Sling Group Holdings Limited
森 浩 集 團 股 份 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8285)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on Main Board of the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

HIGHLIGHTS OF ANNUAL RESULTS

- The total revenue of the Group for the year ended 31 December 2024 amounted to RMB84.6 million, an decrease of 34.0% or RMB43.5 million, as compared to RMB128.1 million for the year ended 31 December 2023.

- The Group for the year ended 31 December 2024 incurred loss of RMB10.7 million, compared to RMB7.3 million loss for the year ended 31 December 2023. Unrealized foreign exchange loss of RMB0.6 million and write down of inventories to net realizable value of RMB0.3 million were recorded during the year.

- Online businesses, including both online retail sales and wholesale to online retailers, recorded a total revenue of RMB83.8 million, representing 33.8% decline compared to the year ended 31 December 2023. Of which, online retail sales amounted to RMB79.4 million, representing 32.2% decrease compared to the year ended 31 December 2023. These online businesses accounted for 99.0% of total revenue.

- Offline businesses, including both retail sales and wholesale to offline retailers, declined to RMB0.8 million, representing 50.0% decrease compared to the year ended December 2023.

- The board of directors does not recommend the payment of a final dividend for the year ended 31 December 2024.

RESULTS

The Board of Sling Group Holdings Limited (the "Company") is pleased to announce the consolidated financial results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2024, together with the comparative figures for the preceding year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2024

	Notes	**2024** **RMB'000**	2023 *RMB'000*
Revenue	*4*	**84,588**	128,109
Cost of sales		**(44,937)**	(60,622)
Gross profit		**39,651**	67,487
Other revenue and other income	*5*	**5,647**	3,054
Reversal of impairment losses on trade and other receivables, net		**94**	840
Impairment loss on intangible assets		**(852)**	—
Re-measurement of put option liability	*15*	**—**	(2,313)
Selling and distribution costs		**(40,390)**	(59,636)
Administrative and other operating expenses		**(13,227)**	(13,563)
Finance costs	*6*	**(1,473)**	(1,422)
Loss before income tax	*7*	**(10,550)**	(5,553)
Income tax expenses	*8*	**(139)**	(1,703)
Loss for the year		**(10,689)**	(7,256)
Other comprehensive income			
Items that may be reclassified subsequently to the profit or loss:			
Exchange differences on translation of financial statements of foreign operations		**138**	164
Total comprehensive loss for the year		**(10,551)**	(7,092)

	Notes	**2024**	2023
		RMB'000	*RMB'000*
Loss for the year attributable to:			
Equity holders of the Company		**(10,013)**	(8,249)
Non-controlling interests		**(676)**	993
		(10,689)	(7,256)
Total comprehensive loss for the year attributable to:			
Equity holders of the Company		**(9,875)**	(8,085)
Non-controlling interests		**(676)**	993
		(10,551)	(7,092)
		RMB cents	*RMB cents*
Loss per share attributable to equity holders of the Company			
Basic and diluted	*10*	**(1.79)**	(1.47)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**425**	2,429
Intangible assets		**1,605**	2,274
Financial asset at fair value through profit or loss ("FVTPL")		**1,174**	1,109
Deferred tax assets		**1,244**	1,383
Other receivables	*11*	**583**	—
		5,031	7,195
Current assets			
Inventories		**11,081**	23,878
Trade and other receivables	*11*	**5,985**	10,175
Amounts due from shareholders		**9**	9
Amounts due from a non-controlling shareholder		**2,779**	—
Income tax recoverable		**372**	372
Restricted cash	*12*	**1**	—
Cash and bank balances	*12*	**8,168**	7,445
		28,395	41,879
Current liabilities			
Trade and other payables	*13*	**16,484**	18,241
Contract liabilities		**24**	3,686
Bank borrowings	*14*	**16,767**	18,133
Lease liabilities		**50**	935
Put option liability	*15*	**—**	2,473
Income tax payable		**217**	202
		33,542	43,670
Net current liabilities		**(5,147)**	(1,791)
Total assets less current liabilities		**(116)**	5,404

	Notes	**2024**	2023
		RMB'000	*RMB'000*
Non-current liabilities			
Lease liabilities		**—**	907
Loans from shareholders	*16*	**10,572**	7,439
Loan from a director	*16*	**900**	831
		11,472	9,177
Net liabilities		**(11,588)**	(3,773)
EQUITY			
Share capital	*17*	**4,470**	4,470
Reserves	*18*	**(14,315)**	(7,176)
Capital deficiency to equity holders of the Company		**(9,845)**	(2,706)
Non-controlling interests		**(1,743)**	(1,067)
Capital deficiency		**(11,588)**	(3,773)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (as revised) of the Cayman Islands on 6 January 2017. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business is Unit 1, 21st Floor, Yen Sheng Centre, 64 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in the design and sale of women's handbags, small leather goods, luggage and travel goods.

The Company's immediate and ultimate holding company is Yen Sheng Investment Limited ("Yen Sheng BVI"), a company incorporated in the British Virgin Islands ("BVI") and controlled by Mr. Yau Tai Leung Sammy ("Mr. Sammy Yau"), Mr. Yau Sonny Tai Nin ("Mr. Sonny Yau"), Mr. Yau Frederick Heng Chung ("Mr. Fred Yau"), Mr. Yau Nicholas Heng Wah ("Mr. Nicholas Yau") and Ms. Hiang Siu Wei Cecilia ("Ms. Cecilia Hiang").

The Company's shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 16 January 2018.

The consolidated financial statements for the year ended 31 December 2024 were approved for issue by the board of directors on 27 March 2025.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards, which collective term includes all applicable individual HKFRS accounting standards, Hong Kong Accounting Standards ("HKASs") and Interpretations ("HKFRS Accounting Standards") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules").

The material accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new and amended HKFRS Accounting Standards and the impacts on the Group's consolidated financial statements, if any, are disclosed in note 3.

The consolidated financial statements have been prepared on the historical cost basis except for financial assets at FVTPL which are stated at fair value. The measurement bases are fully described in the accounting policies below.

Going concern basis

During the year ended 31 December 2024, the Group incurred a net loss of approximately RMB10,689,000 and cash generated from operations of approximately RMB1,433,000. The Group's operations are financed by bank borrowings, loans from related parties and internal resources. As at 31 December 2024, the Group had net current liabilities and capital deficiency of approximately RMB5,147,000 and approximately RMB11,588,000 respectively. The Group's cash and bank balances amounting to approximately RMB8,168,000 as at 31 December 2024. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

In the opinion of the directors of the Company, the Group can meet its financial obligations as and when they fall due within the next year from the end of the reporting period, after taking into consideration of the measures and arrangements that the Group has implemented or is in the process of implementing as detailed below:

(i) During the year ended 31 December 2024, the Group's revenue decreased to approximately RMB84,588,000 due to the change of business strategy starting in April 2024. Instead of distributing luggage and accessories through its indirectly held subsidiary of the Company, the Group sub-licenses ELLE brand to the non-controlling shareholder under their full control and generated stable income flow. Compared to last year, the Group's net loss has been increased to approximately RMB10,689,000 for the year ended 31 December 2024, which is result from the decreasing revenue.

    Management has been continuously implementing measures to improve profitability, control operating costs and reduce capital expenditures in order to improve the Group's performance. These measures include (i) focusing on online marketing; (ii) collaborating with key e-commerce service providers; (iii) seeking suitable partners to explore licensing the brand to other merchandise; and (iv) continuing its measures to control capital and operating expenditures;

(ii) As at 31 December 2024, the Group has bank borrowings classified as current liabilities of RMB16,767,000 of which RMB11,112,000 are revolving bank loans. The banks have the discretionary rights to demand for immediate repayment. Up to the date of approval of these consolidated financial statements, the banks have shown the positive support on the Group and the Group has not received any demand notice from the banks for the repayment of the borrowing. The Group does not believe that it is probable that the banks will exercise their discretionary rights to demand for immediate repayment;

(iii) The Group is in negotiation with the banks to renew its existing financing facilities upon maturity, or to refinance the financing facilities when necessary. As at 31 December 2024, the Group has unutilised banking facilities with aggregate amount of RMB35,188,000; and

(iv) As at 31 December 2024, the Group has a new loan from shareholders amounting to RMB2,516,000, (the "Loan 2024") (note 16) to support the operation of the Group. The Loan 2024 is repayable in December 2026, which is twenty-four months after the drawdown date. The shareholders agreed to give the Group the right to extend the maturity date of the Loan 2024 for at least 12 months upon maturity.

The directors of the Company have reviewed the Group's cash flows forecast prepared by management which covers a period of eighteen months from the end of the reporting period. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient cash resources to satisfy its working capital and other financial obligations for the next eighteen months from the end of the reporting period after having taken into account of the Group's projected cash flows, current financial resources and capital expenditure requirements with respect to the development of its business. Accordingly, the directors are of the opinion that it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2024 on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the management of the Company will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows in the near future and obtain the continuous financial support from the banks and the lenders.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the carrying values of assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

3. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS

3.1 Amended HKFRS Accounting Standards that are effective for annual periods beginning on or after 1 January 2024

In the current year, the Group has applied for the first time the following amended HKFRS Accounting Standards issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except for those mentioned below, the adoption of the amended HKFRS Accounting Standards had no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented.

Amendments to HKAS 1 "Classification of Liabilities as Current or Non-current" ("2020 Amendments") and related amendments to Hong Kong Interpretation 5 and Amendments to HKAS 1 "Non-current Liabilities with Covenants" ("2022 Amendments")

The amendments clarified the classification of debt and other liabilities as current or non-current, depending on whether an entity has a right to defer settlement of the liability for at least twelve months from the end of the reporting period and this right has to be existed at the end of the reporting period. Any expectations about events after the reporting period do not impact the assessment of the classification of the liabilities make at the end of the reporting period as to the classification of the liability.

Covenants of a loan arrangement that an entity must comply with on or before the reporting date (even if the covenant is only assessed after the reporting date) affect the classification of that liability as current or non-current. Covenants that the entity is required to comply with after the reporting date do not affect the classification at the reporting date.

The amendments also define "settlements" of a liability, which includes transfer of entity's own equity instrument. However, if the holder's conversion option in a convertible bond is classified as equity in accordance with HKAS 32, the transfer of equity instruments by exercising the conversion option does not constitute settlement of liability and would be disregarded when determining whether the liability is current or non-current. If the holder's conversion option is classified as liability, such option must be considered for the determination of current/ non-current classification of a convertible bond.

The amendments are applied retrospectively.

Based on the Group's outstanding liabilities as at 1 January 2024, the application of amendments did not result in reclassification of the Group's liabilities.

3.2 Issued but not yet effective HKFRS Accounting Standards

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRS Accounting Standards have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 18	Presentation and Disclosure in Financial Statements[3]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKAS 21	Lack of Exchangeability[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11[2]
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[3]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual periods beginning on or after 1 January 2027
4 Effective date not yet determined

The directors of the Company anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new and amended HKFRS Accounting Standards that are expected to have impact on the Group's accounting policies is provided below. Other new and amended HKFRS Accounting Standards are not expected to have a material impact on the Group's consolidated financial statements.

HKFRS 18 "Presentation and Disclosure in Financial Statements" and related amendments to Hong Kong Interpretation 5

HKFRS 18 replaces HKAS 1 "Presentation of Financial Statements". It carries forward many of the existing requirements in HKAS 1, with limited changes, and some HKAS 1 requirements will be moved to HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and HKFRS 7 "Financial Instruments: Disclosures".

HKFRS 18 will not impact the recognition and measurement of financial statements items but the presentation of them. It introduces three major new requirements, including:

- reporting newly defined subtotals (namely "operating profits" and "profits before financing and income tax"), and classifying items into five newly defined categories (namely "operating", "investing", "financing", "income tax" and "discontinued operation"), depending on the reporting entity's main business activities, in the statement of profit or loss;

- disclosure of management-defined performance measures ("MPMs") in a single note to the financial statements; and

- enhanced guidance of aggregation and disaggregation of information in the financial statements.

Besides, narrow-scope amendments have been made to HKAS 7 "Statement of Cash Flows", which includes:

- using "operating profit or loss" as the starting point for indirect method for the presentation of operating cash flows purposes; and

- the option for classifying interest and dividend cash flows as operating activities is eliminated.

In addition, there are consequential amendments to several other standards.

HKFRS 18, and the amendments to the other HKFRS Accounting Standards, are effective for annual period beginning on or after 1 January 2027 and must be applied retrospectively with specific transition provisions. The directors of the Group are still in the process of assessing the impact of HKFRS 18, particularly with respect to the structure of the Group's consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact of how information is grouped in the consolidated financial statements.

4. REVENUE AND SEGMENT REPORTING

4.1 Revenue

The Group's principal activities are disclosed in note 1 to the consolidated financial statements. Revenue represents the fair value of consideration received and receivable from the sale of women's handbags, small leather goods, luggage and travel goods by the Group to external customers.

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time through different channels were analysed as follows:

	2024	2023
	RMB'000	*RMB'000*
Online retail sales	**79,433**	117,084
Wholesale to online retailers	**4,330**	9,387
Wholesale to offline retailers	**51**	107
Offline retail sales	**774**	1,531
	84,588	128,109

4.2 Segment information

The Group's operating activities are attributable to a single reportable and operating segment focusing primarily on the wholesale and retail of women's handbags, small leather goods, luggage and travel goods. This operating segment has been identified on the basis of internal management reports reviewed by the chief operating decision maker (the "CODM"), being the executive directors of the Company. The CODM mainly reviews revenue derived from the wholesale and retail of women's handbags, small leather goods, luggage and travel goods. The CODM reviews the overall results of the Group as a whole to make decisions about resources allocation. Accordingly, other than the entity-wide disclosure, no segment analysis is presented.

Geographical information

The following tables set out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment (including right-of-use assets) and intangible assets ("specified non-current assets"). The geographical location of customers is based on the location at which the goods are delivered. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment (including right-of-use assets), and the location of the operations to which they are allocated, in the case of intangible assets.

	2024	2023
	RMB'000	*RMB'000*
Revenue from external customers		
The PRC (excluding Hong Kong)	**84,588**	128,109
Specified non-current assets		
The PRC (excluding Hong Kong)	**2,016**	4,699
Hong Kong	**14**	4
	2,030	4,703

Information about major customers

During the year ended 31 December 2024, none of the Group's customers (2023: Nil) contributed more than 10% of the Group's revenue.

5. OTHER REVENUE AND OTHER INCOME

	2024	2023
	RMB'000	*RMB'000*
Other revenue		
Service income	**4,429**	1,867
Bank interest income	**10**	35
Dividend and interest income from financial asset at FVTPL	**9**	8
	4,448	1,910
Other income		
Fair value gain on financial asset at FVTPL	**31**	133
Gain on early termination for lease	**117**	—
Government grants *(note (i))*	**666**	625
Sundry income	**385**	386
	1,199	1,144
	5,647	3,054

Notes:

(i) Government grants represented unconditional subsidies received from local governmental authorities by several subsidiaries of the Group.

6. FINANCE COSTS

	2024	2023
	RMB'000	*RMB'000*
Interest charges on bank borrowings	**864**	975
Finance charges on lease liabilities	**111**	51
Bank charges	**—**	2
Imputed interest on put option liability	**—**	160
Interest expenses on loans from shareholders and a director	**498**	234
	1,473	1,422

7. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after (crediting)/charging:

	2024	2023
	RMB'000	*RMB'000*
Auditor's remuneration	**730**	720
Cost of inventories recognised as an expense	**44,592**	60,102
Write-down of/(Reversal of) inventories to net realisable value, net	**274**	(5,518)
Fair value gain on financial asset at FVTPL	**(31)**	(133)
Exchange losses, net	**630**	552
Gain on early termination for lease	**(117)**	—
Amortisation of intangible assets	**12**	118
Depreciation of property, plant and equipment		
— Owned assets	**81**	267
— Right-of-use assets	**768**	698
Total depreciation	**849**	965
Staff costs (including directors' emoluments)		
— Salaries, allowances and other benefits	**7,372**	7,726
— Contributions to retirement benefit schemes *(note)*	**1,521**	2,064
Total staff costs	**8,893**	9,790
Operating lease charges on premises		
— Short-term leases	**144**	332

Note: During the years ended 31 December 2024 and 2023 and previous years, there are no forfeited contribution be used to reduce the level of employer's contributions. As at 31 December 2024 and 2023 and previous years, there was no forfeited contribution available to reduce the contributions payable in the future years.

8. INCOME TAX EXPENSES

For the years ended 31 December 2024 and 2023, Hong Kong Profits Tax has not been provided in the consolidated financial statements as no assessable profits subject to Hong Kong Profits Tax.

PRC Enterprise Income Tax (the "PRC EIT") in respect of the Group's operations in the PRC has been calculated at the rate of 25% (2023: 25%) on the estimated assessable profits for the year arising from the PRC.

From 1 January 2023 to 31 December 2024, under relevant PRC EIT Law, for PRC enterprises that qualifies for small enterprises, annual taxable income below RMB1 million will be subject to an effective rate of 5%.

From 1 January 2022 to 31 December 2024, under relevant PRC EIT Law, for PRC enterprises that qualifies for small enterprises, annual taxable income exceeds RMB1 million but does not exceed RMB3 million, the RMB1 million portion will be subject to an effective rate of 5%.

	2024	2023
	RMB'000	*RMB'000*
Current tax		
PRC EIT	**—**	—
Deferred tax		
— Debited to the profit or loss	**139**	1,703
Income tax expenses	**139**	1,703

Reconciliation between income tax expenses and accounting loss at applicable tax rates:

	2024	2023
	RMB'000	*RMB'000*
Loss before income tax	**(10,550)**	(5,553)
Tax on loss before income tax, calculated at the rates applicable in the tax jurisdiction concerned	**(1,866)**	(1,368)
Tax effect on:		
— Non-deductible expenses	**947**	2,454
— Non-taxable income	**(76)**	(1,403)
— Recognition of deductible temporary differences previously not recognised	**134**	(6)
— Tax losses not recognised	**1,000**	2,124
— Tax losses utilised	**—**	(98)
Income tax expenses	**139**	1,703

9. DIVIDENDS

No dividend was declared or paid by the Group during the year ended 31 December 2024 to its equity holders (2023: Nil).

10. LOSS PER SHARE

The calculation of basic loss per share attributable to equity holders of the Company is based on the following:

	2024	2023
Loss		
Loss for the year attributable to equity holders of the Company *(in RMB'000)*	**10,013**	8,249
Number of shares		
Weighted average number of ordinary shares	**560,000,000**	560,000,000

The weighted average number of ordinary shares used to calculate the basic loss per share for the years ended 31 December 2024 and 2023 represents 560,000,000 ordinary shares in issue throughout the years.

There were no dilutive potential ordinary shares during both years and therefore, diluted loss per share equals to basic loss per share.

11. TRADE AND OTHER RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**4,431**	7,463
Less: ECL allowance	**(2,963)**	(3,135)
	1,468	4,328
Prepayments and other receivables		
Prepaid expenses	**2,313**	2,590
Rental and other deposits	**1,126**	1,414
Other receivables	**1,701**	1,843
Less: ECL allowance	**(40)**	—
	5,100	5,847
	6,568	10,175
Classified as:		
— Current assets	**5,985**	10,175
— Non-current assets	**583**	—
	6,568	10,175

As at 31 December 2024 and 2023, prepaid expenses mainly comprised of marketing and advertising fee prepaid, online shop expenses prepaid and royalty fee prepaid.

As at 31 December 2024 and 2023, rental and other deposits mainly comprised of the deposits paid to online platforms for services deposits and rental deposits.

The ageing analysis of trade receivables, based on the revenue recognition dates and net of ECL allowance, is as follows:

	2024	2023
	RMB'000	*RMB'000*
0–90 days	**1,324**	4,294
91–180 days	**107**	26
181–365 days	**37**	8
	1,468	4,328

The movement in ECL allowance of trade receivables is as follows:

	2024	2023
	RMB'000	*RMB'000*
As at 1 January	**3,135**	3,975
ECL recognised during the year	**8**	139
ECL reversed during the year	**(180)**	(979)
	2,963	3,135

The movement in the gross amounts of other receivables is as follows:

	Stage 1	**Stage 2**	**Stage 3**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
As at 1 January 2023	2,906	523	—	3,429
Net movement	351	—	—	351
Amounts written off during the year	—	(523)	—	(523)
As at 31 December 2023 and 1 January 2024	**3,257**	**—**	**—**	**3,257**
Net movement	**(430)**	**—**	**—**	**(430)**
Transfer	**(1,000)**	**1,000**	**—**	**—**
As at 31 December 2024	**1,827**	**1,000**	**—**	**2,827**

The movement in the ECL allowance of other receivables is as follows:

	Stage 1 *RMB'000*	**Stage 2** *RMB'000*	**Stage 3** *RMB'000*	**Total** *RMB'000*
As at 1 January 2023	—	523	—	523
Amounts written off during the year	—	(523)	—	(523)
As at 31 December 2023 and 1 January 2024	**—**	**—**	**—**	**—**
ECL allowance during the year	**—**	**40**	**—**	**40**
As at 31 December 2024	**—**	**40**	**—**	**40**

12. CASH AND CASH EQUIVALENTS

	2024 *RMB'000*	2023 *RMB'000*
Cash and bank balances	**8,169**	7,445
Less: Restricted cash	**(1)**	—
Cash and cash equivalents as stated in the consolidated statements of financial position and the consolidated statements of cash flows	**8,168**	7,445

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Included in cash and cash equivalents of the Group of approximately RMB4,250,000 (2023: RMB2,394,000) as at 31 December 2024 are the balances denominated in RMB placed with banks and financial institutions in the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

13. TRADE AND OTHER PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables	**9,432**	12,206
Accrued charges and other payables		
Accrued expenses	**5,712**	4,585
Deposits received	**589**	651
Other tax payables	**728**	764
Other payables	**23**	35
	7,052	6,035
	16,484	18,241

As at 31 December 2024 and 2023, accrued expenses mainly represents accrued commission, accrued management fee, accrued legal and professional fee and accrued courier fee.

The Group was granted by its suppliers credit periods ranging from 0 to 90 days (2023: 0 to 90 days). Based on the date of goods received, the ageing analysis of trade payables is as follows:

	2024	2023
	RMB'000	*RMB'000*
0–90 days	**8,967**	11,815
91–180 days	**—**	116
181–365 days	**—**	—
Over 365 days	**465**	275
	9,432	12,206

14. BANK BORROWINGS

As 31 December 2024 and 2023, the Group's bank borrowings were repayable as follows:

	2024	2023
	RMB'000	*RMB'000*
Carrying amount repayable *(note)*		
Within one year	**13,940**	14,555
In the second year	**853**	802
In the third to fifth year	**1,974**	2,536
After the fifth year	**—**	240
Total carrying amount	**16,767**	18,133
Less:		
— Amount due within one year	**(13,940)**	(14,555)
— Amount of bank loans that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	**(2,827)**	(3,578)
Carrying amount shown under non-current liabilities	**—**	—

Note: The amounts are based on the scheduled repayment dates set out in the loan agreements.

As at 31 December 2024, unsecured bank borrowings of RMB13,112,000 (2023: RMB13,781,000) are repayable within one year or on demand. The bank borrowings bear variable interest rate at 1.75% over HIBOR and 3.45% (2023: 1.75% over HIBOR and 3.65%) per annum. The bank borrowings were guaranteed by the Company and it undertakes that Mr. Sammy Yau, Mr. Sonny Yau, both are the non-executive directors of the Company, their family members or their holding companies shall remain as the major shareholders of the Company.

As at 31 December 2024, unsecured bank borrowings of RMB3,655,000 (2023: RMB4,352,000) are repayable within 5 years (2023: more than five years) or on demand and bear variable interest rate at 3% to 3.625% (2023: 2.5%) below the Hong Kong Dollars Prime Rate per annum. The bank borrowings were guaranteed by the personal guarantees given by Mr. Sammy Yau and Mr. Sonny Yau, the non-executive directors of the Company and HKMC Insurance Limited.

15. PUT OPTION LIABILITY

	2024	2023
	RMB'000	*RMB'000*
Sencai Maoyi (Shanghai) Company Limited ("Sencai Maoyi")		
As at 1 January	**2,473**	—
Imputed interest	**—**	160
Re-measurement	**—**	2,313
Derecognition	**(2,473)**	—
As at 31 December	**—**	2,473

On 29 January 2019, Senxuan Shangmao (Shanghai) Company Limited ("Senxuan Shangmao"), an indirect wholly-owned subsidiary of the Company, and Guangzhou Caige International Trading Company Limited ("Guangzhou Caige"), an independent third party, established Sencai Maoyi for the purpose of engaging in the wholesale and retail of luggage, clothes and accessories through online retail platforms in the PRC. The registered capital of the Sencai Maoyi is RMB1,000,000 (owned as to 51% by Senxuan Shangmao and as to 49% by Guangzhou Caige).

Pursuant to the shareholder agreement between Senxuan Shangmao and Guangzhou Caige dated 26 March 2019 (the "2019 Shareholder Agreement"), the Group has granted a put option which entitles Guangzhou Caige to sell all, but not some, of its equity interest in Sencai Maoyi to the Group. The put option is exercisable 36 months after the establishment of Sencai Maoyi. The exercise price is determined based on 4.5 times of the net profit of the latest one and a half financial year of Sencai Maoyi times Guangzhou Caige's shareholding ratio. The exercise price is formula based.

The amount that may become payable under the option on exercise is initially recognised at the present value of the redemption amount. The corresponding charge is accounted for directly as a reduction in the Group's equity since the risks and rewards have not been transferred to the Group until the option is exercised.

As a result of change of co-operation, on 23 April 2024, Senxuan Shangmao and Guangzhou Caige entered into a new shareholder agreement (the "2024 Shareholder Agreement") to replace the 2019 Shareholder Agreement in its entirety. The put option was terminated under the 2024 Shareholder Agreement. Accordingly, the Group derecognised the put option during the year ended 31 December 2024.

As at 31 December 2023, the increase in put option liability compared to 31 December 2022 was due to the Group's has consideration of the improved performance in Sencai Maoyi based on the latest situation of business operation.

16. LOANS FROM SHAREHOLDERS/A DIRECTOR

	2024	2023
	RMB'000	*RMB'000*
Shareholders		
Mr. Sammy Yau *(note a)*		
— Loan 2022	**1,800**	1,662
— Loan 2024	**1,258**	—
Mr. Sonny Yau *(note a)*		
— Loan 2022	**1,800**	1,662
— Loan 2024	**1,258**	—
Mr. Fred Yau *(note c)*		
— Loan 2023	**4,456**	4,115
	10,572	7,439
A director		
Mr. Lee Tat Fai Brian *(note b)*		
— Loan 2022	**900**	831

Notes:

(a) Mr. Sammy Yau and Sonny Yau are also non-executive directors of the Company.

(b) Mr. Lee Tat Fai Brian is an executive director and chief executive officer of the Company.

(c) Mr. Fred Yau is an executive director, chairman and controlling shareholder of the Company.

As at 31 December 2024, the Loan 2022, Loan 2023 and Loan 2024 amounting of RMB4,500,000, RMB4,456,000 and RMB2,516,000 respectively are non-trade in nature, unsecured, interest-bearing at 1% per annum and repayable in December 2025 and December 2026 respectively, which was twenty-four months after drawdown date.

As at 31 December 2023, the Loan 2022 and Loan 2023 amounting of RMB4,155,000 and RMB4,115,000 respectively are non-trade in nature, unsecured, interest-bearing at 1% per annum and repayable in December 2025, which was twenty-four months after drawdown date.

During the year ended 31 December 2024, the Group has a new Loan 2024 from shareholders amounting to RMB2,516,000 and is repayable in December 2026, which is twenty-four months after the drawdown date. The shareholders agreed to give the Group the right to extend the maturity date of the Loan 2024 for at least 12 months upon maturity. The Loan 2024 is carried at amortised cost using the effective interest method. The effective interest rate applied is 6.15% per annum. The difference of principal and the fair value of the Loan 2024 at initial recognition amounting to approximately RMB263,000 is credited as deemed contribution from shareholders in equity.

During the year ended 31 December 2024, the term in Loan 2022 and Loan 2023 are revised in loan agreements that the shareholders and a director agreed to give the Group the right to extend the maturity data of the Loan 2022 and 2023 for at least 12 months upon maturity.

During the year ended 31 December 2023, the Loan 2022 is extended at the same terms by both parties to twenty-four months and repayable in December 2025. The Loan 2022 and the Loan 2023 are carried at amortised cost using the effective interest method. The effective interest rate applied are 5.98% per annum. The difference of the principal and the fair value of the Loan 2022 and the Loan 2023 at initial recognition amounting to approximately RMB904,000 and RMB122,000 are credited as deemed contribution from shareholders in equity and deemed employment benefits in profit or loss is included in administrative and other operating expenses respectively.

17. SHARE CAPITAL

	2024		2023	
	Number of shares	***RMB'000***	*Number of shares*	*RMB'000*
Authorised:				
Ordinary shares of HK$0.01 each as at 1 January and 31 December	**1,110,000,000**	**9,243**	1,110,000,000	9,243
Issued and fully paid:				
Ordinary share of HK$0.01 as at 1 January and 31 December	**560,000,000**	**4,470**	560,000,000	4,470

18. RESERVES

The amounts of the Group's reserves and the movements during the years ended 31 December 2024 and 2023 are presented in the consolidated statement of changes in equity.

Share premium

The share premium represents the difference between the par value of the shares of the Company and net proceeds received from the issuance of the shares of the Company.

Under the Companies Law of the Cayman Islands, the share premium account of the Company may be applied for payment of distributions or dividends to the shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

Capital reserve

Capital reserve represents the difference between the nominal values of the share capital of a subsidiary acquired by the Group and the nominal value of the Company's shares issued for the acquisition under the reorganisation in connection with the listing of the Company's shares on the Stock Exchange.

Statutory reserve

In accordance with the Company Law of the PRC, each of the subsidiaries of the Company that was registered in the PRC is required to appropriate 10% of the annual statutory profit after income tax (after offsetting any prior years' losses), determined in accordance with relevant accounting principles and financial regulations applicable to the enterprises established in the PRC (the "PRC GAAP"), to the statutory reserve until the balance of the reserve funds reaches 50% of the entity's registered capital.

Put option reserve

During the year ended 31 December 2019, the Group issued a put option over the equity of a subsidiary. The amount that may become payable under the option on exercise is initially recognised at the present value of redemption amount. The corresponding charge of RMB3,658,000 is accounted for directly as a reduction in the Group's equity under "put option reserve" since the risks and rewards have not been transferred to the Group until the option is exercised.

During the year ended 31 December 2024, the put option liabilities was lapsed and derecognised (note 15).

BUSINESS REVIEW

After the coronavirus "COVID-19" was over and the return of normal economic activities, the recovery in China has been uneven among different business sectors. While exports in general were strong, domestic consumption was weak. The burst of real estate bubble has a significant negative impact on local consumption. Younger generations prioritized experiential spending while seeking bargains for essentials, reflecting both "downgrades" and "upgrades" within the same demographic. The government efforts to stimulate demand through policies aimed at boosting incomes, improving social security, and promoting tourism and cultural spending had little impact in boosting consumer confidence. Together with slower income growth and higher unemployment, particularly among the youth, the consumers in China have been cautious in purchasing merchandise. Broader consumption remained constrained by these uncertainties. The Group's revenue decreased by RMB43.5 million to RMB84.6 million.

In April 2024, the Group's subsidiary entered into the Sales Framework Agreement with JV Partner, which owns 49% equity interest in our subsidiary, Sencai Trading (Shanghai) Limited ("JV"), which an announcement was made subsequently to disclose the relevant details. This transaction has allowed the Group to secure a reliable and stable license fee income from distributing luggage and accessories and avoid contributing additional capital to support the business development of the JV. At the same time, the management of the Group could focus on marketing ELLE women's handbags.

The business of distributing women's handbags suffered from weakened local consumption power and keen competition during the year. Like many other fashionable items, consumers' appetite for women's handbags were lower despite our increased marketing effort. The consumers generally deferred their purchases. Total revenue for women's handbags amounted to RMB66.4 million, compared to RMB79.0 million in 2023.

In terms of revenue among the brands which are ELLE and Jessie & Jane, the sale distribution was approximately 99.2% and 0.8% in 2024, compared to 98.3% and 1.7% in 2023 respectively. During the year, ELLE undergone a 33.4% reduction in revenue. Jessie & Jane further dropped by 68.7% drop in revenue.

Principal Risks and Uncertainties

Our Group faces several risk and uncertainty factors that may affect the operating results and business prospects. There may have other risks and uncertainties in addition to those listed below which are not known to the Group or which may not be material now but could turn out to be material in the future. The followings are the key risks and uncertainties identified by the Group.

Market and Operational Risk

If the Group fails to renew license agreement to the use of ELLE brand or maintain proper operation of the e-commerce platforms which are operated by third parties, it may result in monetary penalties and would have a material adverse effect on the Group.

Our products are sold in highly competitive markets that we compete in products development, product quality, competitive pricing; and adapt to fast changing consumer behavior. The markets we serve are seasonal and sensitive to domestic economic conditions and events which may cause our operating results to fluctuate.

Our future success depends to a significant degree upon the continued contributions of our management team and key personnel.

Financial Risk

The Group's business operations are exposed to risks from liquidity, interest rates, credit and exchange rates.

Relationship with Key Stakeholders

Business relationships with customers and suppliers are crucial for business success. The Company is dedicated to creating fair manners while balancing the interests of various stakeholders of our Group. We engage our employees, customers, business partners and community through a variety of stakeholder engagement channels. The Group provides quality service and products to our customers. The Group also views our suppliers as strategic partners. Lastly, the Group values its employees as one of its greatest strengths and assets and strives to provide equal opportunities to employees.

FINANCIAL REVIEW

Revenue

The Group's total revenue decreased by RMB43.5 million to RMB84.6 million (2023: RMB128.1 million).

In terms of revenue by sales channels, the Group achieved RMB79.4 million sales from online retail sales (2023: RMB117.1 million), representing 93.9% of total sales (2023: 91.4%). Wholesale to online retailers dropped to RMB4.3 million (2023: RMB9.4 million). Total sales related to these online businesses amounted to RMB83.8 million (2023: RMB126.5 million), representing an decrease of 33.8% compared to 2023. Online businesses amounted to 99.0% of total sales (2023: 98.7%).

Offline retail sales decreased to RMB0.8 million (2023: RMB1.5 million). Wholesale to offline retailers was kept down to RMB51,000 (2023: RMB0.1 million). These offline businesses recorded total sales of RMB0.8 million (2023: RMB1.6 million). The offline businesses decreased by 50.0%. Offline businesses amounted to 1.0% of total sales (2023: 1.3%).

Among the distribution channels, the revenue of online retail sales, wholesale to online, offline retail sales and wholesale to offline retailers dropped by approximately 32.2%, 53.9%, 49.4% and 52.3% respectively.

	2024		2023		Increase/ (Decrease)	Raise/ (Drop) rate
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Online Sales						
Online retail sales	**79,433**	**93.9%**	117,084	91.4%	(37,651)	(32.2%)
Wholesale to online retailers	**4,330**	**5.1%**	9,387	7.3%	(5,057)	(53.9%)
Offline Sales						
Offline retail sales	**774**	**0.9%**	1,531	1.2%	(757)	(49.4%)
Wholesale to offline retailers	**51**	**0.1%**	107	0.1%	(56)	(52.3%)
	84,588	**100.0%**	128,109	100.0%	(43,521)	(34.0%)

Revenue generated from ELLE products decreased to RMB83.9 million (2023: RMB125.9 million) with the revenue principally from women handbags. Jessie & Jane products continued to witness lower sales. The revenue derived from Jessie & Jane products decreased to RMB0.7 million (2023: RMB2.2 million).

	2024		2023		Increase/ (Decrease)	Raise/ (Drop) rate
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
ELLE	**83,893**	**99.2%**	125,886	98.3%	(41,993)	(33.4%)
Jessie & Jane	**695**	**0.8%**	2,223	1.7%	(1,528)	(68.7%)
	84,588	**100.0%**	128,109	100.0%	(43,521)	(34.0%)

The Group's revenue dropped by approximately RMB43.5 million, or 34.0%, from approximately RMB128.1 million in 2023 to approximately RMB84.6 million in 2024. The revenue rebounded in 2023 after the end of COVID-19 in China but fell again when consumers cut down their consumption after facing increased uncertain economic environment. Further, the Group has changed its business arrangement to sub-license ELLE brand to its minority partner. This contributed significantly the decline in revenue.

For further detailed discussion on the Group's business performance, please refer to the paragraph headed "Business Review" above.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by approximately RMB27.8 million, or 41.2%, from approximately RMB67.5 million to approximately RMB39.7 million. The decrease was mainly attributable to the decline in revenue and the new business arrangement. Our gross profit margin for 2024 and 2023 were approximately 46.9% and 52.7% respectively, which represents 5.8% gross profit margin drop. Due to sublicensing ELLE luggage business since April 2024, a few clearance sales on aged stock, and intense price competition, the overall gross profit margin of the Group was affected.

Selling and Distribution Costs

The Group's selling and distribution costs decreased by approximately RMB19.2 million, or 32.2%, from approximately RMB59.6 million to approximately RMB40.4 million. The decrease was mainly attributable to lower expenses in (i) marketing shop expenses in distributing luggage and accessories (ii) sale commission, (iii) delivery costs, and (iv) advertising expenses. To balance streamlining business operations and developing ELLE luggage & accessories with limited resources, the business model of this segment has changed to sub-licensing to our minority shareholder. As such, the volume of sale activities was reduced and thus corresponding variable selling and distribution costs dropped accordingly.

Administrative and Other Operating Expenses

The Group's administrative and other operating expenses were kept down slightly by approximately RMB0.4 million, or 2.9%, from approximately RMB13.6 million to approximately RMB13.2 million. The decline was mainly attributable to lower staff costs and management fee.

FINANCIAL RESOURCES, LIQUIDITY AND GEARING RATIO

As at 31 December 2024,

(a) the Group's total assets decreased to approximately RMB33.4 million (2023 approximately RMB49.1 million) while the total equity decreased to a deficit of approximately RMB11.6 million (2023: approximately a deficit of RMB3.8 million);

(b) the Group's current assets decreased to approximately RMB28.4 million (2023: approximately RMB41.9 million) while the current liabilities decreased to approximately RMB33.5 million (2023: approximately RMB43.7 million);

(c) the Group had approximately RMB8.2 million in cash and cash equivalents (2023: approximately RMB7.4 million), and the current ratio of the Group was approximately 0.85 times (2023: approximately 0.96 times);

(d) the Group had bank borrowings of approximately RMB16.8 million (2023: approximately RMB18.1 million), leaving RMB35.2 million uncommitted banking facilities available for future utilization;

(e) the gearing ratio (calculated based on total debt divided by total equity as at the end of the year and multiplied 100%) of the Group was not applicable (2023: not applicable).

The share capital of the Group only comprises ordinary shares. The Group actively and regularly reviews the capital structure and make adjustments in light of changes in economic conditions. The Group monitors the capital structure on the basis of net debt to equity ratio, profile of bank borrowings, and free cash on hand. In 2022, the principal shareholders and a director in total provided a RMB4.5 million (equivalent to HK$5.0 million) loan to the Group to strengthen working capital. For the year 2023, a shareholder has further provided a RMB4.1 million (equivalent to HK$5.0 million) loan to the Group. For the year 2024, the principal shareholders again provided a RMB2.8 million (equivalent to HK$3.0 million) loan for the same purpose.

The Group is of the opinion that, after taking into consideration the internal financial resources available, the current banking facilities and the additional support from the shareholders and the director, it has sufficient funds to finance internal operations and meet the financial obligations.

CAPITAL EXPENDITURE

During the year ended 31 December 2024, the Group invested approximately RMB16,000 (2023: RMB2,353,000) and RMB195,000 (2023: nil) on the acquisition of property, plant and equipment (including right-of-use assets) and intangible assets respectively. Capital expenditure was principally funded by internal resources.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Save as disclosed in note 15 to the consolidated financial statements, the Group had no significant investments, material acquisitions or disposals of subsidiaries and affiliated companies during the year ended 31 December 2024 (2023: Nil).

CONTINGENT LIABILITIES

As at 31 December 2024, the Group had no material contingent liabilities or off-balance sheet obligation (2023: Nil).

INDEBTEDNESS AND CHARGES ON GROUP'S ASSETS

Save as disclosed in note 14 to the consolidated financial statements, as at 31 December 2024, the Group did not have any assets pledged to secure general banking facilities (2023: Nil).

PROSPECT

The Group suffered from weakened consumer appetite and lower purchasing power in 2024. The rebound in sales in 2023 was short lived. The negative wealth effect after the burst of property market and higher unemployment rate dampened consumer confidence which dragged down the Group overall online sales. The economic adjustments in China might take longer than originally anticipated as more external factors, such as the Sino-US trade war, added pressure to the China economy. The sales of non-essential items have been under pressure.

The Group is cautious on the economy in 2025 despite a few positive signs including government handing out incentives for consumption, lowering interest rates to induce consumption, bottoming out stock markets in view of technological advancement in artificial intelligence and a number of key industries. All these will motivate consumers to spend more and save less.

The Group continues to focus on providing the best value proposition to our customers through livestreaming online marketing, which offers a more dynamic shopping experience. In view of recent advances in artificial intelligence ("AI"), the Group prioritizes to use new AI tools to enhance marketing initiatives and improve the customer experience. The application of latest technology in Artificial Intelligence Generated Content enables generating much more materials, such as content, photos and videos, while keeping related costs low. Our online customer service is currently updated with AI agents to manage staffing cost more effectively. The Group continually look for ways to streamline our supply chain, maximize financial resources for businesses, and keeping lean and fit by controlling operation costs.

FOREIGN CURRENCY EXPOSURE

The Group's businesses are solely operated in China. The sales and purchases are mainly denominated in Renminbi ("RMB") and customers rarely request to settle our billing by other foreign currencies such as United States dollar and Hong Kong dollar ("HK$").

The Directors are of the view that the Group's operations are not subject to significant foreign exchange rate risks. Therefore, no hedging arrangements are made. However, the Group will review and monitor the relevant foreign exchange risk from time to time based on its business development requirements and may enter into foreign exchange hedging arrangements when applicable.

HUMAN RESOURCES

As at 31 December 2024, the Group had 38 employees (2023: 49) in Hong Kong and the PRC. We believe that hiring, motivating and retaining qualified employees are crucial to our success as an online and offline distributor. Total staff costs (including Directors' emoluments) were RMB8.9 million for the year ended 31 December 2024 (2023: RMB9.8 million). The remuneration packages of the Group's employees include salaries, bonus, retirement benefit scheme contributions and other benefits. The remuneration policies of the Group, including promotion, bonuses, salary increment and other benefits, are formulated based on the Group's operating results, employees' individual performance, working experience, respective responsibilities, merit, qualifications and competence, as well as comparable to the prevailing market practice, standards and statistics. The remuneration policies of the Group are reviewed by the management of the Group regularly. The dedication and hard work of the Group's staff during the year ended 31 December 2024 are generally appreciated and recognized.

FINAL DIVIDEND

The board of directors does not recommend the payment of a final dividend for the year ended 31 December 2024. (2023: Nil)

ANNUAL GENERAL MEETING

The Annual General Meeting ("the AGM") of the Company will be held on 17 June 2025 (Tuesday). The notice of AGM, which constitutes part of the circular to shareholders, will be sent together with the 2024 Annual Report in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from 12 June 2025 to 17 June 2025, both days inclusive during which period no share transfer will be registered. In order to be eligible for attending the AGM, all completed transfer forms accomplished by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on 11 June 2025.

CORPORATE GOVERNANCE CODE

The Group is committed to ensuring high standards of corporate governance and business practices. The Company's corporate governance practices are based on the Corporate Governance Code (the "CG Code") as set out in Appendix C1 of the GEM Listing Rules. During the year ended 31 December 2024 period, the Company has complied with the applicable code provisions of the CG Code.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct ("Code of Conduct") regarding securities transactions by the Directors. The Company has confirmed, having made specific enquiry of the Directors, that all the Directors have complied with the Code of Conduct throughout the year ended 31 December 2024 and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

MATERIAL EVENTS AFTER THE REPORTING PERIOD

As at the date of this announcement, there were no material events after the year ended 31 December 2024.

AUDIT COMMITTEE

The Company established the Audit Committee on 15 December 2017 with written terms of reference. The full terms of reference setting out details of duties of the Audit Committee is available on the websites of the Stock Exchange and the Company. The Audit Committee comprises three independent non-executive Directors, namely Mr. Won Chik Kee, Mr. Wai Yau Hang and Ms. Sit Ting Fong. Mr. Won Chik Kee is the Chairman of the Audit Committee.

The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the Company's internal control and risk management system, overseeing the balance, transparency and integrity of the Company's financial statements and the application of financial reporting principles, reviewing the relationship with the external auditor and its independence assessment and the adequacy of resources, qualifications and experience of the Company's accounting staff, their training programs and budget.

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2024.

SCOPE OF WORK OF GRANT THORNTON HONG KONG LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2024 have been agreed by the Group's auditor, Grant Thornton Hong Kong Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Grant Thornton Hong Kong Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Grant Thornton Hong Kong Limited on the preliminary announcement.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report from the independent auditor of the Group on the consolidated financial statements of the Group for the year ended 31 December 2024.

Opinion

We have audited the consolidated financial statements of Sling Group Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages [•] to [•], which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related To Going Concern

We draw attention to note 2.1 to the consolidated financial statements, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the website of the Stock Exchange at www.hkgem.com and on the Company's website at www.sling-inc.com.hk. The 2024 Annual Report of the Company will be dispatched to the shareholders and will be available on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Sling Group Holdings Limited
Mr. Yau Frederick Heng Chung
Chairman

Hong Kong, 27 March 2025

As at the date of this announcement, the executive Directors of the Company are Mr. Yau Frederick Heng Chung (Chairman) and Mr. Lee Tat Fai Brian; the non-executive Directors are Mr. Yau Sonny Tai Nin and Mr. Yau Tai Leung Sammy; and the independent non-executive Directors are Mr. Won Chik Kee, Mr. Wai Yau Hang and Ms. Sit Ting Fong.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least seven days from the date of its posting and the Company website at www.sling-inc.com.hk.