南旋控股有限公司
Nameson Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1982

2026
ANNUAL REPORT

About **Nameson**

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

About the Annual Report Design

The soul of knitwear lies in fine yarns, craftsmanship, and the vision behind it. The Annual Report cover shows a dynamic flowing river of knitted, cashmere yarn, and fabric textures. Like a living river, it adapts to changes, gathers strength, overcomes obstacles, and carves new paths. This symbolises Nameson's 35-year journey integrating our core knitwear with expanded businesses into cashmere yarn and fabric through continuous innovation. Guided by sustainability, with solar panels, green leaves, and hands embracing the Earth with gold coins, we create value and give back as we weave a brighter future.

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Wong Wai Yue, *MH (Chairman)*
Mr. Man Yu Hin *(Chief Executive Officer)*
Mr. Wong Ting Chun
Mr. Li Po Sing[(1)]
Ms. Guo Fenfen[(2)]

Independent non-executive Directors

Ms. Fan Chiu Fun, Fanny, *GBM, GBS, JP*
Mr. Kan Chung Nin, Tony, *SBS, JP*[(3)]
Mr. Fan Chun Wah, Andrew, *JP*[(4)]
Mr. Ip Shu Kwan, Stephen, *GBS, JP*
Mr. Sun Po Yuen, *JP*[(5)]

BOARD COMMITTEES

Audit Committee

Mr. Fan Chun Wah, Andrew, *JP (Chairman)*[(6)]
Mr. Sun Po Yuen, *JP (Chairman)*[(7)(8)]
Mr. Kan Chung Nin, Tony, *SBS, JP*[(9)]
Mr. Ip Shu Kwan, Stephen, *GBS, JP*
Ms. Fan Chiu Fun, Fanny, *GBM, GBS, JP*

Remuneration Committee

Mr. Kan Chung Nin, Tony, *SBS, JP (Chairman)*[(10)]
Mr. Sun Po Yuen, *JP (Chairman)*[(11)]
Mr. Wong Wai Yue, *MH*
Mr. Ip Shu Kwan, Stephen, *GBS, JP*

Nomination Committee

Mr. Wong Wai Yue, *MH (Chairman)*
Mr. Kan Chung Nin, Tony, *SBS, JP*[(9)]
Ms. Fan Chiu Fun, Fanny, *GBM, GBS, JP*
Mr. Sun Po Yuen, *JP*[(7)]

Executive Committee

Mr. Wong Wai Yue, *MH (Chairman)*
Mr. Man Yu Hin
Mr. Wong Ting Chun
Mr. Li Po Sing[(12)]
Ms. Guo Fenfen[(13)]

COMPANY SECRETARY

Mr. Tao Chi Keung, *HKICPA, ACCA*

AUTHORISED REPRESENTATIVES

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

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

Notes:
(1) Resigned as a Director with effect from 1 January 2026
(2) Appointed as a Director with effect from 1 January 2026
(3) Retired as a Director with effect from 29 September 2025
(4) Resigned as a Director with effect from 31 March 2026
(5) Appointed as a Director with effect from 29 September 2025
(6) Ceased to be Chairman with effect from 31 March 2026
(7) Appointed as a member with effect from 29 September 2025
(8) Redesignated as Chairman with effect from 1 April 2026
(9) Ceased to be a member with effect from 29 September 2025
(10) Ceased to be Chairman with effect from 29 September 2025
(11) Appointed as Chairman with effect from 29 September 2025
(12) Ceased to be a member with effect from 1 January 2026
(13) Appointed as a member with effect from 1 January 2026

HONG KONG SHARE REGISTRAR

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

AUDITOR

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with
the Accounting and Financial Reporting Council Ordinance
8th Floor, Prince's Building
10 Chater Road, Central
Hong Kong

LEGAL ADVISER

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

PRINCIPAL BANKERS

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

STOCK CODE

1982

WEBSITE OF THE COMPANY

https://www.namesonholdings.com

CHAIRMAN'S STATEMENT

Amid escalating trade tensions and new U.S. tariffs, the Group's early strategic investment in Vietnam enabled us to capture significant order growth as brands redirected sourcing. Sweaters orders increased meaningfully, while our fabric business showed steady progress through quality improvements and new customer wins. We remain agile and open-minded on geographic diversification, automation, and ESG enhancement to strengthen our competitive position and deliver sustainable long-term value to shareholders.

To Our Respected Shareholders,

On behalf of the board of directors (the "Board") of Nameson Holdings Limited (the "Company"), I hereby present the annual results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2026 ("Financial Year 2026").

MARKET REVIEW

Financial Year 2026 proved to be a year of markedly heightened complexity for the global garment and textile industry. The rapid escalation of trade tensions, particularly the imposition of significant new tariffs by the United States government on imports from most countries, temporarily dampened brand customers' purchasing confidence. This development, together with the redirection of orders previously sourced from the People's Republic of China ("Mainland China"), prompted a pronounced reorientation of sourcing strategies among international apparel brands. Buyers moved with greater urgency to redirect production and procurement towards lower-tariff jurisdictions, with Vietnam emerging as one of the key beneficiaries of this accelerated supply chain rebalancing.

During Financial Year 2026, Vietnam's textile and garment exports increased by 5.5%, while Mainland China's export of garments saw a decrease of 2.1%, reflecting the further prompt on brands' sourcing strategies. These macro trends were directionally consistent with the Group's production allocation during Financial Year 2026.

The global economic landscape remained divergent. Across the industry, a key concern is the durability of consumer spending momentum in the face of mounting macroeconomic headwinds. Persistent inflationary pressures, expectations of further interest rate adjustments, and the prospect of higher consumer prices arising from tariff pass-through effects have collectively contributed to a more cautious consumption outlook for the mass market products. Nonetheless, these macro conditions have not directly curtailed to the Group's mid-to-high-end customers, the Group's orders for the knitwear business grew considerably during Financial Year 2026, but with more orders directed to be produced in Vietnam.

BUSINESS REVIEW

The results of Financial Year 2026 are, in important respects, a testament to the value of acting ahead of the curve. The Group's decision to invest early in Central Vietnam well before the current tariff-driven surge in demand, has proven to be one of the most consequential strategic choices. When brand customers accelerated their reorientation of sourcing toward Vietnam, the Group's Vietnam facilities were already well established, supported by embedded supplier relationships, a growing and trained workforce, and the operational infrastructure to scale with purpose. This early mover advantage enabled the Group to capture an increased share of the influx of orders, and further reinforced customers' confidence in the Group's reputation.

The Group's knitwear business recorded a meaningful increase in orders during Financial Year 2026, with orders directed toward the Vietnam manufacturing base. Encouragingly, this year also saw the Group deepen relationships with new customers of strong potential, a reflection of its reputation for on-time delivery, consistent quality, and the breadth of its one-stop solution capabilities. The ability to attract and retain established and new quality brand partners speaks to the strength of the Group's standing in the industry and reinforces confidence in its long-term growth trajectory.

During Financial Year 2026, the sales volume of men's and women's knitwear products increased by 11.3% to 32.4 million pieces (FY2025: 29.1 million pieces). The average selling price of men's and women's knitwear was HK$112.6 per piece (FY2025: HK$115.6 per piece), reflecting the changes in product mix, as well as lower pricing in a particular product category. Consequently, the revenue from men's and women's knitwear increased by 8.4% to HK$3,648.6 million (FY2025: HK$3,364.9 million).

Notwithstanding the encouraging order momentum, the growth in volumes was accompanied by operational challenges that posed inevitable pressure on the Group's profitability. As production scaled beyond a certain threshold, the enhancement of operational efficiency experienced a plateau. The competition for skilled labour in Vietnam intensified as the broader surge in manufacturing activity across the country placed significant strain on the available labour pool, resulting in higher turnover rates among skilled workers. This, at times, disrupted production continuity and added friction to the increased production within a set period of time. Whilst the Group continued to invest in workforce development and retention, the tightening of the local labour market pressured labour associated costs upward. Compounding to this, the expansion of the Group's operations necessitated a corresponding increase in overall overhead costs. These cost increases, taken together, exerted pressure on the gross profit margin during the year.

Furthermore, brand customers who were aware of the capacity constraints across the industry but eager to fulfil their end markets, demanded accelerated production timelines. This compression in lead times increased the intensity of operations while the cost of faster turnaround, including higher logistics expenses, could not be fully passed on to customers. Quality brand customers, who are generally better placed to pass tariff-related cost increases to end consumers, remained valued long-term partners; however, even within this tier, the competitive dynamics on the supply side created constraints that limited the Group's ability to fully recover rising input costs, and at the same time, lower pricing was experienced in a particular product category. As a consequence of the foregoing, despite recording higher order volumes in Financial Year 2026, the Group's gross profit margin faced pressure year-on-year. These are challenges the Group takes seriously and is addressing with deliberation and will remain agile to make prompt operational adjustments when necessary.

The Group's fabric business made notable strides in Financial Year 2026, reflecting ongoing improvements in product quality and a broadening of its customer base. New business wins contributed meaningfully to the segment's revenue trajectory. Nevertheless, capacity utilisation varied across the months of the year. In particular, certain months during the second half of Financial Year 2026 experienced lower capacity fill-up ratios following the temporary halt in U.S. government procurement activity, which disrupted order flow for certain months. Despite this interruption, the overall direction of the fabric business remains encouraging, and the Group is confident that the momentum built over recent periods will continue to underpin its growing contribution.

Global sentiment for discretionary spending continued to be affected by uncertainty and caution during the year. Within the cashmere yarn business, external customer demand weakened against this backdrop, and the Group's cashmere yarn sales to external customers as well as profitability declined year-on-year during Financial Year 2026. The Group continues to manage this business with flexibility, balancing external sales with the evolving internal requirements of its sweater production. The focus on sustainable sourcing and the traceable provenance of cashmere materials has strengthened the Group's positioning with discerning customers, and while the production line for the business is scheduled to launch soon in Vietnam, the Group remains committed to developing this upstream business as a source of long-term differentiation.

The Group's total revenue for Financial Year 2026 increased by 6.2% to HK$4,623.4 million (FY2025: HK$4,352.1 million). This increase was primarily driven by higher sweater order volumes directed toward the Vietnam operations, as well as the order increase from the fabric business, partly offset by the decline in cashmere yarn sales to external customers.

The Group's gross profit decreased by 3.0% to HK$758.6 million (FY2025: HK$781.8 million), and gross profit margin decreased by 1.6 percentage points to 16.4% (FY2025: 18.0%). The net profit margin performance reflected the combined effect of higher labour costs arising from the competitive labour market in Vietnam, elevated logistics expenses associated with compressed production timelines, and a broader increase in overall overheads as the Group's operational footprint expanded to accommodate growing order volumes. Whilst these cost pressures were in part a function of the Group's own growth, they were not fully recoverable through pricing adjustments given the prevailing competitive environment. The Group's profit for the year decreased to HK$295.5 million (FY2025: HK$355.4 million), representing a decline of 16.9%.

The Board has decided not to recommend a final dividend. Including the interim dividend of HK11.0 cents per share, the full-year dividend of HK11.0 cents per share represents a payout ratio of 83%, in appreciation for shareholders' continued trust and support throughout the years (FY2025 full-year dividend: HK11.3 cents per share).

FUTURE STRATEGIES AND PROSPECTS

Looking ahead, the Group draws confidence not only from the strength of its order pipeline but from the quality of the partnerships cultivated over many years. Many of the Group's brand customers have stood alongside it through previous industry downturns and market dislocations, and it has become obvious that the Group has been growing as a preferred manufacturing partner. This trust is the clearest signal of the opportunities that lies ahead.

The trade and tariff environment, whilst disruptive, has further validated the Group's strategic decision to establish a substantial and capable manufacturing presence in Vietnam. The early entry into Central Vietnam has allowed the Group to develop not merely a production base, but a mature ecosystem of suppliers, processes and reputation that is genuinely difficult to replicate at speed. The Group will continue to invest in its Vietnam operations with measured discipline and focus, deepening this advantage further and cementing its position as one of the most capable and reliable knitwear manufacturers in the region.

At the same time, the Group recognises that its quality brand customers, whilst continuing to grow their demands, are increasingly inclined to broaden the geographic origins of their production as part of a more deliberate diversification of supply chain risk. This is a rational and considered response to the evolving global trade landscape, and the Group views it as a natural extension of its own long-term strategy. Accordingly, whilst Vietnam remains and will continue to be the primary manufacturing hub, the Group will be more active in exploring further geographic expansion beyond Vietnam. The Group is committed to doing so on terms that serve the mutual interests of its customers and the Group, providing customers with the sourcing diversity they seek, whilst enabling the Group to access new growth pools and extend its operational expertise into complementary geographies. Just as the early move into Vietnam proved to be the right decision at the right time, acting in advance of the next wave of demand rather than reacting to it is what the Group believes will become the defining factor in its ability to grow as a preferred partner of choice for the brands it serves.

In line with previous expansion strategies, the Group remains agile and open-minded to opportunities not only in its core knitwear business but also in related businesses where its capabilities and relationships can create meaningful value. The ambition is to continue building the Group's foothold across the knitwear and related industry value chain, growing the depth and breadth of what can be offered to customers and, in doing so, rendering the Group an ever more integral part of their supply chains.

Addressing the labour situation in Vietnam remains a priority for the period ahead. The Group is exploring a range of initiatives to improve workforce stability, including enhanced retention programmes and continued investment in training and skills development. In parallel, the Group is actively exploring the potential of automation and the application of artificial intelligence in its manufacturing workflows, with a view to improving production consistency, reducing reliance on manual intervention for repetitive tasks, and unlocking greater productivity across operations. The long-term competitiveness of the Group's Vietnam operations and of the Group as a whole depends on the ability to evolve production capabilities in accordance with the rapidly changing technological landscape, and the Group is committed to investing in this direction with focus and purpose.

The Group will continue to work closely with its quality brand partners to optimise planning and lead-time management in a way that supports both their operational requirements and the sustainability of the Group's own margins. The depth of these relationships, built over many years of delivering quality products on time and through periods of shared challenge, provides a constructive and enduring basis for continued growth together.

With respect to the fabric and cashmere yarn businesses, the Group remains focused on building the scale and quality of these operations over time. The ambition to be a prominent raw material solutions provider in Vietnam continues to guide the Group's strategic direction in these areas.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group is pleased to report continued progress in its environmental, social and governance ("ESG") efforts during Financial Year 2026. ESG has become increasingly central to the procurement criteria of brand customers, and the Group views its commitment in this area not merely as a compliance obligation but as a genuine source of competitive differentiation and long-term business resilience. The Group's ongoing efforts in responsible sourcing, environmental stewardship, and transparent supply chain management have been well received by customers and are increasingly cited as a determining factor in their selection of the Group as a preferred manufacturing partner. These attributes will become even more important as global brands intensify their scrutiny of supplier sustainability standards, and the Group is committed to continuing to raise the bar and to standing out from industry peers in this regard. Further details of the Group's ESG achievements and initiatives during the year are set out in the separately published Environmental, Social and Governance Report.

The Group's adaptable management approach and inherent operational agility remain central to navigating an environment that continues to evolve with considerable speed. The ability to act ahead of change has been, and will continue to be, a defining characteristic of how the Group is managed and grown. The Group maintains its commitment to prudent financial management, healthy cash generation and a sustainable dividend distribution, in appreciation for the trust and support of its shareholders.

I would like to extend my sincere gratitude to the Group's customers, suppliers, business partners, shareholders, and all members of its dedicated staff for their continued confidence and unwavering support. It is the strength of these relationships, fostered through years of shared endeavour and mutual trust that underpins everything the Group does and gives confidence in the road ahead. Their commitment has been, and will continue to be, the cornerstone of the Group's progress.

Wong Wai Yue, *MH*
Chairman and Executive Director
22 June 2026

MANAGEMENT
DISCUSSION & ANALYSIS

FINANCIAL REVIEW

	Year ended 31 March	
	2026	2025
	HK$'000	HK$'000
Revenue	**4,623,426**	4,352,130
Cost of sales	**(3,864,851)**	(3,570,315)
Gross profit	**758,575**	781,815
Other income	**24,465**	20,487
Other gains, net	**38,579**	41,163
Selling and distribution expenses	**(52,010)**	(39,606)
General and administrative expenses	**(398,170)**	(353,949)
Operating profit	**371,439**	449,910
Share of post-tax profit of joint ventures	**810**	1,493
Finance income	**10,386**	7,812
Finance expenses	**(45,481)**	(51,335)
Finance expenses, net	**(35,095)**	(43,523)
Profit before income tax	**337,154**	407,880
Income tax expenses	**(41,695)**	(52,466)
Profit for the year	**295,459**	355,414
Profit for the year attributable to:		
— Owners of the Company	**300,559**	342,327

FINANCIAL REVIEW

Revenue

The Group's revenue for the year ended 31 March 2026 mainly represented revenue from sales of knitwear products, namely womenswear, menswear, children's wear, scarves, hats and gloves, collectively referred to as ("sweaters"), as well as other products such as cashmere yarns and fabrics, to our customers.

The Group's revenue increased by 6.2% to HK$4,623.4 million for the year ended 31 March 2026 from HK$4,352.1 million for the year ended 31 March 2025. The increase was mainly attributable to the increase in total sales revenue of men's and women's knitwear products for the year ended 31 March 2026 by HK$283.7 million to HK$3,648.6 million as compared to the year ended 31 March 2025, while the sales revenue of cashmere yarn for the year ended 31 March 2026 decreased by HK$217.2 million to HK$358.4 million as compared to the year ended 31 March 2025.

The increase in the total sales revenue of men's and women's knitwear products was driven by the higher sales volume and decreased average selling price. The Group's sales volume of men's and women's knitwear products increased by 11.3% from 29.1 million pieces for the year ended 31 March 2025 to 32.4 million pieces for the year ended 31 March 2026, while the average selling price of the Group's men's and women's knitwear products decreased by 2.6% from HK$115.6 per piece for the year ended 31 March 2025 to HK$112.6 per piece for the year ended 31 March 2026. Such increase in sales volume was mainly attributable to the stronger-than-expected customer demand in the second half of the year ended 31 March 2026, while the decrease in average selling price was mainly due to changes in the produce mix and a particular product category experiencing considerable pricing pressure.

On the other hand, divergent from the Group's geographical market distribution for the year ended 31 March 2025, Japan, North America and Europe were the top three markets of our Group for the year ended 31 March 2026. The revenue attributable to the Japanese market, North American market and European market accounted for 20.1%, 19.1% and 18.6% respectively of the Group's total revenue for the year ended 31 March 2026.

Cost of Sales

For the year ended 31 March 2026, the Group incurred cost of sales of HK$3,864.9 million. Cost of sales primarily consisted of cost of inventories, direct labour costs, subcontracting charges to our subcontractors, depreciation, electricity and water and production overhead costs.

Gross Profit and Gross Profit Margin

During the year ended 31 March 2026, the Group recorded gross profit of HK$758.6 million and gross profit margin of 16.4% as compared to the gross profit of HK$781.8 million and gross profit margin of 18.0% for the year ended 31 March 2025.

The decreases in gross profit and margin for the year ended 31 March 2026 were mainly due to a particular category of sweaters experiencing a considerable pricing pressure even though the total sales revenue of men's and women's knitwear products increased by 8.4% as compared to the year ended 31 March 2025 due to the stronger-than-expected customer demand.

The Group's gross profit and margin also came under pressure due to the unsatisfactory sales performance of cashmere yarn. This impact was partially mitigated by the enhanced performance of fabric business.

Other Income

Other income primarily consisted of rental income from investment properties, government subsidies and miscellaneous other income. The other income increased by HK$4.0 million from HK$20.5 million for the year ended 31 March 2025 to HK$24.5 million for the year ended 31 March 2026. Such increase was mainly attributable to the increase in rental income from investment properties by HK$6.2 million as the Group rented out some underused factory space in the Mainland China and the full year effect was reflected for the year ended 31 March 2026, which was partially offset by the decrease in government subsidies by HK$2.6 million.

Other Gains, Net

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

Other gains decreased by HK$2.6 million from net gains of HK$41.2 million for the year ended 31 March 2025 to net gains of HK$38.6 million for the year ended 31 March 2026. The decline was primarily attributable to the reduction in net gains on disposals of property, plant and equipment of HK$11.4 million as the Group disposed of fewer aged machines and only recorded net disposal gains of HK$0.8 million for the year ended 31 March 2026. However, this was largely offset by the increase in net foreign exchange gains from HK$23.2 million for the year ended 31 March 2025 to HK$31.5 million for the year ended 31 March 2026, mainly driven by the appreciation of the United States dollars against the Vietnamese Dong.

In summary, other gains for the year ended 31 March 2026 mainly represented net foreign exchange gains of HK$31.5 million, net gains on financial assets at fair value through profit or loss of HK$6.3 million and net gains on disposals on property, plant and equipment of HK$0.8 million.

Selling and Distribution Expenses

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

The Group's selling and distribution expenses increased by HK$12.4 million, from HK$39.6 million for the year ended 31 March 2025 to HK$52.0 million for the year ended 31 March 2026. Such increase was largely attributable to the increase in transportation costs with the rise in both normal and accelerated shipping volumes.

General and Administrative Expenses

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

The Group's general and administrative expenses increased by HK$44.3 million from HK$353.9 million for the year ended 31 March 2025 to HK$398.2 million for the year ended 31 March 2026. Such increase was primarily attributable to the increases in staff costs and other incidental office expenses, including legal and professional fees as well as entertainment expenses, reflecting the Group's broader business scope and intensified activities during the year ended 31 March 2026.

Finance Expenses, Net

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

The Group's net finance expenses decreased by HK$8.4 million from HK$43.5 million for the year ended 31 March 2025 to HK$35.1 million for the year ended 31 March 2026. The decrease in net finance expenses was primarily attributable to the decline in market interest rates in Hong Kong during the year ended 31 March 2026, particularly in the first half of the financial year.

Income Tax Expenses

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

Hong Kong profits tax as applicable to the Group is 16.5% for the years ended 31 March 2026 and 2025 on the estimated assessable profits arising in or derived from Hong Kong during the relevant years.

The Group's subsidiaries in Mainland China are subject to the China Corporate Income Tax ("CIT") at a rate of 25% on the estimated assessable profits for the years ended 31 March 2026 and 2025. Two of the Group's subsidiaries in Mainland China are subject to the CIT at the rate of 15%, after being assessed as high and new technology enterprises.

The Group's subsidiaries in Vietnam are subject to preferential business income tax ("BIT") at the rate of 17% for the first 10 years from the commencement of operation. After that, the entities are subject to BIT at the standard rate of 20%. According to the investment certificates, the subsidiaries are subject to preferential BIT rate on taxable income for the first 10 years from the commencement of operation. In addition, the subsidiaries are entitled to full exemption from BIT for the first 2 years from the first year of earning taxable profit and are eligible for a 50% reduction in the BIT rate in the 4 years thereafter. With respect to the Company's five subsidiaries in Vietnam, one is subject to the BIT rate of 20% (2025: 20%) in the current year, one is eligible for a 50% reduction, and the remaining three have no taxable profit for the current year (2025: same).

The Group's effective tax rates based on the net profit before income tax were 12.4% and 12.9% for the years ended 31 March 2026 and 2025 respectively.

Profit for the Year Attributable to the Owners of the Company

As a result of the foregoing, the Group recorded profit attributable to the owners of the Company of HK$300.6 million and HK$342.3 million for the years ended 31 March 2026 and 2025 respectively.

For the year ended 31 March 2026, profit attributable to the owners of the Company recorded a decline, primarily due to a reduction in gross profit of HK$23.2 million, together with increases in selling and distribution expenses of HK$12.4 million and general and administrative expenses of HK$44.3 million. In respect of those subsidiaries with minority shareholders, a portion of these adverse impacts was borne by them, reflecting their proportionate share of the overall decline in profitability.

The contraction in gross profit margin was largely driven by considerable pricing pressure on a particular category of sweaters. Despite achieving high-single-digit growth in both sales volume and revenue for sweaters, the intensified pricing pressure on this category of sweaters impacted overall profitability.

Meanwhile, the increases in selling and distribution expenses and general and administrative expenses reflected the Group's expanded business scope and activities, as well as higher shipping costs arising from both normal and accelerated delivery volumes. These factors collectively contributed to the downward pressure on the profit for the year ended 31 March 2026.

Adjusted Net Profit

For the years ended 31 March 2026 and 2025, there are no adjusting items for adjusted net profit relating to prior financial years, or such items are considered immaterial. Accordingly, no adjusted net profit has been disclosed in this annual report.

Dividend

An interim dividend of 11.0 HK cents per share was paid on 19 December 2025.

At a Board meeting held on 22 June 2026, the Board did not recommend the payment of final dividend for the year ended 31 March 2026.

Consolidated Cash Flow Statement

	Year ended 31 March	
	2026	2025
	HK$'000	HK$'000
Net cash generated from operating activities	**571,928**	222,940
Net cash used in investing activities	**(298,630)**	(238,307)
Net cash used in financing activities	**(157,338)**	(272,114)
Net increase/(decrease) in cash and cash equivalents	**115,960**	(287,481)
Cash and cash equivalents at beginning of the year	**430,818**	717,404
Exchange difference on cash and cash equivalents	**7,024**	895
Cash and cash equivalents at end of the year	**553,802**	430,818

Net Cash Generated from Operating Activities

The Group's net cash generated from operating activities for the year ended 31 March 2026 was HK$571.9 million, primarily due to profit before income tax of HK$337.2 million, adjusted for depreciation of HK$260.0 million and decrease in prepayments, deposits, other receivables and other assets of HK$63.6 million, which was partially offset by the increase in trade and bills receivables of HK$75.1 million.

Net Cash Used in Investing Activities

The Group's net cash used in investing activities for the year ended 31 March 2026 was HK$298.6 million, due to the purchase of property, plant and equipment of HK$310.7 million, which was partially offset by the interest received of HK$10.4 million.

Net Cash Used in Financing Activities

The Group's net cash used in financing activities for the year ended 31 March 2026 was HK$157.3 million, primarily due to the dividend payments of HK$284.9 million and repayment of loan from non-controlling shareholder of a subsidiary of HK$44.0 million, which was partially offset by the net increase in the Group's total bank borrowings and lease liabilities of HK$173.2 million.

Cash and Cash Equivalents

For the year ended 31 March 2026, the Group's cash and cash equivalents increased by HK$116.0 million and the exchange gain was HK$7.0 million. The net increase in the Group's cash and cash equivalents was from HK$430.8 million as at 31 March 2025 to HK$553.8 million as at 31 March 2026.

OTHER FINANCIAL INFORMATION

Liquidity and Financial Resources

For the year ended 31 March 2026, the Group's cash and cash equivalents were mainly used in the Group's business operations and expansion, to service the Group's indebtedness and to fund the Group's working capital. The Group financed its funding requirements mainly through a combination of cash generated from operating activities and bank borrowings. The Group's gearing ratio increased from 20.1% as at 31 March 2025 to 23.3% as at 31 March 2026.

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

As at 31 March 2026, the Group's cash and cash equivalents, amounting to HK$553.8 million, were denominated in US dollars ("US$") (54.8%), Chinese Renminbi ("RMB") (34.3%), HK$ (6.8%), Vietnamese Dong ("VND") (3.4%) and other currencies (0.7%).

As at 31 March 2026, the Group's total bank borrowings and lease liabilities were due for repayment as follows:

	2026 HK$'000	2025 HK$'000
Within one year	**682,217**	377,713
Between one and two years	**427,888**	429,263
Between two and five years	**240,210**	288,123
	1,350,315	1,095,099

Notes:

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

(b) As at 31 March 2026, the Group's total bank borrowings and lease liabilities were denominated in HK$(83.8%), US$(14.9%) and RMB(1.3%). All the Group's bank borrowings were floating rate borrowings. The weighted average effective interest rates of the Group's bank borrowings and lease liabilities for the year ended 31 March 2026 were 3.02% and 4.73% respectively.

Financial Risk Management

(a) Foreign Currency Risk

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

During the year ended 31 March 2026, the Group did not enter into any forward foreign currency contracts to mitigate its exposures of RMB and VND against US$. The Board will continue to closely monitor the Group's foreign currency risk exposure and may use appropriate financial instruments for hedging purposes as and when necessary.

(b) Interest Rate Risk

The Group's interest rate risk arises primarily from bank borrowings. Bank borrowings issued at variable rates expose the Group to cash flow interest rate risk and bank borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the year ended 31 March 2026, the Group did not enter into any interest rate swap contract to mitigate its interest rate risk. The Board will continue to closely monitor the Group's loan portfolio in order to manage the Group's interest rate risk exposure and may use appropriate financial instruments for hedging purpose as and when necessary.

(c) Credit Risk

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

As at 31 March 2026, substantially all of the Group's bank balances and deposits were held with major financial institutions in Hong Kong, Mainland China and Vietnam which the Directors believe are of high credit quality. The Directors do not expect any losses arising from the non-performance by these financial institutions.

(d) Liquidity Risk

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

Capital Expenditures

The Group incurred capital expenditures of approximately HK$350.0 million for the year ended 31 March 2026, which were mainly related to the purchase of machinery and equipment for our factories and the construction of new production bases in Vietnam. These capital expenditures were fully financed by internal resources, bank borrowings and lease liabilities.

Capital Commitments

The Group's capital commitments as at 31 March 2026 amounted to approximately HK$80.6 million which were mainly related to the purchase of machinery and equipment for our factories and the construction of new production bases in Vietnam.

Charge on Assets

The Group had no charge on assets as at 31 March 2026.

Contingent Liabilities

The Group had no material contingent liability as at 31 March 2026.

Significant Investments, Acquisitions and Disposals

The Group had no significant investments, acquisitions and disposals during the year ended 31 March 2026.

Events after Balance Sheet Date

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

Financial Instruments

The Group did not have any outstanding hedging contracts or financial derivatives as at 31 March 2026.

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

Operating Segment Information

The Group's revenue and results for the years ended 31 March 2026 and 2025 were derived from manufacturing of knitwear products, which is considered as a single operating segment in a manner consistent with the way in which information is reported internally to the Group's chief operating decision-maker for allocation of resources and performance assessment.

Human Resources and Emolument Policy

As at 31 March 2026, the Group had a total of approximately 16,100 full-time employees in Vietnam, Mainland China and Hong Kong. For the year ended 31 March 2026, the total staff costs, including the directors' emoluments, amounted to HK$1,104.4 million.

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

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

Remuneration Policy

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

Biographical Details of Directors and Members of Senior Management

EXECUTIVE DIRECTORS

Mr. Wong Wai Yue (王槐裕), *MH*, aged 44, has been our Director since 30 August 2015. He was re-designated as executive Director and vice chairman with effect from 27 November 2017 and then re-designated as chairman with effect from 1 April 2021. He is primarily responsible for overseeing and managing the Board and formulating the corporate strategy. Currently, Mr. Wong assumes various directorships in our Group, including Nameson Group Limited, First Team (HK) Limited, Nameson Industrial Limited, Kingmax Industrial Limited and Winner Way Industrial Limited. From January 2007 to January 2015, Mr. Wong served as a director of Nameson Group Limited, responsible for investment management. Mr. Wong obtained his bachelor's degree of science in computer science and the master's degree of science in international management from University of Exeter, United Kingdom in July 2005 and June 2006 respectively. Mr. Wong has served as the vice president of Hong Kong Industrial & Commercial Association since 2022. Mr. Wong is also a standing committee member of the Chinese People's Political Consultative Conference Longgang District Shenzhen (中國人民政治協商會議深圳市龍崗區委員會) since 2021. Mr. Wong Wai Yue is the son of Mr. Wong Ting Chung, the brother-in-law of Mr. Man Yu Hin (an executive Director) and the nephew of Mr. Wong Ting Chun (an executive Director) and Mr. Wong Ting Kau. As Mr. Wong Ting Chung is the settlor, the protector and one of the beneficiaries of the Happy Family Trust (which is a controlling shareholder of the Company), and Mr. Wong Ting Chun and Mr. Wong Ting Kau are beneficiaries of the Happy Family Trust, Mr. Wong Ting Chung, Mr. Wong Ting Chun and Mr. Wong Ting Kau are therefore controlling shareholders of the Company.

Mr. Man Yu Hin (文宇軒), aged 38, has been appointed as the executive Director and chief executive officer since 1 April 2021. He is primarily responsible for major corporate decisions, strategic management of operations and resources, as well as planning and implementing the strategic direction of the Group. Currently, Mr. Man assumes various directorships in the Group, including Hebei Nanguan Technology Co., Ltd. and Top Galaxy (Myanmar) Apparel Limited. Mr. Man served as the vice president of Nameson Group Limited from June 2019 to March 2021, responsible for operational management. Prior to joining the Group, he has held managerial positions in the financial sector, including serving as the manager of Winnermax Management Limited from June 2016 to May 2019 and team head of priority banking of Standard Chartered Bank (Hong Kong) Limited from October 2010 to May 2016. Mr. Man received his bachelor's degree of Business in Banking and Finance from Monash University in September 2010. Mr. Man has served as the vice chairman of Hong Kong Woollen & Synthetic Knitting Manufacturers' Association Limited since April 2020 and concurrently as the treasurer since January 2023, the vice chairman of Hong Kong General Chamber of Textiles since March 2022, a general committee member of Textile Council of Hong Kong Limited since March 2023 and a committee member of the Chinese People's Political Consultative Conference Haizhu District Guangzhou (中國人民政治協商會議廣州市海珠區委員會) since September 2019. Mr. Man awarded the "2025 Young Industrialist Award" by the Federation of Hong Kong Industries in November 2025. Mr. Man Yu Hin is the son-in-law of Mr. Wong Ting Chung, the brother-in-law of Mr. Wong Wai Yue (an executive Director) and the nephew-in-law of Mr. Wong Ting Chun (an executive Director) and Mr. Wong Ting Kau. As Mr. Wong Ting Chung is the settlor, the protector and one of the beneficiaries of the Happy Family Trust (which is a controlling shareholder of the Company), and Mr. Wong Ting Chun and Mr. Wong Ting Kau are beneficiaries of the Happy Family Trust, Mr. Wong Ting Chung, Mr. Wong Ting Chun and Mr. Wong Ting Kau are therefore controlling shareholders of the Company.

Mr. Wong Ting Chun (王庭真), aged 60, has been our Director since 30 August 2015. He is the chief production officer of our Group and is primarily responsible for the production management of our PRC and Vietnam factories. He joined our Group as the production manager of Nameson Industrial Limited in November 1990 and was responsible for overseeing production and operations management. Currently, Mr. Wong assumes various directorships in our Group, including Huizhou Nanxuan Knitting Factory Limited, Huizhou Liyun Knitting Factory Limited and Hebei Nanguan Technology Co., Ltd. Mr. Wong has over 30 years of working experience in knitting industry. He worked as a production technician in Hang Cheong Knitting Factory (恒昌織造廠) from August 1982 to October 1990. In April 2009, he received the award of Model Worker of Huicheng District in Huizhou (惠州市惠城區勞動模範) issued by Huizhou City Huicheng District Committee of Chinese Communist Party and Huizhou City Huicheng District People's Government (中共惠州市惠城區委及惠州市惠城區人民政府). In January 2011, he received the award of Outstanding Individual of the Construction of Staff Library of Chinese Trade Unions (全國工會職工書屋建設先進個人) issued by All-China Federation of Labour (中華全國總工會). Mr. Wong is the brother of Mr. Wong Ting Chung and Mr. Wong Ting Kau, uncle of Mr. Wong Wai Yue (an executive Director) and uncle-in law of Mr. Man Yu Hin (an executive Director). As Mr. Wong Ting Chung is the settlor, the protector and one of the beneficiaries of the Happy Family Trust (which is a controlling shareholder of the Company), and Mr. Wong Ting Chun and Mr. Wong Ting Kau are beneficiaries of the Happy Family Trust, Mr. Wong Ting Chung, Mr. Wong Ting Chun and Mr. Wong Ting Kau are therefore controlling shareholders of the Company.

Ms. Guo Fenfen (郭芬芬), aged 39, has been our Director since 1 January 2026. She was appointed as sales and marketing director in October 2025, primarily responsible for strategic sales planning for the Group's sweater business in the Asian market. Ms. Guo has approximately 20 years of experience in apparel sales, she began her career at a Japan-based company, where she was responsible for the market operations in Japan, serving a number of major Japanese apparel clients from June 2006 to April 2016. She joined our Group in June 2016 as a sales manager and was promoted to senior sales manager in 2019, where she oversees a portfolio of international apparel brands. Known for her expertise in strategic planning, key account management and sales process optimisation, Ms. Guo is committed to driving business growth through data-driven decision-making and fostering strong client relationships. Ms. Guo graduated from the Xingshou Japanese College of Jixi University in Heilongjiang Province, Mainland China (黑龍江省鷄西大學星洲日語學院) in June 2006.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Fan Chiu Fun, Fanny (范椒芬), *GBM, GBS, JP*, aged 73, has been our Director since 29 January 2016. Ms. Fan is an independent non-executive director of China Unicom (Hong Kong) Limited (stock code: 0762), China Taiping Insurance Holdings Company Limited (stock code: 0966) and New World Development Company Limited (stock code: 0017). Ms. Fan was also an independent non-executive director of CLP Holdings Limited (stock code: 0002) until May 2023 and an independent non-executive director of Minmetals Land Limited (stock code: 0230) until 31 May 2026. Prior to her retirement from the civil service in 2007, Ms. Fan was the Commissioner of the Hong Kong Independent Commission Against Corruption. During her working experience in the government departments, Ms. Fan has held various positions in the government of Hong Kong Special Administrative Region, including a member of the Executive Council, the Director of the Office of Chief Executive designate, the Commissioner of the Transport Department of Hong Kong, the Secretary and Permanent Secretary of Education and Manpower Bureau of Hong Kong. Ms. Fan graduated from the University of Hong Kong with a bachelor's degree in science in 1975. She received a master degree in public administration from Harvard University, the United States of America in 1990 and a master degree in education from the Chinese University of Hong Kong in 2005.

Mr. Fan Chun Wah, Andrew (范駿華), *JP*, aged 47, has been our Director from 29 January 2016 to 31 March 2026. He has been the managing director of Fan, Mitchell & Co., Limited (尚德會計師事務所有限公司) since September 2017 and the managing director of C.W. Fan & Co. Limited (泛華會計師事務所有限公司) since November 2013. Mr. Fan was, or has been, a director of the following companies in the last three years preceding 22 June 2026:

Period of services	Name of the companies	Principal business activities	Position	Responsibilities
15 September 2025 — present	Chuang's Consortium International Limited (Stock Code: 0367)	Property investment and development in Hong Kong and China	Independent non-executive Director	Board oversight and independent management
January 2013 to 15 September 2025	Chuang's China Investments Limited, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 0298)	Property investment and development in Hong Kong and China	Independent non-executive Director	Board oversight and independent management
April 2015 to May 2024	Culturecom Holdings Limited, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 0343)	Publishing comic books and provision of media content in Hong Kong, China, and Macau	Independent non-executive Director	Board oversight and independent management
May 2022 — present	Sing Tao News Corporation Limited, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1105)	Publishing and distribution of newspapers, magazines and books to readers in Hong Kong, Canada, the United States of America, Europe and Australia, and sales of respective content of such publications in China (including Hong Kong)	Independent non-executive director	Board oversight and independent management
March 2023 — present	China Aircraft Leasing Group Holdings Limited, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1848)	Provision of full value chain aircraft solutions for the global aviation industry	Independent non-executive director	Board oversight and independent management
March 2023 — present	China Overseas Grand Oceans Group Limited, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 0081)	Property investment and development in China	Independent non-executive director	Board oversight and independent management
April 2024 — present	China Unicom (Hong Kong) Limited, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 0762)	Telecommunications operator	Independent non-executive director	Board oversight and independent management

Mr. Fan received the bachelor of business administration in accounting and finance from the University of Hong Kong in December 1999 and the bachelor of laws from University of London as an external student in August 2007. In January 2003 and September 2011, Mr. Fan is admitted as a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Fan is currently a member of the 8th Legislative Council of the Hong Kong Special Administrative Region and a member of the 14th National Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議第十四屆全國委員會). He was a member of the 10th to the 12th Zhejiang Province Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議浙江省第十屆至第十二屆委員會) from 2007 to 2022. He was also a member of the 4th and the 5th Shenzhen Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議廣東省深圳市第四屆及第五屆委員會) from 2008 to 2015.

Mr. Ip Shu Kwan, Stephen (葉澍堃), *GBS, JP*, aged 74, has been our Director since 16 April 2018. Mr. Ip was graduated from the University of Hong Kong with a degree in social sciences in 1973. Mr. Ip joined the Hong Kong Government in November 1973 and was promoted to the rank of Director of Bureau in April 1997. He worked in the Hong Kong Government as a Principal Official from July 1997 to June 2007. Mr. Ip held certain senior positions which include Commissioner of Insurance, Commissioner for Labour, Secretary for Economic Services and Secretary for Financial Services. Mr. Ip took up the position of Secretary for Economic Development and Labour in July 2002. His portfolio in respect of economic development covered air and sea transport, logistics development, tourism, energy, postal services, meteorological services, competition and consumer protection. He was also responsible for labour policies including matters relating to employment services, labour relations and employees rights.

In his capacity as Secretary for Economic Development and Labour, Mr. Ip was a member of the Hong Kong Airport Authority Board, the Mandatory Provident Fund Schemes Authority Board, the Hongkong International Theme Parks Limited Board as well as the Chairman of the Logistics Development Council, Port Development Board, Maritime Industry Council and Aviation Development Advisory Committee. Mr. Ip retired from the Hong Kong Government in July 2007. Mr. Ip received the Gold Bauhinia Star award from the Hong Kong Government in 2001, and is an unofficial Justice of the Peace. Mr. Ip is currently an independent non-executive director of four other companies listed on the Main Board of the Stock Exchange namely, Lai Sun Development Company Limited (stock code: 488) since December 2009, Luk Fook Holdings (International) Limited (stock code: 590) since October 2011, Million Cities Holdings Limited (stock code: 2892) since June 2018 and C-MER Medical Holdings Limited (formerly known as C-MER Eye Care Holdings Limited) (stock code: 3309) since November 2020. He was also an independent non-executive director of China Resources Building Materials Technology Holdings Limited (formerly known as China Resources Cement Holdings Limited) (stock code: 1313) from August 2008 to May 2024 and Kingboard Laminates Holdings Limited (stock code: 1888) from May 2011 to December 2025.

Mr. Sun Po Yuen (孫寶源), *JP*, aged 64, Mr. Sun has been our Director since 29 September 2025. Mr. Sun graduated from the Hong Kong Polytechnic University (formerly known as The Hong Kong Polytechnic) in 1984 with a Professional Diploma in Accountancy. He is currently a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Upon graduation, Mr. Sun joined PricewaterhouseCoopers and served as a partner at PricewaterhouseCoopers in Hong Kong from 1996 to 2021. During his tenure at PricewaterhouseCoopers, Mr. Sun held various leadership positions in different assurance business units, including institutional assurance group for Hong Kong and Macau, entrepreneurial assurance group for Hong Kong and southern China and capital markets services group for Hong Kong and Mainland China. From 2017 to 2021, he concurrently served as Lead Director of both governance boards of PricewaterhouseCoopers China and PricewaterhouseCoopers Asia Pacific and was a member of the global board of PricewaterhouseCoopers. Mr. Sun retired in July 2021.

In terms of public service, he previously served as a director of the Hong Kong Science and Technology Parks Corporation, the Hong Kong Applied Science and Technology Research Institute Company Limited, and the Estate Agents Authority. Mr. Sun has served as a senior advisor to Chartwell Capital Ltd. since August 2021. In October 2022, he was appointed as a non-executive director of FWD Group Limited and re-designated as independent non-executive director since October 2023 until February 2025 when he retired from the directorship. He has served as an independent non-executive director of Bank of Shanghai (Hong Kong) Limited (a subsidiary of Bank of Shanghai Co., Ltd., a company listed on the Shanghai Stock Exchange under stock code: 601229) since April 2023. He has also been appointed as an independent non-executive director of three other companies listed on the Main Board of the Stock Exchange namely, Jolimark Holdings Limited (stock code: 2028) since May 2024, Sinofert Holdings Limited (stock code: 297) since June 2024 and Nine Dragons Paper (Holdings) Limited (stock code: 2689) since October 2025.

Mr. Sun served as a member of the Listing Committee of the Stock Exchange from 2009 to 2014 and was appointed as a Justice of the Peace of the Hong Kong Special Administrative Region in 2012. He has been a governance committee member of the Hong Kong Polytechnic University Foundation since 2014. In 2013, he was awarded the Outstanding PolyU Alumni Award by the Hong Kong Polytechnic University, and in 2018, he was conferred a university fellowship by the Hong Kong Polytechnic University. With nearly four decades of experience in accounting, Mr. Sun has extensive experience working in accounting firm and auditing services for multinational corporations. He is familiar with business logic and regulatory requirements for listed companies, and has a deep understanding of the Hong Kong capital market and the sustainable development of listed companies. Mr. Sun has also been engaged in charity and social service work for a long time, demonstrating good social influence.

SENIOR MANAGEMENT

Mr. Tao Chi Keung (陶志強), aged 55, is the chief financial officer of our Group and the company secretary of our Company. He is primarily responsible for our Group's overall financial planning and reporting, financial risk management and company secretarial matters. Mr. Tao joined our Group on 30 August 2015. Mr. Tao possesses extensive experience in financial management and auditing and had held a number of senior positions prior to joining our Group. From July 1993 to February 1996, Mr. Tao worked as a staff accountant in Ernst & Young. From March 1996 to May 1998, he was the accounting manager in FT Holdings International Limited (stock code: 559). From June 1998 to October 1999, Mr. Tao worked as an assistant manager in New World China Land Limited (stock code: 917). He worked in KPMG as a manager from October 1999 to March 2004, and PricewaterhouseCoopers as a senior audit manager from April 2004 to October 2009. From December 2009 to September 2010, Mr. Tao worked as a chief finance officer in Birdland (Hong Kong) Limited, where he was responsible for finance and accounting. From October 2010 to July 2011, Mr. Tao worked as a chief financial officer in Chiaus International Group Company Limited, an investment holding company engaged in, through its subsidiaries, manufacturing baby and children's care products, where he was responsible for financial management. From October 2011 to August 2015, Mr. Tao worked in Kinetic Mines and Energy Limited (stock code: 1277), with the latest positions of company secretary and chief financial officer. Mr. Tao was an independent non-executive director of Eternal Beauty Holdings Limited (stock code: 6883) from June 2025 to March 2026 and TATA Health International Holdings Limited (stock code: 1255) from October 2023 to June 2025. Mr. Tao received his bachelor's degree in business administration from Hong Kong Baptist University (formerly known as Hong Kong Baptist College) in December 1993. Mr. Tao is currently a fellow and a practising Certified Public Accountant of Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants.

Mr. Chan Yiu Tung (陳耀東), aged 55, is the merchandising director of our Group. He is primarily responsible for merchandising management for Japanese market in our Group. Mr. Chan joined our Group as a senior merchandiser in December 1997. In January 2003, he was promoted to the merchandising manager and later in April 2005, he was promoted to the sales manager. Further, in February 2006, he was promoted to the senior merchandising manager and in January 2008, he was promoted to merchandising director. Prior to joining our Group, from 1991 to 1996, Mr. Chan worked as a senior merchandiser in Products Union Garment Ltd, a company principally engaged in the manufacturing of garment. Mr. Chan passed Hong Kong Certificate of Education Examination in 1989.

Mr. Lin Guoxin (林國新), aged 55, is the assistant general manager of our PRC factory. He is primarily responsible for the production management in our PRC factory. Mr. Lin joined our Group as a plant manager at Nanxuan Knitting Factory Limited in November 1995, where he was responsible for overseeing and managing the production process. He was promoted to assistant general manager of the production department in October 2005, where he was responsible for managing and supervising overall production operations in our PRC factory. Mr. Lin is the cousin of Mr. Wong Ting Chung, Mr. Wong Ting Chun (an executive Director) and Mr. Wong Ting Kau.

Mr. Mo Erjin (莫二金), aged 58, is the assistant general manager of our PRC factory. He is primarily responsible for supervising sample development in our PRC factory. Mr. Mo joined our Group as the chief of the technical centre in March 2003 and was further promoted to assistant general manager in January 2008 and was responsible for the management of the sample development in our PRC factory. Prior to joining our Group, Mr. Mo served as a knitting technician at Foshan Zhangcha Knitting Factory (佛山張槎毛衫廠), from October 1986 to March 1989. From March 1989 to February 2002, he served as a knitting team leader at Laws Fashion Knitters Limited (羅氏針織有限公司).

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

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

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

In the opinion of the Directors, the Company has complied with all the mandatory code provisions set out in the Corporate Governance Code ("CG Code") as set out in Appendix C1 of the Listing Rules for the year ended 31 March 2026.

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

DIRECTORS' AND RELEVANT EMPLOYEES' SECURITIES TRANSACTIONS

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

All Directors have confirmed, following specific enquiries by the Company, that they have fully complied with the required standards set out in the Model Code and the Company's code of conduct for the year ended 31 March 2026.

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

No incident of non-compliance with these guidelines by the relevant employees has been notified to the Company for the year ended 31 March 2026.

THE BOARD OF DIRECTORS

Responsibilities of the Board

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

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

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

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

Composition of the Board

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

Board of Directors

Executive Directors

Mr. Wong Wai Yue *(Chairman)*
Mr. Man Yu Hin *(Chief Executive Officer)*
Mr. Wong Ting Chun
Mr. Li Po Sing *(Resigned with effect from 1 January 2026)*
Ms. Guo Fenfen *(Appointed with effect from 1 January 2026)*

Independent non-executive Directors

Ms. Fan Chiu Fun, Fanny
Mr. Kan Chung Nin, Tony *(Retired with effect from 29 September 2025)*
Mr. Fan Chun Wah, Andrew *(Resigned with effect from 31 March 2026)*
Mr. Ip Shu Kwan, Stephen
Mr. Sun Po Yuen *(Appointed with effect from 29 September 2025)*

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

Ms. Guo Fenfen was appointed as an executive Director with effect from 1 January 2026. In compliance with Rule 3.09D of the Listing Rules, Ms. Guo Fenfen has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 5 December 2025 and has confirmed that she understood her obligations as a Director of a listed issuer.

Mr. Sun Po Yuen was appointed as an independent non-executive Director with effect from 29 September 2025. In compliance with Rule 3.09D of the Listing Rules, Mr. Sun Po Yuen has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 2 September 2025 and has confirmed that he understood his obligations as a Director of a listed issuer.

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

Board Independence

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

For the year ended 31 March 2026, the Company has complied with the requirements of the Listing Rules to have at least three independent non-executive Directors representing at least one-third of the Board with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise.

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

Terms of Appointment of Directors

Executive Directors

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

Independent non-executive Directors

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

Nomination, Appointment, Re-election and Removal Procedures

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

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

Board Diversity

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

The Directors, who come from a variety of different backgrounds, have a diverse range of working experience, business and professional expertise. The table below sets forth an analysis of the Board's composition as at 31 March 2026 based on the measurable objectives:

Measurable objectives	Category	Number of Director
Gender	Male	6
	Female	2
Age group	20 to 40	2
	41 to 60	3
	Over 60	3
Skills and experience	Knitwear industry experience	4
	Banking and investment experience	2
	Public administration and governance	2
	Financial expertise	2
	Current directorship on other listed companies	4

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

For the year ended 31 March 2026, the Nomination Committee considers that an appropriate balance of gender diversity of the Board is maintained. The Nomination Committee will monitor the Group's business needs and consider further appointment of female directors as and when appropriate.

On the other hand, as at 31 March 2026, among the 16,100 employees (including senior management) of the Group, the percentages of male employees and female employees are 36% and 64%, respectively. As the Group is principally engaged in the manufacturing of knitwear products, the Board believes that appropriate balance of gender diversity of workforce is maintained taking into account the Company's business models, operational needs and future development plans. For further details of the diversity within the Group, including the gender diversity, for the year ended 31 March 2026 are set out in the Company's environmental, social and governance report.

Board Practices and Conduct of Meetings

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

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

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

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

Directors' Attendance Records

During the year ended 31 March 2026, six physical Board meetings were held at which the Directors reviewed and approved, among other things, (i) the annual results and report of the Group for the year ended 31 March 2025; (ii) the change of auditors; (iii) the quarterly results of the Group for the three months ended 30 June 2025; (iv) the interim results and report of the Group for the six months ended 30 September 2025; and (v) the quarterly results of the Group for the nine months ended 31 December 2025.

The attendance records of individual Directors at the aforementioned Board meetings and at the Company's annual general meeting held on 29 September 2025 are set out below:

	Attendance/Number of meetings	
Name of Director	**(Board meetings)**	**(Annual general meeting)**
Executive Directors		
Mr. Wong Wai Yue *(Chairman)*	6/6	1/1
Mr. Man Yu Hin *(Chief Executive Officer)*	6/6	1/1
Mr. Wong Ting Chun	4/6	0/1
Mr. Li Po Sing *(Resigned with effect from 1 January 2026)*	4/6	1/1
Ms. Guo Fenfen *(Appointed with effect from 1 January 2026)*	1/6	0/1
Independent non-executive Directors		
Ms. Fan Chiu Fun, Fanny	6/6	1/1
Mr. Kan Chung Nin, Tony *(Retired with effect from 29 September 2025)*	3/6	1/1
Mr. Fan Chun Wah, Andrew *(Resigned with effect from 31 March 2026)*	6/6	1/1
Mr. Ip Shu Kwan, Stephen	6/6	1/1
Mr. Sun Po Yuen *(Appointed with effect from 29 September 2025)*	3/6	0/1

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

BOARD COMMITTEES

Executive Committee

The executive committee of the Board was established with written terms of reference setting out its authority delegated by the Board. The primary duties of the executive committee include (but not limited to) (i) general management which includes, supervising the day-to-day management, performance and operations of the Group; (ii) assessing and making recommendations to the Board on major acquisitions of or investments in business or operations; and (iii) undertaking the role of risk management within the Company to minimise or mitigate major risks to the operations of the Group. For the year ended 31 March 2026, the executive committee comprises all executive Directors, namely, Mr. Wong Wai Yue (Chairman of the executive committee), Mr. Man Yu Hin (Chief Executive Officer), Mr. Wong Ting Chun; Mr. Li Po Sing (resigned with effect from 1 January 2026) and Ms. Guo Fenfen (appointed with effect from 1 January 2026). The written terms of reference of this committee has been made available on the Company's website at www.namesonholdings.com and on the website of the Stock Exchange.

Audit Committee

The audit committee of the Board was established with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the code provision of the CG Code. The primary duties of the audit committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, to oversee the audit process, to develop and review our accounting policies and to perform other duties and responsibilities as assigned by the Board. For the year ended 31 March 2026, the audit committee consists of five independent non-executive Directors, namely, Mr. Fan Chun Wah, Andrew (chairman of the audit committee), (resigned with effect from 31 March 2026) (who possesses the appropriate professional qualification or accounting or related financial management expertise), Ms. Fan Chiu Fun, Fanny, Mr. Ip Shu Kwan, Stephen, Mr. Kan Chung Nin, Tony (retired with effect from 29 September 2025) and Mr. Sun Po Yuen (appointed as a member with effect from 29 September 2025 and redesignated as chairman of the audit committee with effect from 1 April 2026) (who possesses the appropriate professional qualification or accounting or related financial management expertise). The written terms of reference of this committee has been made available on the Company's website at www.namesonholdings.com and on the website of the Stock Exchange.

The audit committee held five physical meetings during the year ended 31 March 2026. In these five meetings, the audit committee discussed and reviewed, among other things, (i) the accuracy and fairness of the Group's audited annual results for the year ended 31 March 2025 and unaudited interim results for the six months ended 30 September 2025; (ii) the work and the effectiveness of the Group's internal audit department; (iii) the effectiveness of the Group's risk management and internal control systems; and (iv) the change of auditors.

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

Name of audit committee member	Attendance/ Number of Meetings
Mr. Fan Chun Wah, Andrew *(Chairman) (Resigned with effect from 31 March 2026)*	5/5
Mr. Sun Po Yuen *(Appointed as member with effect from 29 September 2025 and redesignated as chairman with effect from 1 April 2026)*	2/5
Mr. Ip Shu Kwan, Stephen	5/5
Ms. Fan Chiu Fun, Fanny	5/5
Mr. Kan Chung Nin, Tony *(Retired with effect from 29 September 2025)*	3/5

The external auditors were invited to attend the meetings without the presence of the executive Directors to discuss with the audit committee members about issues relating to the audit and financial reporting matters. An audit committee meeting was held on 22 June 2026 to consider and review, among other things, the Group's annual results and annual report for the year ended 31 March 2026. It was attended by Mr. Sun Po Yuen and Mr. Ip Shu Kwan, Stephen.

Remuneration Committee

The remuneration committee of the Board was established with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the code provision of the CG Code. The primary duties of the remuneration committee include (but not limited to): (i) making recommendations to the Directors regarding our policy and structure for the remuneration of all of our Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policies; (ii) making recommendations to the Board on the remuneration packages of our Directors and senior management; (iii) reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives; and (iv) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules. For the year ended 31 March 2026, the remuneration committee consists of one executive Director, Mr. Wong Wai Yue, and three independent non-executive Directors, Mr. Kan Chung Nin, Tony (chairman of the remuneration committee) (retired with effect from 29 September 2025), Mr. Sun Po Yuen (chairman of the remuneration committee) (appointed with effect from 29 September 2025) and Mr. Ip Shu Kwan, Stephen. The written terms of reference of this committee has been made available on the Company's website at www.namesonholdings.com and on the website of the Stock Exchange.

The remuneration committee held three physical meetings during the year ended 31 March 2026. In the meeting, the remuneration committee discussed and reviewed, among other things, (i) the remuneration packages of the Directors and senior management; and (ii) the remuneration packages of the newly appointed Directors.

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

Name of remuneration committee member	**Attendance/ Number of Meeting**
Mr. Kan Chung Nin, Tony *(Chairman) (Retired with effect from 29 September 2025)*	1/3
Mr. Sun Po Yuen *(Chairman) (Appointed with effect from 29 September 2025)*	2/3
Mr. Wong Wai Yue	3/3
Mr. Ip Shu Kwan, Stephen	3/3

Nomination Committee

The nomination committee of the Board was established with written terms of reference in compliance with the code provision of the CG Code. It is responsible for determining the policy for the nomination of directors, identifying and recommending to the Board appropriate candidates to serve as Directors, evaluating the structure and composition of the Board and developing, recommending to the Board and monitoring nomination guidelines for the Company. For the year ended 31 March 2026, the nomination committee consists of one executive Director, Mr. Wong Wai Yue (chairman of the nomination committee) and three independent non-executive Directors, Mr. Kan Chung Nin, Tony (retired with effect from 29 September 2025), Mr. Sun Po Yuen (appointed with effect from 29 September 2025), and Ms. Fan Chiu Fun, Fanny. The written terms of reference of this committee has been made available on the Company's website at www.namesonholdings.com and on the website of the Stock Exchange.

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

— Reputation for integrity;

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

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

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

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

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

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

The nomination committee held three physical meetings during the year ended 31 March 2026. In the meeting, the nomination committee discussed and reviewed, among other things, (i) the existing structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate for the Group's business and is in compliance with the requirements of the Listing Rules; (ii) the recommendation on re-election of retiring Directors at the forthcoming annual general meeting; and (iii) the appointment of new Directors.

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

Name of nomination committee member	**Attendance/ Number of Meeting**
Mr. Wong Wai Yue *(Chairman)*	3/3
Mr. Kan Chung Nin, Tony *(Retired with effect from 29 September 2025)*	1/3
Ms. Fan Chiu Fun, Fanny	3/3
Mr. Sun Po Yuen *(Appointed with effect from 29 September 2025)*	2/3

EXTERNAL AUDITOR'S REMUNERATION

The amount of fees charged by the Company's external auditor, KPMG, in respect of their audit and non- audit services for the year ended 31 March 2026 including the review of interim financial information for the six months ended 30 September 2025 and tax-related services amounted to HK$2.1 million and HK$2.9 million, respectively.

THE COMPANY SECRETARY

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

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

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

DIRECTORS' TRAINING

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

The Directors confirmed that they have complied with the code provision C.1.4 of the CG Code for the year ended 31 March 2026 and they participated in the following types of continuous professional development:

Name of Director	**Type of continuous professional development**
Executive Directors	
Mr. Wong Wai Yue *(Chairman)*	(I), (II)
Mr. Man Yu Hin *(Chief Executive Officer)*	(I), (II)
Mr. Wong Ting Chun	(I), (II)
Mr. Li Po Sing *(Resigned with effect from 1 January 2026)*	(I), (II)
Ms. Guo Fenfen *(Appointed with effect from 1 January 2026)*	(I), (II)
Independent non-executive Directors	
Ms. Fan Chiu Fun, Fanny	(I), (II)
Mr. Kan Chung Nin, Tony *(Retired with effect from 29 September 2025)*	(I), (II)
Mr. Fan Chun Wah, Andrew *(Resigned with effect from 31 March 2026)*	(I), (II)
Mr. Ip Shu Kwan, Stephen	(I), (II)
Mr. Sun Po Yuen *(Appointed with effect from 29 September 2025)*	(I), (II)

(I) Attending seminars/webinars.

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

INVESTOR COMMUNICATIONS AND SHAREHOLDERS' RIGHTS

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

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

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

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

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

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

The Board has reviewed the shareholders' communication policy conducted during the year ended 31 March 2026 and was satisfied with the effectiveness of the shareholders' communication policy conducted.

CONSTITUTIONAL DOCUMENTS

At the annual general meeting of the Company held on 29 September 2025, the adoption of a third amended and restated articles of association of the Company was approved by the shareholders of the Company. For details of the amendments, please refer to Appendix III to the circular of the Company dated 5 September 2025. Save as disclosed, there had been no changes in the constitutional documents of the Company during the year ended 31 March 2026.

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

ACCOUNTABILITY

The Directors have included a management discussion and analysis of the Group's performance for the year ended 31 March 2026 under the section headed "Management Discussion and Analysis" of this annual report.

INTERNAL CONTROLS AND RISK MANAGEMENT

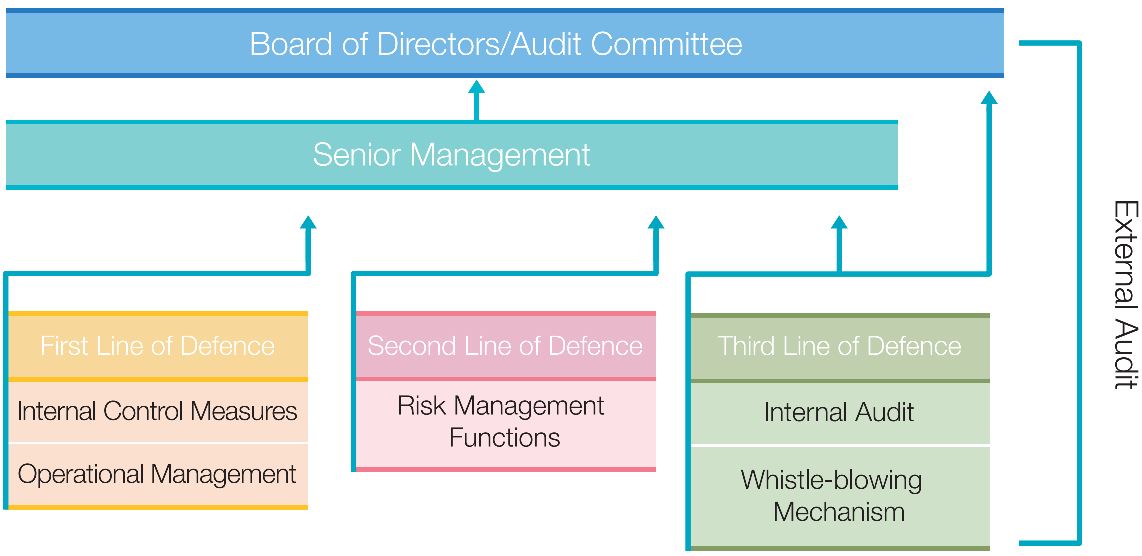
The Group has an internal control system which plays an important role in maintaining and improving accountability and transparency in the conduct of the Group's business, safeguarding the interests of the Company's shareholders and the assets of the Group and enhancing investor confidence. On the other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

Main Features of Risk Management and Internal Control Systems

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

Risk Governance Framework

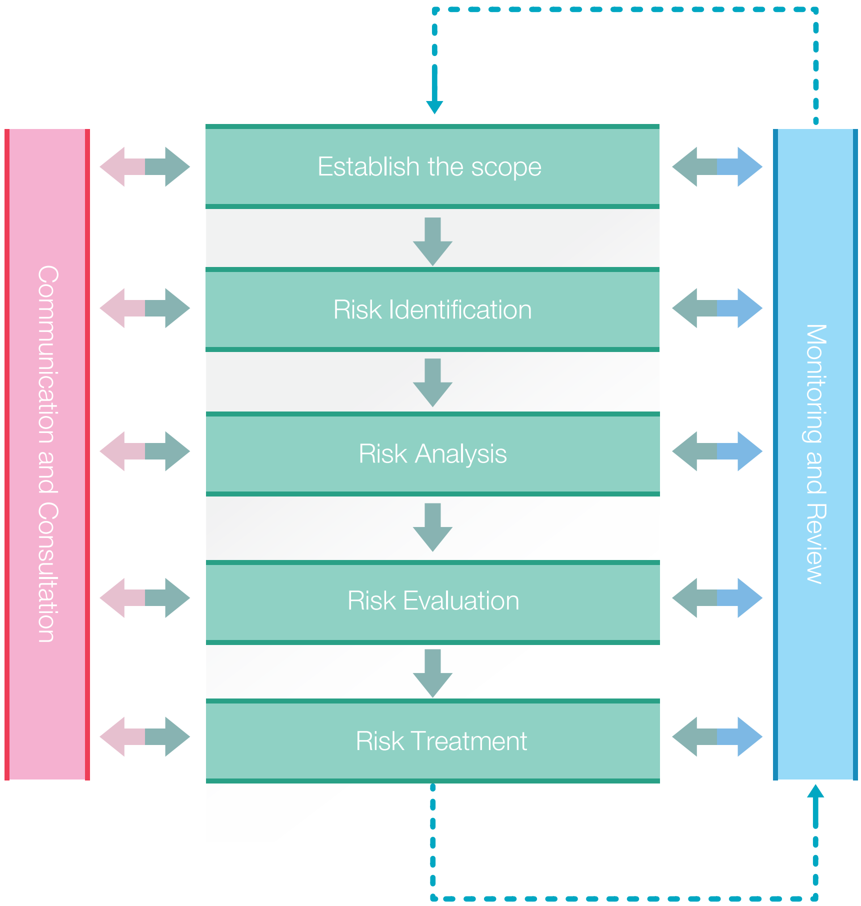
The Group's risk governance framework is guided by the "Three Lines of Defence" model, with the objective to achieve risk management by means of internal control measures, operational management, risk management functions, internal audit and whistle-blowing mechanism.



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

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

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



Process Used for Identifying, Evaluating and Managing Significant Risks

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

Establish the Scope

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

Risk Identification

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

Risk Analysis

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

Risk Evaluation

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

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

Risk Treatment

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

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

Monitoring and Review

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

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

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

Communication and Consultation

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

Risks are classified into six different categories for assessment: strategy, finance, operations, compliance, external environment and human capital. The Risk Register records the major risks exposed to the major operating units of the Group, including but not limited to significant risks related to environmental, social, and governance issues. The Group has classified the major risks based on the aforesaid categories that may have a significant impact on the Group, and will regularly assess the potential impact and possibility of each major risk on the Group. For significant risks, each operating unit shall propose and implement mitigation actions.

Each operating unit shall submit an update on its respective Risk Register every six months for compiling the Group's risk management report. The Board is responsible for assessing and determining the nature and extent of the risks that the issuer is willing to accept in achieving its strategic objectives.

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

The Group's Significant Risks

- Geopolitical conflicts (e.g., US-Iran, Russia-Ukraine, Middle East tensions) generate uncertainties, leading to reciprocal tariff, order cancellation driven by compliance concerns, logistics disruption, shifts in customer procurement behaviour amid market panic and heightened risks of being sanctions.

- The textile industry is labor-intensive, facing persistent challenges such as shortages of skilled labour, rising labour costs and high labour turnover rates. In Southeast Asia, these pressures are driving up production expenses and squeezing profit margins. Meanwhile, recruitment of professions in Vietnam remains challenging, while manpower shortages are further intensified by ongoing business expansion and growing cross departmental demands.

- Geographical dispersion of raw material suppliers may cause supply disruptions. Inadequate supporting infrastructure among Vietnamese suppliers and high logistics costs further intensify these challenges. In addition, reliance on single source for key materials exposes the Group to potential supplier insolvency risks.

- Threats include phishing emails and system malware infections; cyberattacks and ransomware that can cause data breaches or system paralysis. System instability may cause data loss, data leakage and compliance risks arising from AI applications.

- Raw materials such as cashmere are highly exposed to price volatility driven by supply and demand dynamics. Commodity prices fluctuation can compress our profit margins and it may also lead to inventory depreciation.

- Diversified expansion into areas such as knitting, printing, and yarn manufacturing in Vietnam carries risks related to capital allocation, budget deviations, market misjudgments, and vulnerabilities in partnerships.

- Restructuring of Vietnamese governmental bodies, including the merger of provincial administrative divisions and abolition of district-level authorities, may alter administrative procedures and policies. The new administration has intensified oversight through on-site inspections and reviews of enterprises' operational records and documentation, driving up administrative manpower and coordination costs. These impacts extend beyond the Group and trigger ripple effects across supply chain partners.

- Exchange rates, interest rates, and inflation are key factors influencing operational costs. Overexpansion can result in high financial leverage and increased interest expenses, which may constrain dividend payout policies and undermine cash flow stability.

- Inaccurate or delayed operational data can lead to poor decision making and inefficient resource allocation, while further limiting business visibility.

Measures to Enhance the Group's Internal Control System

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

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

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

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

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

(e) Our Hong Kong internal control and risk management adviser has been appointed to advise us on risk management and internal control matters in accordance with the Listing Rules.

The Company's audit committee is responsible for monitoring the effectiveness of the Group's risk management and internal control systems and their compliance with the Listing Rules. There were no material changes to the risk assessment, risk management and internal control systems during the year.

The Company's internal audit department performs internal audit function and the Board is responsible for overseeing and reviewing the effectiveness of the risk management and internal control systems of the Group on an ongoing basis. The Company's internal audit department leads the internal control reviews and formulates the annual internal audit plan based on the results of a comprehensive assessment. The Company engaged an external independent professional adviser to conduct one of the internal control review projects. The adviser reviewed the internal controls and provided recommendations to enhance the effectiveness of the Group's risk management and internal control systems.

The Audit Committee and the Board of Directors analysed the status of internal controls, including findings and recommendations (if any), and assessed the appropriateness and effectiveness of the internal control, risk management, and internal audit functions by reviewing the internal control review reports prepared by the internal audit department and the external independent professional adviser for the year ended 31 March 2026. The Board confirms that it has reviewed the effectiveness of the risk management and internal control system for the year ended 31 March 2026 and the Board considers them to be effective and adequate and effectively achieved the objectives set forth in Principle D2 of the Corporate Governance Code.

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

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

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

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

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

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

The Company has developed an inside information policy which provides a guidance to the Directors and the Company's senior management and relevant employees in handling inside information, monitoring information disclosure and responding to enquiries and other information required to be disclosed to prevent a false market in the Group's shares. The Company should take all reasonable measures to ensure the confidentiality of inside information until consistent and timely disclosure of such information is made, and to facilitate effective communication with the Group's stakeholders.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors acknowledge their responsibility for preparing the financial statements of the Group for the year ended 31 March 2026 and confirm that the financial statements contained herein give a true and fair view of the results and state of affairs of the Group for the year under review. The Directors consider that the financial statements have been prepared in conformity with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and reflect amounts which are based on best estimates and reasonable, informed and prudent judgment of the Board. Such acknowledgement should be read in conjunction with, but be distinguished from, the statement of the external auditor of the Company, KPMG, in relation to their reporting responsibilities as set out in their auditor's report on pages 58 to 62 of this annual report.

GOING CONCERN

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

SENIOR MANAGEMENT REMUNERATION BY BANDS

The remuneration of the Company's senior management, whose biographies are set out on page 23 of this annual report, for the year ended 31 March 2026 is set out below:

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

Directors' Report

The board (the "Board") of directors (the "Directors") of Nameson Holdings Limited (the "Company") is pleased to present the annual report together with the audited financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 March 2026.

CORPORATE REORGANISATION AND INITIAL PUBLIC OFFERING

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

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

PRINCIPAL ACTIVITIES

The Company is an investment holding company and the principal activities of the Group are the manufacturing of knitwear products. Particulars of the principal activities of the Company's subsidiaries are set out in note 11 to the consolidated financial statements of the Group. There were no significant changes in the nature of the Group's principal activities during the year ended 31 March 2026.

BUSINESS REVIEW

A business review of the Group for the year ended 31 March 2026 and its future development is set out in the chairman's statement from pages 4 to 8 and management discussion and analysis from pages 9 to 17 of this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2026 are set out in the consolidated income statement on page 63 of this annual report.

The Company is not aware of any arrangement under which a shareholder of the Company has waived or agreed to waive any dividends.

An interim dividend of 11.0 HK cents per share was paid on 19 December 2025 to the shareholders. At the board meeting held on 22 June 2026, the Board did not recommend the payment of final dividend for the year ended 31 March 2026.

DONATIONS

Charitable and other donations made by the Group for the year ended 31 March 2026 amounted to approximately HK$4.9 million (2025: HK$2.3 million).

RESERVES AND DISTRIBUTABLE RESERVES OF THE COMPANY

Movements in the reserves of the Group and the Company during the year ended 31 March 2026 are set out in note 29 and note 35(a) to the consolidated financial statements respectively.

As at 31 March 2026, the Company's reserves available for distribution to equity shareholders in accordance with its articles of association and the laws of the Cayman Islands amounted to approximately HK$2,153.2 million (2025: HK$2,148.6 million).

DIVIDEND POLICY

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

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

PROPERTY, PLANT AND EQUIPMENT

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

BORROWINGS

Details of the bank borrowings and lease liabilities of the Group as at 31 March 2026 are set out in note 23 and note 24 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in the issued share capital of the Company for the year ended 31 March 2026 are set out in note 28 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of sales and purchases for the year ended 31 March 2026 attributable to the Group's major customers and suppliers are as follows:

Revenue from sales of goods attributable to:	
— the largest customer	44.1%
— five largest customers in aggregate	67.2%
Purchases attributable to:	
— the largest supplier	18.1%
— five largest suppliers in aggregate	59.4%

None of the Directors, or any of their close associates (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")), or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital), had any interest in any of the five largest customers or suppliers of the Group during the year ended 31 March 2026.

FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the five years ended 31 March 2026 are set out on page 136 of this annual report. This summary does not form part of the audited financial statements.

DIRECTORS

The Directors during the year ended 31 March 2026 and up to the date of this annual report are as follows:

Executive Directors

Mr. Wong Wai Yue *(Chairman)*
Mr. Man Yu Hin *(Chief Executive Officer)*
Mr. Wong Ting Chun
Mr. Li Po Sing *(Resigned with effect from 1 January 2026)*
Ms. Guo Fenfen *(Appointed with effect from 1 January 2026)*

Independent non-executive Directors

Ms. Fan Chiu Fun, Fanny
Mr. Kan Chung Nin, Tony *(Retired with effect from 29 September 2025)*
Mr. Fan Chun Wah, Andrew *(Resigned with effect from 31 March 2026)*
Mr. Ip Shu Kwan, Stephen
Mr. Sun Po Yuen *(Appointed with effect from 29 September 2025)*

In accordance with articles 83(3) and 84(1) of the Company's articles of association, Mr. Man Yu Hin, Mr. Wong Ting Chun and Ms. Guo Fenfen will retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

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

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

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

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

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

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Continuing Connected Transactions" below and in note 33 to the consolidated financial statements, no transactions, arrangements or contracts of significance between the Company or any of its subsidiaries and the Company's controlling shareholder or any of its subsidiaries, or in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted during or at the end of the year ended 31 March 2026.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision contained in the Company's articles of association that is subject to the requirements specified in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) for the benefit of the Directors of the Company was in force during the year ended 31 March 2026 and up to the date of this annual report.

CONTINUING CONNECTED TRANSACTIONS

The following transactions entered into between a connected person (as defined in the Listing Rules) and the Group constituted a non-exempt continuing connected transactions for the year ended 31 March 2026 under Chapter 14A of the Listing Rules.

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

Raw Materials Purchase Agreement

On 31 March 2025, Hebei Yuteng Cashmere Products Co., Ltd. ("Hebei Yuteng") (as seller) and Hebei Nanguan Technology Co., Ltd. ("Nanguan Tech") (the Company's non-wholly owned subsidiary) and M.ORO International Limited ("Moro International") (the Company's non-wholly owned subsidiary) (as purchasers) entered into the raw materials purchase agreement (the "Raw Materials Purchase Agreement") in respect of the purchase of cashmere and other raw materials by the purchasers from Hebei Yuteng for a term of one year from 1 April 2025 to 31 March 2026. The Raw Materials Purchase Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules and the annual cap of the transactions contemplated under the Raw Materials Purchase Agreement for the year ended 31 March 2026 is RMB670.0 million. The Group has followed the pricing policies set out in the Raw Materials Purchase Agreement in determining the price and terms of the continuing connected transactions conducted during the year ended 31 March 2026.

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

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

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

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

(i) has not been approved by the Board;

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

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

(iv) has exceeded the relevant annual cap.

The continuing connected transactions disclosed above also constitutes a related party transaction under the Hong Kong Financial Reporting Standards. A summary of the related party transactions entered into by the Group during the year ended 31 March 2026 is contained in note 33 to the consolidated financial statements.

On the other hand, the Group entered into the following agreement with a connected person on 30 March 2026, which constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules:

New Raw Materials Purchase Agreement

On 30 March 2026, Hebei Yuteng (as seller) and Nanguan Tech and Moro International (as purchasers) entered into the new raw materials purchase agreement (the "New Raw Materials Purchase Agreement") in respect of the purchase of cashmere and other raw materials by the purchasers from Hebei Yuteng for a term of one year from 1 April 2026 to 31 March 2027. The New Raw Materials Purchase Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules and the annual cap of the transactions contemplated under the New Raw Materials Purchase Agreement for the year ending 31 March 2027 is RMB560.0 million.

For details on the New Raw Materials Purchase Agreement, please refer to the Company's announcement dated 30 March 2026.

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

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

Save as disclosed below, as at 31 March 2026, the interests and/or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required to be and were recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules were as follows:

Long position in the Ordinary Shares of the Company

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

@ Resigned with effect from 31 March 2026

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

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

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

Note 4: Each of Ms. Fan Chiu Fun, Fanny and Mr. Fan Chun Wah, Andrew has a beneficial interest in options granted to him/her on 28 August 2017 under the Share Option Scheme and which, if exercised in full, would result in the issue of 1,500,000 shares to him/her.

Note 5: Mr. Ip Shu Kwan, Stephen has a beneficial interest in options granted to him on 20 April 2018 under the Share Option Scheme and which, if exercised in full, would result in the issue of 1,500,000 shares to him.

Note 6: The calculation is based on the total number of issued ordinary shares of 2,279,392,000 shares as at 31 March 2026.

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

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

Other than the Share Option Scheme (as defined below), at no time for the year ended 31 March 2026 was the Company or any of its subsidiaries, holding companies, or any of the subsidiary undertakings (within the meaning of the Companies (Directors' Report) Regulation) of such holding companies a party to any arrangements whose objects are, or one of whose objects is, to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. Save as disclosed above, none of the Directors and chief executive of the Company (including their spouses and children under the age of 18) had any interests in or was granted any right to subscribe for the securities of the Company or its associated corporations (within the meaning of Part XV of the SFO), or had exercised any such rights.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 March 2026, none of the Directors had any interest in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

DEED OF NON-COMPETITION

For the year ended 31 March 2026, each of the Company's controlling shareholders has confirmed to the Company of his/its compliance with (i) the non-competition undertakings given by him/it to the Company under the deed of non-competition, as defined in the Company's prospectus dated 30 March 2016; and (ii) the non-competition undertakings given by him/it to the Company with respect to the Group's knitted footwear business and/or footwear business and other footwear ancillary businesses as disclosed in the Company's circular dated 24 November 2017.

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

SHARE OPTION SCHEME

The Company has approved and adopted a share option scheme on 29 January 2016 (the "Share Option Scheme"). Under the Share Option Scheme, the eligible participants may be granted share options pursuant to the Share Option Scheme. The following is a summary of the principal terms of the Share Option Scheme. The Share Option Scheme expired on 11 April 2026, after which no further options shall be offered but the provisions of the Share Option Scheme shall in all other respects remain in full force for any share options previously granted.

(a) Purpose

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

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

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

(b) Eligible participants

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

(c) Maximum number of shares

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

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

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

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

As the Share Option Scheme shall be valid and effective for a period of 10 years from the Listing Date (i.e. 12 April 2016), no further shares are available for issue under the Share Option Scheme as at the date of this annual report.

(d) Maximum entitlement of each eligible participant

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

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

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

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

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

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

(e) Acceptance of an offer of share options

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

(f) Performance target

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

(g) Subscription price

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

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

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

(iii) the nominal value of the shares.

(h) Ranking of shares

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

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

(i) Life of the Share Option Scheme

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

For the year ended 31 March 2026, no share option was granted under the Share Option Scheme. As at 31 March 2026, the number of share options available for grant under the Share Option Scheme was 110,600,000 share options representing approximately 4.85% of the existing issued share capital of the Company (1 April 2025: 110,600,000).

Details of the movements of the share options under the Share Option Scheme during the year ended 31 March 2026 are as follows:

Grantee	Date of Grant (Note 1)	Exercise Price HK$	Exercise Period (Note 2)	Number of Share Options: Balance as at 1 April 2025	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year	Balance as at 31 March 2026 (Note 3)
Directors									
Mr. Wong Ting Chun	29 August 2016	1.394	29 August 2017 to 28 August 2026	1,500,000	–	–	–	–	1,500,000
Mr. Li Po Sing#	29 August 2016	1.394	29 August 2017 to 28 August 2026	1,500,000	–	–	–	–	1,500,000
	28 August 2017	1.462	28 August 2018 to 27 August 2027	2,000,000	–	–	–	–	2,000,000
Ms. Fan Chiu Fun, Fanny	28 August 2017	1.462	28 August 2018 to 27 August 2027	1,500,000	–	–	–	–	1,500,000
Mr. Kan Chung Nin, Tony*	28 August 2017	1.462	28 August 2018 to 27 August 2027	1,500,000	–	–	(1,500,000)	–	–
Mr. Fan Chun Wah, Andrew@	28 August 2017	1.462	28 August 2018 to 27 August 2027	1,500,000	–	–	–	–	1,500,000
Mr. Ip Shu Kwan, Stephen	20 April 2018	1.700	20 April 2019 to 19 April 2028	1,500,000	–	–	–	–	1,500,000
Employees									
Other employees of the Group (Note 4)	29 August 2016	1.394	29 August 2017 to 28 August 2026	11,006,000	–	–	(966,000)	–	10,040,000
	28 August 2017	1.462	28 August 2018 to 27 August 2027	25,500,000	–	–	(1,500,000)	–	24,000,000
Total				47,506,000	–	–	(3,966,000)	–	43,540,000

Resigned as an executive Director with effect from 1 January 2026
* Retired as an independent non-executive Director with effect from 29 September 2025
@ Resigned as an independent non-executive Director with effect from 31 March 2026

Notes:

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

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

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

3. The weighted average exercise price of the outstanding share options as at 31 March 2026 was HK$1.450.

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

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

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

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

Save as disclosed below, so far as known to the Directors and chief executive of the Company, as at 31 March 2026, the following persons or corporations (other than our Directors and chief executive of the Company) who had interest and/or short positions in the shares or underlying shares of the Company which would be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO were as follows:

Long position in the ordinary shares of the Company

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

Notes:

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

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

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

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

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

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

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

(8) The calculation is based on the total number of issued ordinary shares of 2,279,392,000 shares as at 31 March 2026.

EQUITY-LINKED AGREEMENTS

Other than the Share Option Scheme, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year ended 31 March 2026 or subsisted as at 31 March 2026.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or substantial part of the business of the Group were entered into or existed during the year ended 31 March 2026.

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

For the year ended 31 March 2026, neither the Company nor any of its subsidiaries, has purchased, sold or redeemed any of the Company's listed securities. The Company did not hold any treasury shares during the year ended 31 March 2026.

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

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

Date of the agreement/ facility letter	Banking facilities	Specific performance obligations
20 March 2026	Three-year term loan facility with a total amount of up to HK$200,000,000	Mr. Wong Ting Chung and his family members will provide prior one month notice to the bank if they consider to reduce their shareholdings to less than 50% beneficial interest in the Company
10 September 2025	Five-year term loan facility with a total amount of up to HK$250,000,000	Mr. Wong Ting Chung or his family members shall maintain the management control over the Company and its subsidiaries
12 December 2024	Three-year term loan facility of up to HK$250,000,000	(i) Mr. Wong Ting Chung and his family collectively owns more than 60% share interests in the Company; and (ii) Mr. Wong Ting Chung and his family maintain the majority of the management control of the Company
12 September 2024	Three-year term loan facility of up to HK$200,000,000	Mr. Wong Ting Chung or his family members remains at the majority ultimate beneficial owner holding not less than 50% shareholdings in the Company with management control in the Company
12 December 2023	Two three-year term loan facilities with a total amount of up to HK$300,000,000	Mr. Wong Ting Chung and/or his family members shall maintain not less than 50% shareholdings in the Company
27 June 2023	Three-year term loan facility of up to HK$200,000,000	Wong's family (Note (I)) remains as the majority shareholder of the Company and maintains the management control of the Company

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

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

RETIREMENT BENEFITS SCHEMES

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

DIRECTORS AND SENIOR MANAGEMENT

Particulars of the directors and senior management of the Company are set out on pages 18 to 23 of this annual report.

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles as set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix C1 of the Listing Rules. The Board is of the view that the Company is in compliance with the mandatory code provisions of the CG Code for the year ended 31 March 2026.

For details of the Corporate Governance Report, please refer to pages 24 to 41 of this annual report.

TAX RELIEF AND EXEMPTION

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

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of the Company's issued shares for the year ended 31 March 2026.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "AGM") for the year ended 31 March 2026 is scheduled to be held in August 2026. A notice convening the AGM will be issued and disseminated to the Company's shareholders in due course.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Environmental Policies

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

Compliance with Laws and Regulations

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

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

During the year ended 31 March 2026, the Board is not aware of any material breach or non-compliance with relevant local laws and regulations which have a significant impact on the Group's business.

Workplace Quality

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

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

Health and Safety

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

Development and Training

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

RELATIONSHIP WITH CUSTOMERS AND SUPPLIERS

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

AUDITOR

PricewaterhouseCoopers has retired as the auditor of the Company effective from the conclusion of the annual general meeting of the Company held on 29 September 2025. KPMG has been appointed as the auditor of the Company following the retirement of PricewaterhouseCoopers effective from 29 September 2025 and to hold office until the conclusion of the AGM. Save for the appointment of KPMG, there was no change in auditors of the Company for the preceding three years.

The financial statements have been audited by KPMG who will retire and being eligible, offer themselves for reappointment . A resolution for the re-appointment of KPMG as the Company's auditor will be proposed for shareholders' approval at the AGM.

On behalf of the Board
Wong Wai Yue, *MH*
Chairman and Executive Director
22 June 2026

Independent Auditor's Report

To the Shareholders of Nameson Holdings Limited

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Nameson Holdings Limited ("the Company") and its subsidiaries ("the Group") set out on pages 63 to 135, which comprise the consolidated balance sheet as at 31 March 2026, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2026 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

The key audit matter identified in our audit is related to revenue recognition:

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition	
The Group's revenue is mainly derived from the sale of knitwear products. Revenue is recognised when control of products is transferred to customers in accordance with the specific terms of the sales contracts. The contract terms governing customer acceptance vary which impact the timing of revenue recognition. There is an inherent risk that revenue transactions may not be recognised in the correct financial period due to shipping lead times for sales occurring near the financial year end, combined with the diverse contract terms offered to customers. We identified revenue recognition as a key audit matter because revenue is a key performance indicator for the Group and is, therefore, subject to a risk of management manipulation to meet financial targets or expectations.	Our audit procedures to address the revenue recognition included the following: • evaluating the design, implementation and operating effectiveness of key internal controls over revenue recognition; • making inquiries of management and inspecting sales contracts, on a sample basis, to understand the trade terms of the transactions and assessing the appropriateness of the revenue recognition policies adopted by the Group with reference to the requirements of the prevailing accounting standards; • inspecting underlying documentation for sales transactions meeting specific risk-based criteria, if any; • assessing whether revenue had been recognised in the correct accounting period by comparing, on a sample basis, sales transactions recorded around the financial year end with relevant underlying documents, which included delivery notes or documentation indicating the customers' acknowledgement of delivery of the good sold; and • identifying significant sales returns recorded subsequent to the financial year end and inspecting the underlying documentation to assess if the related adjustments to revenue had been accounted for in the correct accounting period.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. We obtained some of the other information including Corporate Information, Chairman's Statement and Management Discussion and Analysis prior to the date of this auditor's report and expect the remaining other information to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Yeung Yuk Fan (practising certificate number: P05438).

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

22 June 2026

Consolidated Income Statement

For the year ended 31 March 2026

	Note	2026 HK$'000	2025 HK$'000
Revenue	5	**4,623,426**	4,352,130
Cost of sales	7	**(3,864,851)**	(3,570,315)
Gross profit		**758,575**	781,815
Other income	6	**24,465**	20,487
Other gains, net	8	**38,579**	41,163
Selling and distribution expenses	7	**(52,010)**	(39,606)
General and administrative expenses	7	**(398,170)**	(353,949)
Operating profit		**371,439**	449,910
Share of post-tax profit of joint ventures	27	**810**	1,493
Finance income	10	**10,386**	7,812
Finance expenses	10	**(45,481)**	(51,335)
Finance expenses, net		**(35,095)**	(43,523)
Profit before income tax		**337,154**	407,880
Income tax expenses	12	**(41,695)**	(52,466)
Profit for the year		**295,459**	355,414
Profit/(loss) for the year attributable to:			
— Owners of the Company		**300,559**	342,327
— Non-controlling interests		**(5,100)**	13,087
		295,459	355,414
Earnings per share attributable to the owners of the Company during the year			
— Basic and diluted (HK cents per share)	13	**13.19**	15.02

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2026

	Note	2026 HK$'000	2025 HK$'000
Profit for the year		**295,459**	355,414
Other comprehensive income, net of tax:			
Items that have been reclassified or may be subsequently reclassified to profit or loss			
— Currency translation differences		**12,756**	(50,423)
— Share of other comprehensive income of joint ventures	27	**(192)**	(468)
Other comprehensive income for the year, net of tax		**12,564**	(50,891)
Total comprehensive income for the year		**308,023**	304,523
Total comprehensive income for the year attributable to:			
— Owners of the Company		**302,956**	291,606
— Non-controlling interests		**5,067**	12,917
		308,023	304,523

The accompanying notes form an integral part of these financial statements.

Consolidated Balance Sheet

As at 31 March 2026

	Note	2026 HK$'000	2025 HK$'000
Assets			
Non-current assets			
Property, plant and equipment	15	**1,910,752**	1,873,536
Right-of-use assets	16(a)	**381,102**	358,786
Investment properties	17	**4,875**	7,686
Interests in joint ventures	27	**8,469**	6,174
Financial assets at fair value through profit or loss	18	**203,617**	197,358
Prepayments, deposits, other receivables and other assets	21	**73,420**	99,256
Loan to a non-controlling shareholder of a subsidiary	33(b)	**6,987**	6,987
Deferred income tax assets	26	**1,269**	986
		2,590,491	2,550,769
Current assets			
Inventories	19	**1,234,317**	1,207,897
Trade and bills receivables	20	**230,419**	153,114
Prepayments, deposits, other receivables and other assets	21	**428,853**	435,997
Cash and cash equivalents	22	**553,802**	430,818
		2,447,391	2,227,826
Total assets		**5,037,882**	4,778,595
Equity			
Capital and reserves attributable to the owners of the Company			
Share capital	28	**22,794**	22,794
Reserves	29	**2,366,793**	2,348,761
		2,389,587	2,371,555
Non-controlling interests		**227,196**	266,150
Total equity		**2,616,783**	2,637,705

The accompanying notes form an integral part of these financial statements.

Consolidated Balance Sheet (continued)

As at 31 March 2026

	Note	2026 HK$'000	2025 HK$'000
Liabilities			
Non-current liabilities			
Bank borrowings	23	**553,777**	563,453
Loans from non-controlling shareholders of subsidiaries	33(b)	**–**	1,565
Lease liabilities	24	**114,321**	153,933
Provision for reinstatement costs	25(b)	**2,478**	2,372
Provision for long service payment	25(b)	**1,060**	1,450
Deferred income tax liabilities	26	**4,882**	4,883
		676,518	727,656
Current liabilities			
Trade and bills payables	25(a)	**393,722**	400,731
Accruals and other payables	25(b)	**358,762**	333,562
Current income tax liabilities		**309,880**	301,228
Bank borrowings	23	**573,676**	309,335
Lease liabilities	24	**108,541**	68,378
		1,744,581	1,413,234
Total liabilities		**2,421,099**	2,140,890
Total equity and liabilities		**5,037,882**	4,778,595
Net current assets		**702,810**	814,592

The financial statements on pages 63 to 135 were approved by the Board of Directors on 22 June 2026 and were signed on its behalf.

Wong Wai Yue
Chairman and Executive Director

Man Yu Hin
Chief Executive Officer and Executive Director

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2026

	Attributable to the owners of the Company				
	Share capital HK$'000 (Note 28)	Reserves HK$'000 (Note 29)	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
As at 1 April 2025	**22,794**	**2,348,761**	**2,371,555**	**266,150**	**2,637,705**
Profit/(loss) for the year	**–**	**300,559**	**300,559**	**(5,100)**	**295,459**
Other comprehensive income:					
— Currency translation differences	**–**	**2,589**	**2,589**	**10,167**	**12,756**
— Share of other comprehensive income of joint ventures	**–**	**(192)**	**(192)**	**–**	**(192)**
Total comprehensive income	**–**	**302,956**	**302,956**	**5,067**	**308,023**
Transactions with owners					
Deemed distribution to a non-controlling shareholder (Note 11(a)(i))	**–**	**–**	**–**	**(44,021)**	**(44,021)**
Dividends (Note 14)	**–**	**(284,924)**	**(284,924)**	**–**	**(284,924)**
As at 31 March 2026	**22,794**	**2,366,793**	**2,389,587**	**227,196**	**2,616,783**
As at 1 April 2024	22,794	2,360,314	2,383,108	215,851	2,598,959
Profit for the year	–	342,327	342,327	13,087	355,414
Other comprehensive income:					
— Currency translation differences	–	(50,253)	(50,253)	(170)	(50,423)
— Share of other comprehensive income of a joint venture	–	(468)	(468)	–	(468)
Total comprehensive income	–	291,606	291,606	12,917	304,523
Transactions with owners					
Capital contribution from non-controlling interests (Note 11(a)(i))	–	–	–	37,382	37,382
Dividends (Note 14)	–	(303,159)	(303,159)	–	(303,159)
As at 31 March 2025	22,794	2,348,761	2,371,555	266,150	2,637,705

The accompanying notes form an integral part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 March 2026

	Note	2026 HK$'000	2025 HK$'000
Cash flows from operating activities			
Cash generated from operations	31(a)	674,191	363,560
Interest paid		(45,481)	(53,188)
Income tax paid, net		(56,782)	(87,432)
Net cash generated from operating activities		571,928	222,940
Cash flows from investing activities			
Purchases of property, plant and equipment		(310,658)	(255,539)
Proceeds from disposals of property, plant and equipment	31(b)	3,181	14,473
Loan to a non-controlling shareholder of a subsidiary		–	(6,987)
Capital injection in a joint venture		(2,663)	–
Dividend received from a joint venture		1,124	1,934
Interest received		10,386	7,812
Net cash used in investing activities		(298,630)	(238,307)
Cash flows from financing activities			
Proceeds from new bank borrowings	31(d)	1,066,736	1,197,520
Repayments of bank borrowings	31(d)	(812,071)	(1,132,672)
Repayments of lease liabilities	31(d)	(81,493)	(58,929)
Dividends paid		(284,924)	(303,159)
(Deemed distribution to)/capital contribution from non-controlling interests		(44,021)	26,920
Repayments of loans from non-controlling shareholders of subsidiaries	31(d)	(1,565)	(1,794)
Net cash used in financing activities		(157,338)	(272,114)
Net increase/(decrease) in cash and cash equivalents		115,960	(287,481)
Cash and cash equivalents at the beginning of the year		430,818	717,404
Exchange difference on cash and cash equivalents		7,024	895
Cash and cash equivalents at the end of the year	22	553,802	430,818

The accompanying notes form an integral part of these financial statements.

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

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

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

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

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

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

(a) Amended standard adopted by the Group

The Group has applied the following amended standard for the first time for the financial year beginning 1 April 2025:

HKAS 21 and HKFRS 1 (Amendments)	The Effects of Changes in Foreign Exchange Rates — Lack of Exchangeability

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

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

2.1 Basis of preparation *(Continued)*

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

The following new or amended standards have been issued but are not effective for the Group's financial year beginning 1 April 2025 and have not been early adopted by the Group:

		Effective for accounting period beginning on or after
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 9 and HKFRS 7 (Amendments)	Financial Instruments: Disclosures — Contracts Referencing Nature-dependent Electricity	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosure	1 January 2027

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

HKFRS 18 Presentation and disclosure in financial statements

HKFRS 18 will replace HKAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the income statement, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

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

2.2 Material accounting policies

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

(a) Subsidiaries

(i) Consolidation

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

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

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

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

(ii) Separate financial statements

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

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

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

2.2 Material accounting policies *(Continued)*

(b) Segment reporting

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

(c) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

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

(iii) Group companies

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

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

- all resulting currency translation differences are recognised in other comprehensive income.

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

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

2.2 Material accounting policies *(Continued)*

(d) Property, plant and equipment

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

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

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

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

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

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

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

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

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

2.2 Material accounting policies *(Continued)*

(e) Impairment of non-financial assets

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

(f) Financial assets

(i) Classification

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

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

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

(ii) Recognition and derecognition

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

(iii) Measurement

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

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

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

2.2 Material accounting policies *(Continued)*

(f) Financial assets *(Continued)*

(iii) Measurement (Continued)

Debt instruments

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

- Amortised cost

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

- FVOCI

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

  Foreign exchange gains and losses are presented in "Other gains, net" and impairment expenses are presented as separate line item in the consolidated income statement.

- FVTPL

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

- Equity instruments

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

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

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

2.2 Material accounting policies *(Continued)*

(f) Financial assets *(Continued)*

(iv) Impairment

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

(g) Inventories

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

(h) Trade and other receivables

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

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

(i) Trade and other payables

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

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

(j) Borrowings

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

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

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

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

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

2.2 Material accounting policies *(Continued)*

(k) Current and deferred income tax

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

(i) Current income tax

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

(ii) Deferred income tax

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

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

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future and those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

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

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

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

2.2 Material accounting policies *(Continued)*

(l) Employee benefits

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

(i) Pension obligations

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

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

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

(ii) Termination benefits

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

(iii) Employee leave entitlements

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

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

(iv) Long service payments

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

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

2.2 Material accounting policies *(Continued)*

(m) Provisions

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

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

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

(n) Leases

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

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

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

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

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

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

2.2 Material accounting policies *(Continued)*

(n) Leases *(Continued)*

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

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

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

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

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

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

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

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

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

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

2.2 Material accounting policies *(Continued)*

(o) Revenue and income recognition

(i) Sales of goods

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

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

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

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

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

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

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

(ii) Interest income

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

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

(iii) Rental income

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

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

2.3 Other accounting policies

(a) Joint arrangements

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

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

(i) Equity accounting

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

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

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

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

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

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

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

2.3 Other accounting policies *(Continued)*

(b) Offsetting financial instruments

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

(c) Derivative financial instruments

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

(d) Investment property

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

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

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

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

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

(e) Cash and cash equivalents

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

(f) Share capital

Ordinary shares are classified as equity.

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

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

2.3 Other accounting policies *(Continued)*

(g) Government subsidies

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

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

(h) Dividend distribution

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

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

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

(a) Foreign exchange risk

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

The Group also manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and has entered into certain foreign exchange contracts to manage foreign exchange risks. As at 31 March 2026 and 2025, the Group did not have any outstanding forward foreign currency contracts.

As at 31 March 2026, if HK$ has weakened/strengthened by 5% against RMB, with all other variables held constant, the profit before tax for the year would have been approximately HK$500,000 (2025: HK$1,716,000) higher/lower, mainly as a result of net foreign exchange gains/losses on translation of RMB denominated deposits and other receivables (Note 21) and cash and cash equivalents (Note 22).

As at 31 March 2026, if US$ has weakened/strengthened by 5% against RMB, with all other variables held constant, the profit before tax for the year would have been approximately HK$2,772,000 (2025: HK$1,105,000) higher/lower, mainly as a result of net foreign exchange gains/losses on translation of US$ denominated cash and cash equivalents (Note 22) and lease liabilities (Note 24).

As at 31 March 2026, if US$ has weakened/strengthened by 5% against VND, with all other variables held constant, the profit before tax for the year would have been approximately HK$1,953,000 (2025: HK$1,088,000) lower/higher, mainly as a result of net foreign exchange losses/gains on translation of US$ denominated trade and bills receivables (Note 20) and cash and cash equivalents (Note 22).

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Cash flow interest-rate risk

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

As at 31 March 2026, if the interest rates on bank borrowings had been 50 basis points higher/lower, with all other variables held constant, the profit before tax for the year would have been approximately HK$5,001,000 (2025: HK$4,202,000) lower/higher, mainly as a result of higher/lower interest expense on floating-rate bank borrowings.

(c) Credit risk

(i) Risk Management

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

As at 31 March 2026, the majority of the bank balances as detailed in Note 22 are held with major financial institutions located in Hong Kong, Mainland China and Vietnam which the directors believe are of high credit quality. For deposits, other receivables and other financial assets at amortised cost, management has policies in place to monitor the exposures to these credit risks on an on-going basis. The credit risk arising from deposits, other receivables and other financial assets at amortised cost are limited.

The Group's credit sales are generally on credit terms within 90 days. Normally the Group does not require collaterals from trade debtors. As at 31 March 2026, the Group's largest debtor accounted for 22% (2025: 8%) of the Group's total trade receivables. The existing debtors have no significant default in the past.

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

(ii) Impairment of financial assets

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

— trade receivables

— other financial assets at amortised cost

Trade receivables

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

Measurement of expected credit loss on individual basis

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

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(c) Credit risk *(Continued)*

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

Trade receivables (Continued)

Measurement of expected credit loss on collective basis

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

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

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

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

As at 31 March 2026 and 2025, no provision for impairment for trade receivables assessed individually was made by the Group (Note 20) whilst the loss allowance for trade receivables assessed collectively was not material (2025: same).

Other financial assets at amortised cost

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

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

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

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

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment/repayable demanded. During the years ended 31 March 2026 and 2025, no impairment loss on other financial assets at amortised cost was recognised in profit or loss (Note 21).

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(d) Liquidity risk

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

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

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

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

	Less than 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Total HK$'000
At 31 March 2026				
Trade and bills payables	**393,722**	**–**	**–**	**393,722**
Accruals and other payables	**255,966**	**–**	**–**	**255,966**
Bank borrowings	**604,647**	**346,405**	**210,500**	**1,161,552**
Lease liabilities	**116,738**	**87,897**	**29,940**	**234,575**
	1,371,073	**434,302**	**240,440**	**2,045,815**
At 31 March 2025				
Trade and bills payables	400,731	–	–	400,731
Accruals and other payables	247,638	–	–	247,638
Bank borrowings	340,521	371,838	209,277	921,636
Loans from non-controlling shareholders of subsidiaries	–	1,565	–	1,565
Lease liabilities	78,378	81,465	81,827	241,670
	1,067,268	454,868	291,104	1,813,240

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(e) Price risk

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

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

3.2 Fair value estimation

(a) Financial assets and liabilities

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets that are measured at fair values at 31 March 2026 and 2025.

	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
At 31 March 2026				
Assets				
Financial assets at FVTPL				
— Unlisted investments	**–**	**–**	**203,617**	**203,617**
At 31 March 2025				
Assets				
Financial assets at FVTPL				
— Unlisted investments	–	–	197,358	197,358

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Fair value estimation *(Continued)*

(a) Financial assets and liabilities *(Continued)*

There were no transfers among levels 1, 2 and 3 and no change in valuation during the year ended 31 March 2026 (2025: same).

(i) Financial instruments in level 1

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

(ii) Financial instruments in level 2

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

(iii) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Specific valuation techniques used to value financial instruments include:

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

For the changes in level 3 instruments for the years ended 31 March 2026 and 2025, please refer to Note 18.

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

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Fair value estimation *(Continued)*

(b) Non-financial assets and liabilities

The fair value measurements of the Group's investment properties are categorised as Level 3 in the three-level fair value hierarchy. An explanation of each level is provided in Note 3.2(a). Further details about the fair value measurements are as follows:

	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
At 31 March 2026				
Assets				
Investment properties				
— Hong Kong	**–**	**–**	**19,800**	**19,800**
— Mainland China	**–**	**–**	**119,539**	**119,539**
At 31 March 2025				
Assets				
Investment properties				
— Hong Kong	–	–	20,280	20,280
— Mainland China	–	–	150,897	150,897

The Group had engaged independent firm of surveyor, RHL Appraisal Limited, who has among their staff fellows of The Hong Kong Institute of Surveyors with recent experience in the location and category of the property being valued, to value its investment property located in Hong Kong. The Group had engaged independent firm of surveyor, Guangdong Rongde Asset Appraisal Co., Ltd.*, who has among their staff fellows of the Ministry of Housing and Urban-Rural Development of Mainland China with recent experience in the location and category of the properties being valued, to value its investment properties located in Mainland China.

* English translations of company name in Chinese for identification purposes only.

Information about level 3 fair value measurements

	Valuation techniques	**Unobservable input**	**Amount**
Investment properties			
— Hong Kong	Market comparison approach	Adjusted price per sq. ft.	HK$4,798
— Mainland China	Depreciated replacement cost approach	Adjusted replacement cost per sq. m.	RMB1,712

The fair value of the investment property located in Hong Kong is determined using market comparison approach by reference to recent sales price of comparable properties on a price per square foot basis, adjusted for a premium or a discount specific to the quality of the Group's building compared to the recent sales. Higher premium for higher quality buildings will result in a higher fair value measurement.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Fair value estimation *(Continued)*

(b) Non-financial assets and liabilities *(Continued)*

Information about level 3 fair value measurements *(Continued)*

The fair values of the investment properties located in Mainland China are determined using depreciated replacement cost approach by considering the cost to reproduce or replace in new condition the investment properties appraised in accordance with current construction costs for similar properties in the locality, with allowance for accrued depreciation as evidenced by observed condition or obsolescence percent, whether arising from physical, functional or economic causes. The fair value measurement is positively correlated to the adjusted replacement cost.

3.3 Capital risk management

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

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

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

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

The gearing ratios at 31 March 2026 and 2025 were as follows:

	As at 31 March	
	2026 HK$'000	2025 HK$'000
Total borrowings	**1,350,315**	1,095,099
Less: cash and cash equivalents	**(553,802)**	(430,818)
Net debt	**796,513**	664,281
Total equity	**2,616,783**	2,637,705
Total capital	**3,413,296**	3,301,986
Gearing ratio	**23.34%**	20.12%

The increase in gearing ratio from 20.12% as at 31 March 2025 to 23.34% as at 31 March 2026 was primarily due to the net proceeds from bank borrowings.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

(a) Current and deferred income tax provision

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

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

(b) Impairment of non-financial assets

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

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

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

5 REVENUE AND SEGMENT INFORMATION

The Group's operating segments have been determined based on the information reported to and reviewed by the executive directors and senior management of the Company led by the Group's chief executive officer, being the Group's CODM, which are used for the purposes of assessing performance and making strategic decisions.

For the purpose of internal reporting and management's operation review, the CODM considered that the Group's business is operated and managed as one single operating segment (i.e. manufacturing of knitwear products) and no separate information was presented for the years ended 31 March 2026 and 2025.

The CODM assesses the performance of the operating segment based on a measure of gross profit.

(a) Revenue by location of goods delivery

	2026 **HK$'000**	2025 HK$'000
Japan	**930,637**	1,097,820
North America	**881,597**	606,419
Europe	**862,008**	832,834
Mainland China	**812,447**	836,943
Southeast Asia	**645,947**	471,609
Other countries	**490,790**	506,505
	4,623,426	4,352,130

(b) Non-current assets

	2026 **HK$'000**	2025 HK$'000
Hong Kong	**26,599**	31,097
Mainland China	**390,860**	381,229
Vietnam	**1,819,073**	1,786,746
Myanmar	**116,492**	121,709
	2,353,024	2,320,781

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

5 REVENUE AND SEGMENT INFORMATION *(Continued)*

(c) Major customers

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

	2026 HK$'000	2025 HK$'000
Customer A	**2,036,715**	2,036,569
Customer B	**506,820**	456,620

The five largest customers accounted for approximately 67.2% (2025: 68.9%) of revenue for the year ended 31 March 2026.

(d) Disaggregation of revenue from contracts with customers

For the years ended 31 March 2026 and 2025, the revenue of the Group was recognised at a point in time.

(e) Liabilities related to contracts with customers

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

	2026 HK$'000	2025 HK$'000
Contract liabilities — receipts in advance (Note 25(b))	**9,846**	9,008

Contract liabilities for sales of goods contracts have increased by HK$838,000 (2025: decreased by HK$19,134,000) due to an increase (2025: decrease) in unfulfilled performance obligations as at year end date.

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

	2026 HK$'000	2025 HK$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**5,996**	23,732

6 OTHER INCOME

	2026 HK$'000	2025 HK$'000
Rental income from investment properties	**17,912**	11,716
Rental income from properties occupied by employees	**909**	886
Government subsidies (Note (a))	**2,226**	4,812
Others	**3,418**	3,073
	24,465	20,487

Note:

(a) During the year ended 31 March 2026, the government subsidies were received from the government of Mainland China.

7 EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses and general and administrative expenses are analysed as follows:

	2026 HK$'000	2025 HK$'000
Advertising and promotion expenses	**6,909**	6,986
Auditor's remuneration		
— audit services	**2,100**	2,323
— non-audit services	**2,860**	577
Depreciation		
— owned property, plant and equipment (Note 15)	**210,993**	197,188
— right-of-use assets (Note 16)	**46,030**	39,309
Depreciation of investment properties (Note 17)	**2,998**	2,755
Employment benefit expenses (including directors' emoluments) (Note 9)	**1,104,374**	1,023,948
Raw materials used	**2,219,445**	2,137,400
Changes in inventories of finished goods and work in progress	**(14,805)**	(41,925)
Provision for/(reversal of) impairment of inventories	**9,878**	(17,223)
Consumables	**150,440**	110,852
Subcontracting charges	**190,524**	190,652
Agency and commission expenses	**1,977**	2,291
Transportation charges	**51,208**	34,556
Sample charges	**15,924**	15,491
Donations	**4,879**	2,348
Short-term lease payments (Note 16(b))	**2,333**	1,069
Utilities expenses	**141,860**	120,565
Others	**165,104**	134,708
Total cost of sales, selling and distribution expenses, and general and administrative expenses	**4,315,031**	3,963,870

8 OTHER GAINS, NET

	2026 HK$'000	2025 HK$'000
Net foreign exchange gains	**31,520**	23,194
Net gains on financial assets at FVTPL (Note 18)	**6,259**	6,240
Net gains on disposals of property, plant and equipment (Note 31(b))	**822**	12,155
Net realised and unrealised losses from derivative financial instruments	**(22)**	(426)
	38,579	41,163

9 EMPLOYMENT BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

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

	2026 HK$'000	2025 HK$'000
Wages, salaries, commissions, allowances, bonuses, welfare and other benefits	**1,003,260**	928,664
Pension costs — defined contribution plans	**101,114**	95,284
	1,104,374	1,023,948

(a) Pension costs — defined contribution plans

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

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

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 March 2026 include four (2025: four) directors whose emoluments are reflected in Note 34 to the consolidated financial statements. The emoluments payable to the remaining one (2025: one) individual during the year are as follows:

	2026 HK$'000	2025 HK$'000
Wages, salaries, commissions, allowances, welfare and other benefits	**3,000**	1,740
Pension costs — defined contribution plans	**18**	18
Bonus	**300**	1,000
	3,318	2,758

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

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

The emoluments fell within the following bands:

	2026	2025
	HK$'000	HK$'000
Emolument bands		
HK$2,500,001 — HK$3,000,000	–	1
HK$3,000,001 — HK$3,500,000	1	–

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

10 FINANCE EXPENSES, NET

	2026	2025
	HK$'000	HK$'000
Finance income		
Interest income from:		
— Bank deposits	10,386	7,812
Finance expenses		
Interest expenses on:		
— Bank borrowings	(33,490)	(39,389)
— Lease liabilities (Note 16(b))	(11,991)	(11,946)
	(45,481)	(51,335)
	(35,095)	(43,523)

11 SUBSIDIARIES

The following are details of the principal subsidiaries at 31 March 2026:

Company name	Place of incorporation and type of legal entity	Issued/ registered and paid up capital	Principal activities/ place of operation	Effective interest held (%) The Company		The non-controlling interest	
				2026	2025	**2026**	2025
Directly owned:							
Nameson Group Limited	The British Virgin Islands ("BVI"), limited liability company	US$10	Investment holding, Hong Kong	**100%**	100%	**–**	–
Indirectly owned:							
Nameson Industrial Limited	Hong Kong, limited liability company	HK$3,000,000	Manufacturing of knitwear products, Hong Kong	**100%**	100%	**–**	–
Winner Way Industrial Limited	Hong Kong, limited liability company	HK$60,000	Manufacturing of knitwear products, Hong Kong	**100%**	100%	**–**	–
First Team (HK) Limited	Hong Kong, limited liability company	HK$1	Manufacturing of knitwear products, Hong Kong	**100%**	100%	**–**	–
First Team (Vietnam) Garment Limited	Vietnam, limited liability company	US$130,000,000	Manufacturing of knitwear products, Vietnam	**100%**	100%	**–**	–
Huizhou Nanxuan Knitting Fty. Ltd.	The PRC, wholly foreign owned enterprise	US$36,000,000	Manufacturing of knitwear products, the PRC	**100%**	100%	**–**	–
Huizhou Nanguan Knitting Ltd.	The PRC, wholly foreign owned enterprise	US$1,000,000	Manufacturing of knitwear products, the PRC	**100%**	100%	**–**	–
S. Power (Vietnam) Textile Limited	Vietnam, limited liability company	US$54,082,042	Manufacturing of knitting fabric, Vietnam	**100%**	100%	**–**	–
Top Galaxy (Myanmar) Apparel Limited	Myanmar, limited liability company	US$53,215,500	Manufacturing of knitwear products, Myanmar	**100%**	100%	**–**	–
Sumtex Industrial Limited	Hong Kong, limited liability company	HK$70	Investment holding and trading of fabric, Hong Kong	**100%**	100%	**–**	–
Able Joy (Dak Lak) Garment Limited	Vietnam, limited liability company	VND 983,593,710,188	Manufacturing of knitwear products, Vietnam	**100%**	100%	**–**	–
Hebei Nanguan Technology Co., Ltd.	The PRC, limited liability company	RMB200,000,000	Manufacturing of cashmere yarn, the PRC	**55%**	55%	**45%**	45%

11 SUBSIDIARIES *(Continued)*

(a) Non-controlling interests

(i) Transactions with non-controlling interests

During the year ended 31 March 2026, there was a deemed distribution of HK$44,021,000 by Hebei Nanguan Technology Co., Ltd., a subsidiary of the Group, to its non-controlling shareholder, Hebei Yuteng Cashmere Products Co., Ltd.

During the year ended 31 March 2025, Nameson Group Limited, a subsidiary of the Group, and Dongguan Jiuying Trading Co., Ltd., non-controlling interests ("NCI"), agreed to make capital contribution of HK$15,472,000 and HK$9,483,000 respectively to Best Time (BVI) Limited. In addition, South Champion Limited, a subsidiary of the Group, and Hebei Yuteng Cashmere Products Co., Ltd., NCI, agreed to make capital contribution of HK$34,100,000 and HK$27,899,000 respectively to M.oro Group Limited.

(ii) Summary of key non-controlling interest

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

Summarised income statement

	2026 HK$'000	2025 HK$'000
Revenue	**530,453**	842,537
(Loss)/profit for the year	**(4,721)**	34,604
Other comprehensive income	**23,658**	–
Total comprehensive income	**18,937**	34,604
(Loss)/profit allocated to NCI	**(2,125)**	15,572
Other comprehensive income allocated to NCI	**10,646**	–
Total comprehensive income allocated to NCI	**8,521**	15,572

11 SUBSIDIARIES *(Continued)*

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

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

Summarised balance sheet

	2026 HK$'000	2025 HK$'000
Current assets	771,859	806,933
Current liabilities	(427,591)	(388,869)
Current net assets	344,268	418,064
Non-current assets	99,703	96,967
Non-current liabilities	(8,801)	(971)
Non-current net assets	90,902	95,996
Net assets	435,170	514,060
Accumulated NCI	(195,827)	(231,327)

Summarised cash flows

	2026 HK$'000	2025 HK$'000
Cash inflows from operating activities	150,835	55,644
Cash outflows from investing activities	(2,369)	(450)
Cash outflows from financing activities	(107,159)	(10,289)
Net increase in cash and cash equivalents	41,307	44,905

12 INCOME TAX EXPENSES

For the year ended 31 March 2026, Hong Kong Profits Tax has been provided for at the rate of 16.5% (2025: 16.5%) on the estimated assessable profit for the year. The Group's subsidiaries in Mainland China are subject to the China Corporate Income Tax at a rate of 25% (2025: 25%) on estimated assessable profits. Two (2025: two) of the Group's subsidiaries in Mainland China are subject to the China Corporate Income Tax at the rate of 15% after being assessed as high and new technology enterprises.

The Group's subsidiaries in Vietnam are subject to preferential business income tax ("BIT") at the rate of 17% for the first 10 years from the commencement of operation. After that the entities are subject to BIT at a standard rate of 20%. According to the investment certificates, the subsidiaries are subject to preferential BIT rate on taxable income for the first 10 years from the commencement of operation. In addition, the subsidiaries are entitled to full exemption from BIT for the first 2 years from the first year of earning taxable profit and are eligible for a 50% reduction in the BIT rate in the 4 years thereafter. With respect to the Company's five subsidiaries in Vietnam, one is subject to the BIT rate of 20% (2025: 20%) in the current year, one is eligible for a 50% reduction, and the remaining three have no taxable profit for the year ended 31 March 2026.

	2026 HK$'000	2025 HK$'000
Current tax		
Current tax on profits for the year		
— Hong Kong profits tax	**18,042**	14,758
— China corporate income tax	**17,361**	35,405
— Vietnam business income tax	**391**	385
	35,794	50,548
Under-provision of current tax in prior years		
— China corporate income tax	**–**	2,088
— Vietnam business income tax	**6,201**	–
	41,995	52,636
Deferred income tax		
— Deferred taxation (Note 26)	**(300)**	(170)
	41,695	52,466

12 INCOME TAX EXPENSES *(Continued)*

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

	2026 **HK$'000**	2025 HK$'000
Profit before income tax	**337,154**	407,880
Tax calculated at domestic tax rates applicable to profits in the respective jurisdictions	**67,834**	87,767
Income not subject to tax	**(429,978)**	(376,836)
Expenses not deductible for tax purposes	**390,463**	329,940
Under-provision in prior years	**6,201**	2,088
Others	**7,175**	9,507
Income tax expenses	**41,695**	52,466

13 EARNINGS PER SHARE

(a) Basic

Basic earnings per share for the years ended 31 March 2026 and 2025 are calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2026	2025
Profit attributable to the owners of the Company (HK$'000)	**300,559**	342,327
Weighted average number of ordinary shares in issue ('000)	**2,279,392**	2,279,392
Basic earnings per share (HK cents)	**13.19**	15.02

(b) Diluted

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

Diluted earnings per share for the years ended 31 March 2026 and 2025 equals basic earnings per share as the exercise of the outstanding share options would be anti-dilutive.

14 DIVIDENDS

At the board meeting held on 21 November 2025, the Board of Directors declared an interim dividend for the year ended 31 March 2026 of 11.0 HK cents per share amounting to a total of HK$250,733,000 and paid on 19 December 2025.

At the board meeting held on 22 June 2026, the Board of Directors did not recommend the payment of final dividend for the year ended 31 March 2026.

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

At the board meeting held on 20 June 2025, the Board of Directors declared a second interim for the year ended 31 March 2025 of 1.5 HK cents per share (in lieu of a final dividend) amounting to a total of HK$34,191,000 and paid on 23 July 2025.

15 PROPERTY, PLANT AND EQUIPMENT

	Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and other equipment	Motor vehicles	Construction in progress	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2024							
Cost	1,030,638	54,616	2,577,006	97,699	42,712	134,490	3,937,161
Accumulated depreciation	(167,610)	(30,508)	(1,573,537)	(68,103)	(34,922)	–	(1,874,680)
Accumulated impairment	(243,416)	–	(31,673)	(2,225)	(107)	–	(277,421)
Net book amount	619,612	24,108	971,796	27,371	7,683	134,490	1,785,060
Year ended 31 March 2025							
Opening net book amount	619,612	24,108	971,796	27,371	7,683	134,490	1,785,060
Additions	30,685	597	51,138	7,097	2,121	257,307	348,945
Disposals (Note 31(b))	–	–	(2,200)	–	(118)	–	(2,318)
Transfer to investment properties (Note 17)	(8,851)	–	–	–	–	–	(8,851)
Reclassification (Note 16)	–	–	16,426	–	–	(9,548)	6,878
Exchange differences	(20,912)	–	(28,553)	(1,377)	(143)	(8,005)	(58,990)
Depreciation (Note 7)	(31,947)	(1,436)	(151,107)	(9,924)	(2,774)	–	(197,188)
Closing net book amount	588,587	23,269	857,500	23,167	6,769	374,244	1,873,536
At 31 March 2025							
Cost	963,274	55,213	2,377,167	99,548	39,131	374,244	3,908,577
Accumulated depreciation	(131,271)	(31,944)	(1,487,994)	(74,156)	(32,255)	–	(1,757,620)
Accumulated impairment	(243,416)	–	(31,673)	(2,225)	(107)	–	(277,421)
Net book amount	588,587	23,269	857,500	23,167	6,769	374,244	1,873,536
Year ended 31 March 2026							
Opening net book amount	**588,587**	**23,269**	**857,500**	**23,167**	**6,769**	**374,244**	**1,873,536**
Additions	**120,117**	**681**	**101,805**	**9,585**	**5,055**	**34,600**	**271,843**
Disposals (Note 31(b))	**–**	**–**	**(2,333)**	**–**	**(26)**	**–**	**(2,359)**
Reclassification (Note 16)	**262,081**	**–**	**109,261**	**1,033**	**–**	**(361,994)**	**10,381**
Exchange differences	**(9,513)**	**1,292**	**(14,537)**	**317**	**(111)**	**(9,104)**	**(31,656)**
Depreciation (Note 7)	**(37,513)**	**(1,463)**	**(160,857)**	**(8,506)**	**(2,654)**	**–**	**(210,993)**
Closing net book amount	**923,759**	**23,779**	**890,839**	**25,596**	**9,033**	**37,746**	**1,910,752**
At 31 March 2026							
Cost	**1,352,516**	**58,018**	**2,575,260**	**106,585**	**41,040**	**37,746**	**4,171,165**
Accumulated depreciation	**(185,341)**	**(34,239)**	**(1,652,748)**	**(78,764)**	**(31,900)**	**–**	**(1,982,992)**
Accumulated impairment	**(243,416)**	**–**	**(31,673)**	**(2,225)**	**(107)**	**–**	**(277,421)**
Net book amount	**923,759**	**23,779**	**890,839**	**25,596**	**9,033**	**37,746**	**1,910,752**

15 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	2026 HK$'000	2025 HK$'000
Depreciation charged in consolidated income statement:		
— Cost of sales	**193,574**	180,696
— General and administrative expenses	**17,419**	16,492
	210,993	197,188

During the year ended 31 March 2026, the Group assumed to have the ownership of right-of-use assets with an aggregate net book value of HK$10,381,000 (2025: HK$6,878,000) at the time of the expiry of leases in accordance with the terms of leases.

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

As at 31 March 2026, the Group's production base in Myanmar had certain assets with a net carrying amount before impairment of approximately HK$387,505,000 (2025: HK$392,340,000), which included property, plant and equipment and right-of-use assets (2025: same).

The development progress of the production base in Myanmar has been affected by the ongoing social unrest and military conflicts in Myanmar. The directors of the Company have carried out impairment assessments over the property, plant and equipment, right-of-use assets and prepayments for property, plant and equipment in Myanmar with reference to the valuations performed by Vincorn Consulting and Appraisal Limited, an independent professional valuer. As at 31 March 2026, the management considered the recoverable amount of each of these assets being the higher of value in use and fair value less costs of disposal and concluded that the recoverable amount of each of these assets in Myanmar is determined by using fair value less costs of disposal under market approach (2025: same).

The fair value measurement is categorised at level 3 fair value hierarchy and the key unobservable inputs for assessing the recoverable amount of the assets in Myanmar as at 31 March 2026 and 2025 are as follows:

Discount for property asking price:	40% (2025: same)
Agency costs for sales of property:	5% (2025: same)
Scrap values of machineries:	10% of the cost of machineries (2025: same)

Based on the valuations carried out by the valuer as at 31 March 2026, the recoverable amount of these assets determined based on fair value less costs of disposal was higher than their net carrying amount. Therefore, no further provision for impairment of property, plant and equipment was made for the year ended 31 March 2026 (2025: Nil).

The Group has performed a sensitivity analysis for the recoverable amount of these assets as at 31 March 2026. If the discount for asking prices of the properties in Myanmar has increased/decreased by 5%, with all other variables held constant, the recoverable amount of these assets in Myanmar would have been approximately HK$15,500,000 lower/higher.

16 RIGHT-OF-USE ASSETS

(a) Amounts recognised in the consolidated balance sheet

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

	Plant and machinery HK$'000	Leased properties HK$'000	Land use rights (Note i) HK$'000	Total HK$'000
Year ended 31 March 2025				
Opening net book amount	161,664	16,108	112,937	290,709
Additions (Note 31(c))	108,862	9,105	–	117,967
Reclassification (Note 15)	(6,878)	–	–	(6,878)
Depreciation (Note 7)	(22,485)	(13,674)	(3,150)	(39,309)
Exchange differences	–	(203)	(3,500)	(3,703)
Closing net book amount at 31 March 2025	241,163	11,336	106,287	358,786
Year ended 31 March 2026				
Opening net book amount	**241,163**	**11,336**	**106,287**	**358,786**
Additions (Note 31(c))	**53,701**	**24,412**	**–**	**78,113**
Reclassification (Note 15)	**(10,381)**	**–**	**–**	**(10,381)**
Lease modification	**–**	**–**	**(259)**	**(259)**
Depreciation (Note 7)	**(29,930)**	**(13,363)**	**(2,737)**	**(46,030)**
Exchange differences	**1,001**	**915**	**(1,043)**	**873**
Closing net book amount at 31 March 2026	**255,554**	**23,300**	**102,248**	**381,102**

Note:

(i) As at 31 March 2026 and 2025, the Group's interests in land use rights represent prepaid operating lease payments in Mainland China, Vietnam and Myanmar.

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

(b) Amounts recognised in the consolidated income statement

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

	2026 HK$'000	2025 HK$'000
Depreciation of right-of-use assets (Note 7)	**46,030**	39,309
Interest expense (Note 10)	**11,991**	11,946
Short-term lease payments (Note 7)	**2,333**	1,069
	60,354	52,324

The total cash outflow for leases for the year ended 31 March 2026 was HK$95,817,000 (2025: HK$71,944,000).

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

As a lessee

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

(d) Extension and termination options

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

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

At 31 March 2026 and 2025, there were no payments for leases that the Group has committed to but not commenced.

17 INVESTMENT PROPERTIES

	2026 HK$'000	2025 HK$'000
At cost		
Beginning net book amount of the year	**7,686**	1,590
Transfer from property, plant and equipment (Note 15)	**–**	8,851
Depreciation (Note 7)	**(2,998)**	(2,755)
Exchange differences	**187**	–
End of the year	**4,875**	7,686
Cost	**81,737**	77,547
Accumulated depreciation	**(76,862)**	(69,861)
Net book amount	**4,875**	7,686

The fair values of the Group's investment properties as at 31 March 2026 were HK$139,339,000 (2025: HK$171,177,000) and the investment properties are situated in Mainland China and Hong Kong. Further details about the fair value measurements of the investment properties are disclosed in Note 3.2.

Depreciation of approximately HK$2,998,000 for the year ended 31 March 2026 (2025: HK$2,755,000) has been included in "General and administrative expenses".

Outgoings in respect of the investment properties amounted to HK$3,046,000 for the year ended 31 March 2026 (2025: HK$1,279,000).

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

18 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2026 HK$'000	2025 HK$'000
Financial assets at FVTPL		
— Unlisted investments, at fair value (Note)	**203,617**	197,358

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

Movement of the financial assets at FVTPL is as follows:

	HK$'000
As at 1 April 2024	191,118
Fair value gains on unlisted investments at FVTPL recognised in "Other gains, net" (Note 8)	6,240
As at 31 March 2025 and 1 April 2025	197,358
Fair value gains on unlisted investments at FVTPL recognised in "Other gains, net" (Note 8)	6,259
As at 31 March 2026	203,617

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

Financial assets at FVTPL are denominated in US$.

19 INVENTORIES

	2026 HK$'000	2025 HK$'000
Raw materials	**438,049**	461,914
Work-in-progress	**556,331**	576,182
Finished goods	**239,937**	169,801
	1,234,317	1,207,897

The cost of inventories recognised as expense and included in "Cost of sales" in the consolidated income statement amounted to HK$2,214,518,000 (2025: HK$2,078,252,000) for the year ended 31 March 2026. A provision for impairment of inventories amounted to HK$9,878,000 (2025: reversal of provision for impairment of inventories amounted to HK$17,223,000) was made during the year.

20 TRADE AND BILLS RECEIVABLES

	2026 HK$'000	2025 HK$'000
Trade and bills receivables	**230,419**	153,114

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

	2026 HK$'000	2025 HK$'000
US$	**189,911**	113,149
RMB	**37,075**	39,328
HK$	**129**	617
VND	**3,304**	20
	230,419	153,114

The credit periods granted by the Group to its customers generally range from 0 to 90 days. As at 31 March 2026 and 2025, the ageing analysis of the trade and bills receivables based on the invoice date is as follows:

	2026 HK$'000	2025 HK$'000
Up to three months	**214,164**	139,328
Three to six months	**11,123**	11,658
Over six months	**5,132**	2,128
	230,419	153,114

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

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

As at 31 March 2026, total bills receivable amounted to HK$12,249,000 (2025: HK$14,191,000). All bills receivable by the Group are with a maturity period of less than six months.

21 PREPAYMENTS, DEPOSITS, OTHER RECEIVABLES AND OTHER ASSETS

	2026 HK$'000	2025 HK$'000
Prepayments for property, plant and equipment	**22,359**	28,879
Prepayments for subcontracting charges	**53,740**	12,376
Prepayments to raw materials suppliers (Note)	**186,758**	248,091
Other prepayments	**132,777**	106,689
Prepaid insurance premium for the key management insurance	**19,794**	20,950
	415,428	416,985
Deposits (Note)	**8,498**	13,421
Other receivables (Note)	**76,667**	103,167
Other assets	**1,680**	1,680
	86,845	118,268
	502,273	535,253
Less: Non-current portion	**(73,420)**	(99,256)
Current portion	**428,853**	435,997

Note: As at 31 March 2026, prepayments, deposits, other receivables and other assets include prepayments for raw materials to a related company of approximately HK$172,783,000 (2025: HK$245,066,000), deposits to a related company of approximately HK$115,000 (2025: HK$109,000), receivable from related companies of approximately HK$11,000,000 (2025: HK$10,463,000) and loan to a related company of HK$3,448,000 (2025: Nil) respectively (Note 33(b)).

22 CASH AND CASH EQUIVALENTS

	2026 HK$'000	2025 HK$'000
Cash and cash equivalents	**553,802**	430,818

Cash and cash equivalents are denominated in the following currencies:

	2026 HK$'000	2025 HK$'000
US$	**303,345**	227,807
HK$	**37,711**	62,726
RMB	**190,123**	128,063
VND	**18,684**	10,813
Others	**3,939**	1,409
	553,802	430,818

23 BANK BORROWINGS

	2026 HK$'000	2025 HK$'000
Current		
Short-term bank borrowings, unsecured	**295,000**	100,000
Portion of long-term bank borrowings, unsecured, due for repayment within one year	**278,676**	209,335
	573,676	309,335
Non-current		
Bank borrowings, unsecured	**553,777**	563,453
Total bank borrowings	**1,127,453**	872,788

23 BANK BORROWINGS *(Continued)*

The weighted average effective interest rate as at 31 March 2026 is 3.02% (2025: 4.65%). The bank borrowings are due for repayment as follows:

	2026 HK$'000	2025 HK$'000
Within one year	**573,676**	309,335
Between one and two years	**343,277**	354,176
Between two and five years	**210,500**	209,277
	1,127,453	872,788

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

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

	2026 HK$'000	2025 HK$'000
HK$	**1,127,453**	872,788

24 LEASE LIABILITIES

The Group's lease liabilities are analysed as follows:

	2026 HK$'000	2025 HK$'000
Current		
Lease liabilities due for repayment within one year	**108,541**	68,378
Non-current		
Lease liabilities due for repayment after one year:		
Between one and two years	**84,611**	75,087
Between two and five years	**29,710**	78,846
	114,321	153,933
Total lease liabilities	**222,862**	222,311

The weighted average effective interest rate as at 31 March 2026 is 4.73% (2025: 5.18%). The lease liabilities are due for repayment as follows:

	2026 HK$'000	2025 HK$'000
Gross lease liabilities — minimum lease payments:		
Within one year	**116,738**	78,378
Between one and two years	**87,897**	81,465
Between two and five years	**29,940**	81,827
	234,575	241,670
Future finance charges on leases	**(11,713)**	(19,359)
Present value of lease liabilities	**222,862**	222,311

As at 31 March 2026, the carrying amounts of lease liabilities are denominated in US$, RMB and HK$ (2025: same).

25 TRADE AND BILLS PAYABLES, ACCRUALS AND OTHER PAYABLES

(a) Trade and bills payables

Trade and bills payables are denominated in the following currencies:

	2026 HK$'000	2025 HK$'000
US$	**328,993**	338,290
HK$	**9,254**	7,095
RMB	**40,157**	43,586
VND	**15,318**	11,760
	393,722	400,731

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

Note: As at 31 March 2026, trade and bills payables include trade payables to related companies of approximately HK$3,375,000 (2025: HK$3,586,000) (Note 33(b)).

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

	2026 HK$'000	2025 HK$'000
Within one month	**218,079**	226,037
One to two months	**94,453**	103,544
Two to three months	**70,543**	60,857
Three to six months	**5,811**	10,293
Over six months	**4,836**	–
	393,722	400,731

(b) Accruals and other payables

	2026 HK$'000	2025 HK$'000
Accrued subcontracting charges	**5,824**	795
Accrued salaries	**87,126**	74,474
Contract liabilities (Note 5(e))	**9,846**	9,008
Other accrued expenses	**32,837**	13,065
Other payables (Note)	**223,129**	236,220
Provision for reinstatement costs	**2,478**	2,372
Provision for long service payment	**1,060**	1,450
	362,300	337,384
Less: Non-current portion	**(3,538)**	(3,822)
Current portion	**358,762**	333,562

Note: As at 31 March 2026, other payables include payables to a related company of approximately HK$175,862,000 (2025: HK$166,304,000) (Note 33(b)).

26 DEFERRED INCOME TAX

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

	2026 HK$'000	2025 HK$'000
Deferred income tax assets:		
— Deferred income tax assets to be recovered after more than 12 months	**1,269**	986
Deferred income tax liabilities:		
— Deferred income tax liabilities to be recovered after more than 12 months	**(4,882)**	(4,883)
Deferred income tax liabilities, net	**(3,613)**	(3,897)

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

	2026 HK$'000	2025 HK$'000
Beginning of the year	**(3,897)**	(4,108)
Credited to consolidated income statement (Note 12)	**300**	170
Exchange difference	**(16)**	41
End of the year	**(3,613)**	(3,897)

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

Deferred income tax liabilities:

	Accelerated tax depreciation HK$'000	Right-of-use assets HK$'000	Withholding tax HK$'000	Total HK$'000
As at 1 April 2024	(106)	(9,369)	(4,705)	(14,180)
Credited/(charged) to consolidated income statement	(73)	1,768	–	1,695
Exchange difference	–	38	3	41
As at 31 March 2025	**(179)**	**(7,563)**	**(4,702)**	**(12,444)**
Credited/(charged) to consolidated income statement	**63**	**(2,043)**	**–**	**(1,980)**
Exchange difference	**–**	**(38)**	**22**	**(16)**
As at 31 March 2026	**(116)**	**(9,644)**	**(4,680)**	**(14,440)**

26 DEFERRED INCOME TAX *(Continued)*

Deferred income tax assets:

	Decelerated tax depreciation HK$'000	Lease liabilities HK$'000	Total HK$'000
As at 1 April 2024	378	9,694	10,072
Charged to consolidated income statement	(60)	(1,465)	(1,525)
As at 31 March 2025	**318**	**8,229**	**8,547**
(Charged)/credited to consolidated income statement	**(45)**	**2,325**	**2,280**
As at 31 March 2026	**273**	**10,554**	**10,827**

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of HK$43,829,000 (2025: HK$37,633,000) in respect of accumulated tax losses amounting to HK$238,873,000 (2025: HK$207,998,000) as at 31 March 2026, that can be carried forward against future taxable income. As at 31 March 2026, the accumulated tax losses amounting to HK$144,113,000 (2025: HK$122,428,000) will expire in five years. There is no expiry period for the other tax losses.

As at 31 March 2026, deferred income tax liabilities of approximately HK$9,316,000 (2025: HK$8,731,000) have not been recognised for the withholding taxation that would be payable on the unremitted earnings of subsidiaries in Mainland China of approximately HK$186,318,000 (2025: HK$174,618,000), as the management considered that the timing of the reversal of the related temporary differences can be controlled and the related temporary difference will not be reversed in the foreseeable future.

27 INTERESTS IN JOINT VENTURES

Movements in the investments in joint ventures are as follows:

	2026 HK$'000	2025 HK$'000
Beginning of the year	6,174	7,083
Addition	2,663	–
Share of post-tax profit	810	1,493
Share of other comprehensive income	(192)	(468)
Dividend received	(1,124)	(1,934)
Exchange differences	138	–
End of the year	8,469	6,174

Nature of interests in joint ventures as at 31 March 2026 and 2025:

Name of joint venture	Place of incorporation	Place of operation	Equity interest attributable to the Group		Proportion of voting power held		Principal activities
			2026	2025	2026	2025	
Directly held:							
SML & FT (HK) Limited	Hong Kong	Hong Kong	30%	30%	50%	50%	Investment holding
Cashmoria Co., Ltd.	The PRC	The PRC	49%	–	40%	–	Manufacturing of cashmere products
Indirectly held:							
SML & FT (Vietnam) Limited	Vietnam	Vietnam	30%	30%	50%	50%	Manufacturing of labels and hang tags

27 INTERESTS IN JOINT VENTURES *(Continued)*

Summarised financial information for joint venture

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

Summarised balance sheet

	2026 HK$'000	2025 HK$'000
Current		
Total current assets	19,487	21,874
Total current liabilities	(17,774)	(18,372)
Non-current		
Total non-current assets	5,498	4,479
Net assets	7,211	7,981

Summarised statement of comprehensive income

	2026 HK$'000	2025 HK$'000
Revenue	16,797	17,408
Profit for the year	3,615	4,976
Other comprehensive income	(640)	(1,558)
Total comprehensive income	2,975	3,418

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

	2026 HK$'000	2025 HK$'000
Reconciled to the Group's interest in the joint venture		
Gross amounts of net assets of the joint venture	7,211	7,981
Group's effective interest	30%	30%
	2,163	2,394
Loan to the joint venture (Note)	3,780	3,780
Group's share of interest in the joint venture	5,943	6,174

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

27 INTERESTS IN JOINT VENTURES *(Continued)*

Summarised financial information for joint venture *(Continued)*

Set out below is the summarised financial information for Cashmoria Co., Ltd. which is accounted for using the equity method.

Summarised balance sheet

	2026 HK$'000	2025 HK$'000
Current		
Total current assets	6,232	–
Total current liabilities	(1,035)	–
Non-current		
Total non-current liabilities	(42)	–
Net assets	5,155	–

Summarised statement of comprehensive income

	2026 HK$'000	2025 HK$'000
Revenue	3,036	–
Loss for the year	(560)	–
Total comprehensive income	(560)	–

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

	2026 HK$'000	2025 HK$'000
Reconciled to the Group's interest in the joint venture		
Gross amounts of net assets of the joint venture	5,155	–
Group's effective interest	49%	N/A
Group's share of interest in the joint venture	2,526	–

28 SHARE CAPITAL

	2026 Number of shares	2026 Nominal value HK$	2025 Number of shares	2025 Nominal value HK$
Authorised:				
Ordinary shares at HK$0.01 each as at 1 April and 31 March	**5,000,000,000**	**50,000,000**	5,000,000,000	50,000,000

	2026 Number of shares	2026 Nominal value HK$	2025 Number of shares	2025 Nominal value HK$
Issued and fully paid:				
Ordinary shares of HK$0.01 each as at 1 April and 31 March	**2,279,392,000**	**22,793,920**	2,279,392,000	22,793,920

29 RESERVES

	Attributable to the owners of the Company				
	Other reserves (Note) HK$'000	**Exchange reserve HK$'000**	**Share option reserve HK$'000**	**Retained earnings HK$'000**	**Total HK$'000**
As at 1 April 2025	**1,586,311**	**(70,086)**	**13,520**	**819,016**	**2,348,761**
Profit for the year	–	–	–	**300,559**	**300,559**
Other comprehensive income:					
— Currency translation differences	–	**2,589**	–	–	**2,589**
— Share of other comprehensive income of joint ventures	–	**(192)**	–	–	**(192)**
Total comprehensive income	–	**2,397**	–	**300,559**	**302,956**
Transactions with owners					
Share option scheme					
Transfer of reserve upon forfeiture	–	–	**(1,282)**	**1,282**	–
Dividends (Note 14)	–	–	–	**(284,924)**	**(284,924)**
	–	–	**(1,282)**	**(283,642)**	**(284,924)**
As at 31 March 2026	**1,586,311**	**(67,689)**	**12,238**	**835,933**	**2,366,793**

29 RESERVES *(Continued)*

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

Note: Other reserves represent mainly:

(i) the share premium, and fair value of the consideration given in excess of the paid-in capital of the companies comprising the Group in relation to the Company's reorganisation;

(ii) share premium arising from the issue of ordinary shares upon acquisition of a subsidiary; and

(iii) share premium and reserve arising from the issue of ordinary shares upon exercise of share options.

30 SHARE-BASED PAYMENTS

Movements of the share options under the share option scheme during the year ended 31 March 2026 are as follows:

			Number of share options				
Date of grant	Exercise price HK$	Exercise period	As at 1 April 2025	Granted during the year	Exercised during the year	Cancelled during the year	As at 31 March 2026
Directors							
29 August 2016	1.394	29 August 2017 to 28 August 2026	3,000,000	–	–	–	3,000,000
28 August 2017	1.462	28 August 2018 to 27 August 2027	6,500,000	–	–	(1,500,000)	5,000,000
20 April 2018	1.700	20 April 2019 to 19 April 2028	1,500,000	–	–	–	1,500,000
Other employees of the Group							
29 August 2016	1.394	29 August 2017 to 28 August 2026	11,006,000	–	–	(966,000)	10,040,000
28 August 2017	1.462	28 August 2018 to 27 August 2027	25,500,000	–	–	(1,500,000)	24,000,000
Total			47,506,000	–	–	(3,966,000)	43,540,000

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

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

30 SHARE-BASED PAYMENTS *(Continued)*

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

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

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

	Date of grant		
	29 August 2016	**28 August 2017**	**20 April 2018**
	HK$'000	HK$'000	HK$'000
Risk-free interest rate	1.01%	1.50%	1.50%
Expected volatility	40.28%	39.02%	39.02%
Expected annual dividend yield	3.95%	3.83%	3.83%

No expense for the share options granted to the directors and employees was recognised as "employment benefit expenses" for the year ended 31 March 2026 (2025: same).

31 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

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

	Note	2026 HK$'000	2025 HK$'000
Profit before income tax		**337,154**	407,880
Adjustments for:			
Finance income	10	**(10,386)**	(7,812)
Finance expenses	10	**45,481**	51,335
Depreciation of property, plant and equipment	7	**210,993**	197,188
Depreciation of right-of-use assets	7	**46,030**	39,309
Depreciation of investment properties	7	**2,998**	2,755
Net gains on financial assets at FVTPL	8	**(6,259)**	(6,240)
Net gains on disposals of property, plant and equipment	8	**(822)**	(12,155)
Provision for/(reversal of) impairment of inventories	7	**9,878**	(17,223)
Share of post-tax profit of joint ventures	27	**(810)**	(1,493)
Exchange difference		**39,967**	10,788
Changes in working capital:			
Inventories		**(36,298)**	(280,122)
Trade and bills receivables		**(75,058)**	14,035
Prepayments, deposits, other receivables and other assets		**63,642**	(144,632)
Trade and bills payables		**(9,839)**	65,438
Accruals and other payables		**57,520**	44,509
Cash generated from operations		**674,191**	363,560

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

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

	2026 HK$'000	2025 HK$'000
Net book amount (Note 15)	**2,359**	2,318
Net gains on disposals of property, plant and equipment recognised in consolidated income statement (Note 8)	**822**	12,155
Proceeds from disposals of property, plant and equipment	**3,181**	14,473
Proceeds from disposals of property, plant and equipment included in consolidated cash flow statement:		
— Cash flows from investing activities	**3,181**	14,473

(c) Significant non-cash transactions:

The significant non-cash transactions for the years ended 31 March 2026 and 2025 were related to the additions of right-of-use assets (Note 16(a)).

(d) Reconciliation of liabilities arising from financing activities:

	Bank borrowings HK$'000	**Lease liabilities** HK$'000	**Loans from non-controlling shareholders of subsidiaries** HK$'000
As at 1 April 2024	807,940	163,060	3,359
Cash outflow	(1,132,672)	(58,929)	(1,794)
Cash inflow	1,197,520	–	–
Non-cash changes	–	118,180	–
As at 31 March 2025	872,788	222,311	1,565
As at 1 April 2025	**872,788**	**222,311**	**1,565**
Cash outflow	**(812,071)**	**(81,493)**	**(1,565)**
Cash inflow	**1,066,736**	**–**	**–**
Non-cash changes	**–**	**82,044**	**–**
As at 31 March 2026	**1,127,453**	**222,862**	**–**

32 COMMITMENTS

(a) Operating lease arrangements

As at 31 March 2026 and 2025, the aggregate future minimum lease payments receivable under non-cancellable operating leases in respect of the Group's investment properties are as follows:

	2026 **HK$'000**	2025 HK$'000
Within one year	**18,764**	17,193
Between one to two years	**19,004**	17,064
Between two to three years	**19,726**	17,064
Between three to four years	**19,127**	17,746
Between four to five years	**19,127**	18,087
Later than five years	**283,682**	286,352
	379,430	373,506

(b) Capital commitments

As at 31 March 2026 and 2025, the capital expenditure contracted but not yet incurred is as follows:

	2026 **HK$'000**	2025 HK$'000
Property, plant and equipment and right-of-use assets contracted but not provided for	**80,616**	157,058

33 RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in the financial statements, the following is a summary of significant related party transactions which, in the opinion of the directors, are entered into the ordinary course of business between the Group and its related parties, and the balances arising from related party transactions.

Name of related parties	Relationship with the Group
Hanyi Investments Limited	Controlled by Mr. Wong Ting Chung#, Mr. Wong Ting Chun# (Executive Director) and Mr. Wong Ting Kau#
Huizhou Gangsheng Property Co., Ltd.*	Controlled by Mr. Wong Ting Chung#, Mr. Wong Wai Yue (Chairman and Executive Director), Mr. Wong Ting Chun# (Executive Director), Mr. Wong Ting Kau# and Mr. Lin Xiugao, the cousin of Mr. Wong Ting Chung#
Huizhou Huaerkang Technology Co., Ltd.*	Controlled by Mr. Wong Wai Yue (Chairman and Executive Director)
HEK (HK) Ltd.	Controlled by Mr. Wong Wai Yue (Chairman and Executive Director)
Hebei Yuteng Cashmere Products Co., Ltd.*	The non-controlling interests of a subsidiary of the Group
SML & FT (Vietnam) Limited	Wholly owned subsidiary of a joint venture formed between the Group and an independent third party
Cashmoria Co., Ltd.	A joint venture formed between the Group and an independent third party
Tongxiang Yuteng Cashmere Clothing Co., Ltd.*	Wholly owned subsidiary of the non-controlling interests of a subsidiary of the Group
Anchor International Holdings Limited	The non-controlling interests of a subsidiary of the Group
AY International Trading Limited	The non-controlling interests of a subsidiary of the Group
Dongguan Jiuying Trading Co., Ltd.*	The non-controlling interests of a subsidiary of the Group
Guangdong Heshunjing Clothing Co., Ltd.*	Fellow subsidiary of the non-controlling interests of a subsidiary of the Group

As Mr. Wong Ting Chung is the settlor, the protector and one of the beneficiaries of the Happy Family Trust (which is a substantial shareholder of the Company), and Mr. Wong Ting Chun and Mr. Wong Ting Kau are beneficiaries of the Happy Family Trust, Mr. Wong Ting Chung, Mr. Wong Ting Chun and Mr. Wong Ting Kau are therefore controlling shareholders of the Company.

* English translations of company name in Chinese for identification purposes only.

33 RELATED PARTY TRANSACTIONS *(Continued)*

(a) Transactions

	Note	**2026 HK$'000**	2025 HK$'000
Continuing transactions:			
Hotel services fee charged by Huizhou Gangsheng Property Co., Ltd.	(i), (v)	**1,934**	1,213
Rental charged by Hanyi Investments Limited	(ii), (v)	**3,600**	3,600
Rental charged by Hebei Yuteng Cashmere Products Co., Ltd.	(iii), (v)	**8,536**	8,645
Rental charged by Tongxiang Yuteng Cashmere Clothing Co., Ltd.	(iv), (v)	**827**	823
Purchase of cashmere from Hebei Yuteng Cashmere Products Co., Ltd.	(i), (v)	**402,513**	732,244
Purchase of masks from Huizhou Huaerkang Technology Co., Ltd. and HEK (HK) Ltd.	(i), (v)	**211**	2
Purchase of labels and hang tags from SML & FT (Vietnam) Limited	(i)	**15,903**	16,499
Purchase of raw materials from Cashmoria Co., Ltd.	(i)	**120**	–

Notes:

(i) Terms of the above transactions are mutually agreed between the relevant parties.

(ii) The Group has renewed its lease agreement with Hanyi Investments Limited on terms mutually agreed by both parties. The Group has recognised a right-of-use asset of HK$3,274,000 at 31 March 2026 (2025: HK$6,548,000). The lease payments to this related company under this agreement for the year ended 31 March 2026 was HK$3,600,000 (2025: HK$3,600,000).

(iii) The Group has renewed its lease agreement with Hebei Yuteng Cashmere Products Co., Ltd. in respect of properties on terms mutually agreed by both parties. The Group has recognised a right-of-use asset of HK$16,809,000 at 31 March 2026 (2025: Nil). The lease payments to this related company under this agreement for the year ended 31 March 2026 was HK$8,536,000 (2025: HK$8,645,000).

(iv) The Group has entered into a lease agreement with Tongxiang Yuteng Cashmere Clothing Co., Ltd. on terms mutually agreed by both parties. The Group has recognised a right-of-use asset of HK$208,000 at 31 March 2026 (2025: HK$981,000). The lease payments to this related company under this agreement for the year ended 31 March 2026 was HK$827,000 (2025: HK$823,000).

(v) These related party transactions also fall under the definition of continuing connected transactions or connected transactions in Chapter 14A of the Listing Rules. The Company has complied with the requirements in accordance with Chapter 14A of the Listing Rules.

33 RELATED PARTY TRANSACTIONS *(Continued)*

(b) Year end balances

	Note	2026 HK$'000	2025 HK$'000
Prepayment to Hebei Yuteng Cashmere Products Co., Ltd.	21, (i)	**172,783**	245,066
Deposit to Tongxiang Yuteng Cashmere Clothing Co., Ltd.	21, (i)	**115**	109
Receivable from Hebei Yuteng Cashmere Products Co., Ltd.	21, (i)	**10,463**	10,463
Receivable from Dongguan Jiuying Trading Co., Ltd.	21, (i)	**537**	–
Loan to Dongguan Jiuying Trading Co., Ltd.	(ii)	**6,987**	6,987
Loan to Guangdong Heshunjing Clothing Co., Ltd.	25(b), (iii)	**3,448**	–
Trade payable to SML & FT (Vietnam) Limited	25(a), (iv)	**3,339**	3,586
Trade payable to Cashmoria Co., Ltd.	25(a), (iv)	**36**	–
Other payable to Hebei Yuteng Cashmere Products Co., Ltd.	25(b), (v)	**175,862**	166,304
Lease liabilities due to Hebei Yuteng Cashmere Products Co., Ltd.		**17,200**	–
Lease liabilities due to Hanyi Investments Limited		**3,493**	6,762
Lease liabilities due to Tongxiang Yuteng Cashmere Clothing Co., Ltd.		**217**	1,008
Loans from Anchor International Holdings Limited and AY International Trading Limited	(vi)	**–**	1,565

Notes:

(i) Prepayment, deposit and receivables were presented in the consolidated balance sheet within "Prepayments, deposits, other receivables and other assets" (Note 21).

(ii) The loan to a non-controlling shareholder of a subsidiary is unsecured, bearing interest at the rate of 4% per annum and repayable in five years.

(iii) The loan to a fellow subsidiary of a non-controlling shareholder of a subsidiary is unsecured, bearing interest at the rate of 3% per annum and repayable within one year. Receivables were presented in the consolidated balance sheet within "Prepayments, deposits, other receivables and other assets" (Note 21).

(iv) Payables were presented in the consolidated balance sheet within "Trade and bills payables" (Note 25(a)).

(v) Payables were presented in the consolidated balance sheet within "Accruals and other payables", of which loans from the non-controlling shareholder Hebei Yuteng Cashmere Products Co., Ltd. of HK$175,862,000 (2025: HK$166,304,000) are unsecured, interest-free, denominated in RMB and repayable in a year (Note 25(b)).

(vi) The loans from non-controlling shareholders of subsidiaries were unsecured, interest-free, denominated in RMB and mature in December 2026. The balances are fully repaid during the year.

33 RELATED PARTY TRANSACTIONS *(Continued)*

(c) Key management compensation

Key management includes directors and senior management. The compensation paid or payable to key management for employee services, including compensation paid or payable to the Company's directors as disclosed in Note 34 and certain of the highest paid employees as disclosed in Note 9, is shown below:

	2026 HK$'000	2025 HK$'000
Salaries, pension costs and other short-term employee benefits	**16,776**	13,648
Bonuses	**13,013**	12,360
	29,789	26,008

34 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622) AND COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES)

The remuneration of each director and the chief executive officer for the year ended 31 March 2026 is set out below:

	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertakings					
Name	**Fees HK$'000**	**Salary HK$'000**	**Discretionary bonuses HK$'000**	**Other benefits HK$'000**	**Employer's contribution to pension scheme HK$'000**	**Total HK$'000**
Executive directors:						
Mr. Wong Wai Yue (Chairman) (Note (i))	**360**	**1,440**	**3,000**	**–**	**18**	**4,818**
Mr. Man Yu Hin (Chief Executive Officer) (Note (i))	**360**	**1,440**	**3,000**	**–**	**18**	**4,818**
Mr. Wong Ting Chun (Note (i))	**360**	**1,800**	**3,000**	**–**	**18**	**5,178**
Mr. Li Po Sing (Note (i) and (ii))	**270**	**1,620**	**1,500**	**–**	**18**	**3,408**
Ms. Guo Fenfen (Note (i) and (iii))	**90**	**572**	**280**	**–**	**18**	**960**
Independent non-executive directors:						
Ms. Fan Chiu Fun, Fanny	**360**	**–**	**–**	**–**	**–**	**360**
Mr. Kan Chung Nin, Tony (Note (iv))	**180**	**–**	**–**	**–**	**–**	**180**
Mr. Fan Chun Wah, Andrew (Note (v))	**360**	**–**	**–**	**–**	**–**	**360**
Mr. Ip Shu Kwan, Stephen	**360**	**–**	**–**	**–**	**–**	**360**
Mr. Sun Po Yuen (Note (vi))	**180**	**–**	**–**	**–**	**–**	**180**
	2,880	**6,872**	**10,780**	**–**	**90**	**20,622**

34 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622) AND COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) *(Continued)*

The remuneration of each director and the chief executive officer for the year ended 31 March 2025 is set out below:

	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertakings					
Name	Fees HK$'000	Salary HK$'000	Discretionary bonuses HK$'000	Other benefits HK$'000	Employer's contribution to pension scheme HK$'000	Total HK$'000
Executive directors:						
Mr. Wong Wai Yue (Chairman) (Note (i))	360	1,440	3,000	–	18	4,818
Mr. Man Yu Hin (Chief Executive Officer) (Note (i))	360	1,440	3,000	–	18	4,818
Mr. Wong Ting Chun (Note (i))	360	1,800	3,000	–	18	5,178
Mr. Li Po Sing (Note (i))	360	2,160	1,500	–	18	4,038
Independent non-executive directors:						
Ms. Fan Chiu Fun, Fanny	360	–	–	–	–	360
Mr. Kan Chung Nin, Tony	360	–	–	–	–	360
Mr. Fan Chun Wah, Andrew	360	–	–	–	–	360
Mr. Ip Shu Kwan, Stephen	360	–	–	–	–	360
	2,880	6,840	10,500	–	72	20,292

Notes:

(i) The remuneration shown above included remuneration received from the Group by the directors in their capacity as employees of the subsidiaries during the years ended 31 March 2026 and 2025.

(ii) Mr. Li Po Sing resigned as an executive director with effect from 1 January 2026.

(iii) Ms. Guo Fenfen was appointed as an executive director with effect from 1 January 2026.

(iv) Mr. Kan Chung Nin, Tony retired as an independent non-executive director with effect from 29 September 2025.

(v) Mr. Fan Chun Wah, Andrew resigned as an independent non-executive director with effect from 31 March 2026.

(vi) Mr. Sun Po Yuen was appointed as an independent non-executive director with effect from 29 September 2025.

(vii) No remunerations were paid or receivable in respect of accepting office as directors during the year ended 31 March 2026 (2025: Nil).

(viii) No directors waived any emoluments during the year ended 31 March 2026 (2025: Nil).

34 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622) AND COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) *(Continued)*

(a) Directors' retirement benefits

There were no retirement benefits paid to directors during the year ended 31 March 2026 (2025: Nil) by a defined benefit pension plan operated by the Group in respect of the service as a director of the Company and its subsidiaries.

(b) Directors' termination benefits

During the year ended 31 March 2026, there was no board resolution to early terminate of the directors' appointment in office (2025: Nil).

(c) Consideration provided to third parties for making available of directors' services

No consideration was provided to third parties for making available of directors' services during the year ended 31 March 2026 (2025: Nil).

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There was no arrangement in relation to loans, quasi-loans and other dealings between the Group and the directors, subsisted at the end of the year or at any time during the year ended 31 March 2026 (2025: Nil).

(e) Directors' material interests in transactions, arrangements or contracts

Saved as disclosed in Note 33, there are no significant transactions, arrangements and contracts in relation to Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years ended 31 March 2026 and 2025.

35 BALANCE SHEET AND RESERVE MOVEMENTS OF THE COMPANY

Balance sheet of the Company

	Note	2026 HK$'000	2025 HK$'000
Assets			
Non-current asset			
Interest in subsidiaries		**610,077**	610,077
Current assets			
Prepayments, deposits, other receivables and other assets		**–**	493
Amounts due from subsidiaries		**3,380,013**	3,008,175
Cash and cash equivalents		**2,740**	11,893
		3,382,753	3,020,561
Total assets		**3,992,830**	3,630,638
Equity			
Equity attributable to the owners of the Company			
Share capital		**22,794**	22,794
Reserves	(a)	**2,153,158**	2,148,614
Total equity		**2,175,952**	2,171,408
Liabilities			
Non-current liability			
Bank borrowings		**553,777**	563,453
Current liabilities			
Accruals and other payables		**313**	19
Amounts due to subsidiaries		**884,112**	586,423
Bank borrowings		**378,676**	309,335
		1,263,101	895,777
Total liabilities		**1,816,878**	1,459,230
Total equity and liabilities		**3,992,830**	3,630,638
Net current assets		**2,119,652**	2,124,784

The Balance Sheet of the Company was approved by Board of Directors on 22 June 2026 and was signed on its behalf.

Wong Wai Yue
Chairman and Executive Director

Man Yu Hin
Chief Executive Officer and Executive Director

35 BALANCE SHEET AND RESERVE MOVEMENTS OF THE COMPANY *(Continued)*

(a) Reserve movements of the Company

	Other reserves HK$'000	Share option reserve HK$'000	Retained earnings HK$'000	Total HK$'000
As at 1 April 2024	1,866,583	13,761	277,316	2,157,660
Profit for the year	–	–	294,113	294,113
Dividends (Note 14)	–	–	(303,159)	(303,159)
Share option scheme:				
— Transfer of reserve upon forfeiture	–	(241)	241	–
As at 31 March 2025 and 1 April 2025	**1,866,583**	**13,520**	**268,511**	**2,148,614**
Profit for the year	**–**	**–**	**289,468**	**289,468**
Dividends (Note 14)	**–**	**–**	**(284,924)**	**(284,924)**
Share option scheme:				
— Transfer of reserve upon forfeiture	**–**	**(1,282)**	**1,282**	**–**
As at 31 March 2026	**1,866,583**	**12,238**	**274,337**	**2,153,158**

Financial Summary

RESULTS

	Year ended 31 March				
	2026 HK$'000	2025 HK$'000	2024 HK$'000	2023 HK$'000	2022 HK$'000
Revenue	**4,623,426**	4,352,130	4,378,888	4,602,307	4,040,472
Cost of sales	**(3,864,851)**	(3,570,315)	(3,604,649)	(3,856,803)	(3,334,374)
Gross profit	**758,575**	781,815	774,239	745,504	706,098
Profit before income tax	**337,154**	407,880	433,905	209,422	319,026
Income tax expenses	**(41,695)**	(52,466)	(53,201)	(51,095)	(43,422)
Profit for the year	**295,459**	355,414	380,704	158,327	275,604
Profit/(loss) for the year attributable to:					
Owners of the Company	**300,559**	342,327	361,672	134,844	263,302
Non-controlling interests	**(5,100)**	13,087	19,032	23,483	12,302
	295,459	355,414	380,704	158,327	275,604

ASSETS AND LIABILITIES

	As at 31 March				
	2026 HK$'000	2025 HK$'000	2024 HK$'000	2023 HK$'000	2022 HK$'000
Non-current assets	**2,590,491**	2,550,769	2,399,172	2,382,275	2,771,180
Current assets	**2,447,391**	2,227,826	2,048,931	2,046,826	2,043,077
Total assets	**5,037,882**	4,778,595	4,448,103	4,429,101	4,814,257
Total equity	**2,616,783**	2,637,705	2,598,959	2,477,674	2,602,894
Capital and reserves attributable to:					
Owners of the Company	**2,389,587**	2,371,555	2,383,108	2,275,054	2,408,404
Non-controlling interests	**227,196**	266,150	215,851	202,620	194,490
	2,616,783	2,637,705	2,598,959	2,477,674	2,602,894
Non-current liabilities	**676,518**	727,656	588,066	619,033	989,746
Current liabilities	**1,744,581**	1,413,234	1,261,078	1,332,394	1,221,617
Total liabilities	**2,421,099**	2,140,890	1,849,144	1,951,427	2,211,363
Total equity and liabilities	**5,037,882**	4,778,595	4,448,103	4,429,101	4,814,257
Net current assets	**702,810**	814,592	787,853	714,432	821,460