南旋控股有限公司
NAMESON HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1982)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL HIGHLIGHTS

	Year ended 31 March		
	2025	2024	Change
	HK$' million	*HK$' million*	
Revenue	**4,352.1**	4,378.9	-0.6%
Gross profit	**781.8**	774.2	+1.0%
Gross profit margin	**18.0%**	17.7%	+0.3 p.p.
Net profit	**355.4**	380.7	-6.6%
Profit attributable to the owners of the Company	**342.3**	361.7	-5.4%
Adjusted net profit *(Note)*	**342.8**	396.5	-13.5%
Adjusted net profit margin	**7.9%**	9.1%	-1.2 p.p.
Earnings per share — Basic and diluted	**15.02 HK cents**	15.87 HK cents	-5.4%
Interim dividend per share	**9.8 HK cents**	9.5 HK cents	
Second interim dividend per share	**1.5 HK cents**	3.5 HK cents	

Note: Adjusted net profit is a non-HKFRS financial measure and derived from profit attributable to the owners of the Company excluding (i) impairment loss on the production base in Myanmar; and (ii) realised and unrealised losses from derivative financial instruments, which are expenses not considered as recurring in nature. We believe the adjusted net profit presented herein better reflects the Group's core operating results.

The Board (the "Board") of directors (the "Directors") of Nameson Holdings Limited (the "Company") hereby announces the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2025, together with the comparative figures for the year ended 31 March 2024 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2025
(Expressed in Hong Kong dollars)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

(Expressed in Hong Kong dollars)

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

CONSOLIDATED BALANCE SHEET
As at 31 March 2025
(Expressed in Hong Kong dollars)

	Note	2025 HK$'000	2024 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**1,873,536**	1,785,060
Right-of-use assets		**358,786**	290,709
Investment properties		**7,686**	1,590
Interest in a joint venture		**6,174**	7,083
Financial assets at fair value through profit or loss		**197,358**	191,118
Prepayments, deposits, other receivables and other assets		**99,256**	122,908
Loan to a non-controlling shareholder of a subsidiary		**6,987**	–
Deferred income tax assets		**986**	704
		2,550,769	2,399,172
Current assets			
Inventories		**1,207,897**	910,552
Trade and bills receivables	*10*	**153,114**	167,149
Prepayments, deposits, other receivables and other assets		**435,997**	253,826
Cash and cash equivalents		**430,818**	717,404
		2,227,826	2,048,931
Total assets		**4,778,595**	4,448,103
EQUITY			
Capital and reserves attributable to the owners of the Company			
Share capital		**22,794**	22,794
Reserves		**2,348,761**	2,360,314
		2,371,555	2,383,108
Non-controlling interests		**266,150**	215,851
Total equity		**2,637,705**	2,598,959

	Note	**2025** HK$'000	2024 HK$'000
LIABILITIES			
Non-current liabilities			
Bank borrowings	*12*	**563,453**	454,811
Loans from non-controlling shareholders of subsidiaries		**1,565**	3,359
Lease liabilities	*13*	**153,933**	120,675
Provision for reinstatement costs		**2,372**	4,409
Provision for long service payment		**1,450**	–
Deferred income tax liabilities		**4,883**	4,812
		727,656	588,066
Current liabilities			
Trade and bills payables	*11*	**400,731**	335,457
Accruals and other payables		**333,562**	255,832
Current income tax liabilities		**301,228**	274,275
Bank borrowings	*12*	**309,335**	353,129
Lease liabilities	*13*	**68,378**	42,385
		1,413,234	1,261,078
Total liabilities		**2,140,890**	1,849,144
Total equity and liabilities		**4,778,595**	4,448,103
Net current assets		**814,592**	787,853

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 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 Company have been prepared in accordance with HKFRS Accounting Standards, which is a collective term referred to all applicable individual Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). The 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 financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The actual results may differ from these estimates.

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

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

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

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

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

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

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

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

3. 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 chief operating decision-maker ("CODM"), which are used for the purposes of assessing performance and making strategic decisions. For the purpose of internal reporting and management's operation review, the CODM considered that the Group's business is operated and managed as one single operating segment (i.e. manufacturing of knitwear products) and no separate information was presented for the years ended 31 March 2025 and 2024.

(a) Revenue by location of goods delivery

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

(b) Non-current assets

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

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

(c) Major customers

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

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

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

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

(d) Disaggregation of revenue from contracts with customers

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

(e) Liabilities related to contracts with customers

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

	2025	2024
	HK\$'000	*HK\$'000*
Contract liabilities — receipts in advance	**9,008**	28,142

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

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

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

4. OTHER GAINS, NET

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

5. EXPENSES BY NATURE

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

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

Note:

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

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

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

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

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

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

6. FINANCE EXPENSES, NET

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

7. INCOME TAX EXPENSES

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

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

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

8. EARNINGS PER SHARE

(a) Basic

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

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

(b) Diluted

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

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

9. DIVIDENDS

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

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

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

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

10. TRADE AND BILLS RECEIVABLES

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

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

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

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

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

The Group applies HKFRS 9 "Financial Instruments" simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade and bills receivables. There was no loss allowance for the trade and bills receivables as at 31 March 2025 (2024: same).

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

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

11. TRADE AND BILLS PAYABLES

Trade and bills payables are denominated in the following currencies:

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

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

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

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

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

12. BANK BORROWINGS

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

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

The bank borrowings are due for repayment as follows:

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

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

13. LEASE LIABILITIES

The Group's lease liabilities are analysed as follows:

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

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

The lease liabilities are due for repayment as follows:

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

During the year ended 31 March 2025 ("Financial Year 2025"), the global economic landscape exhibited resilience despite facing challenges such as slower growth, persistent inflation, and policy uncertainties. Economic performance varied across countries, with spending behavior showing a complex recovery pattern. Sentiment remains subdued due to escalating trade tensions and policy-driven uncertainties, which could further dampen consumer confidence and lead to increased consumer cautiousness in spending.

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

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

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

BUSINESS REVIEW

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

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

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

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

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

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

FUTURE STRATEGIES AND PROSPECTS

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

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

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

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

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

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

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

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

FINANCIAL REVIEW

Revenue

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

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

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

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

Cost of Sales

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

Gross Profit and Gross Profit Margin

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

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

Other Income

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

Other Gains, Net

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

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

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

Selling and Distribution Expenses

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

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

General and Administrative Expenses

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

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

Impairment Loss on the Production Base in Myanmar

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

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

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

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

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

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

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

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

Finance Expenses, Net

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

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

Income Tax Expenses

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

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

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

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

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

Profit for the Year Attributable to the Owners of the Company

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

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

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

Adjusted Net Profit

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

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

Consolidated Cash Flow Statement

Net Cash Generated from Operating Activities

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

Net Cash Used in Investing Activities

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

Net Cash Used in Financing Activities

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

Cash and Cash Equivalents

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

OTHER FINANCIAL INFORMATION

Liquidity and Financial Resources

For the year ended 31 March 2025, the Group's cash and cash equivalents 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 8.9% as at 31 March 2024 to 20.1% as at 31 March 2025.

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

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

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

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

Notes:

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

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

Capital Expenditures

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

Capital Commitments

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

Charge on Assets

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

Contingent Liabilities

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

Significant Investments, Acquisitions and Disposals

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

Financial Instruments

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

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

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

(b) Interest Rate Risk

The Group's interest rate risk arises primarily from bank borrowings. Bank borrowings issued at variable rates expose the Group to cash flow interest rate risk and bank borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the year ended 31 March 2025, the Group entered into a HK$ interest rate swap contract to mitigate some of its interest rate risk in light of the market interest rate hike during the year. The Board will continue to closely monitor the Group's loan portfolio in order to manage the Group's interest rate risk exposure and may 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 2025, substantially all of the Group's bank balances and deposits were held with major financial institutions in Hong Kong, Mainland China and Vietnam which the Directors 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.

Human Resources and Emolument Policy

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

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

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

OTHER INFORMATION

Dividend and Closure of Register of Members

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

For the purpose of determining the eligibility of the shareholders of the Company to attend and vote at the annual general meeting ("AGM"), the register of members of the Company will be closed from Tuesday, 2 September 2025 to Friday, 5 September 2025, both days inclusive. During such period, no transfer of the Company's shares will be registered. In order to be entitled to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 1 September 2025.

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

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

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

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

Purchase, Sale or Redemption of the Company's Listed Securities

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

Directors' and Relevant Employees' Securities Transactions

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

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

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

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

Corporate Governance Code

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

Audit Committee

The audit committee of the Company comprises four independent non-executive Directors, namely, Mr. Fan Chun Wah, Andrew (Chairman), Mr. Kan Chung Nin, Tony, Mr. Ip Shu Kwan, Stephen and Ms. Fan Chiu Fun, Fanny. The principal duties of the audit committee include the review and supervision of the Group's financial reporting process and internal control system. An audit committee meeting was held on 20 June 2025 to meet with the external auditor of the Company and review the Company's annual report and consolidated financial statements for the year ended 31 March 2025.

Scope of work of PricewaterhouseCoopers

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary results announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary results announcement.

Publication of the Audited Consolidated Annual Results and 2025 Annual Report on the websites of the Stock Exchange and the Company

This results announcement is published on the website of the Stock Exchange (**http://www.hkexnews.hk**) and the Company's website at **http://www.namesonholdings.com**. The annual report for 2025 will be dispatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board of
Nameson Holdings Limited
Mr. Wong Wai Yue *MH*
Chairman

20 June 2025

As at the date of this announcement, the Board comprises Mr. Wong Wai Yue MH (Chairman), Mr. Man Yu Hin (Chief Executive Officer), Mr. Wong Ting Chun and Mr. Li Po Sing, as executive Directors of the Company; and Ms. Fan Chiu Fun, Fanny GBM, GBS, JP, Mr. Kan Chung Nin, Tony SBS, JP, Mr. Fan Chun Wah, Andrew JP and Mr. Ip Shu Kwan, Stephen GBS, JP, as independent non-executive Directors of the Company.