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 2026

FINANCIAL HIGHLIGHTS
For the year ended 31 March 2026

Revenue was approximately HK$98.0 million (2025: HK$64.0 million).

Gross profit was approximately HK$4.8 million (2025: HK$6.3 million).

Loss for the year was approximately HK$45.7 million (2025: HK$23.8 million).

Basic and diluted loss per share was approximately HK20.7 cents (2025: HK49.5 cents).

The Board does not recommend the payment of a final dividend (2025: 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 2026, together with the comparative figures for the year ended 31 March 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2026

	NOTES	**2026** *HK$'000*	2025 *HK$'000*
Revenue	*4*	**98,041**	63,995
Cost of sales		**(93,240)**	(57,672)
Gross profit		**4,801**	6,323
Other income		**1,550**	3,745
Other gains and losses, net		**(1,138)**	(2,159)
Selling and distribution expenses		**(7,235)**	(5,453)
Administrative expenses		**(35,501)**	(24,382)
Impairment loss recognised in respect of trade receivables, deposits and other receivables, net		**(3,305)**	–
Impairment loss recognised in respect of property, plant and equipment		**(155)**	(31)
Impairment loss recognised in respect of right-of-use assets		**(1,207)**	–
Finance costs		**(3,426)**	(1,849)
Loss before tax		**(45,616)**	(23,806)
Income tax expense	*5*	**(43)**	(2)
Loss for the year attributable to the owners of the Company	*6*	**(45,659)**	(23,808)
		HK cents	*HK cents* (Restated)
Loss per share	*8*		
– Basic		**20.7**	49.5
– Diluted		**20.7**	49.5

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2026

	NOTE	2026 HK$'000	2025 HK$'000
Loss for the year	6	**(45,659)**	(23,808)
Other comprehensive expense for the year:			
Items that will not be reclassified to profit or loss:			
– Net loss on revaluation of properties		**(1,759)**	(886)
– Deferred tax relating to revaluation of properties		**464**	327
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences arising on translation of foreign operations		**(205)**	327
– Reclassification adjustment for the cumulative exchange reserve included in profit or loss upon disposal of the subsidiaries and associates		**–**	(46)
Other comprehensive expense for the year, net of tax		**(1,500)**	(278)
Total comprehensive expense for the year attributable to the owners of the Company		**(47,159)**	(24,086)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	NOTES	**2026** *HK$'000*	2025 *HK$'000*
Non-current assets			
Property, plant and equipment		**24,370**	27,557
Investment properties		**9,030**	10,300
Right-of-use assets		**–**	304
Intangible asset		**–**	–
		33,400	38,161
Current assets			
Inventories		**1,380**	5,176
Trade receivables	*9*	**69,550**	6,867
Deposits, prepayments and other receivables		**22,456**	38,287
Bank balances and cash		**10,869**	6,759
		104,255	57,089
Current liabilities			
Trade payables	*10*	**48,802**	5,392
Other payables and accruals		**14,347**	19,965
Amounts due to directors		**495**	15,665
Contract liabilities		**452**	621
Income tax payable		**7**	–
Lease liabilities		**978**	446
Borrowings	*11(a)*	**8,456**	15,346
Bank overdrafts	*11(b)*	**–**	5,918
		73,537	63,353
Net current assets (liabilities)		**30,718**	(6,264)
Total assets less current liabilities		**64,118**	31,897

	NOTE	2026 HK$'000	2025 HK$'000
Non-current liabilities			
Lease liabilities		**253**	–
Deferred tax liabilities		**4,157**	4,620
		4,410	4,620
NET ASSETS		**59,708**	27,277
Capital and reserves			
Share capital	*12*	**80,873**	10,109
Reserves		**(21,165)**	17,168
TOTAL EQUITY		**59,708**	27,277

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; and trading of accessories.

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

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 or after 1 April 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

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 new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instrument[1]
Amendments to HKFRS Accounting Standards – Volume 11	Annual Improvements to HKFRS Accounting Standards[1]
Amendments to HKFRS 9 and HKFRS 7	Amendments to Contract Referencing Nature – dependent Electricity[1]
HKFRS 18	Presentation and Disclosure in Financial Statements[2]
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency[2]
Amendments to HKFRS 10 and HKAS 28	Amendments to Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture[3]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual periods beginning on or after 1 January 2027
3 No mandatory effective date yet determined but available for adoption

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements, carrying forward many of the requirements in HKAS 1 unchanged and complementing them with new requirements. 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 and HKAS 33 Earnings Per Share. 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 CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation of 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"), Hong Kong Accounting Standards ("HKASs") and interpretations 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.

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:

	2026	2025
	HK$'000	*HK$'000*
Sales of garment products recognised at a point in time		
Bridesmaid dresses	**4,706**	33,427
Bridal gowns	**2,085**	2,527
Special occasion dresses	**9,049**	11,696
Fashion apparels	**78,724**	4,291
Accessories	**2,926**	11,606
Others *(note)*	**551**	448
Total	**98,041**	63,995

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

	2026	2025
	HK$'000	*HK$'000*
Geographical markets		
United States of America	**16,878**	31,001
Hong Kong	**72,312**	22,684
Europe	**5,060**	4,467
United Kingdom	**3,561**	4,784
Australia	**41**	1,059
Others	**189**	–
Total	**98,041**	63,995

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 (the "PRC"). All non-current assets as at 31 March 2026 and 2025 were located in Hong Kong and the non-current assets located in the PRC had been fully impaired.

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

Information about major customers

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

	2026	2025
	HK$'000	*HK$'000*
Customer A	**25,125**	N/A*
Customer B	**13,014**	N/A*
Customer C	**12,464**	N/A*
Customer D	**N/A***	18,533
Customer E	**N/A***	11,606
Customer F	**N/A***	7,352

* 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:

	2026	2025
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
– current year	**8**	–
PRC Enterprise Income Tax		
– current year	**34**	–
	42	–
Deferred tax expense	**1**	2
Income tax expense	**43**	2

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%.

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.

6. LOSS FOR THE YEAR

	2026	2025
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging:		
Directors' emoluments	**4,575**	3,825
Other staff costs:		
– Salaries and other allowances	**18,429**	20,112
– Retirement benefits scheme contributions *(note (a))*	**1,391**	2,235
Total staff costs	**24,395**	26,172
Total staff costs represented by:		
Capitalised in inventories	**3,974**	12,357
Included in selling and distribution expenses	**1,605**	1,936
Included in administrative expenses	**18,816**	11,879
	24,395	26,172
Depreciation of right-of-use assets	**3,596**	3,043
Depreciation of property, plant and equipment	**1,279**	1,425
	4,875	4,468
Less: Amount capitalised in inventories	**(1,472)**	(2,218)
Depreciation included in administrative expenses	**3,403**	2,250
Auditor's remuneration		
– assurance services		
– current year	**1,140**	950
– under-provision in prior year	**–**	250
Amortisation of intangible asset	**–**	26
Cost of inventories recognised as cost of sales	**93,240**	57,672

Note:

(a) Amount excludes the retirement benefits scheme contributions for the directors of the Company.

7. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the years ended 31 March 2026 and 2025, 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:

	2026	2025
	HK$'000	*HK$'000*
Loss		
Loss for the year attributable to owners of the Company for the purpose of calculating basic and diluted loss per share	**(45,659)**	(23,808)

	2026	2025
	'000	*'000*
		(Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**220,303**	48,059

The weighted average number of ordinary shares for the purpose of basic loss per share for the years ended 31 March 2026 and 2025 has been adjusted retrospectively for the effect of bonus elements of the rights issues completed on 11 April 2025 and 16 March 2026 as if it had been effective on 1 April 2024.

No diluted loss per share was presented for the years ended 31 March 2026 and 2025 as there were no potential ordinary shares in issue during both years.

9. TRADE RECEIVABLES

	2026	2025
	HK$'000	*HK$'000*
Trade receivables from third parties	**67,480**	4,743
Less: Loss allowance	**(1,443)**	(11)
	66,037	4,732
Trade receivable from a related company	**3,513**	2,135
	69,550	6,867

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:

	2026	2025
	HK$'000	*HK$'000*
Within 30 days	**12,563**	4,067
31-60 days	**5,108**	463
61-90 days	**29,984**	61
91-180 days	**14,216**	111
181-365 days	**3,431**	30
Over 365 days	**735**	–
	66,037	4,732

As at 31 March 2026, the balances of approximately HK$7,366,000 (2025: HK$30,000) were past due over 90 days.

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 are approximate to the dates on which revenue was recognised, at the end of the reporting period:

	2026	2025
	HK$'000	*HK$'000*
Within 30 days	**240**	271
31-60 days	**5**	–
61-90 days	**1,438**	1,450
91-180 days	**220**	414
181-365 days	**1,419**	–
Over 365 days	**191**	–
	3,513	2,135

The related company is wholly-owned by Mr. S Chong, who is the executive director of the Company.

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:

	2026	2025
	HK$'000	*HK$'000*
Within 30 days	**7,317**	2,283
31-60 days	**4,990**	625
61-90 days	**22,509**	389
91-180 days	**8,826**	1,546
181-365 days	**4,563**	491
Over 365 days	**597**	58
	48,802	5,392

11. BORROWINGS AND BANK OVERDRAFTS

(a) Borrowings

	2026	2025
	HK$'000	*HK$'000*
Unsecured and guaranteed:		
– Bank loans *(note c)*	**2,354**	3,280
– Other loan *(note d)*	**4,000**	3,000
	6,354	6,280
Secured and guaranteed:		
– Bank loans *(note c)*	**–**	3,766
– Other loan *(note e)*	**2,102**	5,300
	2,102	9,066
Total	**8,456**	15,346
Carrying amounts of borrowings which are based on scheduled repayment dates set out in the loan agreements and classified as current due to repayment on demand clause:		
Within one year	**5,663**	12,173
More than one year but not more than two years	**1,782**	1,771
More than two years but not more than five years	**1,011**	1,402
More than five years	**–**	–
Amounts shown under current liabilities	**8,456**	15,346

(b) Bank overdrafts

	2026	2025
	HK$'000	*HK$'000*
Secured and guaranteed:		
– Bank overdrafts	**–**	5,918

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

(c) As at 31 March 2026 and 2025, the Group entered into several banking facilities with banks in Hong Kong. The banking facilities are secured by assets held by the Group and/or guaranteed by Mr. Chong Sik ("Mr. S Chong") and Mr. Chong Pun ("Mr. P Chong"), the directors of the Company, details of which are set out as follows:

(i) Corporate guarantee from the Company; and

(ii) Leasehold land and buildings of the Group.

The bank loans carry variable interest rates at 2.5% (2025: 2.50% to 7.23%).

(d) During the year ended 31 March 2026, the Group repaid other loan of HK$3,000,000 and entered into a new other loan agreement with an independent third party in Hong Kong for an amount of HK$4,000,000. As at 31 March 2026, the other loan bears fixed interest of 24% (2025: 30%) per annum and was fully repaid in May 2026.

(e) As at 31 March 2026 and 2025, the Group entered into other loan agreement with an independent third party in Hong Kong. The other loan is secured by the investment properties held by the Group and guaranteed by Mr. S Chong and Mr. P Chong. The other loan bears fixed interest of 12.25% (2025: 12.25%) per annum and repayable by instalments by 2028 (2025: 2025), as the repayment term of the other loan has been extended during the year ended 31 March 2026.

12. SHARE CAPITAL

	Notes	**Number of shares**	*HK$'000*
Authorised:			
Ordinary shares of HK$0.01 each			
At 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, 1 April 2025 and 31 March 2026		**500,000,000**	**100,000**
Issued and fully paid:			
Ordinary shares of HK$0.01 each			
At 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 and 1 April 2025		**50,545,930**	10,109
Issue of shares upon rights issue	*(c)*	**151,637,790**	30,327
Issue of shares upon rights issue	*(d)*	**202,183,720**	40,437
At 31 March 2026		**404,367,440**	**80,873**

Notes:

(a) Share consolidation of every twenty issued and unissued shares of HK$0.01 each in the share capital of the Company be consolidated into one consolidated share of HK$0.20 each with effective from 31 October 2024.

(b) On 15 October 2024, the Company allotted and issued a total of 168,486,000 new ordinary shares to not less than six independent placees at a price of HK$0.0315 per share, receiving aggregate gross proceeds of approximately HK$5,307,000, net of commission payable and other expenses of approximately HK$475,000.

(c) On 11 April 2025, the Company issued 151,637,790 ordinary shares by way of rights issue on the basis of three right shares for every one existing ordinary share held by the shareholders at a subscription price of HK$0.29 per share. The net proceeds from the rights issue were approximately HK$41,547,000 after deducting the transaction costs attributable to issue of new shares.

(d) On 16 March 2026, the Company issued 202,183,720 ordinary shares by way of rights issue on the basis of one right share for every one existing ordinary share held by the shareholders at a subscription price of HK$0.2 per share. The net proceeds from the rights issue were approximately HK$38,043,000 after deducting the transaction costs attributable to issue of new shares.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

The Group recorded revenue of approximately HK$98.0 million for the year ended 31 March 2026, representing an increase of approximately 53.1% as compared to that of approximately HK$64.0 million for the year ended 31 March 2025. Revenue from Hong Kong accounted for approximately 35.5% and 73.8% of the total revenue of the Group for the years ended 31 March 2025 and 2026 respectively. Revenue from the United States accounted for approximately 48.4% and 17.2% of the total revenue of the Group for the years ended 31 March 2025 and 2026 respectively. The gross profit margin decreased from 9.8% for the year ended 31 March 2025 to 4.9% for the year ended 31 March 2026. Loss for the year amounted to approximately HK$23.8 million and approximately HK$45.7 million for the years ended 31 March 2025 and 2026 respectively.

During the year ended 31 March 2026, 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 partially 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 global market is currently navigating a highly challenging and uncertain environment. Geopolitical tensions in Europe and the Middle East, coupled with fluctuating interest rates in the United States and ongoing trade conflicts, have created a complex economic landscape for businesses worldwide. It heavily hits our bridal related apparel business.

In order to mitigate this external force, we adopt customized apparel solutions by leverage AI-driven trend forecasting tools to identify emerging consumer preferences before they become widely popular. This proactive approach can enable stakeholders to adjust their production strategies and reduce the risks associated with overproduction, with aiming at zero inventories on established our new clothing and garment sector.

PROSPECT

Looking ahead, the Group foresees a challenging year ahead, marked by the uncertainty arising from the recent development of US tariff regime and geopolitical tensions in Europe and the Middle East and the demand growth from our customers is less than expected. In response to the challenges, the Group has revisited its business strategy and streamlining the entire process by integration of AI technology.

On the other hand, the Group will also proactively seek potential business opportunities that will broaden the Group's revenue base and increase the return to the shareholders of the Company.

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 to 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$34.0 million or approximately 53.1% from approximately HK$64.0 million for the year ended 31 March 2025 to approximately HK$98.0 million for the year ended 31 March 2026. The overall increase in revenue was primarily attributable to the net effect of the increase in revenue generated from the sale of fashion apparels of approximately HK$74.4 million and the decrease in revenue generated from the sale of bridesmaid dresses of approximately HK$28.7 million.

The increase in revenue generated from the sale of fashion apparels from approximately HK$4.3 million for the year ended 31 March 2025 to approximately HK$78.7 million for the year ended 31 March 2026 was attributable to bulk orders placed from customers during the year ended 31 March 2026.

The decrease in revenue generated from the sale of bridesmaid dresses from approximately HK$33.4 million for the year ended 31 March 2025 to approximately HK$4.7 million for the year ended 31 March 2026 was attributable to the decrease in orders from a major customer during the year ended 31 March 2026.

Cost of sales

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

Cost of sales increased by approximately HK$35.5 million or approximately 61.5% from approximately HK$57.7 million for the year ended 31 March 2025 to approximately HK$93.2 million for the year ended 31 March 2026. 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$4.8 million for the year ended 31 March 2026 and a gross profit of approximately HK$6.3 million for the year ended 31 March 2025. Gross profit margin was 4.9% for the year ended 31 March 2026 and gross profit margin was 9.8% for the year ended 31 March 2025. The decrease in gross profit was mainly attributable to a larger extent in the increase in cost of sales than the increase in revenue for the year ended 31 March 2026 compared to that of last year.

Other income

Other income decreased by approximately HK$2.1 million or approximately 56.8% from approximately HK$3.7 million for the year ended 31 March 2025 to approximately HK$1.6 million for the year ended 31 March 2026. The decrease was mainly attributable to the decrease in rental income and the decrease in written off of other payables and accruals and contract liabilities during the year ended 31 March 2026.

Other gains and losses, net

Other losses mainly represented change in fair value of investment properties for the year ended 31 March 2026 while other losses represented change in fair value of investment properties, loss on disposal of subsidiaries and net exchange losses for the year ended 31 March 2025. The decrease in losses was mainly attributable to the decrease in loss on disposal of subsidiaries during the year ended 31 March 2026.

Selling and distribution expenses

Selling and distribution expenses increased by approximately HK$1.7 million or approximately 30.9% from approximately HK$5.5 million for the year ended 31 March 2025 to approximately HK$7.2 million for the year ended 31 March 2026. The increase was mainly attributable to the increase in advertising and promotion expenses.

Administrative expenses

Administrative expenses increased by approximately HK$11.1 million or approximately 45.5% from approximately HK$24.4 million for the year ended 31 March 2025 to approximately HK$35.5 million for the year ended 31 March 2026. The increase was mainly attributable to the increase in staff costs due to compensation paid to staff for the voluntary resignation scheme during the year, the increase in advertising and promotion expenses and the increase in depreciation of right-of-use assets.

Finance costs

Finance costs increased by approximately HK$1.6 million or 88.9% from approximately HK$1.8 million for the year ended 31 March 2025 to approximately HK$3.4 million for the year ended 31 March 2026. The increase was mainly attributable to the increase in interest on bond payable during the year ended 31 March 2026.

Income tax expense

Income tax expense for the year ended 31 March 2026 represented the temporary differences arising from depreciation and income tax.

Loss for the year

The Group recorded a loss of approximately HK$45.7 million for the year ended 31 March 2026 and a loss of approximately HK$23.8 million for the year ended 31 March 2025. The increase in loss was primarily attributable to (i) the decrease in gross profit; (ii) the increase in administrative expenses and selling and distribution expenses of the Group; (iii) the increase in impairment loss recognised in respect of trade receivables, deposits and other receivables; (iv) the increase in impairment loss recognised in respect of right-of-use assets; and (v) the increase in finance costs.

Dividends

The Board does not recommend the payment of a final dividend for the year ended 31 March 2026.

Capital structure

The capital structure of the Company comprises of issued share capital and reserves. As at 31 March 2026, the issued share capital of the Company was HK$80.9 million and the number of issued ordinary shares was 404,367,440 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.

On 16 March 2026, a total of 202,183,720 new shares of the Company at nominal value of HK$0.20 each were issued by way of rights issue on the basis of one rights share for every one share held by the qualifying shareholders on the record date at the subscription price of HK$0.20 per share. Upon the completion of the rights issue, the total number of issued shares of the Company increased from 202,183,720 shares of HK$0.20 each to 404,367,440 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 2026, the Group had bank balances and cash of approximately HK$10.9 million and bank overdrafts of nil (31 March 2025: approximately HK$6.8 million and bank overdrafts of approximately HK$5.9 million) and had net current assets of approximately HK$30.7 million (31 March 2025: net current liabilities of HK$6.3 million).

The current ratio of the Group was approximately 1.4 times as at 31 March 2026, compared to that of approximately 0.9 times as at 31 March 2025. The current ratio increased was mainly attributable to the increase in trade receivables; and bank balances and cash and the decrease in amounts due to directors, borrowings and bank overdraft.

The gearing ratio of the Group, which is calculated by dividing the total borrowings by the total equity and then multiplied by 100%, was 14.2% as at 31 March 2026 (31 March 2025: 78.0%). The gearing ratio decreased was mainly attributable to the decrease in borrowings and bank overdraft and the increase in share capital which led to an increase in total equity compared to that of 31 March 2025.

Pledge of assets

As at 31 March 2026, the Group pledged leasehold land and buildings with carrying value of nil (31 March 2025: approximately HK$25.6 million) and investment properties with carrying value of HK$9.0 million (31 March 2025: HK$10.3 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 2026, the Group did not have any material acquisitions and disposals of subsidiaries and associated companies.

Significant investments held

As at 31 March 2026, the Group had no significant investments held (31 March 2025: nil).

Events after the reporting period

Placing

On 18 June 2026, the Company and Grand China Securities Limited (the "Placing Agent") entered into a placing agreement, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, a maximum of 80,873,488 ordinary shares to not less than six independent placees at a price of HK$0.2 per share. Details of the placing of shares to be completed were set out in the announcements of the Company dated 22 June 2026.

Employees and remuneration policy

As at 31 March 2026, the Group had 74 employees (31 March 2025: 206 employees). The total staff costs, including directors' emoluments, of the Group for the year ended 31 March 2026 were approximately HK$24.4 million (2025: approximately HK$26.2 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 2026, the Group did not have any material capital commitment (31 March 2025: nil).

Contingent liabilities

As at 31 March 2026, the Group did not have any material contingent liabilities (31 March 2025: 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 2026, 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 Tuesday, 29 September 2026. 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 Thursday, 24 September 2026 to Tuesday, 29 September 2026, both days inclusive, during which period no transfer of shares will be registered. The record date will be Tuesday, 29 September 2026. 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 Wednesday, 23 September 2026.

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 2026, 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 four members, namely Mr. Chan Kai Chung, Mr. Lau Koong Yep, Mr. Yuen King Sum and Mr. Chan Kwan Yung, 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 2026, 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 2026 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 2026 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, 30 June 2026

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