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KNT

KNT HOLDINGS LIMITED

嘉藝控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1025)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2025**

FINANCIAL HIGHLIGHTS

For the year ended 31 March 2025

Revenue was approximately HK\$64.0 million (2024: approximately HK\$54.3 million).

Gross profit was approximately HK\$6.3 million (2024: approximately HK\$7.5 million).

Loss for the year was approximately HK\$23.8 million (2024: approximately HK\$24.4 million).

Basic and diluted loss per share was approximately HK45.7 cents (2024: HK51.1 cents).

The Board does not recommend the payment of a final dividend (2024: nil).

* For identification purpose only

The board of directors (the “Board”) of KNT Holdings Limited (the “Company”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 March 2025, together with the comparative figures for the year ended 31 March 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue	4	63,995	54,312
Cost of sales		<u>(57,672)</u>	<u>(46,862)</u>
Gross profit		6,323	7,450
Other income		3,745	424
Other gains and losses, net		(2,159)	(649)
Selling and distribution expenses		(5,453)	(5,592)
Administrative expenses		(24,382)	(22,485)
Impairment loss reversed in respect of trade receivables, net		–	6
Impairment loss recognised in respect of property, plant and equipment		(31)	(56)
Finance costs		(1,849)	(1,230)
Share of results of associates		<u>–</u>	<u>(2,311)</u>
Loss before tax		(23,806)	(24,443)
Income tax expense	5	<u>(2)</u>	<u>(1)</u>
Loss for the year attributable to the owners of the Company	6	<u>(23,808)</u>	<u>(24,444)</u>
		<i>HK cents</i>	<i>HK cents</i> (Restated)
Loss per share	8		
– Basic		<u>(45.7)</u>	<u>(51.1)</u>
– Diluted		<u>(45.7)</u>	<u>(51.1)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
Loss for the year	6	<u>(23,808)</u>	<u>(24,444)</u>
Other comprehensive expense for the year:			
<i>Items that will not be reclassified to profit or loss:</i>			
– Net loss on revaluation of properties		(886)	(2,094)
– Deferred tax relating to revaluation of properties		327	541
<i>Items that may be reclassified subsequently to profit or loss:</i>			
– Exchange differences arising on translation of foreign operations		327	(45)
– Reclassification adjustment for the cumulative exchange reserve included in profit or loss upon disposal of the subsidiaries and associates		<u>(46)</u>	<u>–</u>
Other comprehensive expense for the year, net of tax		<u>(278)</u>	<u>(1,598)</u>
Total comprehensive expense for the year attributable to the owners of the Company		<u>(24,086)</u>	<u>(26,042)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		27,557	29,604
Investment properties		10,300	11,200
Right-of-use assets		304	115
Intangible asset		–	26
Interests in associates		–	–
		38,161	40,945
Current assets			
Inventories		5,176	9,340
Trade receivables	9	6,867	7,121
Deposits, prepayments and other receivables		38,287	36,699
Amount due from an associate		–	11,597
Bank balances and cash		6,759	4,432
		57,089	69,189
Current liabilities			
Trade payables	10	5,392	3,817
Other payables and accruals		19,965	10,534
Amounts due to directors		15,665	17,077
Contract liabilities		621	4,712
Lease liabilities		446	43
Borrowings	11(a)	15,346	16,599
Bank overdrafts	11(b)	5,918	5,876
		63,353	58,658
Net current (liabilities) assets		(6,264)	10,531
Total assets less current liabilities		31,897	51,476

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
Non-current liabilities			
Deferred tax liabilities		<u>4,620</u>	<u>4,945</u>
		<u>4,620</u>	<u>4,945</u>
Net assets		<u>27,277</u>	<u>46,531</u>
Capital and reserves			
Share capital	12	10,109	8,424
Reserves		<u>17,168</u>	<u>38,107</u>
Total equity		<u>27,277</u>	<u>46,531</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

KNT Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the address of principal place of business is 30th Floor, EW International Tower, No. 120 Texaco Road, Tsuen Wan, New Territories, Hong Kong.

In the opinion of the directors of the Company, the Company has no immediate and ultimate holding company.

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

The consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

New and amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual periods beginning on 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and Amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following news and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contract Referencing Nature – dependent Electricity ²
Amendments to HKAS 28 and HKFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 21	Lack of Exchangeability ¹
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ²

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual/reporting periods beginning on or after 1 January 2027

⁴ No mandatory effective date yet determined but available for adoption

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards are not expected to have any significant impact on the Group's consolidated financial statements.

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations, and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as HKAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 Statement of Cash Flows, HKAS 33 Earnings Per Share and HKAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs will be effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards which includes all Hong Kong Financial Reporting Standards (“HKFRSs”), issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The Group incurred a loss attributable to owners of the Company of approximately HK\$23,808,000 for the year ended 31 March 2025 and recorded net current liabilities of approximately HK\$6,264,000 as at 31 March 2025. In assessing the appropriateness of the use of the going concern in the preparation of these consolidated financial statements, the Board has given careful consideration to the Group’s future liquidity and performance, debt restructuring and available sources of financing, including but not limited to the following:

- (a) The Group has in place a loan facility of HK\$5,500,000 (including the existing bank borrowing of approximately HK\$1,689,000) to finance its operating costs;
- (b) On 11 April 2025, the Company completed a rights issue on the basis of three rights shares for every one share and issued 151,637,790 ordinary shares of the Company. Net proceeds (after deducting all relevant expenses) from the rights issue were approximately HK\$41,600,000; and
- (c) The Group has been continuing to develop its business to improve its cashflow from operations. The Directors are of the opinion that, taking into account the above-mentioned measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the date of approval for issue of these consolidated financial statements.

Accordingly, they are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

4. REVENUE AND SEGMENT INFORMATION

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

An analysis of revenue from operations is as follows:

	2025 HK\$'000	2024 HK\$'000
Sales of garment products recognised at a point in time		
Bridesmaid dresses	33,427	25,233
Bridal gowns	2,527	4,285
Special occasion dresses	11,696	9,749
Accessories	11,606	11,002
Others (<i>note</i>)	4,739	4,043
	<hr/>	<hr/>
Total	63,995	54,312

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

	2025 HK\$'000	2024 HK\$'000
Geographical markets		
United States of America	31,001	22,548
Hong Kong	22,684	19,689
Europe	4,467	5,078
United Kingdom	4,784	5,489
Australia	1,059	1,508
	<hr/>	<hr/>
Total	63,995	54,312

Segment information

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

Geographical information

The Group's operations are mainly located in Hong Kong and the People's Republic of China ("PRC"). All non-current assets as at 31 March 2025 and 2024 were located in Hong Kong and the non-current assets located in the PRC had been fully impaired.

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

Information about major customers

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

	2025 HK\$'000	2024 HK\$'000
Customer A	18,533	N/A*
Customer B	11,606	11,002
Customer C	7,352	6,772
	<hr/>	<hr/>

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

5. INCOME TAX EXPENSE

Income tax expense relating to operations has been recognised in profit or loss as follows:

	2025 HK\$'000	2024 HK\$'000
Deferred tax expense	2	1
	<hr/>	<hr/>
Income tax expense	2	1

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. No Hong Kong Profits Tax has been provided in the consolidated financial statements as the subsidiaries of the Group operating in Hong Kong have no assessable profits for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax ("EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for both years. No PRC Enterprise Income Tax has been provided in the consolidated financial statements as the PRC subsidiaries of the Group have no assessable profits for both years.

6. LOSS FOR THE YEAR

	2025 HK\$'000	2024 HK\$'000
Loss for the year has been arrived at after charging:		
Directors' emoluments	3,825	3,309
Other staff costs:		
– Salaries and other allowances	20,112	20,746
– Retirement benefits scheme contributions (<i>note (a)</i>)	2,235	2,263
Total staff costs	<u>26,172</u>	<u>26,318</u>
Total staff costs represented by:		
Capitalised in inventories	12,357	12,146
Included in selling and distribution expenses	1,936	2,254
Included in administrative expenses	11,879	11,918
	<u>26,172</u>	<u>26,318</u>
Depreciation of right-of-use assets	3,043	2,753
Depreciation of property, plant and equipment	1,425	1,425
	4,468	4,178
Less: Amount capitalised in inventories	<u>(2,218)</u>	<u>(2,261)</u>
Depreciation included in administrative expenses	<u>2,250</u>	<u>1,917</u>
Auditor's remuneration		
– current year	950	1,000
– under-provision in prior year	250	–
Amortisation of intangible asset	26	26
Cost of inventories recognised as cost of sales (including reversal of write down of inventories of approximately HK\$1,141,000 (2024: write down of inventories of HK\$1,319,000)) (<i>note (b)</i>)	<u>57,672</u>	<u>46,862</u>

Notes:

- (a) Amount excludes the retirement benefits scheme contributions for the directors of the Company.
- (b) The reversal of write down of inventories for the year ended 31 March 2025 was mainly due to the utilisation or sale of inventories which were previously written down in prior years. The write down of inventories for the year ended 31 March 2024 was mainly due to the obsolete inventories that are no longer suitable for use in production.

7. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the years ended 31 March 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

8. LOSS PER SHARE

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

	2025 HK\$'000	2024 HK\$'000
Loss		
Loss for the year attributable to owners of the Company for the purpose of calculating basic and diluted loss per share	<u>(23,808)</u>	<u>(24,444)</u>
	2025 '000	2024 '000 (Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<u>52,089</u>	<u>47,842</u>

The weighted average number of ordinary shares for the purpose of basic loss per share for the years ended 31 March 2025 and 2024 has been adjusted retrospectively for the effect of share consolidation and bonus element of the rights issue completed on 11 April 2025 as set out in note 12.

No diluted loss per share was presented for the years ended 31 March 2025 and 2024 as there were no potential ordinary shares in issue during both years.

9. TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables from third parties	4,743	4,618
Less: Loss allowance	<u>(11)</u>	<u>(11)</u>
	4,732	4,607
Trade receivable from a related company	<u>2,135</u>	<u>2,514</u>
	<u>6,867</u>	<u>7,121</u>

Trade receivables from third parties

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	4,067	3,028
31–60 days	463	607
61–90 days	61	972
91–180 days	111	–
181–365 days	30	–
	<u>4,732</u>	<u>4,607</u>

Trade receivable from a related company

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	271	384
31 – 60 days	–	17
61 – 90 days	1,450	1,734
91 – 180 days	414	379
	<u>2,135</u>	<u>2,514</u>

10. TRADE PAYABLES

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	2,283	2,395
31–60 days	625	769
61–90 days	389	484
91–180 days	1,546	161
181–365 days	491	3
Over 365 days	58	5
	<u>5,392</u>	<u>3,817</u>

11. BORROWINGS AND BANK OVERDRAFTS

(a) Borrowings

	2025 HK\$'000	2024 HK\$'000
Unsecured and guaranteed:		
– Bank loans (<i>note c</i>)	3,280	4,170
– Other loan (<i>note d</i>)	3,000	–
	<u>6,280</u>	<u>4,170</u>
Secured and guaranteed:		
– Bank loans (<i>note c</i>)	3,766	6,929
– Other loan (<i>note e</i>)	5,300	5,500
	<u>9,066</u>	<u>12,429</u>
Total	<u>15,346</u>	<u>16,599</u>
Carrying amounts of borrowings which are based on scheduled repayment dates set out in the loan agreements and classified as current due to repayment on demand clause:		
Within one year	12,173	11,625
More than one year but not more than two years	1,771	1,788
More than two years but not more than five years	1,402	3,146
More than five years	–	40
	<u>15,346</u>	<u>16,599</u>
Amounts shown under current liabilities	<u>15,346</u>	<u>16,599</u>

(b) Bank overdrafts

	2025 HK\$'000	2024 HK\$'000
Secured and guaranteed:		
– Bank overdrafts	<u>5,918</u>	<u>5,876</u>

The variable-rate bank overdrafts bear interest at Hong Kong Prime Rate per annum. The effective interest rate (which is also equal to contracted interest rate) on the Group's variable-rate bank overdrafts was 6.98% (2024: 8.08%).

- (c) As at 31 March 2025 and 2024, the Group entered into several banking facilities with banks in Hong Kong. The banking facilities are secured by assets held by the Group and/or guaranteed by Mr. Chong Sik (“Mr. S Chong”) and Mr. Chong Pun (“Mr. P Chong”), the directors of the Company, details of which are set out as follows:

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

The bank loans carry variable interest rates ranging from 2.50% – 7.23% (2024: 3.00% – 8.30%).

- (d) As at 31 March 2025, the Group entered into other loan agreement with an independent third party in Hong Kong. The other loan is unsecured and guaranteed by a corporate guarantee from the Company. The other loan bears fixed interest of 30% (2024: nil) per annum and was repaid in April 2025.
- (e) As at 31 March 2025 and 2024, the Group entered into other loan agreement with an independent third party in Hong Kong. The other loan is secured by the investment properties held by the Group and guaranteed by Mr. S Chong and Mr. P Chong. The other loan bears fixed interest of 12.25% (2024: 12.25%) per annum and repayable by instalments in 2025.

12. SHARE CAPITAL

	Notes	Number of shares	HK\$'000
<i>Authorised:</i>			
Ordinary shares of HK\$0.01 each			
At 1 April 2023, 31 March 2024 and 1 April 2024		10,000,000,000	100,000
Share consolidation	(a)	(9,500,000,000)	–
Ordinary shares of HK\$0.20 each			
At 31 March 2025		500,000,000	100,000
<i>Issued and fully paid:</i>			
Ordinary shares of HK\$0.01 each			
At 1 April 2023, 31 March 2024 and 1 April 2024		842,432,607	8,424
Issue of shares upon placing of shares	(b)	168,486,000	1,685
Share consolidation	(a)	(960,372,677)	–
Ordinary shares of HK\$0.20 each			
At 31 March 2025		50,545,930	10,109

Notes:

- (a) Share consolidation of every twenty issued and unissued shares of HK\$0.01 each in the share capital of the Company be consolidated into one consolidated share of HK\$0.20 each with effective from 31 October 2024.
- (b) On 15 October 2024, the Company allotted and issued a total of 168,486,000 new ordinary shares to not less than six independent placees at a price of HK\$0.0315 per share, receiving aggregate gross proceeds of approximately HK\$5,307,000, net of commission payable and other expenses of approximately HK\$475,000.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

The Group recorded revenue of approximately HK\$64.0 million for the year ended 31 March 2025, representing an increase of approximately 17.9% as compared to that of approximately HK\$54.3 million for the year ended 31 March 2024. Revenue from the United States accounted for approximately 41.4% and 48.4% of the total revenue of the Group for the years ended 31 March 2024 and 2025 respectively. The gross profit margin decreased from 13.8% for the year ended 31 March 2024 to 9.8% for the year ended 31 March 2025. Loss for the year amounted to approximately HK\$24.4 million and approximately HK\$23.8 million for the years ended 31 March 2024 and 2025 respectively.

During the year ended 31 March 2025, the Group continued to experience a challenging operating environment in view of prolonged trade disputes between the United States and China, tariff imposed, political tensions and continuing uncertainties in global economy. Since the Group's revenue was mostly derived from customers based in the United States, these factors in aggregate led to a certain extent of impact on the overall business performance of the Group.

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

PROSPECT

Looking ahead, the Group foresees a challenging year ahead, marked by the prolonged trade disputes between the US and China and the uncertainly from the sustained post-pandemic economic recovery. The Group will continue to review its existing business from time to time and take appropriate measures to tackle any possible impacts. In view of the recent development of China's economy, the Company will revisit the negotiation mandate with the reputable outlet operator (the "Outlet Partner") in the PRC for the development of possible procurement and distribution business for the New Retail and the Outlet Partner in the PRC.

On the other hand, the Group will also proactively seek potential business opportunities that will broaden the sources of income and increase the return of shareholders of the Company. On 2 May 2025, the Group entered into a non-legally binding memorandum of understanding (the "Memorandum") with Fine Vast Corporation Limited ("Fine Vast"). Pursuant to the Memorandum, the Group and Fine Vast intend to collaborate in the development of the petrochemical business in the PRC, focusing on the industrial operations of gas production, gas processing, liquefied gas processing, gas gathering services, and related businesses.

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

Revenue

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

Revenue increased by approximately HK\$9.7 million or approximately 17.9% from approximately HK\$54.3 million for the year ended 31 March 2024 to approximately HK\$64.0 million for the year ended 31 March 2025. The overall increase in revenue was primarily attributable to the increase in revenue generated from the sale of bridesmaid dresses of approximately HK\$8.2 million and the increase in revenue generated from the sale of special occasion dresses of approximately HK\$2.0 million.

The increase in revenue generated from the sale of bridesmaid dresses from approximately HK\$25.2 million for the year ended 31 March 2024 to approximately HK\$33.4 million for the year ended 31 March 2025 was primarily a result of the aggregate effect of the increase in sales quantity from 97.9 thousand units for the year ended 31 March 2024 to 150.5 thousand units for the year ended 31 March 2025 and the decrease in average selling prices of bridesmaid dresses from HK\$258 for the year ended 31 March 2024 to HK\$222 for the year ended 31 March 2025.

The increase in revenue generated from the sale of special occasion dresses from approximately HK\$9.7 million for the year ended 31 March 2024 to approximately HK\$11.7 million for the year ended 31 March 2025 was primarily as a result of the increase in sales quantity from 15.3 thousand units for the year ended 31 March 2024 to 23.3 thousand units for the year ended 31 March 2025.

The increase in sales quantity of bridesmaid dresses was attributable to bulk orders placed from customers during the year ended 31 March 2025. The increase in sales quantity of special occasion dresses was attributable to the diversity of product mix from certain existing customers during the year ended 31 March 2025.

Cost of sales

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

Cost of sales increased by approximately HK\$10.8 million or approximately 23.0% from approximately HK\$46.9 million for the year ended 31 March 2024 to approximately HK\$57.7 million for the year ended 31 March 2025. The increase was in line with the increase in revenue.

Gross profit and gross profit margin

The Group recorded a gross profit of approximately HK\$6.3 million for the year ended 31 March 2025 and a gross profit of approximately HK\$7.5 million for the year ended 31 March 2024. Gross profit margin was 9.8% for the year ended 31 March 2025 and gross profit margin was 13.8% for the year ended 31 March 2024. The decrease in gross profit was mainly attributable to the increase in cost of sales for the year ended 31 March 2025 compared to that of last year.

Other income

Other income increased by approximately HK\$3.3 million or approximately 825% from approximately HK\$0.4 million for the year ended 31 March 2024 to approximately HK\$3.7 million for the year ended 31 March 2025. The increase was mainly attributable to the increase in rental income and the increase in written off of other payables and accruals; and contract liabilities during the year ended 31 March 2025.

Other gains and losses, net

Other losses represented change in fair value of investment properties and loss on disposal of subsidiaries and net exchange losses for the year ended 31 March 2025 while other losses represented change in fair value of investment properties and loss on disposal of property, plant and equipment net of exchange gains for the year ended 31 March 2024. The increase in losses was mainly attributable to the increase in loss on disposal of subsidiaries during the year ended 31 March 2025.

Selling and distribution expenses

Selling and distribution expenses decreased by approximately HK\$0.1 million or approximately 1.8% from approximately HK\$5.6 million for the year ended 31 March 2024 to approximately HK\$5.5 million for the year ended 31 March 2025. The decrease was mainly attributable to the decrease in staff costs.

Administrative expenses

Administrative expenses increased by approximately HK\$1.9 million or approximately 8.4% from approximately HK\$22.5 million for the year ended 31 March 2024 to approximately HK\$24.4 million for the year ended 31 March 2025. The increase was mainly attributable to the increase in advertising and promotion expenses.

Finance costs

Finance costs increased by approximately HK\$0.6 million or 50.0% from approximately HK\$1.2 million for the year ended 31 March 2024 to approximately HK\$1.8 million for the year ended 31 March 2025. The increase was mainly attributable to the increase in the average borrowings during the year ended 31 March 2025.

Income tax expense

Income tax expense for the year ended 31 March 2025 represented the temporary differences arising from depreciation.

Loss for the year

The Group recorded a loss of approximately HK\$23.8 million for the year ended 31 March 2025 and a loss of approximately HK\$24.4 million for the year ended 31 March 2024. The decrease in loss was primarily attributable to (i) the increase in other gains and losses; and (ii) the decrease in share of losses of associates.

Dividends

The Board does not recommend the payment of a final dividend for the year ended 31 March 2025.

Capital structure

The capital structure of the Company comprises of issued share capital and reserves. As at 31 March 2025, the issued share capital of the Company was HK\$10.1 million and the number of issued ordinary shares was 50,545,930 of HK\$0.20 each.

On 11 April 2025, a total of 151,637,790 new shares of the Company at nominal value of HK\$0.20 each were issued by way of rights issue on the basis of three rights shares for every one share held by the qualifying shareholders on the record date at the subscription price of HK\$0.29 per share. Upon the completion of the rights issue, the total number of issued shares of the Company increased from 50,545,930 shares of HK\$0.20 each to 202,183,720 shares of HK\$0.20 each.

Liquidity and financial resources

The Group generally finances its operation by internal cash generated from operations and bank borrowings. As at 31 March 2025, the Group had bank balances and cash of approximately HK\$6.8 million and bank overdrafts of approximately HK\$5.9 million (31 March 2024: approximately HK\$4.4 million and bank overdrafts of approximately HK\$5.9 million) and had net current liabilities of approximately HK\$6.3 million (31 March 2024: net current assets of HK\$10.5 million).

The current ratio of the Group was approximately 0.9 times as at 31 March 2025, compared to that of approximately 1.2 times as at 31 March 2024. The current ratio decreased was mainly attributable to the decrease in amount due from an associate and the increase in other payables and accruals.

The gearing ratio of the Group, which is calculated by dividing the total borrowings by the total equity and then multiplied by 100%, was 78.0% as at 31 March 2025 (31 March 2024: 48.3%). The gearing ratio increased was mainly attributable to the increase in loss which led to decrease in total equity compared to that of 31 March 2024.

Pledge of assets

As at 31 March 2025, the Group pledged leasehold land and buildings with carrying value of approximately HK\$25.6 million (31 March 2024: approximately HK\$27.8 million) and investment properties with carrying value of HK\$10.3 million (31 March 2024: HK\$11.2 million) to secure certain banking facilities and other loans granted to the Group respectively.

Foreign exchange risk

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

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

Material acquisitions and disposals of subsidiaries and associated companies

Save as disclosed elsewhere in this announcement, during the year ended 31 March 2025, the Group did not have any material acquisitions and disposals of subsidiaries and associated companies.

Significant investments held

As at 31 March 2025, the Group had no significant investments held (31 March 2024: nil).

Events after the reporting period

Lease modification

On 1 April 2025, the Group modified leases entered into with Mr. S Chong and Mr. P Chong for the use of factory premises and staff dormitories to extend for one year, with gross undiscounted lease payment of approximately HK\$2,690,000.

Rights issue

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

Employees and remuneration policy

As at 31 March 2025, the Group had 206 employees (31 March 2024: 227 employees). The total staff costs, including directors’ emoluments, of the Group for the year ended 31 March 2025 were approximately HK\$26.2 million (2024: approximately HK\$26.3 million).

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

Capital commitment

As at 31 March 2025, the Group did not have any material capital commitment (31 March 2024: nil).

Contingent liabilities

As at 31 March 2025, the Group did not have any material contingent liabilities (31 March 2024: nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities (including sale of treasury shares) of the Company during the year. As at 31 March 2025, there were no treasury shares held by the Company.

ANNUAL GENERAL MEETING

The annual general meeting (the “AGM”) of the Company will be held on Friday, 22 August 2025. The notice of AGM will be sent to the shareholders in the manner required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS FOR ENTITLEMENT TO ATTEND AND VOTE AT AGM

For the purpose of determining shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 19 August 2025 to Friday, 22 August 2025, both days inclusive, during which period no transfer of shares will be registered. The record date will be Friday, 22 August 2025. In order to qualify for attending and voting at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 18 August 2025.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board is committed to maintaining good corporate governance standards.

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

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

The Board is of the view that throughout the year ended 31 March 2025, the Company has complied with the code provisions set out in the CG Code, except for code provision C.2.1.

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

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

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

DIRECTORS' SECURITIES TRANSACTIONS

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

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Code of Ethics throughout the year.

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

AUDIT COMMITTEE

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

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

The Audit Committee has reviewed the audited consolidated financial results of the Group for the year ended 31 March 2025, including the accounting principles and practices adopted by the Group, and discussed matters relating to auditing, risk management and internal control and financial reporting.

SCOPE OF WORK OF INFINITY CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Infinity CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Infinity CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Infinity CPA Limited on the preliminary announcement.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors, as at the date of this announcement, the Company has maintained the prescribed percentage of public float under the Listing Rules.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of the Company (<http://www.kntholdings.com>) and the website of the Stock Exchange (<http://www.hkexnews.hk>). The annual report of the Company for the year ended 31 March 2025 will also be published on the respective websites of the Company and the Stock Exchange and will be despatched (if requested) to the shareholders of the Company in due course.

By Order of the Board
KNT Holdings Limited
Chong Sik
Chairman and Executive Director

Hong Kong, 26 June 2025

As at the date of this announcement, the Board comprises five executive directors, namely, Mr. Chong Sik, Mr. Chong Pun, Mr. Lam Chi Yuen, Mr. Tsui Wing Tak and Ms. Wu Zongmei; and three independent non-executive directors, namely, Mr. Lau Koong Yip, Mr. Yuen King Sum and Mr. Chan Kai Chung.