capital of the Group	9.6	8.0	17.6	–
	41.6	–	40.2	1.4

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2025, the interests and short positions of the directors (the "Directors") and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) (i) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be 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 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Long position in the Shares

Name of Directors	Capacity/Nature of Interest	Number of Shares Held	Percentage of Shares in Issue (Note 1)
Mr. Chong Sik	Interest in controlled corporation (Note 2)	11,797,500	5,835%
Mr. Chong Pun	Interest in controlled corporation (Note 3)	2,500	0.001%

Notes:

1. The percentage is calculated based on the total number of 202,183,720 shares in issue as at 30 September 2025.
2. These shares were held by Strategic Elite Limited ("Strategic Elite"), a company in which beneficially and wholly-owned by Mr. Chong Sik. Mr. Chong Sik was deemed to be interested in all the shares held by Strategic Elite by virtue of the SFO.
3. These shares were held by Total Clarity Investments Limited ("Total Clarity"), a company in which beneficially and wholly-owned by Mr. Chong Pun. Mr. Chong Pun was deemed to be interested in all the shares held by Total Clarity by virtue of the SFO.

OTHER INFORMATION (continued)

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

Long position in the Shares (continued)

Save as disclosed above, as at 30 September 2025, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as 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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2025, so far as known to the Directors or the chief executive of the Company, the following corporations or individuals (other than the Directors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly interested in 5% or more of any class of share capital carrying rights to vote in all circumstances at the general meetings of the Company or which were recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO or had otherwise notified to the Company and the Stock Exchange:

Name of Substantial Shareholders	Capacity/Nature of Interest	Number of Shares Held	Percentage of Shares in Issue (Note 1)
Goldstone 1 LPF	Beneficial owner	29,176,000 (L)	14.430%
Goldstone Wealth	Beneficial owner	29,176,000 (L)	14.430%
Mr. Lam Yu Chor Paul	Interest in controlled corporation (Note 2)	29,176,000 (L)	14.430%
Strategic Elite	Beneficial owner	11,797,500 (L)	5.835%
Ms. Lok Pui Yee, Fanny	Interest of spouse (Note 3)	11,797,500 (L)	5.835%

OTHER INFORMATION (continued)

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY (continued)

Notes:

(L): Long position

(S): Short position

1. The percentage is calculated based on the total number of 202,183,720 shares in issue as at 30 September 2025.
2. These shares were held by Goldstone 1 LPF, a company in which beneficially and wholly-owned by Goldstone Wealth Management Limited ("Goldstone Wealth"), Goldstone Wealth is beneficially and wholly-owned by Mr. Lam Yu Chor Paul. Mr. Lam Yu Chor Paul is deemed to be interested in all the shares held by Goldstone 1 LPF by virtue of the SFO.
3. Ms. Lok Pui Yee, Fanny is the spouse of Mr. Chong Sik and is deemed to be interested in all the shares indirectly held or interested in by Mr. Chong Sik through Strategic Elite pursuant to the SFO.

Save as disclosed above, as at 30 September 2025, the Directors were not aware of any other corporation or individual (other than the Directors or chief executive of the Company) who had any interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of any class of share capital carrying rights to vote in all circumstances at the general meetings of the Company, or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

OTHER INFORMATION (continued)

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) pursuant to a written resolution of the shareholders passed on 31 January 2019. A summary of the principal terms of the Share Option Scheme is set out as follows:

(1) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable the Board to grant options to eligible persons (as defined below) as incentives or rewards for their contribution or potential contribution to the Group and to recruit and retain high caliber eligible persons and attract human resources that are valuable to the Group.

(2) Participants of the Share Option Scheme

The participants of the Share Option Scheme shall be:

- (i) any employee or proposed employee (whether full time or part time, including any director) of any member of the Group or invested entity; and
- (ii) any supplier of goods or services, any customer, any person or entity that provides research, development or other technological support, any shareholders or other participants who contributes to the development and growth of the Group or any invested entity.

(3) Total number of shares available for issue under the Share Option Scheme together with the percentage of the issued shares that it represents as at the date of this interim report

- (i) The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company shall not, in aggregate, exceed 30% of the total number of shares in issue from time to time.

OTHER INFORMATION (continued)

SHARE OPTION SCHEME (continued)

(3) Total number of shares available for issue under the Share Option Scheme together with the percentage of the issued shares that it represents as at the date of this interim report (continued)

- (ii) The total number of shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 52,000,000 shares, being 10% of the total number of shares in issue on the Listing Date (the "Scheme Limit") unless approved by the shareholders pursuant to paragraph (iv) below. Options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company shall not be counted for the purpose of calculating the Scheme Limit.
- (iii) The Company may seek separate approval of the shareholders in general meeting for refreshing the Scheme Limit provided that such limit as refreshed shall not exceed 10% of the total number of shares (assuming no options are granted under the Share Option Scheme) in issue as at the date of the approval of the shareholders on the refreshment of the Scheme Limit. Options previously granted under the Share Option Scheme or any other share option schemes of the Company (including options outstanding, cancelled, lapsed in accordance with the terms of the Share Option Scheme or any other share option scheme of the Company or exercised) will not be counted for the purpose of calculating the limit as refreshed.

For the purpose of seeking the approval of shareholders, a circular containing the information as required under the Listing Rules shall be sent by the Company to the Shareholders.

OTHER INFORMATION (continued)

SHARE OPTION SCHEME (continued)

(3) Total number of shares available for issue under the Share Option Scheme together with the percentage of the issued shares that it represents as at the date of this interim report (continued)

- (iv) The Company may seek separate approval of the shareholders in general meeting for granting options beyond the Scheme Limit provided that the Options in excess of the Scheme Limit are granted only to Eligible Persons specifically identified by the Company before such approval is sought and that the proposed grantee(s) and his close associates (or his associates if the proposed grantee is a connected person) shall abstain from voting in the general meeting. For the purpose of seeking the approval of the shareholders, the Company shall send a circular to the shareholders containing a generic description of the specified proposed grantees of such options, the number and terms of the options to be granted, the purpose of granting such options to the proposed grantees with an explanation as to how the terms of options serve such purpose and any other information as required under the Listing Rules.
- (v) The shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company at any time shall not exceed 30% of the shares in issue from time to time. No options under any schemes may be granted if this will result in the 30% limit being exceeded.

(4) Maximum entitlement of each participant

The maximum number of shares issued and to be issued upon exercise of the options granted and to be granted pursuant to the Share Option Scheme and any other share option schemes of the Company to each participant of the Share Option Scheme in any 12-month period up to and including the date of grant of the options shall not exceed 1% of the total number of shares in issue.

OTHER INFORMATION (continued)

SHARE OPTION SCHEME (continued)

(5) Period within which the shares must be taken up under an option

The period within which the options must be exercised will be specified by the Company at the time of grant. This period shall not be longer than 10 years from the relevant date of grant.

(6) Minimum period for which an option must be held before it can be exercised

There is no minimum period in which an option must be held before the exercise of any option save as otherwise imposed by the Board in the relevant offer of options.

(7) Payment on acceptance of option offer

A consideration of HK\$1 is payable on acceptance of the offer of grant of an option where the grantee should accept or decline the offer of grant of an option within the date as specified in the offer letter issued by the Company, being a date not later than 21 days inclusive of, and from the date upon which it is made.

(8) Basis of determining the subscription price

The subscription price of a share in respect of any particular option granted under the Share Option Scheme shall be such price as determined by the Board, and shall be at least the highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a trading day; and (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant.

(9) Remaining life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of ten years commencing on 31 January 2019.

OTHER INFORMATION (continued)

SHARE OPTION SCHEME (continued)

During the six months ended 30 September 2025, no options had been granted, exercised, cancelled or lapsed under the Share Option Scheme. There were no outstanding options under the Share Option Scheme as at 30 September 2025.

The number of options available for grant under the mandate of the Share Option Scheme as at 1 April 2025 and 30 September 2025 were 2,600,000. The total number of shares available for issue under the Share Option Scheme was 2,600,000 shares, being approximately 1.29% of the issued share capital as at the date of this interim report.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, subject to the applicable laws, every Director shall be entitled to be indemnified out of the assets of the Company against all losses and liabilities which he/she may sustain or incur in or about the execution of his/her office or otherwise in relation thereto. The Company has arranged for appropriate insurance for the Directors and officers of the Group in respect of legal actions against them arising from corporate activities of the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and within the best knowledge of the Directors, during the six months ended 30 September 2025 and up to the date of this interim report, the Company has maintained the prescribed public float under the Listing Rules.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is determined by the management of the Group with reference to the qualifications, experience and performances of the employees. The emoluments of the Directors and senior management of the Company are recommended by the Remuneration Committee and approved by the Board having regard to the Company's operating results, individual performance and comparable market statistics.

OTHER INFORMATION (continued)

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board is committed to maintaining good corporate governance standards.

The Board believes that good corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Listing Rules as the basis of the Company’s corporate governance practices.

The Board is of the view that throughout the six months ended 30 September 2025, the Company has complied with all the applicable code provisions as set out in the CG Code, except for code provision C.2.1.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

The chairman and chief executive officer of the Company are held by Mr. Chong Sik who is one of the co-founders of the Group and has extensive experience in the industry. The Board believes that Mr. Chong Sik can provide the Company with strong and consistent leadership that allows for effective and efficient planning and implementation of business decisions and strategies.

The Board is of the view that given that Mr. Chong Sik had been responsible for leading the strategic planning and business development of the Group, the arrangement would allow for effective and efficient planning and implementation of business decisions and strategies under the strong and consistent leadership, and should be overall beneficial to the management and development of the Group’s business.

OTHER INFORMATION (continued)

DIRECTORS' SECURITIES TRANSACTIONS

The Company has devised its own Code of Ethics and Securities Transactions (the "Code of Ethics") regarding dealings in the Company's securities by Directors and the relevant employees who are likely to be in possession of inside information of the Company on terms no less exacting than the Model Code as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Code of Ethics during the six months ended 30 September 2025.

No incident of non-compliance of the Code of Ethics by the employees was noted by the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities (including sale of treasury shares) of the Company during the six months ended 30 September 2025.

As at 30 September 2025, there were no treasury shares held by the Company.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") on 31 January 2019 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the code provisions of the CG Code as set out in Appendix C1 to the Listing Rules.

The Audit Committee comprises three members, namely Mr. Chan Kai Chung, Mr. Lau Koong Yep and Mr. Yuen King Sum, all being independent non-executive Directors. Mr. Chan Kai Chung is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated financial results of the Group and the interim report for the six months ended 30 September 2025, including the accounting principles and practices adopted by the Group.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2025

Notes	Six months ended 30 September	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Revenue	4	16,694
Cost of sales		(15,357)
		40,206
		(34,898)
Gross profit		1,337
Other income		756
Other gains and losses, net		63
Selling and distribution expenses		(2,300)
Administrative expenses		(16,812)
Impairment loss recognised in respect of trade receivables, net		–
Impairment loss recognised in respect of right-of-use assets		(1,269)
Finance costs	5	(1,056)
		(847)
Loss before taxation		(19,281)
Income tax expense	6	(29)
		(10,193)
		(1)
Loss for the period	7	(19,310)
		(10,194)
		<i>HK cents</i>
Loss per share	9	
Basic		(10.0)
		(21.3)
Diluted		(10.0)
		(21.3)



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2025

	Six months ended 30 September	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Loss for the period	(19,310)	(10,194)
Other comprehensive income (expense) for the period:		
<i>Item that will not be reclassified to profit or loss:</i>		
Deferred taxation relating to revaluation of properties	100	90
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(21)	128
Other comprehensive income for the period, net of tax	79	218
Total comprehensive expense for the period	(19,231)	(9,976)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

Notes	As at 30 September 2025 HK\$'000 (unaudited)	As at 31 March 2025 HK\$'000 (audited)
Non-current assets		
Property, plant and equipment	10 26,924	27,557
Investment properties	10 10,300	10,300
Right-of-use assets	1,690	304
Intangible asset	—	—
	38,914	38,161
Current assets		
Inventories	4,955	5,176
Trade receivables	9,576	6,867
Deposits, prepayments and other receivables	42,002	38,287
Bank balances and cash	5,463	6,759
	61,996	57,089
Current liabilities		
Trade payables	7,993	5,392
Other payables and accruals	10,712	19,965
Amounts due to directors	1,732	15,665
Contract liabilities	901	621
Lease liabilities	2,989	446
Bond payable	10,000	—
Borrowings	6,498	15,346
Bank overdrafts	5,958	5,918
	46,783	63,353
Net current assets (liabilities)	15,213	(6,264)
Total assets less current liabilities	54,127	31,897

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(continued)

As at 30 September 2025

	Notes	As at 30 September 2025 HK\$'000 (unaudited)	As at 31 March 2025 HK\$'000 (audited)
Non-current liabilities			
Deferred tax liabilities		4,534	4,620
Net assets		49,593	27,277
Capital and reserves			
Share capital	15	40,437	10,109
Reserves		9,156	17,168
Total equity		49,593	27,277

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2025

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (Note (a))	Translation reserve HK\$'000	Revaluation reserve HK\$'000	Deemed distribution HK\$'000 (Note (b))	Statutory reserve HK\$'000 (Note (c))	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2024 (audited)	8,424	141,617	19,520	2,729	24,175	(1,419)	2,538	(151,053)	46,531
Loss for the period	-	-	-	-	-	-	-	(10,194)	(10,194)
Other comprehensive income	-	-	-	128	90	-	-	-	218
Total comprehensive income (expense) for the period	-	-	-	128	90	-	-	(10,194)	(9,976)
Transfer to accumulated losses	-	-	-	-	(458)	-	-	458	-
At 30 September 2024 (unaudited)	8,424	141,617	19,520	2,857	23,807	(1,419)	2,538	(160,789)	36,555
At 1 April 2025 (audited)	10,109	144,764	19,520	3,010	22,599	(1,419)	2,538	(173,944)	27,277
Loss for the period	-	-	-	-	-	-	-	(19,310)	(19,310)
Other comprehensive income (expense)	-	-	-	(21)	100	-	-	-	79
Total comprehensive income (expense) for the period	-	-	-	(21)	100	-	-	(19,310)	(19,231)
Issue of shares upon rights issue (note 15)	30,328	11,219	-	-	-	-	-	-	41,547
Transfer to accumulated losses	-	-	-	-	(439)	-	-	439	-
At 30 September 2025 (unaudited)	40,437	155,983	19,520	2,989	22,360	(1,419)	2,538	(192,815)	49,593

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the six months ended 30 September 2025

Notes:

- (a) **Other reserve:** Other reserve represents (i) the transfer of HK\$16,500,000 as a result of the transfer of the entire shareholding in Dong Guan HYG Garment Limited Company ("HYG"), one of the operating subsidiaries established in the People's Republic of China (the "PRC"), from Mr. Chong Sik ("Mr. S Chong") and Mr. Chong Pun ("Mr. P Chong"), the directors of the Company, in the previous year to KNT International Holdings Limited ("KNT Int'l"), a company incorporated in Hong Kong and wholly-owned by Mr. S Chong and Mr. P Chong, at nil consideration. HYG is then wholly-owned by KNT Int'l since the completion of transfer; and (ii) the transfer of HK\$3,020,000 as a result of the transfer of the entire shareholding in KNT Int'l and KNT Limited ("KNT"), one of the operating subsidiaries incorporated in Hong Kong, from Mr. S Chong and Mr. P Chong in the previous year.
- (b) **Deemed distribution:** The deemed distribution represents the transaction cost attributable to shares offered for sale by the shareholders of the Company during global offering of the Company's shares in 2019, which was borne by the Group and deemed as distribution to shareholders.
- (c) **Statutory reserve:** As stipulated by the relevant PRC laws and regulations, the subsidiary established in the PRC shall set aside 10% of its net profit to the statutory reserve. The statutory reserve is capped at 50% of registered capital and can only be used upon approval by the board of directors of the relevant subsidiary and by the relevant authority, to offset previous year's losses or convert into additional capital of the PRC subsidiary.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2025

	Six months ended 30 September	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
NET CASH USED IN OPERATING ACTIVITIES	(22,489)	(273)
INVESTING ACTIVITIES		
Proceeds on disposal of property, plant and equipment	36	–
Bank interest received	1	3
Purchase of property, plant and equipment	(7)	(34)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	30	(31)
FINANCING ACTIVITIES		
Proceeds on issue of shares of the Company	38,777	–
Expenses directly attributable to issue of shares	(2,427)	–
Issue of bond	10,000	–
Interest paid	(1,056)	(847)
Repayment of lease liabilities	(1,380)	(1,293)
Repayments of borrowings	(8,848)	(9,169)
Repayments to directors	(13,947)	(1,287)
Advances from directors	–	3,280
New borrowings raised	–	6,931
NET CASH FROM (USED IN) FINANCING ACTIVITIES	21,119	(2,385)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the six months ended 30 September 2025

	Six months ended 30 September	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,340)	(2,689)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	841	(1,444)
Effect of foreign exchange rate changes	4	3
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	(495)	(4,130)
Represented by:		
Bank balances and cash	5,463	1,652
Bank overdrafts	(5,958)	(5,782)
	(495)	(4,130)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

1. GENERAL

KNT Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's registered office and principal place of business are disclosed in this interim report.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries of the Company is manufacturing and trading of garment products; and trading of accessories.

The condensed consolidated financial statements are presented in HK\$, which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the six months ended 30 September 2025 have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain properties and certain financial instruments that are measured at revalued amounts or fair values at the end of the reporting period, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2025 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 March 2025.

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial performance and positions for the current and prior periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2025

4. REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts of the transaction price received and receivable for goods sold by the Group, net of discounts.

An analysis of revenue from operations is as follows:

	Six months ended 30 September	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Sales of garment products recognised at a point in time		
Bridesmaid dresses	3,324	25,758
Bridal gowns	1,486	1,743
Special occasion dresses	7,393	4,970
Accessories	1,858	5,406
Others (note)	2,633	2,329
Total	16,694	40,206

Note: Others include sales of fashion apparels, fabrics and other garment accessories.

	Six months ended 30 September	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Geographical markets		
United States of America	3,096	26,466
Hong Kong	11,334	9,907
Europe	1,082	1,649
United Kingdom	1,142	1,394
Australia	40	790
Total	16,694	40,206

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2025

4. REVENUE AND SEGMENT INFORMATION (continued)

Sales of garment products

Revenue from the sale of garment products is recognised at a point in time when the control of goods has transferred, being when the goods have been shipped to the customers' specific location. Transportation and other related activities that occur before customers obtains control of the related products are considered as fulfilment activities. The credit terms normally granted by the Group to customers upon delivery of goods range from 0-90 days.

Segment information

The Group's operation is solely derived from manufacturing and trading of garment products; and trading of accessories during the period. For the purpose of resources allocation and performance assessment, the chief operating decision maker (i.e. the executive directors of the Company) reviews revenue analysis by geographic location of customers, overall results and financial position of the Group as a whole based on same accounting policies. No other discrete financial information is provided other than the Group's results and financial position as a whole. Accordingly, only entity-wide disclosures are presented.

Geographical information

The Group's operations are mainly located in Hong Kong and the PRC. All non-current assets as at 30 September 2025 and 31 March 2025 were located in Hong Kong and the non-current assets located in the PRC had been fully impaired.

The Group's revenue from external customers based on the location of customers are disclosed above in this note.

Information about major customers

Revenue from customers individually contributing over 10% of the Group's revenue during the period are as follows:

	Six months ended 30 September	
	2025	2024
	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Customer A	4,452	N/A*
Customer B	2,444	N/A*
Customer C	1,858	5,406
Customer D	1,672	4,994
Customer E	N/A*	18,343

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2025

5. FINANCE COSTS

	Six months ended 30 September	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Interest on bank loans and overdrafts	340	466
Interest on other loans	307	338
Interest on lease liabilities	70	43
Interest on bond payable	339	—
	—	—
	1,056	847

6. INCOME TAX EXPENSE

	Six months ended 30 September	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Current tax:		
– PRC Enterprise Income Tax	15	—
Deferred tax expense	14	1
	—	—
Income tax expense	29	1

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2025

7. LOSS FOR THE PERIOD

	Six months ended 30 September	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Loss for the period has been arrived at after charging (crediting):		
Depreciation of right-of-use assets	1,814	1,368
Depreciation of property, plant and equipment	640	659
Less: Amount capitalised in inventories	(948)	(1,114)
	1,506	913
Amortisation of intangible asset	–	13
Cost of inventories recognised as cost of sales (including reversal of write down of inventories of HK\$920,000 (2024: nil))	15,357	34,898
Bank interest income	(1)	(3)
Net exchange gain	(27)	(60)

8. DIVIDEND

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2025

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 September	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Loss		
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	(19,310)	(10,194)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	193,481	47,842

The weighted average number of ordinary shares for the purpose of basic loss per share for the six months ended 30 September 2024 has been adjusted retrospectively for the effect of share consolidation and bonus element of the rights issue completed on 11 April 2025 as set out in note 15 to the condensed consolidated financial statements as if it had been effective on 1 April 2024.

No diluted loss per share was presented for the six months ended 30 September 2025 and 2024 as there were no potential ordinary shares in issue during both periods.

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the six months ended 30 September 2025, the Group acquired certain property, plant and equipment with an aggregate carrying value of HK\$7,000 (six months ended 30 September 2024: HK\$34,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2025

11. TRADE RECEIVABLES

	As at 30 September 2025 HK\$'000 (unaudited)	As at 31 March 2025 HK\$'000 (audited)
Trade receivables from third parties	6,601	4,743
Less: Loss allowance	(11)	(11)
	<hr/>	<hr/>
Trade receivables from a related company	6,590	4,732
	2,986	2,135
	<hr/>	<hr/>
	9,576	6,867

Trade receivables from third parties

The credit terms normally granted by the Group to customers upon delivery of goods range from 0 to 90 days.

The Group applies simplified approach to provide for ECL of trade receivables prescribed by HKFRS 9. To measure the ECL, trade receivables have been assessed individually.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2025

11. TRADE RECEIVABLES (continued)

Trade receivables from third parties (continued)

The following is an ageing analysis of trade receivables from third parties (net of loss allowance) of the Group presented based on the invoice dates, which approximates to the dates on which revenue was recognised, at the end of the reporting period:

	As at 30 September 2025 HK\$'000 (unaudited)	As at 31 March 2025 HK\$'000 (audited)
Within 30 days	2,952	4,067
31–60 days	1,568	463
61–90 days	1,305	61
91–180 days	–	111
181–365 days	1	30
Over 365 days	764	–
	<hr/> 6,590	<hr/> 4,732

As at 30 September 2025, out of the past due balances, HK\$765,000 (31 March 2025: HK\$30,000) were past due over 90 days or more.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2025

11. TRADE RECEIVABLES (continued)

Trade receivables from a related company

The trade receivables from a related company represents the amount due from Veromia Limited, which is a private limited liability company incorporated in the United Kingdom and Mr. S Chong is the director and sole controlling shareholder.

The balance is trade in nature and no interest is charged on the amount due from Veromia Limited. Credit term of 90 days are granted by the Group to Veromia Limited upon delivery of goods.

The following is an ageing analysis of trade receivables from a related company of the Group presented based on the invoice dates, which are approximate to the dates on which revenue was recognised, at the end of the reporting period:

	As at 30 September 2025	As at 31 March 2025
	HK\$'000 (unaudited)	HK\$'000 (audited)
Within 30 days	664	271
31–60 days	27	–
61–90 days	93	1,450
91–180 days	648	414
181–365 days	1,554	–
	<hr/>	<hr/>
	2,986	2,135

The Group assessed loss allowance on trade receivables from a related company on lifetime ECL basis.

As at 30 September 2025, out of the past due balances, HK\$1,554,000 (31 March 2025: nil) were past due over 90 days or more.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2025

12. TRADE PAYABLES

The credit period on purchase of goods ranged from 0 to 60 days. The ageing analysis of the trade payables of the Group presented based on the invoice dates at the end of the reporting period is as follows:

	As at 30 September 2025 HK\$'000 (unaudited)	As at 31 March 2025 HK\$'000 (audited)
Within 30 days	2,176	2,283
31–60 days	1,485	625
61–90 days	1,329	389
91–180 days	554	1,546
181–365 days	2,261	491
Over 365 days	188	58
	<hr/>	<hr/>
	7,993	5,392

13. BOND PAYABLE

	As at 30 September 2025 HK\$'000 (unaudited)	As at 31 March 2025 HK\$'000 (audited)
HK\$ Bond (Note)	10,000	–

Note: The bond issued by the Company is unsecured and interest-bearing at 30% per annum. As at 30 September 2025, HK\$10,000,000 bond issued is repayable within one year.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2025

14. BORROWINGS AND BANK OVERDRAFTS

(a) *Borrowings*

	As at 30 September 2025 HK\$'000 (unaudited)	As at 31 March 2025 HK\$'000 (audited)
Unsecured and guaranteed:		
Bank loans (<i>note c</i>)	2,821	3,280
Other loan (<i>note d</i>)	—	3,000
	<hr/> 2,821	<hr/> 6,280
Secured and guaranteed:		
Bank loans (<i>note c</i>)	1,257	3,766
Other loan (<i>note e</i>)	2,420	5,300
	<hr/> 3,677	<hr/> 9,066
Total	6,498	15,346
Carrying amounts of borrowings which are based on scheduled repayment dates set out in the loan agreements and classified as current due to repayment on demand clause:		
Within one year	4,239	12,173
More than one year but not more than two years	1,345	1,771
More than two years but not more than five years	914	1,402
	<hr/> 6,498	<hr/> 15,346
Amounts shown under current liabilities		

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

For the six months ended 30 September 2025

14. BORROWINGS AND BANK OVERDRAFTS (continued)

(b) *Bank overdrafts*

	As at 30 September 2025 HK\$'000 (unaudited)	As at 31 March 2025 HK\$'000 (audited)
Secured and guaranteed:		
Bank overdrafts	5,958	5,918

The variable-rate bank overdrafts bear interest at 1-month HIBOR plus a spread per annum. The effective interest rate (which is also equal to contracted interest rate) on the Group's variable-rate bank overdrafts was 6.79% (31 March 2025: 6.98%).

(c) As at 30 September 2025 and 31 March 2025, the Group entered into several banking facilities with banks in Hong Kong. The banking facilities are secured by assets held by the Group and/or guaranteed by Mr. Chong Sik ("Mr. S Chong") and Mr. Chong Pun ("Mr. P Chong"), the directors of the Company, details of which are set out as follows:

- (i) Corporate guarantee from the Company; and
- (ii) Leasehold land and buildings of the Group.

The bank loans carry variable interest rates ranging from 2.88% to 4.29% (31 March 2025: 2.50% to 7.23%).

(d) As at 31 March 2025, the Group entered into other loan agreement with an independent third party in Hong Kong. The other loan was unsecured and guaranteed by a corporate guarantee from the Company. The other loan bore fixed interest of 30% per annum as at 31 March 2025 and was repaid in April 2025.

(e) As at 30 September 2025 and 31 March 2025, the Group entered into other loan agreement with an independent third party in Hong Kong. The other loan is secured by the investment properties held by the Group and guaranteed by Mr. S Chong and Mr. P Chong. The other loan bears fixed interest of 12.25% (31 March 2025: 12.25%) per annum and repayable by instalments in 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2025

15. SHARE CAPITAL

	Notes	Number of shares	HK\$'000
<i>Authorised:</i>			
Ordinary shares of HK\$0.01 each			
At 1 April 2024 (audited) and 30 September 2024 (unaudited)		10,000,000,000	100,000
Share consolidation	(a)	(9,500,000,000)	—
Ordinary shares of HK\$0.20 each			
At 31 March 2025 (audited), 1 April 2025 (audited) and 30 September 2025 (unaudited)		500,000,000	100,000
<i>Issued and fully paid:</i>			
Ordinary shares of HK\$0.01 each			
At 1 April 2024 (audited) and 30 September 2024 (unaudited)		842,432,607	8,424
Issue of shares upon placing of shares	(b)	168,486,000	1,685
Share consolidation	(a)	(960,372,677)	—
Ordinary shares of HK\$0.20 each			
At 31 March 2025 (audited), 1 April 2025 (audited) Issue of shares upon rights issue	(c)	50,545,930 151,637,790	10,109 30,328
At 30 September 2025 (unaudited)		202,183,720	40,437

Notes:

- (a) Share consolidation of every twenty issued and unissued shares of HK\$0.01 each in the share capital of the Company be consolidated into one consolidated share of HK\$0.20 each with effective from 31 October 2024.
- (b) On 15 October 2024, the Company allotted and issued a total of 168,486,000 new ordinary shares to not less than six independent placees at a price of HK\$0.0315 per share, receiving aggregate gross proceeds of approximately HK\$5,307,000, net of commission payable and other expenses of approximately HK\$475,000.
- (c) On 11 April 2025, the Company issued 151,637,790 shares by way of rights issue on the basis of three right shares for every one existing ordinary share held by the shareholders at a subscription price of HK\$0.29 per share representing a discount of approximately 9.09% to the closing market price of the Company's ordinary shares on 31 October 2025. The net proceeds from the rights issue were approximately HK\$41,600,000 after deducting the transaction costs attributable to issue of new shares.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2025

16. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the condensed consolidated financial statements, the Group entered into the following transactions with related parties:

Name of related party	Nature of transaction	Six months ended 30 September	
		2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Veromia Limited	Sales of garment products Purchases of samples/fabrics	1,002 –	1,199 –
Vantage Zone Investments Limited	Interest income from loan advances to an associate	–	25
Mr. S Chong and Mr. P Chong	Interest expense on lease liabilities (Note)	43	43

Note: Certain lease contracts were entered into with Mr. S Chong and Mr. P Chong for the use of factory premises and staff dormitories during both periods.

17. EVENTS AFTER THE REPORTING PERIOD

On 2 November 2025, the Company proposed to raise gross proceeds of up to approximately HK\$40.4 million by way of the issue of up to 202,183,720 rights shares at the subscription price of HK\$0.20 per rights share on the basis of one rights share for every one share held by the qualifying shareholders on the record date (the "Proposed Rights Issue"). The Proposed Rights Issue is subject to the approval of the independent shareholders of the Company at the extraordinary general meeting by way of poll. Details of the Proposed Rights Issue were set out in the announcements of the Company dated 2 November 2025, 12 November 2025, 18 November 2025 and 25 November 2025.