



南旋控股有限公司 Nameson Holdings Limited

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

INTERIM REPORT 2025



CONTENTS

2	Corporate Information
4	Financial Highlights
5	Chairman's Statement
9	Management Discussion and Analysis
19	Other Information
27	Condensed Consolidated Statement of Comprehensive Income
29	Condensed Consolidated Balance Sheet
31	Condensed Consolidated Statement of Changes in Equity
32	Condensed Consolidated Statement of Cash Flows
33	Notes to the Condensed Consolidated Interim Financial Information



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Wong Wai Yue, *MH (Chairman)*
Mr. Man Yu Hin (*Chief Executive Officer*)
Mr. Wong Ting Chun
Mr. Li Po Sing

Independent non-executive Directors

Ms. Fan Chiu Fun, Fanny, *GBM, GBS, JP*
Mr. Kan Chung Nin, Tony, *SBS, JP*
Mr. Fan Chun Wah, Andrew, *JP*
Mr. Ip Shu Kwan, Stephen, *GBS, JP*

BOARD COMMITTEES

Audit Committee

Mr. Fan Chun Wah, Andrew, *JP (Chairman)*
Mr. Kan Chung Nin, Tony, *SBS, JP*
Mr. Ip Shu Kwan, Stephen, *GBS, JP*

Remuneration Committee

Mr. Kan Chung Nin, Tony, *SBS, JP (Chairman)*
Mr. Wong Wai Yue, *MH*
Mr. Ip Shu Kwan, Stephen, *GBS, JP*

Nomination Committee

Mr. Wong Wai Yue, *MH (Chairman)*
Mr. Kan Chung Nin, Tony, *SBS, JP*
Ms. Fan Chiu Fun, Fanny, *GBM, GBS, JP*

Executive Committee

Mr. Wong Wai Yue, *MH (Chairman)*
Mr. Man Yu Hin
Mr. Wong Ting Chun
Mr. Li Po Sing

COMPANY SECRETARY

Mr. Tao Chi Keung, *HKICPA, ACCA*

AUTHORISED REPRESENTATIVES

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

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Tai Ping Industrial Centre
57 Ting Kok Road
Tai Po, New Territories
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

CORPORATE INFORMATION (CONTINUED)

HONG KONG SHARE REGISTRAR

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

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince’s Building
Central
Hong Kong

LEGAL ADVISER

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

PRINCIPAL BANKERS

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

STOCK CODE

1982

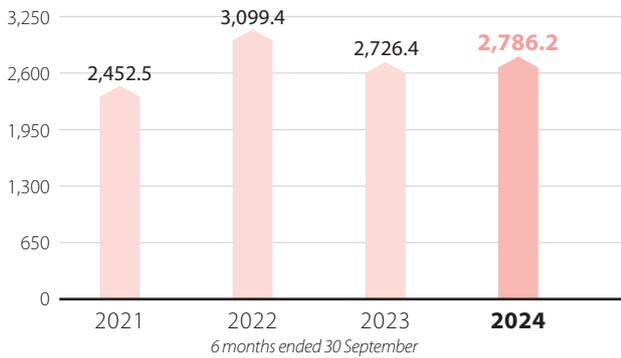
WEBSITE OF THE COMPANY

<http://www.namesonholdings.com>

FINANCIAL HIGHLIGHTS

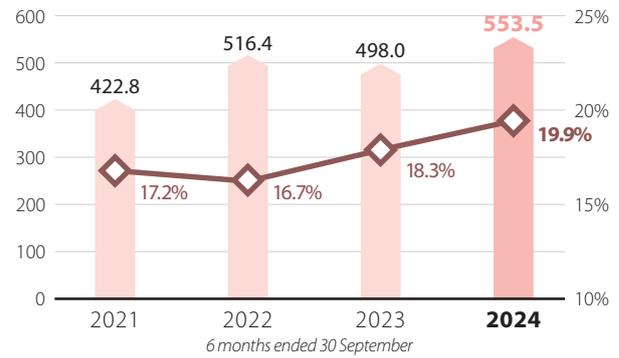
REVENUE

(HK\$'M)



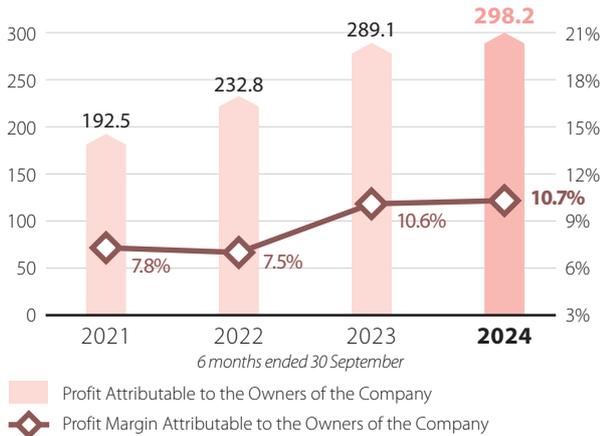
GROSS PROFIT

(HK\$'M)



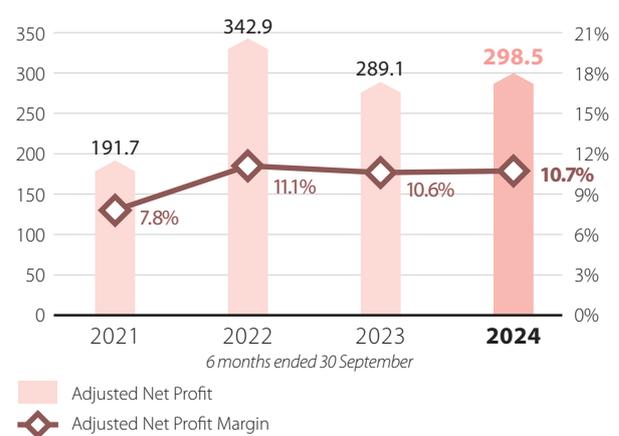
PROFIT ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

(HK\$'M)



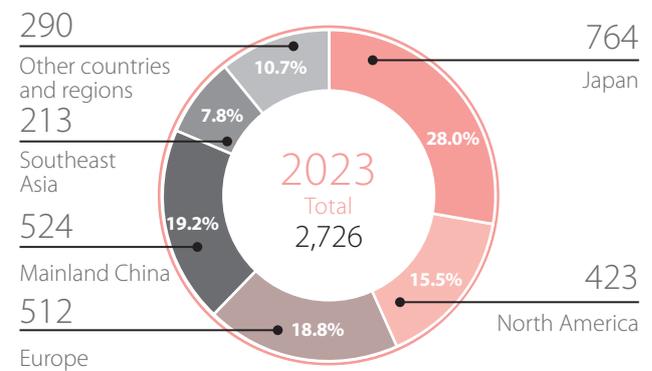
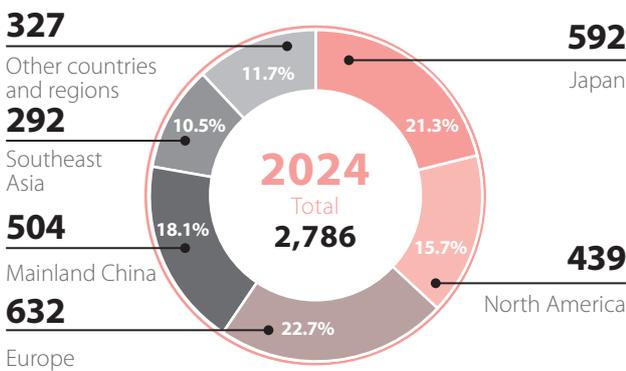
ADJUSTED NET PROFIT (Note)

(HK\$'M)



REVENUE BY GEOGRAPHICAL REGIONS

(HK\$'M)



Note: Adjusted net profit is a non-HKFRS financial measure and derived from profit attributable to the owners of the Company excluding realised and unrealised gains/losses from derivative financial instruments, which are income/expenses not considered as recurring in nature. We believe the adjusted net profit presented herein better reflects the Group's core operating results.

CHAIRMAN'S STATEMENT

To Our Respected Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of Nameson Holdings Limited (the "Company"), I am pleased to present the interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2024 ("First Half of Financial Year 2025").

MARKET REVIEW

The global economic landscape has shown a complex recovery trajectory following the post-pandemic period. While the initial rebound was robust, several challenges remained in place that have tempered the recovery progress. Rising tensions between major economies have led to increased trade barriers. Brand customers have been reassessing their purchasing strategies, often resulting in an increased shift in procurement to South East Asian countries. Prolonged international conflicts and geopolitical conflicts led to fluctuating commodity prices and have further complicated recovery efforts. The navigation of the delicate balance in curbing inflation and a slightly later-than-expected interest rate cut have led to cautionary spending patterns in the First Half of Financial Year 2025.

In the First Half of Financial Year 2025, export values from the People's Republic of China ("Mainland China") saw a small increase of 4.9%, while Vietnam experienced an increase of 14.7%. Mainland China's export value of knitwear including knitted and crocheted products increased slightly by 2.2%, while Vietnam's export value of textiles and garments increased by 8.2%.

Although the downward trajectory in interest rate cuts and stimulus measures have boosted sentiment momentarily, yet the geopolitical conflicts in Ukraine and the Middle East and the presidential election in the United States of America ("USA") may have profound impacts on economic conditions and societal dynamics. Trade tensions undoubtedly remain and persistently raises concerns in discretionary spending and optimism towards recovery.

The Group's performance has demonstrated strong resilience even during challenging times in the past few years, and this is exemplary of our endeavour in being adaptive to changing market dynamics. As orders continue to shift to South East Asian countries, our timely strategic investment in increasing capacity in Central Vietnam has proven to be beneficial to the Group's development. This development has allowed us to not only meet the changing demands of the market, but also to maintain our sales volume for knitwear products in the First Half of Financial Year 2025. This outcome reflects our agility in adapting to shifts in the supply chain and reinforces our commitment to delivering high-quality products to our customers as a preferred supplier.

We have also placed a strong focus on maintaining a diversified customer portfolio across various regions to reduce business risks. By prioritising internal operational efficiency and enhancing customer service, we have effectively positioned ourselves to respond to market demands. Our commitment to fostering a supply hub around our facilities demonstrates our proactive approach, ensuring we meet client needs promptly and reliably. These strategic initiatives have culminated in our achievement of record-high half-year profitability, highlighting the effectiveness of our efforts in navigating the complexities of the current business landscape.

CHAIRMAN'S STATEMENT (CONTINUED)

BUSINESS REVIEW

We have dedicated significant effort in finding an equilibrium between orders and pricing, as well as expansion and control. We managed to achieve a modest growth in the Group's revenue, with improved profitability and margins. This demonstrates our ability to navigate challenges while enhancing our operational efficiency and financial health, positioning us for sustainable growth in the future.

The Group initiated its production capacity expansion in Vietnam in the previous year, effectively counterbalancing the softer order volumes being allocated to Mainland China for production. By prioritising shorter lead times, leveraging our proximity to supplies and enhancing logistics, we are able to fulfill more orders when needed, while placing focus on maintaining healthy profit margins. This adaptability is underpinned by the strong mutual trust we have established with our customers, as well as the familiarity our staff have with streamlined workflows. These elements collectively contribute to our operational resilience and ability to respond swiftly to market demands.

In the First Half of Financial Year 2025, the sales volume of our men's and women's knitwear decreased by 5.3% to 18.0 million pieces. This decline was partly attributed to a softer economic recovery in Mainland China and global markets affecting discretionary consumer spending, resulting in more cautious order placements from customers compared to initial expectations. Additionally, delayed seasonal transitions contributed to this slight decrease.

Despite an overall reduction in raw material prices, which led to lower like-for-like average selling prices, the blended average selling price remained stable due to an increase in the sales of cashmere products. Consequently, revenue for our men's and women's knitwear fell slightly by 5.0% to HK\$2,142.5 million.

The Group's total revenue increased by 2.2% to HK\$2,786.2 million, contributed by an increase in both the cashmere yarn sales and fabrics businesses. The Group's gross profit and gross profit margin improved compared to the same period last year.

Selling and distribution expenses, together with general and administrative expenses in aggregate remained fairly stable as a proportion to revenue. The Group recorded a 57.5% lower net gains on disposals of property, plant and equipment in the First Half of Financial Year 2025, yet the Group's operating profit still recorded a 5.0% increase to HK\$390.4 million, and a record-high half-year net profit for the period of HK\$312.8 million, a 2.4% increase against the same period last year.

Given the Group's consistent commitment to prudent cash management, strong cash flow, and healthy gearing ratio, the Board is pleased to declare an interim dividend of 9.8 HK cents per share to the Company's shareholders representing a payout ratio of 75%, as a gesture of appreciation for our shareholders' consistent trust and support.

CHAIRMAN'S STATEMENT (CONTINUED)

FUTURE STRATEGIES AND PROSPECTS

The outcome in the new administration from the presidential election in the USA is pivotal to global trade, policies, partnerships, and the global economy. On the other hand, common expectations on further interest rate cuts may provide some stimulus to economic recovery. The dynamics point to a complex interplay of caution amongst brand customers in their procurement strategies, while the recovery pace of Mainland China and global consumption remains uncertain.

Nevertheless, Vietnam has increasingly become a preferred destination for manufacturing due to its competitive costs, improving infrastructure and trade arrangements. Its strategic location has benefited when Bangladesh protests had disrupted its manufacturing progress. Our strategic decision to expand the manufacturing facilities in Central Vietnam is set to benefit the Group in the coming years. With the support of quality suppliers, Vietnam has established itself as a key supply and manufacturing hub for numerous global brands. The Group is exceptionally well-positioned to capitalise on greater opportunities with international clients. Our ongoing commitment to improvement and product quality facilitates negotiations with new customers, and we are confident in our ability to diversify our customer portfolio, driving more profitable business and returns for the Group.

By moving early to develop our upstream cashmere yarn business, we have been expanding the business with increasing sales to satisfy both external customers and internal usage. With distinct advantages in creating sustainable materials that offer complete traceability, our cashmere yarn business is making a positive contribution to the Group as anticipated. Driven by demand, we are going to shift part of this business to Vietnam as a first-mover and are highly confident that it will continue to deliver positive results for the Group.

As demand for fabric increases, we recognise the significant potential in Vietnam's growing need for raw materials. We are confident that we will be well-positioned to continue to benefit when the business continues to ramp up. Meanwhile, as we immerse ourselves in the business, we remain vigilant in using existing resources and exploring more opportunities that align with the current market demand. For instance, we have established a collaboration for fabric printing. We are confident that we will successfully navigate the value chain and gradually establish ourselves as a key raw material solutions provider in Vietnam.

Our adaptable management approach has strengthened the Group's resilience to challenges and refined our skills to pursue even greater excellence.

CHAIRMAN'S STATEMENT (CONTINUED)

We will remain open-minded in pursuing additional breakthroughs in innovation, lean manufacturing, and digitisation as appropriate. Our commitment to enhancing product design will focus on functionality and material development, ensuring we meet the diverse and rapidly changing preferences of customers in the end market.

In the face of ongoing uncertainty, particularly due to persistent geopolitical conflicts, the management adopts a fluid and flexible approach to business operations. While maintaining a strong emphasis on enhancing our core activities, the Group will seek opportunities to broaden and diversify its business. Our long-term commitment remains focused on delivering greater returns to our shareholders.

I would hereby like to express my heartfelt gratitude to our customers, suppliers, shareholders and staff for their steadfast support and trust in our Group, as well as for their contributions and efforts towards our Group's continuous development.

Wong Wai Yue, MH

Chairman and Executive Director

22 November 2024

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “Board”) of directors (the “Directors”) of Nameson Holdings Limited (the “Company”) herewith announces the unaudited condensed consolidated interim financial information of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2024. This interim financial report has been reviewed by the Company’s audit committee and the Company’s auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

FINANCIAL REVIEW

	Six months ended 30 September	
	2024 HK\$'000	2023 HK\$'000
Revenue	2,786,212	2,726,382
Cost of sales	(2,232,726)	(2,228,388)
Gross profit	553,486	497,994
Other income	6,418	7,062
Other gains, net	24,964	46,676
Selling and distribution expenses	(20,980)	(17,829)
General and administrative expenses	(173,452)	(162,218)
Operating profit	390,436	371,685
Share of post-tax profit of a joint venture	919	758
Finance income	3,429	10,628
Finance expenses	(28,610)	(33,684)
Finance expenses, net	(25,181)	(23,056)
Profit before income tax	366,174	349,387
Income tax expenses	(53,402)	(43,804)
Profit for the period	312,772	305,583
Profit for the period attributable to:		
— Owners of the Company	298,185	289,122
Add:		
Net realised and unrealised losses/(gains) from derivative financial instruments	275	(54)
Adjusted net profit	298,460	289,068

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW

Revenue

The Group's revenue for the six months ended 30 September 2024 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 increased by 2.2% to HK\$2,786.2 million for the six months ended 30 September 2024 from HK\$2,726.4 million for the six months ended 30 September 2023. The increase was mainly attributable to the increase in sales revenue of cashmere yarns and fabrics, while the total sales revenue of men's and women's knitwear products for the six months ended 30 September 2024 decreased by HK\$112.5 million to HK\$2,142.5 million as compared to the corresponding period in year 2023. For the six months ended 30 September 2024, the sales revenue of cashmere yarns increased by HK\$88.5 million to HK\$418.5 million as compared to the corresponding period in year 2023.

The decrease in the total sales revenue of men's and women's knitwear products was due to the decrease in sales volume. The Group's sales volume of men's and women's knitwear products decreased by 5.3% from 19.0 million pieces for the six months ended 30 September 2023 to 18.0 million pieces for the six months ended 30 September 2024, while the average selling price of the Group's men's and women's knitwear products slightly increased by 0.1% from HK\$118.7 per piece for the six months ended 30 September 2023 to HK\$118.8 per piece for the six months ended 30 September 2024.

On the other hand, consistent with the Group's geographical market distribution for the six months ended 30 September 2023, Europe, Japan and Mainland China remained as the top three markets of our Group for the six months ended 30 September 2024. The revenue attributable to the European market, Japanese market and Chinese market accounted for 22.7%, 21.3% and 18.1% respectively of the Group's total revenue for the six months ended 30 September 2024.

Cost of Sales

For the six months ended 30 September 2024, the Group incurred cost of sales of HK\$2,232.7 million. Cost of sales primarily consisted of cost of inventories, direct labour costs, subcontracting charges to our subcontractors, depreciation of property, plant and equipment and right-of-use assets, electricity and water and production overhead costs.

Gross Profit and Gross Profit Margin

During the six months ended 30 September 2024, the Group recorded gross profit of HK\$553.5 million and gross profit margin of 19.9% as compared to the gross profit of HK\$498.0 million and gross profit margin of 18.3% for the six months ended 30 September 2023.

The increases in gross profit and gross profit margin for the six months ended 30 September 2024 were mainly due to the improved performance of the Group's fabrics business, while the Group's business performance in knitwear products business remained strong with some upward trend and displayed its resilience to the ever-changing business environment.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Other Income

Other income primarily consisted of rental income from investment properties, government subsidies, and miscellaneous other income. The other income decreased by HK\$0.7 million from HK\$7.1 million for the six months ended 30 September 2023 to HK\$6.4 million for the six months ended 30 September 2024. Such decrease was mainly due to the decrease in government subsidies and miscellaneous other income by HK\$2.0 million, which was partially offset by the increase in rental income from investment properties by HK\$1.6 million as the Group rented out some underused factory space in Mainland China during the six months ended 30 September 2024.

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\$21.7 million from HK\$46.7 million for the six months ended 30 September 2023 to HK\$25.0 million for the six months ended 30 September 2024. Such decrease was primarily attributable to (i) the decrease in net foreign exchange gains from HK\$24.7 million for the six months ended 30 September 2023 to net foreign exchange gains of HK\$14.5 million for the six months ended 30 September 2024 as a result of the smaller appreciation of the United States dollars during the six months ended 30 September 2024; and (ii) the decrease in net gains on disposals of property, plant and machinery by HK\$11.2 million as the Group disposed of a smaller number of aged machines and recorded net disposal gains of HK\$8.3 million during the six months ended 30 September 2024.

In summary, other gains for the six months ended 30 September 2024 mainly represented net foreign exchange gains of HK\$14.5 million, net gains on disposals of property, plant and machinery of HK\$8.3 million and net gains on financial assets at fair value through profit or loss of HK\$2.5 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\$3.2 million from HK\$17.8 million for the six months ended 30 September 2023 to HK\$21.0 million for the six months ended 30 September 2024. Such increase was mainly due to the increase in transportation cost and it was in line with the increase in overall sales volume.

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\$11.3 million from HK\$162.2 million for the six months ended 30 September 2023 to HK\$173.5 million for the six months ended 30 September 2024. Such increase was mainly attributable to the increase in staff costs as the Group's business scope was expanding during the six months ended 30 September 2024.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Finance Expenses, Net

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

The Group's net finance expenses increased by HK\$2.1 million from HK\$23.1 million for the six months ended 30 September 2023 to HK\$25.2 million for the six months ended 30 September 2024. Due to the Group's prudent and effective cash management strategies, the Group's net finance expenses remained considerably stable even though its gearing ratio was higher as compared to the corresponding period in year 2023.

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 six-month period ended 30 September 2024 and 2023 respectively on the estimated assessable profits arising in or derived from Hong Kong during the relevant periods.

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 six-month period ended 30 September 2024 and 2023 respectively. However, 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%. 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 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 period is subject to the BIT rate of 17%, whereas, the other two subsidiaries in Vietnam have no taxable profit for the six months ended 30 September 2024.

The effective tax rates of the Group were 14.6% and 12.5% for the six-month period ended 30 September 2024 and 2023 respectively.

Profit for the Period 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\$298.2 million and HK\$289.1 million for the six-month period ended 30 September 2024 and 2023 respectively.

The increase in net profit for the six months ended 30 September 2024 was primarily due to the increase in gross profit as a result of the improved performance of the Group's fabrics business and the strong performance of the Group's knitwear products business, while such increase was partially offset by (i) the decreases in other gains from foreign exchange and other gains on disposals of property, plant and equipment; and (ii) the increase in staff costs as a result of the expansion of business scope.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 period after excluding realised and unrealised (losses)/gains 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 increased by HK\$9.4 million from HK\$289.1 million for the six months ended 30 September 2023 to HK\$298.5 million for the six months ended 30 September 2024, and the adjusted net profit margin slightly increased from 10.6% for the six months ended 30 September 2023 to 10.7% for the six months ended 30 September 2024.

Consolidated Cash Flow Statement

	Six months ended 30 September	
	2024 HK\$'000	2023 HK\$'000
Net cash generated from operating activities	106,528	383,632
Net cash used in investing activities	(149,102)	(34,117)
Net cash (used in)/generated from financing activities	(106,319)	52,945
Net (decrease)/increase in cash and cash equivalents	(148,893)	402,460
Cash and cash equivalents at beginning of the period	717,404	717,027
Exchange difference on cash and cash equivalents	517	1,237
Cash and cash equivalents at end of the period	569,028	1,120,724

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Net Cash Generated from Operating Activities

The Group's net cash generated from operating activities for the six months ended 30 September 2024 was HK\$106.5 million, primarily due to profit before income tax of HK\$366.2 million, adjusted for depreciation of HK\$116.3 million and the decrease in accruals and other payables of HK\$142.0 million, which was partially offset by the increases in trade receivables of HK\$242.1 million and prepayments, deposits, other receivables and other assets of HK\$225.3 million.

Net Cash Used in Investing Activities

The Group's net cash used in investing activities for the six months ended 30 September 2024 was HK\$149.1 million, primarily due to the purchase of property, plant and equipment of HK\$153.9 million, which was partially offset by the proceeds from disposals of property, plant and equipment of HK\$8.3 million.

Net Cash Used in Financing Activities

The Group's net cash used in financing activities for the six months ended 30 September 2024 was HK\$106.3 million, primarily due to the net decrease in the Group's total bank borrowings of HK\$19.9 million, the dividend payments of HK\$79.8 million and the payments for lease liabilities of HK\$32.9 million, which was partially offset by the capital contribution from non-controlling interests of HK\$26.9 million.

Cash and Cash Equivalents

For the six months ended 30 September 2024, the Group's cash and cash equivalents decreased by HK\$148.9 million and the exchange gain was HK\$0.5 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\$569.0 million as at 30 September 2024.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

OTHER FINANCIAL INFORMATION

Liquidity and Financial Resources

For the six months ended 30 September 2024, the Group's cash and cash equivalents was mainly used in the expansion of the Group's business operations, 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 14.3% as at 30 September 2024. This 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 30 September 2024, the Group's cash and cash equivalents, amounting to HK\$569.0 million, were denominated in US dollars ("US\$") (60.2%), HK\$ (5.8%), Renminbi ("RMB") (30.5%), Vietnamese Dong ("VND") (3.2%) and other currencies (0.3%).

As at 30 September 2024, the Group's total bank borrowings and lease liabilities were due for repayment as follows:

	As at 30 September 2024 HK\$'000	As at 31 March 2024 HK\$'000
Within one year	323,074	395,514
Between one and two years	390,718	222,058
Between two and five years	321,907	353,428
	1,035,699	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 rights.
- (b) As at 30 September 2024, the Group's total bank borrowings and lease liabilities were denominated in HK\$(77.0%), US\$(22.2%) and RMB(0.8%). All the Group's bank borrowings were floating rate borrowings. The weighted average effective interest rate of the Group's bank borrowings as at 30 September 2024 was 4.86%.

Capital Expenditures and Commitments

The Group incurred capital expenditures of approximately HK\$316.8 million for the six months ended 30 September 2024, which were mainly related to the purchase of machinery for our factories and the construction of new production bases in Vietnam. These capital expenditures were fully financed by internal resources, bank borrowings and lease liabilities.

The Group's capital commitments as at 30 September 2024 amounted to approximately HK\$142.1 million which were mainly related to the purchase of machinery for our factories and the construction of new production bases in Vietnam.

Charge on Assets

As at 30 September 2024, the Group had no charges on assets.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Contingent Liabilities

The Group had no material contingent liability as at 30 September 2024.

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 30 September 2024 is set out below as follows:

	Proportion after the change in use of net proceeds %	Planned use of the total net proceeds after the change in use of net proceeds HK\$ million	Utilised amount up to 31 March 2024 HK\$ million	Actual utilised amount during the six months ended 30 September 2024 HK\$ million	Utilised amount up to 30 September 2024 HK\$ million	Unutilised balance as at 30 September 2024 HK\$ million
	(approximately)	(approximately)	(approximately)	(approximately)	(approximately)	(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	–

Significant Investments, Acquisitions and Disposals

The Group had no significant investments, acquisitions and disposals during the six months ended 30 September 2024.

Events after Balance Sheet Date

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Financial Instruments

As at 30 September 2024, the Group had outstanding HK\$ interest rate swap contracts with a total notional principal amount of HK\$123.5 million (31 March 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 six months ended 30 September 2024, 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 six months ended 30 September 2024, the Group entered into HK\$ interest rate swap contracts to mitigate some of its interest rate risk in light of the market interest rate hike during the period. The Board will continue to closely monitor the Group's loan portfolio in order to manage the Group's interest rate risk exposure and may use appropriate financial instruments for hedging purposes 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, economic environments in which the customers operate in 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 30 September 2024, majority 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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Human Resources and Emolument Policy

As at 30 September 2024, the Group had a total of approximately 16,300 full-time employees in Mainland China, Vietnam and Hong Kong. For the six months ended 30 September 2024, the total staff costs, including the directors' emoluments, amounted to HK\$544.0 million.

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

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

Remuneration Policy

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

OTHER INFORMATION

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved to declare an interim dividend of 9.8 HK cents per share for the six months ended 30 September 2024 (2023: 9.5 HK cents) 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 Thursday, 12 December 2024. The interim dividend is expected to be payable on or about Friday, 20 December 2024.

The Company's register of members will be closed from Tuesday, 10 December 2024 to Thursday, 12 December 2024 (both days inclusive), and during such period no transfer of the Company's shares will be registered. In order to qualify for the 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 Monday, 9 December 2024.

CORPORATE GOVERNANCE

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.

The Company has adopted the code provisions in the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix C1 to 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 of corporate governance. In the opinion of the Directors, the Company has complied with all the mandatory code provisions set out in the CG Code for the six months ended 30 September 2024.

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 Listing Rules 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 six months ended 30 September 2024.

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.

AUDIT COMMITTEE

The audit committee of the Company comprises three independent non-executive Directors, namely, Mr. Fan Chun Wah, Andrew (Chairman), Mr. Kan Chung Nin, Tony and Mr. Ip Shu Kwan, Stephen. 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 22 November 2024 to meet with the external auditors of the Company and review the Company's interim financial report for the six months ended 30 September 2024.

OTHER INFORMATION (CONTINUED)

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

During the six months ended 30 September 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

DISCLOSURE OF INTERESTS

Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures

Save as disclosed below, as at 30 September 2024, the interests and/or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required to be and were recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long position in the Ordinary Shares/Underlying Shares of the Company

Name of Directors	Nature of interests	Number of ordinary shares/ underlying shares held or interested in	Approximate percentage of the issued share capital of the Company ⁽⁷⁾
Mr. Man Yu Hin ⁽¹⁾	Interest of spouse	700,000	0.03%
Mr. Wong Ting Chun ⁽²⁾⁽³⁾	Beneficiary of a trust	1,500,000,000	65.81%
	Beneficial owner	1,500,000	0.07%
Mr. Li Po Sing ⁽⁴⁾	Beneficial owner	3,500,000	0.15%
Ms. Fan Chiu Fun, Fanny ⁽⁵⁾	Beneficial owner	1,500,000	0.07%
Mr. Kan Chung Nin, Tony ⁽⁵⁾	Beneficial owner	1,500,000	0.07%
Mr. Fan Chun Wah, Andrew ⁽⁵⁾	Beneficial owner	1,500,000	0.07%
Mr. Ip Shu Kwan, Stephen ⁽⁶⁾	Beneficial owner	1,500,000	0.07%

OTHER INFORMATION (CONTINUED)

- Note 1: Mr. Man Yu Hin is deemed to be interested in 700,000 shares held by his spouse as his spouse has a beneficial interest in the share options granted to her on 29 August 2016 and 28 August 2017 under the Share Option Scheme (as defined below) and which, if exercised in full, would result in the issue of 700,000 shares to her.
- Note 2: Mr. Wong Ting Chun is one of the beneficiaries of the Happy Family Trust and therefore he is deemed to be interested in the shares held by the Happy Family Trust under the SFO.
- Note 3: Mr. Wong Ting Chun has a beneficial interest in the share options granted to him on 29 August 2016 under the Share Option Scheme and which, if exercised in full, would result in the issue of 1,500,000 shares to him.
- Note 4: Mr. Li Po Sing has a beneficial interest in the share options granted to him on 29 August 2016 and 28 August 2017 under the Share Option Scheme and which, if exercised in full, would result in the issue of 3,500,000 shares to him.
- Note 5: Each of Ms. Fan Chiu Fun, Fanny, Mr. Kan Chung Nin, Tony and Mr. Fan Chun Wah, Andrew has a beneficial interest in options granted to him/her on 28 August 2017 under the Share Option Scheme and which, if exercised in full, would result in the issue of 1,500,000 shares to him/her.
- Note 6: Mr. Ip Shu Kwan, Stephen has a beneficial interest in options granted to him on 20 April 2018 under the Share Option Scheme and which, if exercised in full, would result in the issue of 1,500,000 shares to him.
- Note 7: The calculation is based on the total number of issued ordinary shares of 2,279,392,000 shares as at 30 September 2024.

Details of the above individuals' interests in the underlying shares of the Company are set out in the section headed "Share Option Scheme" below. Other than the Share Option Scheme (as defined below), at no time during the six months ended 30 September 2024 was the Company or any of its subsidiaries, holding companies, or any of the subsidiary undertakings (within the meaning of the Companies (Directors' Report) Regulation) of such holding companies a party to any arrangements whose objects are, or one of whose objects is, to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. Save as disclosed above, none of the Directors and chief executive of the Company (including their spouses and children under the age of 18) had any interests in or was granted any right to subscribe for the securities of the Company or its associated corporations (within the meaning of Part XV of the SFO), or had exercised any such rights.

OTHER INFORMATION (CONTINUED)

Substantial Shareholders' Interests and Other Persons' Interests and Short Positions in the Shares and Underlying Shares

Save as disclosed below, so far as known to the Directors and chief executive of the Company, as at 30 September 2024, the following persons or corporations (other than the Directors and chief executive of the Company) who had interest and/or short positions in the shares or underlying shares of the Company which would be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO were as follows:

Long Position in the Ordinary Shares/Underlying Shares of the Company

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

Notes:

- (1) Nameson Investments Limited is wholly owned by Happy Family Assets Limited, the holding vehicle incorporated in the British Virgin Islands used by East Asia International Trustees Limited, the trustee of the Happy Family Assets Limited which is a trust established by Mr. Wong Ting Chung as the settlor and the protector. Accordingly, each of Happy Family Assets Limited and Mr. Wong Ting Chung is deemed to be interested in the 1,500,000,000 shares held by Nameson Investments Limited under the SFO.
- (2) Mr. Wong Ting Chung is the settlor, the protector and one of the beneficiaries of the Happy Family Trust and therefore he is deemed to be interested in the shares held by the Happy Family Trust under the SFO.
- (3) Mr. Wong Ting Chung beneficially owned 200,000,000 shares which were issued by the Company on 15 December 2017 as consideration shares pursuant to the acquisition of V. Success Group.
- (4) Ms. Wang Kam Chu is the spouse of Mr. Wong Ting Chung and is therefore deemed to be interested in the shares held, directly or indirectly, by Mr. Wong Ting Chung under the SFO.
- (5) Mr. Wong Ting Kau is one of the beneficiaries of the Happy Family Trust and therefore he is deemed to be interested in the shares held by the Happy Family Trust under the SFO.
- (6) Ms. Tsoi Suet Ngai is the spouse of Mr. Wong Ting Chun and is therefore deemed to be interested in the shares held, directly or indirectly, by Mr. Wong Ting Chun under the SFO.
- (7) Ms. Chan Ka Wai is the spouse of Mr. Wong Ting Kau and is therefore deemed to be interested in the shares held, directly or indirectly, by Mr. Wong Ting Kau under the SFO.
- (8) The calculation is based on the total number of issued ordinary shares of 2,279,392,000 shares as at 30 September 2024.

OTHER INFORMATION (CONTINUED)

Share Option Scheme

The Company has approved and adopted a share option scheme on 29 January 2016 (the "Share Option Scheme"). Under the Share Option Scheme, the eligible participants may be granted share options.

The purposes of the Share Option Scheme are to provide the eligible participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives: (i) motivate the eligible participants to optimise their performance efficiency for the benefit of our Group; and (ii) attract and retain or otherwise maintain an on-going business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of our Group.

The maximum number of shares which may be issued upon exercise of all the share options to be granted under the Share Option Scheme and any other share option scheme of the Company (if any) shall not in aggregate exceed 10% of the shares in issue (i.e. a maximum of 200,000,000 shares) immediately after listing unless refreshed. Moreover, unless approved by the shareholders in a general meeting (with the relevant eligible participant and his/her close associates abstaining from voting), the total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company (if any) to each eligible participant in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue as at the date of grant.

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

- (i) the official closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the official closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of the shares.

The Share Option Scheme shall be valid and effective for a period of 10 years from 12 April 2016 (being the listing date), after which period no further share options will be offered but the provisions of the Share Option Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Share options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the Share Option Scheme. As at the date of this interim report, the Share Option Scheme had a remaining life of approximately 1.5 years.

For the six months ended 30 September 2024, no share options was granted under the Share Option Scheme. As at 30 September 2024, the number of share options that could still be granted under the Share Option Scheme was 110,600,000 share options representing approximately 4.85% of the issued share capital of the Company as at 30 September 2024 (1 April 2024: 110,600,000).

OTHER INFORMATION (CONTINUED)

Details of the movements of the share options granted under the Share Option Scheme during the six months ended 30 September 2024 are as follows:

Grantee	Date of Grant (Note 1)	Exercise Price HK\$	Exercise Period (Note 2)	Number of Share Options					Balance as at 30 September 2024 (Note 3)
				Balance as at 1 April 2024	Granted during the Period	Exercised during the Period	Cancelled during the Period	Lapsed during the Period	
Mr. Wong Ting Chun	29 August 2016	1.394	29 August 2017 to 28 August 2026	1,500,000	-	-	-	-	1,500,000
Mr. Li Po Sing	29 August 2016	1.394	29 August 2017 to 28 August 2026	1,500,000	-	-	-	-	1,500,000
	28 August 2017	1.462	28 August 2018 to 27 August 2027	2,000,000	-	-	-	-	2,000,000
Ms. Fan Chiu Fun, Fanny	28 August 2017	1.462	28 August 2018 to 27 August 2027	1,500,000	-	-	-	-	1,500,000
Mr. Kan Chung Nin, Tony	28 August 2017	1.462	28 August 2018 to 27 August 2027	1,500,000	-	-	-	-	1,500,000
Mr. Fan Chun Wah, Andrew	28 August 2017	1.462	28 August 2018 to 27 August 2027	1,500,000	-	-	-	-	1,500,000
Mr. Ip Shu Kwan, Stephen	20 April 2018	1.700	20 April 2019 to 19 April 2028	1,500,000	-	-	-	-	1,500,000
Other employees of the Group (Note 4)	29 August 2016	1.394	29 August 2017 to 28 August 2026	11,138,000	-	-	-	-	11,138,000
	28 August 2017	1.462	28 August 2018 to 27 August 2027	26,400,000	-	-	-	-	26,400,000
Total				48,538,000	-	-	-	-	48,538,000

OTHER INFORMATION (CONTINUED)

Notes:

- The closing price of the shares of the Company immediately before the date on which the share options were granted on (i) 29 August 2016, i.e. 26 August 2016, was HK\$1.40; (ii) 28 August 2017, i.e. 25 August 2017, was HK\$1.48; and (iii) 20 April 2018, i.e. 19 April 2018, was HK\$1.68.
- The share options granted to the above Directors and other employees of the Group shall be vested in three equal tranches. The vesting periods of the share options are between the date of grant and the dates of commencement of exercise periods. The vesting periods and exercise periods of the share options are as follows:

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

- The weighted average exercise price of the outstanding share options as at 30 September 2024 was HK\$1.450.
- Employees working under employment contracts that were regarded as “continuous contracts” for the purpose of the Hong Kong Employment Ordinance.
- The fair value of the share options as at the date of grant, its calculation and the model and assumptions used to estimate the fair value of the share options are set out in note 21 to the condensed consolidated interim financial information.
- As the Share Option Scheme was adopted before the amended Chapter 17 of the Listing Rules which became effective on 1 January 2023, certain terms of the Share Option Scheme may not be in full compliance with the amended Chapter 17 of the Listing Rules. The Company will comply with the transitional arrangements for share schemes existing as at 1 January 2023, including but not limited to the scope of eligible participants of share option schemes and the minimum vesting period requirements.

OTHER INFORMATION (CONTINUED)

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

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

Date of the agreement/ facility letter	Banking facilities	Specific performance obligations
12 September 2024	Three-year term loan facility of up to HK\$200,000,000	Mr. Wong Ting Chung or his family members remains as the majority ultimate beneficial owner holding not less than 50% shareholdings in the Company with management control in the Company
12 December 2023	Two three-year term loan facilities with a total amount of up to HK\$300,000,000	Mr. Wong Ting Chung and/or his family members shall maintain not less than 50% shareholdings in the Company
27 June 2023	Three-year term loan facility of up to HK\$200,000,000	Wong's family (Note (I)) remains as the majority shareholder of the Company and maintains the management control of the Company
8 March 2023	Three-year term loan facility of up to HK\$150,000,000	Mr. Wong Ting Chung together with his family members shall remain (directly or indirectly) the largest shareholder of the Company at all times throughout the entire life of the term loan facility
15 December 2022	Three-year term loan facility of up to HK\$130,000,000	Mr. Wong Ting Chung or his family members are and will remain as the majority ultimate beneficial owner holding not less than 50% of all issued share capital of the Company with management control in the Company
21 September 2021	Three-year term loan facility of up to HK\$250,000,000	(i) Mr. Wong Ting Chung and his family collectively owns more than 60% share interests in the Company; and (ii) Mr. Wong Ting Chung and his family maintain the majority of the management control of the Company

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

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		(Unaudited) Six months ended 30 September	
	Note	2024 HK\$'000	2023 HK\$'000
Revenue	5	2,786,212	2,726,382
Cost of sales	7	(2,232,726)	(2,228,388)
Gross profit		553,486	497,994
Other income	6	6,418	7,062
Other gains, net	8	24,964	46,676
Selling and distribution expenses	7	(20,980)	(17,829)
General and administrative expenses	7	(173,452)	(162,218)
Operating profit		390,436	371,685
Share of post-tax profit of a joint venture	14	919	758
Finance income	9	3,429	10,628
Finance expenses	9	(28,610)	(33,684)
Finance expenses, net		(25,181)	(23,056)
Profit before income tax		366,174	349,387
Income tax expenses	10	(53,402)	(43,804)
Profit for the period		312,772	305,583
Profit for the period attributable to:			
— Owners of the Company		298,185	289,122
— Non-controlling interests		14,587	16,461
		312,772	305,583
Earnings per share attributable to the owners of the Company during the period			
— Basic and diluted (HK cents per share)	11	13.1	12.7

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Profit for the period	312,772	305,583
Other comprehensive loss, net of tax:		
<i>Items that have been reclassified or may be subsequently reclassified to profit or loss</i>		
— Currency translation differences	(72,275)	(29,384)
— Share of other comprehensive (loss)/income of a joint venture	(412)	141
Other comprehensive loss for the period, net of tax	(72,687)	(29,243)
Total comprehensive income for the period	240,085	276,340
Total comprehensive income for the period attributable to:		
— Owners of the Company	225,498	266,145
— Non-controlling interests	14,587	10,195
	240,085	276,340

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	1,811,286	1,785,060
Right-of-use assets	13	380,671	290,709
Investment properties		9,185	1,590
Interest in a joint venture	14	6,840	7,083
Financial assets at fair value through profit or loss	15	193,632	191,118
Prepayments, deposits, other receivables and other assets		85,495	122,908
Loan to a non-controlling shareholder of a subsidiary		6,987	–
Deferred income tax assets		886	704
		2,494,982	2,399,172
Current assets			
Inventories		838,454	910,552
Trade receivables	16	409,234	167,149
Prepayments, deposits, other receivables and other assets		520,180	253,826
Cash and cash equivalents		569,028	717,404
		2,336,896	2,048,931
Total assets		4,831,878	4,448,103
EQUITY			
Capital and reserves attributable to the owners of the Company			
Share capital	20	22,794	22,794
Reserves	22	2,506,033	2,360,314
		2,528,827	2,383,108
Non-controlling interests		267,820	215,851
Total equity		2,796,647	2,598,959

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

	Note	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
LIABILITIES			
Non-current liabilities			
Bank borrowings	18	530,871	454,811
Loans from non-controlling shareholders of subsidiaries		2,609	3,359
Lease liabilities	19	181,754	120,675
Provision for reinstatement costs		2,303	4,409
Deferred income tax liabilities		4,882	4,812
		722,419	588,066
Current liabilities			
Trade and bills payables	17	270,101	335,457
Accruals and other payables		403,479	255,832
Current income tax liabilities		316,158	274,275
Bank borrowings	18	257,215	353,129
Lease liabilities	19	65,859	42,385
		1,312,812	1,261,078
Total liabilities		2,035,231	1,849,144
Total equity and liabilities		4,831,878	4,448,103
Net current assets		1,024,084	787,853

Wong Wai Yue
Chairman and Executive Director

Man Yu Hin
Chief Executive Officer and Executive Director

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited)				
	Attributable to the owners of the Company				
	Share capital (Note 20) HK\$'000	Reserves (Note 22) HK\$'000	Total HK\$'000	Non-controlling Interests HK\$'000	Total equity HK\$'000
As at 1 April 2024	22,794	2,360,314	2,383,108	215,851	2,598,959
Profit for the period	–	298,185	298,185	14,587	312,772
Other comprehensive loss:					
— Currency translation difference	–	(72,275)	(72,275)	–	(72,275)
— Share of other comprehensive loss of a joint venture	–	(412)	(412)	–	(412)
Total comprehensive income	–	225,498	225,498	14,587	240,085
Transaction with owners					
Capital contribution from non-controlling interests	–	–	–	37,382	37,382
Dividends (Note 12)	–	(79,779)	(79,779)	–	(79,779)
As at 30 September 2024	22,794	2,506,033	2,528,827	267,820	2,796,647
As at 1 April 2023	22,794	2,252,260	2,275,054	202,620	2,477,674
Profit for the period	–	289,122	289,122	16,461	305,583
Other comprehensive loss:					
— Currency translation difference	–	(23,118)	(23,118)	(6,266)	(29,384)
— Share of other comprehensive income of a joint venture	–	141	141	–	141
Total comprehensive income	–	266,145	266,145	10,195	276,340
Transaction with owners					
Dividends (Note 12)	–	(13,676)	(13,676)	–	(13,676)
As at 30 September 2023	22,794	2,504,729	2,527,523	212,815	2,740,338

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) Six months ended 30 September	
	2024 HK\$'000	2023 HK\$'000
Cash flows from operating activities		
Cash generated from operations	181,254	444,426
Interest paid	(29,302)	(33,175)
Income tax paid, net	(45,424)	(27,619)
Net cash generated from operating activities	106,528	383,632
Cash flows from investing activities		
Purchases of property, plant and equipment	(153,853)	(72,810)
Proceeds from disposals of property, plant and equipment	8,309	28,065
Loan to a non-controlling shareholder of a subsidiary	(6,987)	–
Interest received	3,429	10,628
Net cash used in investing activities	(149,102)	(34,117)
Cash flows from financing activities		
Proceeds from new bank borrowings	897,713	370,000
Repayments of bank borrowings	(917,567)	(259,722)
Repayments of loans from non-controlling shareholders of subsidiaries	(750)	(1,008)
Payments for lease liabilities	(32,856)	(42,649)
Dividend paid	(79,779)	(13,676)
Capital contribution from non-controlling interests	26,920	–
Net cash (used in)/generated from financing activities	(106,319)	52,945
Net (decrease)/increase in cash and cash equivalents	(148,893)	402,460
Cash and cash equivalents at beginning of the period	717,404	717,027
Exchange difference on cash and cash equivalents	517	1,237
Cash and cash equivalents at end of the period	569,028	1,120,724

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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.

This condensed consolidated interim financial information is presented in thousands of units of Hong Kong dollars ("HK\$'000") unless otherwise stated. This condensed consolidated interim financial information has been approved for issue by the Board of Directors on 22 November 2024.

This condensed consolidated interim financial information has not been audited.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

This condensed consolidated interim financial information for the six months ended 30 September 2024 has been prepared in accordance with Hong Kong Accounting Standards ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2024, which were prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The accounting policies applied by the Group are consistent with those of the annual financial statements for the year ended 31 March 2024, except for the adoption of amended standards and revised interpretation as set out below.

(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 current reporting period 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 Repayment on Demand Clause
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements

The adoption of these amended standards and revised interpretation did not have any significant impact on the amounts recognised in prior or current periods.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(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 that are not effective for periods commencing on or after 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)	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Hong Kong Interpretation 5 (Revised)	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 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

3 ESTIMATES

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2024.

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow interest-rate risk), credit risk, liquidity risk and price risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures as required in the annual financial statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 March 2024.

There have been no changes in the risk management policies since 31 March 2024.

4.2 Liquidity risk

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.2 Liquidity risk (Continued)

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

	Less than 1 year HK\$'000	Between 1 and 2 years HK\$'000	Between 2 and 5 years HK\$'000	Total HK\$'000
At 30 September 2024				
Trade and bills payables	270,101	–	–	270,101
Accruals and other payables	293,433	–	–	293,433
Bank borrowings	260,439	340,970	214,888	816,297
Loans from non-controlling shareholders of subsidiaries	–	2,609	–	2,609
Lease liabilities	77,179	76,474	119,465	273,118
	901,152	420,053	334,353	1,655,558
	Less than 1 year HK\$'000	Between 1 and 2 years HK\$'000	Between 2 and 5 years HK\$'000	Total HK\$'000
At 31 March 2024				
Trade and bills payables	335,457	–	–	335,457
Accruals and other payables	150,040	–	–	150,040
Bank borrowings	384,360	201,053	279,192	864,605
Loans from non-controlling shareholders of subsidiaries	–	3,359	–	3,359
Lease liabilities	48,629	45,515	82,862	177,006
	918,486	249,927	362,054	1,530,467

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's financial assets that are measured at fair value at 30 September 2024 and 31 March 2024.

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
At 30 September 2024				
Assets				
Financial assets at fair value through profit or loss				
— Unlisted investments	–	–	193,632	193,632
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
At 31 March 2024				
Assets				
Financial assets at fair value through profit or loss				
— Unlisted investments	–	–	191,118	191,118

There were no transfers among Levels 1, 2 and 3 and no changes in valuation techniques during the period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3 Fair value estimation (Continued)

(a) Financial instruments in level 1

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

(b) Financial instruments in level 2

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

(c) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

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

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

5 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.

During the six months ended 30 September 2024 and 2023, the Group has been operating in a single operating segment, i.e. manufacturing of knitwear products.

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

(a) Revenue by location of goods delivery

	(Unaudited) Six months ended 30 September	
	2024 HK\$'000	2023 HK\$'000
Japan	592,102	764,182
North America	439,339	423,311
Europe	631,710	511,823
Mainland China	503,805	524,447
Southeast Asia	292,570	212,544
Other countries	326,686	290,075
	2,786,212	2,726,382

(b) Non-current assets

	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
Hong Kong	35,947	30,725
Mainland China	427,319	436,038
Vietnam	1,695,362	1,594,319
Myanmar	134,968	134,498
	2,293,596	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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

5 SEGMENT INFORMATION (CONTINUED)

(c) Major customers

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

	(Unaudited) Six months ended 30 September	
	2024 HK\$'000	2023 HK\$'000
Customer A	1,161,289	1,307,649
Customer B	351,306	284,741

The five largest customers accounted for approximately 69.1% (2023: 72.4%) of revenue for the six months ended 30 September 2024.

(d) Disaggregation of revenue from contracts with customers

For the six months ended 30 September 2024 and 2023, the revenue of the Group was recognised at a point in time.

6 OTHER INCOME

	(Unaudited) Six months ended 30 September	
	2024 HK\$'000	2023 HK\$'000
Rental income from investment properties	1,949	380
Rental income from properties occupied by employees	432	611
Government subsidies (Note (a))	1,763	3,125
Others	2,274	2,946
	6,418	7,062

Note:

(a) During the six months ended 30 September 2024 and 2023, the government subsidies were granted by the government of the Mainland China.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

7 EXPENSES BY NATURE

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

	(Unaudited)	
	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
Advertising and promotion expenses	3,233	4,579
Auditor's remuneration		
— audit services	1,161	1,507
— non-audit services	289	356
Depreciation (Note 13)		
— owned property, plant and equipment	97,385	98,891
— right-of-use assets	17,632	15,934
Depreciation of investment properties	1,256	41
Employment benefit expenses (including directors' emoluments)	544,028	534,218
Raw materials used	1,257,822	1,167,981
Changes in inventories of finished goods and work in progress	181,508	297,676
Reversal of impairment of inventories	(22,775)	(22,383)
Consumables	71,164	58,157
Subcontracting charges	111,757	91,632
Agency and commission expenses	930	421
Transportation charges	18,867	15,912
Donations	794	140
Short-term lease payments	501	240
Utilities expenses	65,220	65,590
Sample charges	6,423	4,883
Others	69,963	72,660
Total cost of sales, selling and distribution expenses and general and administrative expenses	2,427,158	2,408,435

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

8 OTHER GAINS, NET

	(Unaudited) Six months ended 30 September	
	2024 HK\$'000	2023 HK\$'000
Net foreign exchange gains	14,455	24,680
Net gains on financial assets at fair value through profit or loss ("FVTPL")	2,514	2,489
Net gains on disposals of property, plant and equipment	8,270	19,453
Net realised and unrealised (losses)/gains from derivative financial instruments	(275)	54
	24,964	46,676

9 FINANCE EXPENSES, NET

	(Unaudited) Six months ended 30 September	
	2024 HK\$'000	2023 HK\$'000
Finance income		
Interest income from bank deposits	3,429	10,628
Finance expenses		
Interest expenses on:		
— Bank borrowings	(22,886)	(30,921)
— Lease liabilities	(5,724)	(2,763)
	(28,610)	(33,684)
Finance expenses, net	(25,181)	(23,056)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

10 INCOME TAX EXPENSES

For the six months ended 30 September 2024, Hong Kong profits tax has been provided for at the rate of 16.5% (2023: 16.5%) on the estimated assessable profit for the period. The Group's subsidiaries in Mainland China are subject to the China Corporate Income Tax at a rate of 25% (2023: 25%) on estimated assessable profits. However, two (2023: 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%. 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 period is subject to the BIT rate of 17%, whereas, the other two subsidiaries in Vietnam have no taxable profit for the six months ended 30 September 2024.

	(Unaudited)	
	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
Current and deferred income tax		
— Hong Kong profits tax	15,409	9,653
— China corporate income tax	28,687	32,400
— Vietnam business income tax	9,416	1,778
— Deferred taxation	(110)	(27)
	53,402	43,804

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

11 EARNINGS PER SHARE

(a) Basic

Basic earnings per share for the six-month period ended 30 September 2024 and 2023 respectively 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 respective periods.

	(Unaudited) Six months ended 30 September	
	2024	2023
Profit attributable to the owners of the Company (HK\$'000)	298,185	289,122
Weighted average number of ordinary shares in issue ('000)	2,279,392	2,279,392
Basic earnings per share (HK cents)	13.1	12.7

(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 six-month period ended 30 September 2024 and 2023 respectively equals basic earnings per share as the exercise of the outstanding share options would be anti-dilutive.

12 DIVIDENDS

At the board meeting held on 22 November 2024, the Board of Directors declared an interim dividend of 9.8 HK cents per share. The interim dividend amounting to approximately HK\$223,380,000 has not been recognised as a liability in this interim financial information. It will be recognised as a distribution in shareholder's equity for the year ending 31 March 2025.

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

At the board meeting held on 24 November 2023, the Board of Directors declared an interim dividend for the six-month period ended 30 September 2023 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 23 June 2023, the Board of Directors declared a second interim dividend for the year ended 31 March 2023 of 0.6 HK cents per share (in lieu of a final dividend) amounting to a total of HK\$13,676,000 and paid on 25 July 2023.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

13 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	(Unaudited)	
	Property, plant and equipment HK\$'000	Right-of-use assets HK\$'000
Six months ended 30 September 2024		
Opening net book amount at 1 April 2024	1,785,060	290,709
Additions	200,971	115,797
Disposals	(40)	–
Lease modification	–	(259)
Reclassification	(3,561)	(5,290)
Depreciation (Note 7)	(97,385)	(17,632)
Exchange differences	(73,759)	(2,654)
Closing net book amount at 30 September 2024	1,811,286	380,671
Six months ended 30 September 2023		
Opening net book amount at 1 April 2023	1,780,432	334,450
Additions	69,288	49,575
Disposals	(8,612)	–
Lease modification	–	(323)
Reclassification	29,500	(29,500)
Depreciation (Note 7)	(98,891)	(15,934)
Exchange differences	(8,571)	(640)
Closing net book amount at 30 September 2023	1,763,146	337,628

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

14 INTEREST IN A JOINT VENTURE

	(Unaudited) Six months ended 30 September	
	2024 HK\$'000	2023 HK\$'000
Beginning of the period	7,083	5,483
Share of post-tax profit of a joint venture	919	758
Share of other comprehensive (loss)/income of a joint venture	(412)	141
Dividend received	(750)	–
End of the period	6,840	6,382

15 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
Financial assets at FVTPL		
— Unlisted investments, at fair value (Note)	193,632	191,118

Note:

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

16 TRADE RECEIVABLES

	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
Trade receivables	409,234	167,149

The credit periods granted by the Group to its customers generally range from 0 to 90 days. As at 30 September 2024 and 31 March 2024, the ageing analysis of the trade receivables based on invoice date is as follows:

	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
Up to three months	388,989	145,002
Three to six months	18,178	20,904
Over six months	2,067	1,243
	409,234	167,149

There was no movement of impairment of trade receivables during the six months ended 30 September 2024 and 2023.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

17 TRADE AND BILLS PAYABLES

As at 30 September 2024 and 31 March 2024, the ageing analysis of the trade and bills payables based on invoice date is as follows:

	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
Within one month	101,395	192,782
One to two months	98,555	68,148
Two to three months	56,566	63,536
Over three months	13,585	10,991
	270,101	335,457

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

Note: As at 30 September 2024, trade and bills payables include trade payables to related companies of approximately HK\$5,616,000 (31 March 2024: HK\$2,975,000) (Note 24(b)).

18 BANK BORROWINGS

	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
Current		
Short-term bank borrowings, unsecured	67,462	60,000
Portion of long-term bank borrowings, unsecured, due for repayment within one year	189,753	293,129
	257,215	353,129
Non-current		
Bank borrowings, unsecured	530,871	454,811
Total bank borrowings	788,086	807,940

The weighted average effective interest rate as at 30 September 2024 is 4.86% (31 March 2024: 5.66%).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

18 BANK BORROWINGS (CONTINUED)

The bank borrowings are due for repayment as follows:

	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
Within one year	257,215	353,129
Between one and two years	322,335	181,006
Between two and five years	208,536	273,805
	788,086	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.

19 LEASE LIABILITIES

The Group's lease liabilities are analysed as follows:

	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
Current		
Lease liabilities due for repayment within one year	65,859	42,385
Non-current		
Lease liabilities due for repayment after one year:		
Between one and two years	68,383	41,052
Between two and five years	113,371	79,623
	181,754	120,675
Total lease liabilities	247,613	163,060

The weighted average effective interest rate as at 30 September 2024 is 5.13% (31 March 2024: 4.31%).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

19 LEASE LIABILITIES (CONTINUED)

The lease liabilities are due for repayment as follows:

	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
Gross lease liabilities — minimum lease payments:		
Within one year	77,179	48,629
Between one and two years	76,474	45,515
Between two and five years	119,465	82,862
	273,118	177,006
Future finance charges on leases	(25,505)	(13,946)
Present value of lease liabilities	247,613	163,060

As at 30 September 2024, the carrying amounts of lease liabilities are denominated in US\$, RMB and HK\$ (31 March 2024: same).

20 SHARE CAPITAL

	(Unaudited) As at 30 September 2024		(Audited) As at 31 March 2024	
	Number of shares	Nominal value HK\$	Number of shares	Nominal value HK\$
Authorised:				
Ordinary shares at HK\$0.01 each	5,000,000,000	50,000,000	5,000,000,000	50,000,000
Issued and fully paid:				
Ordinary shares of HK\$0.01 each	2,279,392,000	22,793,920	2,279,392,000	22,793,920

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

21 SHARE-BASED PAYMENTS

Movements of the share options under the share option scheme during the six months ended 30 September 2024 are as follows:

Date of grant	Exercise price HK\$	Exercise period	Number of share options				As at 30 September 2024
			As at 1 April 2024	Granted during the period	Exercised during the period	Cancelled during the period	
Directors							
29 August 2016	1.394	29 August 2017 to 28 August 2026	3,000,000	–	–	–	3,000,000
28 August 2017	1.462	28 August 2018 to 27 August 2027	6,500,000	–	–	–	6,500,000
20 April 2018	1.700	20 April 2019 to 19 April 2028	1,500,000	–	–	–	1,500,000
Other employees of the Group							
29 August 2016	1.394	29 August 2017 to 28 August 2026	11,138,000	–	–	–	11,138,000
28 August 2017	1.462	28 August 2018 to 27 August 2027	26,400,000	–	–	–	26,400,000
Total			48,538,000	–	–	–	48,538,000

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

21 SHARE-BASED PAYMENTS (CONTINUED)

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

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

21 SHARE-BASED PAYMENTS (CONTINUED)

The Company has used the Binomial Model for assessing the fair value of the share options granted. According to the Binomial Model, the fair value of the options granted have taken into account various factors, variables and assumptions which include the following:

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

No expenses for share options granted to directors and employees was recognised as “employment benefit expenses” in the condensed consolidated statement of comprehensive income for the six months ended 30 September 2024 and 2023.

22 RESERVES

	Attributable to the owners of the Company (Unaudited)				
	Other reserves (Note) HK\$'000	Exchange reserve HK\$'000	Share option reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
As at 1 April 2024	1,586,311	(19,365)	13,761	779,607	2,360,314
Profit for the period	–	–	–	298,185	298,185
Other comprehensive loss:					
— Currency translation difference	–	(72,275)	–	–	(72,275)
— Share of other comprehensive loss of a joint venture	–	(412)	–	–	(412)
Total comprehensive (loss)/income for the period	–	(72,687)	–	298,185	225,498
Transactions with owners:					
Dividends (Note 12)	–	–	–	(79,779)	(79,779)
As at 30 September 2024	1,586,311	(92,052)	13,761	998,013	2,506,033

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

22 RESERVES (CONTINUED)

	Attributable to the owners of the Company (Unaudited)				
	Other reserves (Note) HK\$'000	Exchange reserve HK\$'000	Share option reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
As at 1 April 2023	1,586,311	4,035	13,981	647,933	2,252,260
Profit for the period	–	–	–	289,122	289,122
Other comprehensive loss:					
— Currency translation difference	–	(23,118)	–	–	(23,118)
— Share of other comprehensive income of a joint venture	–	141	–	–	141
Total comprehensive (loss)/income for the period	–	(22,977)	–	289,122	266,145
Transactions with owners:					
Share option scheme					
— Transfer of reserve upon expiry of share options	–	–	(159)	159	–
Dividends (Note 12)	–	–	–	(13,676)	(13,676)
As at 30 September 2023	1,586,311	(18,942)	13,822	923,538	2,504,729

Note: Other reserves mainly represent the share premium, and fair value of the consideration given in excess of the paid-in capital of the companies comprising the Group in relation to the Company's reorganisation.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

23 COMMITMENTS

(a) Operating lease arrangements

As at 30 September 2024 and 31 March 2024, the aggregate future minimum lease payments receivable under non-cancellable operating leases in respect of the Group's investment properties are as follows:

	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
Within one year	17,324	260
Between 1 and 2 years	17,064	–
Between 2 and 3 years	17,064	–
Between 3 and 4 years	17,234	–
Between 4 and 5 years	18,087	–
Later than 5 years	295,395	–
	382,168	260

(b) Capital commitments

As at 30 September 2024 and 31 March 2024, the capital expenditure contracted but not yet incurred is as follows:

	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
Property, plant and equipment and right-of-use assets contracted but not provided for	142,107	165,638

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

24 RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in the interim financial information, the following is a summary of significant related party transactions which, in the opinion of the directors, are entered into the ordinary course of business between the Group and its related parties, and the balances arising from related transactions.

Name of related parties	Relationship with the Group
Hanyi Investments Limited	Controlled by Mr. Wong Ting Chung [#] , Mr. Wong Ting Chun [#] (Executive Director) and Mr. Wong Ting Kau [#]
Huizhou Gangsheng Property Co., Ltd.*	Controlled by Mr. Wong Ting Chung [#] , Mr. Wong Wai Yue (Chairman and Executive Director), Mr. Wong Ting Chun [#] (Executive Director), Mr. Wong Ting Kau [#] and Mr. Lin Xiugao, the cousin of Mr. Wong Ting Chung [#]
Huizhou Huaerkang Technology Co., Ltd.*	Controlled by Mr. Wong Wai Yue (Chairman and Executive Director)
Hebei Yuteng Cashmere Products Co., Ltd.*	The non-controlling interests of subsidiaries of the Group
Huizhou Chuang Ye Xing Property Management Co., Ltd.*	Controlled by Mr. Wong Ting Chung [#]
HEK (HK) Ltd.	Controlled by Mr. Wong Wai Yue (Chairman and Executive Director)
SML & FT (Vietnam) Limited	Wholly owned subsidiary of a joint venture formed between the Group and an independent third party
Tongxiang Yuteng Cashmere Clothing Co., Ltd.*	Wholly owned subsidiary of the non-controlling interests of a subsidiary of the Group
Dongguan Jiuying Trading Co., Ltd.*	The non-controlling interests of a subsidiary of the Group

[#] As Mr. Wong Ting Chung is the settlor, the protector and one of the beneficiaries of the Happy Family Trust (which is a substantial shareholder of the Company), and Mr. Wong Ting Chun and Mr. Wong Ting Kau are beneficiaries of the Happy Family Trust, Mr. Wong Ting Chung, Mr. Wong Ting Chun and Mr. Wong Ting Kau are therefore controlling shareholders of the Company.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions

	Note	(Unaudited) Six months ended 30 September	
		2024 HK\$'000	2023 HK\$'000
Hotel services fee charged by Huizhou Gangsheng Property Co., Ltd	(i), (vi)	648	569
Rental charged by Hanyi Investments Limited	(ii), (vi)	1,800	1,494
Rental charged by Hebei Yuteng Cashmere Products Co., Ltd.	(iii), (vi)	4,323	4,454
Rental charged by Tongxiang Yuteng Cashmere Clothing Co., Ltd.	(iv), (vi)	412	446
Rental charged by Huizhou Chuang Ye Xing Property Management Co., Ltd	(v), (vi)	–	21
Purchase of cashmere from Hebei Yuteng Cashmere Products Co., Ltd.	(i), (vi)	524,441	309,570
Purchase of mask and Covid-19 rapid test kit from Huizhou Huaerkang Technology Co., Ltd. and HEK (HK) Ltd.	(i), (vi)	2	38
Purchase of labels and hang tags from SML & FT (Vietnam) Limited	(i)	9,796	5,329

Notes:

- (i) Terms of the above transactions are mutually agreed between the relevant parties.
- (ii) The Group has renewed its operating lease agreement with Hanyi Investments Limited on terms mutually agreed by both parties. The Group has recognised a right-of-use asset of HK\$8,220,000 at 30 September 2024 (31 March 2024: Nil). The lease payments to this related company under this agreement for the six months ended 30 September 2024 was HK\$1,800,000 (2023: HK\$1,494,000).
- (iii) The Group has renewed its operating lease agreement with Hebei Yuteng Cashmere Products Co., Ltd. in respect of properties on terms mutually agreed by both parties. The Group has recognised a right-of-use asset of HK\$4,215,000 at 30 September 2024 (31 March 2024: HK\$8,429,000). The lease payments to this related company under this agreement for the six months ended 30 September 2024 was HK\$4,323,000 (2023: HK\$4,454,000).
- (iv) The Group has entered into an operating lease agreement with Tongxiang Yuteng Cashmere Clothing Co., Ltd. on terms mutually agreed by both parties. The Group has recognised a right-of-use asset of HK\$1,374,000 and HK\$1,766,000 at 30 September 2024 and 31 March 2024 respectively. The lease payments to this related company under this agreement for the six months ended 30 September 2024 was HK\$412,000 (2023: HK\$446,000).
- (v) The Group has entered into an operating lease agreement with Huizhou Chuang Ye Xing Property Management Co., Ltd. on terms mutually agreed by both parties. The lease payments to this related company under this agreement for the six months ended 30 September 2023 was HK\$21,000.
- (vi) These related party transactions also fall under the definition of continuing connected transactions or connected transactions in Chapter 14A of the Listing Rules. The Company has complied with the requirements in accordance with Chapter 14A of the Listing Rules.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

24 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Period/year end balances

	Note	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
Prepayment for purchases of raw materials to Hebei Yuteng Cashmere Products Co., Ltd.	(i)	305,288	124,564
Deposit to Tongxiang Yuteng Cashmere Clothing Co., Ltd.	(i)	109	109
Receivable from Hebei Yuteng Cashmere Products Co., Ltd.	(i)	10,463	–
Loan to Dongguan Jiuying Trading Co., Ltd.	(v)	6,987	–
Trade payable to SML & FT (Vietnam) Limited	(ii)	5,616	2,975
Other payable to Hebei Yuteng Cashmere Products Co., Ltd.	(iii)	195,652	83,641
Lease liability due to Hanyi Investments Limited		8,347	–
Lease liability due to Hebei Yuteng Cashmere Products Co., Ltd.		4,302	8,568
Lease liability due to Tongxiang Yuteng Cashmere Clothing Co., Ltd.		1,400	1,787
Loans from non-controlling shareholders of subsidiaries	(iv)	2,609	3,359

Notes:

- (i) Prepayment, deposit and receivables were presented in the condensed consolidated balance sheet within "Prepayments, deposits, other receivables and other assets".
- (ii) Payables were presented in the condensed consolidated balance sheet within "Trade and bills payables".
- (iii) Payables were presented in the condensed consolidated balance sheet within "Accruals and other payables", of which a loan from the non-controlling shareholder Hebei Yuteng Cashmere Products Co., Ltd. of HK\$146,739,000 is unsecured, interest-free, denominated in RMB and repayable in a year.
- (iv) The loans from non-controlling shareholders of subsidiaries are unsecured, interest-free, denominated in RMB and will mature in December 2026.
- (v) The loan to a non-controlling shareholder of a subsidiary is unsecured, bearing interest at the rate of 4% per annum and repayable in five years.

(c) Key management compensation

Key management includes directors and senior management. The compensation paid or payable to key management for employee services is shown below:

	(Unaudited) Six months ended 30 September 2024 HK\$'000	2023 HK\$'000
Salaries, pension costs and other short-term employee benefits	6,824	6,539