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CHICMAX

Shanghai Chicmax Cosmetic Co., Ltd.

上海上美化妝品股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2145)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the “**Board**”) of directors (the “**Directors**”) of Shanghai Chicmax Cosmetic Co., Ltd. (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 (the “**Reporting Period**”), together with the comparative figures for the year ended 31 December 2023. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the 2023 annual results announcement of the Company dated 21 March 2024.

PERFORMANCE HIGHLIGHTS

	Year ended 31 December		Year-on-
	2024	2023	year change
	RMB in millions		%
Revenue	6,792.5	4,190.7	62.1
Gross profit	5,109.4	3,019.5	69.2
Profit of the year	803.3	461.7	74.0

FINANCIAL HIGHLIGHTS

Our revenue increased to RMB6,792.5 million in the full year of 2024 from RMB4,190.7 million in the full year of 2023. Our gross profit increased to RMB5,109.4 million in the full year of 2024 from RMB3,019.5 million in the full year of 2023. Our profit for the full year of 2024 was RMB803.3 million whereas our profit for the full year of 2023 was RMB461.7 million.

Final Dividend of RMB0.75 per share was proposed by the Board for the year ended 31 December 2024. The final dividend for the year ended 31 December 2023 of RMB0.75 per share was approved by the shareholders at general meeting held on 30 May 2024. The interim dividends for the six months ended 30 June 2024 of RMB0.75 per share was approved by the shareholders at general meeting held on 30 September 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

BUSINESS REVIEW

We are a multi-brand cosmetics company, focusing on research and development, manufacturing and sales of skincare products, maternity and childcare products, washing and personal care products and makeup products. We focus on the implementation of multi-brand strategy and have remained dedicated to it since our establishment. With an operational history of more than 20 years, today we are one of the front runners in China's cosmetics industry, possessing comprehensive multi-brand development, operational capability and expertise, and we have successfully built a variety of popular cosmetic brands. Our decisive strategy originally to embark on and persist with a multi-brand strategy gives us an advantage to timely grasp market opportunities and sets us apart from our peers.

KANS

Launched in 2003, *KANS*, being positioned as a “**scientific anti-aging**” skincare brand, focuses on addressing the evolving anti-aging needs of Asian females of various age groups, with a broad target customer base, and is positioned to be a go-to brand in the anti-aging skincare market. For more than 20 years, *KANS* has been deeply engaging in anti-aging research, and continues to launch better products and aims to build *KANS* into a super Chinese cosmetics brand.

According to industry media reports, in 2024, the GMV of *KANS* on the online channel ranked second among domestic cosmetics brands, with a growth rate ranking the first among top cosmetics brands.

In 2024, we upgraded the series of Polypeptide Collagen Softening (紅蠻腰系列) to version 2.0, and added a self-developed and filed new ingredient, “CYCLOHEXAPEPTIDE-9 (環六肽-9)”, with better anti-wrinkle and firming effects. In 2024, we launched a single-product “REVITALISING PLUMPING FIRING SOFT CREAM (賦活豐盈緊塑輕潤霜)” (“**X-peptide Cream**”), which added an upgraded and innovative “X-peptide” ingredient based on “CYCLOHEXAPEPTIDE-9”. Upon launch, it achieved more than 40 million sales during Double Eleven. We also launched *KANS*'s men's Essence, “ILLUMINATING PLUMPING SERUM (閃充棒)”, as well as new categories such as *KANS*'s makeup series, covering a wider consumer group.

In 2024, we continued to launch special programs in holidays, such as the Spring Festival, International Women’s Day and Mother’s Day, through social media platforms to help “KANS Red” become a household name and deliver affective content such as love and female power. The co-branded gift box between *KANS* and Suzhou Silk Museum launched on Qixi Festival paid tribute to the intangible cultural heritage classics, inherited the beauty of culture, and expressed oriental romance. The case won the “Gold Award of the Annual Event Marketing Case” (年度活動營銷案例金獎) issued by the China International Advertising Festival.

In addition, in 2024, the pick-up service point of *KANS* opened at Shanghai Hongqiao Railway Station, Beijing South Railway Station and Hangzhou East Railway Station, creating a new business model of “Promotion Online + Picking up Offline”, and one-stop solution for consumers’ needs for cosmetics products on business trips, travel and giving gifts. And we will continue to explore new strategies and new tactics of balancing online and offline development to further enhance consumer experience and enhance offline exposure of the brand.

In 2024, “Polypeptide Collagen Softening Cream”, the product of Polypeptide Collagen Softening (紅蠻腰系列) series, won the “2024 CBE Technology Innovative Best Formulation Award (2024 CBE 美伊科技創芯最佳配方獎)” at China Beauty Expo; X-peptide Cream won the “Annual Anti-wrinkle firming Cream of 2024 China’s Top Formula Beauty Awards (2024 中國好配方年度抗皺緊致面霜)” award from the domestic cosmetics media HUAZHANG (華妝會), and the “SIA100 Scientific Product of the Year 2024 (SIA100 2024年度科學產品)” award from the SIA Association (科盟 SIA 協會).

We strive to consolidate the market position of *KANS* as a leading Chinese domestic scientific anti-aging brand to seize the market potential of anti-aging skincare products in the PRC. We are devoted to develop more advanced technologies, in order to meet the increasing needs of the consumers of *KANS*.

The revenue generated from *KANS* in 2024 was RMB5,591.0 million, representing an increase of 80.9% as compared to 2023 and accounting for 82.3% of our total revenue for the year.

One Leaf

One Leaf was launched in 2014. Targeting younger users, *One Leaf* blends ingredients from nature using advanced techniques, creating effective and natural skincare products.

In 1H2024, *One Leaf* started brand revamp based on a new brand positioning of “Recover Self-healing Capability, Repair Youth Energy” while making announcement on the new brand spokesperson with a younger and simple image to interact with young consumers. In 2H2024, our wholly-owned subsidiary, Shanghai One Leaf Cosmetic Co., Ltd. (上海一葉子化妝品有限公司), and Hangzhou Mangken Brand Management Co., Ltd. (杭州芒壘品牌管理有限公司) established a subsidiary, aiming to use the resources and advantages of both parties to operate and further develop *One Leaf* and achieve good results.

In terms of awards, the brand *One Leaf* won the “2024 Asia-Pacific Most Favorite Brand” (2024 亞太最受喜愛品牌) award from Asia-Pacific Newsweek (新聞週刊亞太版), the washing and care products of *One Leaf* won the “Influential Brand” (影響力品牌) of the 2024 Personal Care Awards from Beauty Headlines (美妝頭條), and *One Leaf*'s product, “Luminous Hydrating Repair Essence (一葉子光透修護水感精華)” won “ICIC Technological, Innovative Anti-sensitive and Repairing Product Award (ICIC 科技創新抗敏修護產品獎)” at International Cosmetics Innovation Conference (ICIC) 2024 in 2024.

The revenue generated from *One Leaf* in 2024 was RMB229.3 million, representing a decrease of 35.7% as compared to 2023, accounting for 3.4% of the total revenue for the year.

Baby Elephant

We launched *Baby Elephant* in 2015. With “**simple ingredients, safe and effective**” as its core, it is positioned as a professional maternity and childcare brand that suits the skin of Chinese babies and children to accompany each baby during its happy and healthy growth.

In 2024, the brand image upgrade at brand level continued to be implemented, focusing on the emotional content of the brand, focusing on the gift giving mindset of makeup gift boxes on Children's Day, New Year's Day and other festivals, continuing to refresh the brand impression of consumers, and striving to become the preferred brand for mothers. In 2024, a total of 0.4 million children's makeup products were sold, and it was certified by Frost & Sullivan as the No. 1 online sales of children's makeup in China in 2024.

At the product level, we have integrated and perfected our product matrix, and our baby-children series covers the skincare and toiletry needs of children aged 0-12 years old. The newly launched youth 0U series is aimed at teenagers aged 12-18 to solve the problem of oily skin, acne and irritability in adolescent skin. We will continuously refine the children's makeup products under *Baby Elephant* and also focus on core strategy of market of school-age children. Based on skincare needs of children at different stages of development, we will launch exclusive skincare products for infants, children and teenagers, achieving simultaneous improvement of “beauty and skincare”.

At the marketing level, Lu Yi, the national father, was signed as the brand spokesperson, and his daughter Belle (貝兒) was brought to speak for the youth 0U series. The brand continues to carry out public welfare actions to care for children in need, conveying the brand's sense of social responsibility. Accompanying children of all ages to grow up, it makes more safety and comfort for child growth with scientific research strength, love and protection.

In 2024, *Baby Elephant*, as the first drafting unit, and under the management of Shanghai Daily Chemistry Trade Association worked with experts in various fields to formulate the group standard of Evaluation Method of Cosmetics Formula with Tear-Free Claim (《化妝品無淚配方宣稱的測試方法》), improving the “tear-free test” standard for infants and children washing care product formulas.

In 2024, the brand *Baby Elephant* won the “Outstanding Performance Award for Children's Cosmetics Brand of the Year” (年度兒童化妝品品牌傑出表現大獎) at the 9th Cherry Awards (櫻桃大賞) by myguanacha.com (母嬰行業觀察) and the “2024 Red Dot Design Award” (2024紅點設計大獎) from the German Red Dot Award (德國紅點獎).

We seek to maintain the leading position of *Baby Elephant* in the maternity and childcare segment in China. We intend to continue to offer skincare products suitable for the skin type of Chinese babies and children to adapt to the rising demand for high-quality maternity and childcare products. We aim to conduct R&D activities for additives-free, safe, organic, and simple products. We will devote resources to the standardisation and advancement of the maternity and childcare industry.

The revenue generated from *Baby Elephant* in 2024 was RMB376.0 million, representing an increase of 0.1% as compared to 2023, accounting for 5.5% of the total revenue for the year.

newpage

newpage was launched in May 2022. It is positioned as a functional skincare brand focusing on sensitive skins of babies and children. It was jointly established by Ms. Zhang Ziyi (章子怡), a famous actress, Mr. Cui Yutao (崔玉濤), a puericulturist, and our scientists. This brand positioned in “medical + research”, forming a close-loop of “user experience + pediatric experience + scientific research”, and advocated natural and simple, professional science popularisation, peace of mind and effectiveness and environmental friendliness. In terms of products, *newpage* has laid out three major directions: skincare, washing and cleaning.

For online channels, *newpage*'s Baby Balancing Cream (嬰童安心霜) had repeatedly ranked No.1 in the best-selling list of baby face cream on Tmall. For offline channels, *newpage* continued to expand cooperation channels and reached strategic cooperation.

In 2024, *newpage* began to lay out age-specific product lines, launching the “newpage612” and “newpage1218” series to provide more targeted skincare solutions according to the standards of infants and children skincare for 6-12 years old school-aged skin and 12-18 adolescent skin respectively.

In 2024, *newpage* placed more emphasis on building deeper and more co-channel connections with consumers. *newpage* participated in the 2024 Cui Yutao National Lecture Tour (2024 崔玉濤全國巡講活動), and cooperated to build a scientific parenting knowledge sharing platform through offline lectures, parent-child family interactions and parenting expert exchanges. At the same time, Dr. Cui Yutao's professional and scientific parenting knowledge was shared through social media platforms, and a regular online program was planned to discuss social topics related to parenting, so as to convey the brand temperature to consumers.

In 2024, *newpage* won the “Green Consumption and High-quality Development of Brands Innovation Case* (綠色消費品牌高質量發展創新案例)” award from People's Daily. *newpage*'s “Baby Balancing Cream (嬰童安心霜)” won the title of “2024 Ingenuity Case of the Year* (2024 年度匠心案例)” of the “Treasure Domestic Products*”(寶藏國貨) initiated by Xinhuanet.

The revenue generated from *newpage* in 2024 was RMB375.6 million, representing an increase of 146.3% as compared to 2023, accounting for 5.5% of the total revenue for the year.

In 2024, we primarily generated revenue from these four brands with the amount of RMB6,571.9 million, representing an increase of 65.3% as compared to 2023, which in aggregate contributed 96.7% of our total revenue.

Other Brands

To meet the increased demands for high-quality products from consumers, we have a multi-brand layout in multiple categories. In the skincare category, we cooperated with KPC and launched a sensitive skincare brand *ARMIYO*, which uses “artemisia annua oil AN+” as the core ingredient; preparation is underway to launch: *TAZU*, a high-end anti-aging skincare brand developed in cooperation with scientist, Kosaku Yamada. In the maternity and childcare category, preparation is underway to launch the eponymous maternity and childcare brand *Anpanman* (麵包超人) which is licensed to use well-known IPs. In the washing and care category, we launched a washing and care brand *KYOCA*, which is committed to strengthening hair and scalp decompression. In the makeup category, we will launch *NAN beauty*, a makeup brand jointly established with make-up artist Chunnan.

	skin care 护肤	maternity and childcare 母婴护理	toiletries 洗护	makeup 彩妆
luxury 高端	TAZU ▲			
mid-to-high 中高端	安敏优 ARMIYO	NEW PALE 一页	KYOCA 2032	NAN beauty ▲
mass 大众	KANS 韩束 ONE LEAF 一叶子	Baby Elephant 红色小象 OU ANPANMAN 面包超人 ▲	韩束洗护 一叶子洗护	韩束彩妆

▲ to be launched

Research and Development

We started our independent R&D activities in 2003 and have insisted on product self-development. Our dual R&D centers are dedicated to building powerful platforms for advanced fundamental research and product development work. Staying close to consumers’ needs, we focus on product development and new technology applications in response to the changing market. We strive to attract and cultivate talents and have formed a strong team with rich R&D experience. We maintained high and effective R&D investment persistently. In 2024 and 2023, we incurred R&D expenses of RMB179.9 million and RMB125.8 million, respectively, accounting for 2.6% and 3.0% of our revenue, respectively.

In 2024, we worked with relevant industry departments and associations to formulate and publish a number of industry group standards, including Transdermal Penetration Test of Cosmetic Ingredients by Human in Vivo Raman Spectroscopy (《化妆品成分经皮渗透测试人体在体拉曼光谱法》), Evaluation Method of Cosmetics Formula with Tear-Free Claim (《化妆品无泪配方宣称的测试方法》), and Sunscreen cosmetics - Sun protection test predictive methods in vitro (Ultraviolet transformation methods) of the sun protection factor (SPF) (《防晒化妆品防晒指数(SPF 值)预判测定方法(紫外光变法)》).

Ingredients

In 1H2024, we completed the raw material filing of “CYCLOHEXAPEPTIDE-9” and obtained three invention patents, providing the application of “CYCLOHEXAPEPTIDE-9” in the synthesis process and other aspects of cosmetics. At present, “CYCLOHEXAPEPTIDE-9” is used in many product lines such as the series of Polypeptide Collagen Softening (紅蠻腰系列) of KANS and X-peptide series.

Patents

In 2024, we newly applied for 76 patents, including 36 invention patents. We have been granted 27 patents, 5 of which are invention patent.

Articles

In 2024, we published a total of 15 scientific research papers, covering the research on the mechanism of core raw ingredients such as artemisia annua AN+, Tiracle Pro and olive oil ceramide, cosmetic process optimisation and efficacy evaluation, forming a complete scientific research system covering basic research, process optimisation and clinical validation. The core achievements include:

1. Joint research – Cooperating with Chongqing Hospital of Traditional Chinese Medicine and Signum Biosciences, 6 articles on artemisia annua AN+ study have been published in domestic and foreign journals, covering the improvement mechanism of skin problems such as atopic dermatitis and psoriasis – cooperating with Shanghai Jiaotong University, an article on the study of extraction process optimisation of olive leaf polyphenols was published in *Molecules* – cooperating with Shanghai Center for Disease Control and Prevention, articles on the research on exposure parameters of children’s cosmetics and industry efficacy evaluation system analysis were published in the *Journal of Toxicology* (《毒理學雜誌》) and *Dermatology Bulletin* (《皮膚科學通報》) respectively – cooperating with Huazhong University of Science and Technology, a survey on the use patterns of children’s cosmetics in Wuhan was published in the *Dermatology Bulletin* (《皮膚科學通報》);
2. Independent research – 4 innovative achievements were published in domestic journals such as the *Journal of Toxicology* (《毒理學雜誌》), involving panthenol photoprotection, cyclic peptides application, olive oil ceramide and anti-deactivator compound system (防脫活性物複配體系) - Tiracle Pro anti-aging research was published in the *Journal of Cosmetic Dermatology*, confirming that all research on in vitro skincare efficacy and anti-aging protection focuses on technological innovation in the field of skin health, forming a complete scientific research system covering basic research, process optimisation and clinical validation.

Awards

In 2024, “CYCLOHEXAPEPTIDE-9” won the “Ringier Technology Innovation Awards – Raw Materials Award” (榮格技術創新獎 – 原料大獎) awarded by Ringier Trade Media, the “INPD International Innovative Raw Material Award” (INPD 國際創新原料獎) awarded by INPD, and the “Great Chinese Raw Materials – China Ace Ingredient Award” (了不起的中國原料 – 中國王牌成分獎) awarded by Chunlei Agency (春雷社).

Employees and Remuneration Policy

As at 31 December 2024, we had 2,086 full-time employees, amongst which 2,007 full-time employees were based in the PRC and 79 full-time employees were based in overseas. The total remuneration cost for the year of 2024 was RMB551.3 million, as compared to RMB494.6 million for the year of 2023, maintaining a reasonable increase in remuneration to ensure the Group's strong competitive advantage in the human resources market.

We recruit our employees through on-campus recruitment, job fairs, recruitment agencies and internal and external referrals. Committed to providing fair and equal opportunities in all our employment practices, we have adopted policies and procedures including candidate competency analysis models designed by third parties to ensure a fair selection and hiring process. As part of our retention strategy, we offer our employees competitive salaries, additional insurance packages and merit-based incentive schemes which are generally based on performance of the individual employees and the overall performance of our business.

We provide new hire training to new joiners on our culture, business and industry to improve their understanding of the Company and their abilities to perform their duties. We also regularly provide tailor-made in-house training sessions to our employees that aim to improve their technical skills or arrange for our employees to attend training sessions provided by third parties. In addition, we provide management skills training opportunities to certain employees to help them transition into a management role.

Capital Expenditures

The Group's capital expenditure of RMB242.6 million in 2024 was mainly related to the new items of property, plant and equipment amounting to RMB233.4 million, and other intangible assets amounting to RMB9.2 million.

Right-of-use Assets and Lease Liability

International Financial Reporting Standards No. 16 – Lease (IFRS 16) came into effect on 1 January 2019. At the commencement date, the Group should recognise a right-of-use asset and a lease liability. The related right-of-use assets and lease liabilities are located in the PRC and overseas. As of 31 December 2024, the Group's right-of-use assets were RMB125.7 million (RMB131.2 million as of 31 December 2023) and its lease liabilities were RMB51.5 million (RMB65.6 million as of 31 December 2023). In 2024, depreciation charges of right-of-use assets amounted to RMB38.2 million and interest charges of lease liabilities amounted to RMB3.1 million.

OUTLOOK

We are committed to our “six-six” strategy to promote overall business growth through six main competitive aspects and the planning of six major sectors in order to support sustainable development of the Group.

Six main competitive aspects:

1. *Maintain organisation-driven leadership and support sustainable development of the Group with talents*

We believe that talents with excellent management or technical skills are our valuable assets as well as the impetus of providing customers with products of continuous innovation and high quality, and is the necessary condition for the achievement of a multi-brand cosmetics group. Implementing our corporate values of “Diversity, Optimism, Innovation and Legacy”, we plan to continuously improve our corporate structure and corporate culture to attract talents.

We will continue to focus on improving our recruitment and training system to recruit talents with an international perspective, such as graduates from prestigious schools such as the world’s first-class universities and disciplines and the QS200. By establishing joint training projects in cooperation with universities, we can more effectively identify suitable talents. In order to remain competitive in the recruitment market, we strive to provide industry-leading salary and welfare systems and open up promotion channels, forming a scientific talent selection and incentive mechanism. In addition, we will implement job rotation and duty rotation for our employees to promote the all-rounder employee model, and prevent solidification of hierarchy. By leveraging a flat and effective management system, we encourage employees at the primary level to give play to their creativity, and maintain the enthusiasm and stability of management and technical staff. We aim to build up corporate culture and team atmosphere among employees to enhance their sense of belonging, and a talent training system for our employees to achieve their personal growth and to support the operation and development of multiple brands of the Group.

2. *Maintain R&D leadership, continue to invest in R&D to drive product innovations and make popular products enjoyed by our consumers*

Leveraging our advanced R&D and production capabilities in the PRC and overseas, we will increase investments in fundamental research projects on trendy core ingredients in the skincare area such as anti-aging technology and skin barrier repairing technology, including development on new raw materials, new technologies, and new formulas; and applied science projects including application of the raw materials and formulas, and improving the overall skin feel of consumers. We have now established an independent scientific research system of Chicmax, with the aim of breaking down international scientific research barriers. We will continue to conduct pilot projects for new brands and new products to improve consumer experience and meet diverse consumer demands, and ultimately create more growth opportunities.

3. *Artificial intelligence (AI) leadership and introduce AI empowered management tools to improve the Group’s management and operation efficiency*

We introduce leading AI empowered tools which will be used to intelligently process large amounts of data and information to conduct intelligent data analysis and prediction, providing data and insights to support decision-making, further optimising the allocation and utilization of resources, and thus improving the Group’s management and operation efficiency, innovation capabilities and competitiveness.

4. *Maintain marketing leadership and continue to enhance and expand products marketing networks to penetrate users and build a consumer-centric mindset*

We will make full use of our advantageous resources and adopt stronger and more effective competitive strategies and marketing tools to increase the breadth and depth of our sales channels and in particular, to further deepen the marketing and promotion of our online e-commerce platforms and the offline omnichannel strategy. In addition to continuing to maintain and enhance *KANS's* leading position in the *Douyin* channel and driving more of the Group's brands to achieve breakthroughs in *Douyin*, we aim to achieve better development on platforms such as *Tmall/Taobao, JD and Kuaishou*.

5. *Maintain intelligent production leadership and accelerate the Group's intelligent production to enhance the production efficiency and standardized product quality*

We will continue to design and establish the direction and plan of the Group's intelligent transformation in conjunction with our practical production and operation, comprehensively applying the artificial intelligence and other technologies to build and refine intelligent production lines to increase the production efficiency and improve standardized product quality of the Group.

6. *Promote the Group's strategies from "personalization" development to "generality" development and drive development with platforms to further expand our business*

We aim to achieve development of our business by diversified cooperation with our talents and business partners. We are committed to gathering talents and providing them with a broad platform to assist them in achieving their development. We will continue to strengthen cooperation with multiple partners to build a brand incubation platform and to continuously cultivate breakthroughs in various aspects of our business.

Planning of six major sectors:

Based on our existing multi-brand matrix, we will have a broader strategic layout in the next decade in building six major sectors of mass skin care, washing and personal care, maternal and baby products, skin medical beauty, makeup, high-end skin care and instrument, hence expanding our business boundaries in the cosmetics industry.

Looking forward, we are committed to conveying Chinese branding power to the world and promoting the brand image of Chinese domestic cosmetics products. Through developing our international R&D capabilities, business presence and brand awareness, we aim to become a world-class cosmetics group.

FINANCIAL REVIEW

Revenue

We generated revenue primarily from the manufacture and sales of cosmetic products. Revenue of the Group in 2024 increased by 62.1% to RMB6,792.5 million compared to RMB4,190.7 million in 2023 owing to the increased revenue generated from *KANS*, one of the Group's major brands.

Revenue by brands

	Year ended 31 December			
	2024	% of	2023	% of
	Amount	Revenue	Amount	Revenue
	<i>(RMB in millions, except percentages)</i>			
<i>KANS</i>	5,591.0	82.3	3,090.4	73.7
<i>One Leaf</i>	229.3	3.4	356.5	8.5
<i>Baby Elephant</i>	376.0	5.5	375.7	9.0
<i>newpage</i>	375.6	5.5	152.5	3.6
Others Brands ^(Note)	220.6	3.3	215.6	5.2
Total	6,792.5	100.0	4,190.7	100.0

Note: Other brands primarily consist of *ARMIYO*, *asnami*, *KYOCA* etc.

The Group's revenue attributable to *KANS* increased by 80.9% from RMB3,090.4 million in 2023 to RMB5,591.0 million in 2024, primarily due to the overall upgrading of the *KANS* brand, and achieved rapid increase in revenue across all channels.

The Group's revenue attributable to *One Leaf* decreased by 35.7% from RMB356.5 million in 2023 to RMB229.3 million in 2024, primarily because we are in the process of transforming, upgrading and adjusting *One Leaf*.

The Group's revenue attributable to *Baby Elephant* increased by 0.1% from RMB375.7 million in 2023 to RMB376.0 million in 2024, primarily due to the newly launched infants and children series, covering a variety of needs such as the skincare and washing care for the infants and children.

The Group's revenue attributable to *newpage* increased by 146.3% from RMB152.5 million in 2023 to RMB375.6 million in 2024, primarily due to the rapid growth in overall brand sales driven by star products of the *newpage* series.

Revenue by sales channels

	Year ended 31 December			
	2024	% of Revenue	2023	% of Revenue
	Amount	Amount	Amount	Amount
	<i>(RMB in millions, except percentages)</i>			
Online Channels	6,149.7	90.5	3,586.9	85.6
Online direct sales	5,311.7	78.2	2,909.0	69.4
Sales to Online Retailers	539.9	7.9	364.8	8.7
Sales to Online Distributors	298.1	4.4	313.1	7.5
Offline Channels	578.1	8.5	539.6	12.9
Sales to Offline Retailers	328.6	4.8	387.4	9.2
Sales to Offline Distributors	249.5	3.7	152.2	3.6
Others	64.7	1.0	64.2	1.5
Total	6,792.5	100.0	4,190.7	100.0

The Group's revenue attributable to online direct sales increased by 82.6% from RMB2,909.0 million in 2023 to RMB5,311.7 million in 2024 primarily due to the enhancement of *KANS*'s brand potential energy and the improvement of online self-operating ability.

The Group's revenue attributable to sales to online retailers increased by 48.0% from RMB364.8 million in 2023 to RMB539.9 million in 2024, primarily due to the increase in revenue generated by *KANS* and *newpage* from online retailers such as *JD*, *Tmall Supermarket*.

The Group's revenue attributable to sales to online distributors decreased by 4.8% from RMB313.1 million in 2023 to RMB298.1 million in 2024, primarily due to adjustments of our online sales strategies to enhance our online direct sales channel.

The Group's revenue attributable to sales to offline retailers decreased by 15.2% from RMB387.4 million in 2023 to RMB328.6 million in 2024, primarily due to the changes in consumption habits.

The Group's revenue attributable to sales to offline distributors increased by 63.9% from RMB152.2 million in 2023 to RMB249.5 million in 2024, primarily due to strengthening the cooperation with offline distributors and expanding the offline market.

Revenue by categories

	Year ended 31 December			
	2024	% of	2023	% of
	Amount	Revenue	Amount	Revenue
	<i>(RMB in millions, except percentages)</i>			
Skin Care	5,921.6	87.2	3,601.6	86.0
Maternity and childcare	766.7	11.3	542.6	12.9
Others	104.2	1.5	46.5	1.1
Total	6,792.5	100.0	4,190.7	100.0

The Group's revenue attributable to skin care increased by 64.4% from RMB3,601.6 million in 2023 to RMB5,921.6 million in 2024, primarily due to the increase in revenue generated from *KANS*.

The Group's revenue attributable to maternity and childcare increased by 41.3% from RMB542.6 million in 2023 to RMB766.7 million in 2024, primarily due to the increase in revenue generated from *newpage*.

Gross Profit and Gross Profit Margin

The Group's gross profit increased by 69.2% from RMB3,019.5 million in 2023 to RMB5,109.4 million in 2024. Our gross profit margins were 75.2% and 72.1% in 2024 and 2023, respectively, primarily due to the increase of gross profit margin under *KANS*.

Other Income and Gains

The Group's other income and gains increased by 60.5% from RMB156.5 million in 2023 to RMB251.2 million in 2024, primarily due to the increase of government grants.

Selling and Distribution Expenses

The Group's selling and distribution expenses as a percentage of the Group's revenue increased to 58.1% in 2024 compared with 53.5% in 2023. The selling and distribution expenses increased by 76.2% to RMB3,947.3 million in 2024 from RMB2,240.3 million in 2023.

Among which, the marketing and promotion expenses increased by 90.0% to RMB3,316.6 million in 2024 from RMB1,745.9 million in 2023, primarily due to increased brand exposure, seizure of new channel opportunities, increased brand promotion and channel construction investments. Employee benefits expenses in relation to distribution work increased by 7.3% to RMB339.6 million in 2024 from RMB316.4 million in 2023. Other key expenses included transportation expenses of RMB249.0 million, travelling and entertainment expenses of RMB27.1 million and others of RMB15.0 million in 2024.

Administrative Expenses

The Group's administrative expenses increased by 15.8% to RMB242.8 million in 2024 as compared to RMB209.6 million in 2023. Administrative expenses mainly comprised employee benefits expenses (including directors' emoluments) of RMB100.3 million, profession and consulting fees of RMB17.7 million, depreciation and amortisation charges of RMB51.5 million and office, utility expense of RMB48.2 million and others of RMB25.1 million in 2024.

Research and Development Costs

The Group's R&D costs increased by 43.0% from RMB125.8 million in 2023 to RMB179.9 million in 2024, primarily due to the increase in R&D activities.

Impairment Losses on Financial Assets, net

The Group's impairment losses on financial assets, net changed from the reversal of RMB15.3 million in 2023 to the loss of RMB7.0 million in 2024, primarily due to the increase in provision for bad debts in respect of trade receivables.

Other Expenses

The Group's other expenses increased by 44.1% from RMB34.0 million in 2023 to RMB49.0 million in 2024, primarily due to increases of inventory impairment and scrap.

Finance Costs

The Group's finance costs decreased by 62.3% from RMB16.2 million in 2023 to RMB6.1 million in 2024, primarily due to the decrease of bank and other borrowings and the decrease in average interest rate on borrowings.

Income Tax Expense

Income tax expense costs increased to RMB123.7 million in 2024 from RMB97.6 million in 2023.

Profit for the Year

In summary, our profit for the year was RMB803.3 million and RMB461.7 million in 2024 and 2023, respectively.

Liquidity and Capital Resources

Cash generated from operating activities of the Group in 2024 was approximately RMB547.0 million, compared with RMB746.2 million which were generated in 2023. As of 31 December 2024, the Group had cash and cash equivalents of approximately RMB459.4 million and external bank borrowings of approximately RMB60.1 million; whereas as at 31 December 2023, the Group had cash and cash equivalents of approximately RMB697.7 million and external bank borrowings of approximately RMB100.0 million.

In terms of gearing, the Group's debt to asset ratios (defined as total liabilities divided by total assets) in 2024 and 2023 were 37.9% and 35.1%, respectively. The current ratios of the Group (defined as current assets divided by current liabilities) as at 31 December 2024 and 31 December 2023 were 1.8 times and 2.0 times respectively. The Group's gearing ratios (defined as total interest-bearing bank and other borrowings and lease liabilities divided by total equity) in 2024 and in 2023 were 5.0% and 8.2%, respectively. As at 31 December 2024, the Group had no material contingent liabilities, other than those disclosed in its consolidated financial statements and the notes thereto. With the cash and bank balances in hand, the Group's liquidity position remains strong to meet its working capital requirements.

As at 31 December 2024, the Group's interest-bearing bank and other borrowings were RMB60.1 million, which comprised of bank loans (current) of RMB60.1 million at effective interest rates of 1.71% to 3.00% per annum. The Group's interest-bearing bank and other borrowings decreased by 39.9% to RMB60.1 million as at 31 December 2024 from RMB100.0 million as at 31 December 2023, primarily due to the Group's abundant working capital and proactive reduction in the interest-bearing bank borrowings.

Pledge of Assets

As at 31 December 2024, the Group did not have any secured bank borrowings (secured by investment properties with a net carrying amounts values of approximately RMB8.1 million as at 31 December 2023).

As at 31 December 2024, the amount of the Group's letter of credit guarantee deposits and bank guarantee deposits was nil (nil as at 31 December 2023).

Significant Investments, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

On 22 August 2024, Shanghai One Leaf Cosmetic Co., Ltd. (上海一葉子化妝品有限公司) (“**Shanghai One Leaf**”), a wholly-owned subsidiary of the Company, entered into a joint venture cooperation agreement with Hangzhou Mangken Brand Management Co., Ltd. (杭州芒壘品牌管理有限公司) (“**Hangzhou Mangken**”), pursuant to which Shanghai One Leaf and Hangzhou Mangken agreed to establish Shanghai One Leaf Skincare Products Co., Ltd.* (上海一葉子護膚品有限公司) (the “**One Leaf Skincare Products**”), and Shanghai One Leaf contributed RMB10.2 million in cash to One Leaf Skincare Products, accounting for 51% of the total initial registered capital of One Leaf Skincare Products. Hangzhou Mangken is a limited liability company established in the PRC and is owned as to 99.5% by Mr. Lyu Zeqi (呂澤奇) and 0.5% by Mr. Lyu Zecai (呂澤財), both being cousin of Mr. Lyu Yixiong (呂義雄), an executive Director, the chairman of the Board, the chief executive officer and a controlling shareholder of the Company as at the date of this announcement. Pursuant to the Listing Rules, the establishment of One Leaf Skincare Products constitutes a connected transaction of the Company under the Listing Rules.

Mr. Lyu Zeqi, the actual controller of Hangzhou Mangken, and his team have been engaged in the cosmetics industry for over 15 years, with extensive experience in operating in e-commerce channels and the operational strength in brand building. Mr. Lyu Zeqi and his team have developed a cosmetics brand, which was established in 2016, into a brand with annual gross merchandise volume (GMV) exceeding RMB1 billion within several years. Leveraging on the resources and strengths of the Group and Mr. Lyu Zeqi and his team, the formation of One Leaf Skincare Products aims to operate and further develop One Leaf and to achieve favourable economic benefits.

The above transaction was approved by the shareholders of the Company on 30 September 2024. For further details, please refer to the Company's announcement dated 22 August 2024 and the circular dated 13 September 2024.

Save as disclosed herein, the Group did not have any significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Treasury Policies and Exposure to Fluctuations in Exchange Rates

The Group's operations are mainly carried out in the PRC, with most transactions settled in Renminbi, and the reporting currency of the Group is Renminbi. The Group's subsidiaries in Hong Kong and overseas use local currencies as their functional currencies, including Japanese yen, Hong Kong dollar, Singapore dollar, US dollar and Vietnamese Dong. The Group has a partial amount of cash and bank deposits denominated in Japanese yen, Hong Kong dollar, Singapore dollar, US dollar and Vietnamese Dong. The Group continues to adopt a conservative approach in its foreign exchange exposure management. In 2024, the Group did not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group reviews its foreign exchange risks periodically and uses derivative financial instruments to hedge against such risks when necessary.

FINANCIAL INFORMATION

The Board announces the consolidated results of the Group for the year ended 31 December 2024, with comparative figures for the year ended 31 December 2023, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Notes</i>	2024 RMB'000	2023 <i>RMB'000</i>
Revenue	4	6,792,518	4,190,727
Cost of sales		(1,683,131)	(1,171,275)
Gross profit		5,109,387	3,019,452
Other income and gains		251,163	156,496
Selling and distribution expenses		(3,947,293)	(2,240,332)
Administrative expenses		(242,764)	(209,609)
Research and development costs		(179,867)	(125,814)
Impairment losses of provision on financial assets, net	5	(6,969)	15,252
Other expenses		(49,002)	(34,000)
Finance costs	6	(6,072)	(16,227)
Share of profits and losses of:			
Joint ventures		(3,889)	(4,652)
Associates		2,276	(1,353)
PROFIT BEFORE TAX	5	926,970	559,213
Income tax expense	7	(123,673)	(97,550)
PROFIT FOR THE YEAR		803,297	461,663
Attributable to:			
Owners of the parent		781,205	461,104
Non-controlling interests		22,092	559
		803,297	461,663
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
– For profit for the year	8	RMB1.96	RMB1.16

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit for the year	<u>803,297</u>	<u>461,663</u>
Other comprehensive loss		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(6,902)</u>	<u>(4,138)</u>
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	<u>(6,902)</u>	<u>(4,138)</u>
Total comprehensive income for the year	<u>796,395</u>	<u>457,525</u>
Attributable to:		
Owners of the parent	774,303	456,966
Non-controlling interests	<u>22,092</u>	<u>559</u>
	<u>796,395</u>	<u>457,525</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		674,078	594,412
Investment properties		6,829	8,065
Prepayments, other receivables and other assets		76,646	18,950
Right-of-use assets		125,663	131,171
Other intangible assets		13,511	16,860
Investments in joint ventures		429	2,698
Investments in associates		109,667	64,184
Financial assets at fair value through profit or loss		–	101,230
Deferred tax assets		118,934	112,941
		<hr/>	<hr/>
Total non-current assets		1,125,757	1,050,511
CURRENT ASSETS			
Inventories	<i>10</i>	690,639	510,757
Trade and bills receivables	<i>11</i>	425,557	321,246
Prepayments, other receivables and other assets		650,871	331,812
Financial assets at fair value through profit or loss		244,324	216,812
Cash and cash equivalents		459,449	697,689
		<hr/>	<hr/>
Total current assets		2,470,840	2,078,316
CURRENT LIABILITIES			
Trade payables	<i>12</i>	638,407	518,613
Other payables and accruals		472,143	266,824
Interest-bearing bank and other borrowings		60,080	100,008
Lease liabilities		42,143	29,763
Tax payable		129,190	136,198
		<hr/>	<hr/>
Total current liabilities		1,341,963	1,051,406
		<hr/>	<hr/>
NET CURRENT ASSETS		1,128,877	1,026,910
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,254,634	2,077,421
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
NON-CURRENT LIABILITIES		
Lease liabilities	9,448	35,803
Other payables	10,516	12,391
	<hr/>	<hr/>
Total non-current liabilities	19,964	48,194
	<hr/>	<hr/>
Net assets	2,234,670	2,029,227
	<hr/> <hr/>	<hr/> <hr/>
EQUITY		
Equity attributable to owners of the parent		
Share capital	398,025	397,958
Reserves	1,793,163	1,611,078
	<hr/>	<hr/>
	2,191,188	2,009,036
	<hr/>	<hr/>
Non-controlling interests	43,482	20,191
	<hr/>	<hr/>
Total equity	2,234,670	2,029,227
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Shanghai Chicmax Cosmetic Co., Ltd. (the “Company”) is a limited company incorporated in the People’s Republic of China on 11 June 2004. The registered office is located at Room 701, No.515 Yinxiang Road, Nanxiang Town, Jiading District, Shanghai, Mainland China. The Company was restructured from a limited company to a joint-stock company on 15 December 2020. The Company was listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 22 December 2022.

In the opinion of the directors, the controlling shareholder is Mr. Lyu Yixiong.

During the year, Shanghai Chicmax Cosmetic Co., Ltd. and its subsidiaries (the “Group”) were principally involved in the following activities: research and development, production and sales of cosmetics.

2. Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRSs”) (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) issued by International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

3. Operating segment information

(a) Revenue from external customers

	2024 <i>RMB’000</i>	2023 <i>RMB’000</i>
Mainland China	6,772,324	4,171,263
Other countries/regions	20,194	19,464
Total revenue	<u>6,792,518</u>	<u>4,190,727</u>

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2024 <i>RMB’000</i>	2023 <i>RMB’000</i>
Mainland China	949,901	879,204
Other countries/regions	56,922	58,366
Total non-current assets	<u>1,006,823</u>	<u>937,570</u>

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets.

4. Revenue

An analysis of the Group's revenue is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue from contracts with customers		
Sales of goods	6,779,376	4,182,239
Transportation services	<u>13,142</u>	<u>8,488</u>
Total revenue	<u><u>6,792,518</u></u>	<u><u>4,190,727</u></u>

(a) Disaggregated revenue information

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Types of goods or services		
Sales of goods	6,779,376	4,182,239
Transportation services	<u>13,142</u>	<u>8,488</u>
Total revenue from contracts with customers	<u><u>6,792,518</u></u>	<u><u>4,190,727</u></u>

Timing of revenue recognition

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Goods transferred at a point in time	6,779,376	4,182,239
Services transferred over time	<u>13,142</u>	<u>8,488</u>
Total revenue from contracts with customers	<u><u>6,792,518</u></u>	<u><u>4,190,727</u></u>

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the current reporting period:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the year:		
Sales of goods	<u><u>25,678</u></u>	<u><u>41,416</u></u>

4. Revenue (continued)

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied upon receipt of the goods by customers or delivery of goods, and the payment period is generally uncertain, except for certain major customers where payment is due within 60 to 90 days from receipt.

Transportation services

The performance obligation is satisfied over time as services are rendered. Transportation services are for periods of within one month, and are billed based on the time incurred.

As at the end of the reporting period, the amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are immaterial and all the amounts are expected to be recognised as revenue within one year.

5. Profit before tax

The Group's profit before tax is arrived at after charging/(crediting):

	<i>Note</i>	2024 RMB'000	2023 <i>RMB'000</i>
Cost of inventories sold		1,683,131	1,171,275
Depreciation of property, plant and equipment		63,737	67,367
Depreciation of right-of-use assets		38,201	29,275
Amortisation of intangible assets		2,774	2,737
Wages and salaries		431,010	389,636
Pension scheme contributions, social welfare and other welfare		114,462	94,268
Share-based compensation expense		6,549	4,975
Foreign exchange differences		(1,616)	(12,800)
Marketing and promotion expenses		3,316,567	1,745,880
Inventory impairment and scrap		38,740	26,708
Interest expense	6	6,072	16,227
Impairment losses of provision on financial assets, net		6,969	(15,252)
Auditors' remuneration		3,920	3,640
Fair value gains on financial assets at fair value through profit or loss, net		(19,302)	(16,121)

6. Finance costs

An analysis of finance costs is as follows:

	2024 RMB'000	2023 <i>RMB'000</i>
Interest on bank and other borrowings	2,961	12,201
Interest on lease liabilities	3,111	4,026
Total	6,072	16,227

7. Income tax expense

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current – PRC	128,443	109,824
Current – other jurisdictions	1,223	166
Deferred tax	<u>(5,993)</u>	<u>(12,440)</u>
Total tax charge for the year	<u><u>123,673</u></u>	<u><u>97,550</u></u>

8. Earnings per share attributable to ordinary equity holders of the parent

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 397,985,656 (2023: 397,911,329) outstanding during the year.

The Group had no potentially dilutive shares in issue during the years ended 31 December 2024 and 2023.

The calculation of basic earnings per share is based on:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation:	<u><u>781,205</u></u>	<u><u>461,104</u></u>
	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	397,985,656	397,911,329
Basic and diluted earnings per share (RMB)	<u><u>1.96</u></u>	<u><u>1.16</u></u>

9. Dividends

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interim – RMB0.75 (2023: RMB0.20) per ordinary share	298,519	79,592
Proposed final – RMB0.75 (2023: RMB0.75) per ordinary share	<u>298,519</u>	<u>298,468</u>
	<u><u>597,038</u></u>	<u><u>378,060</u></u>

The dividends paid in 2024 and 2023 were RMB511,542,000 and RMB179,081,000, respectively.

The proposed final dividend for the year ended 31 December 2024 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

10. Inventories

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Raw materials	160,253	116,030
Work in progress	21,371	16,664
Finished goods	509,015	378,063
Total	<u>690,639</u>	<u>510,757</u>

11. Trade and bills receivables

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables	439,090	329,453
Bills receivable	905	3,798
Impairment	(14,438)	(12,005)
Trade and bills receivables, net	<u>425,557</u>	<u>321,246</u>

The Group's trading terms with its customers are mainly payment in advance, except for certain major customers, where is normally on credit. The credit period is generally due within 45 to 90 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing. Bills receivable are non-interest-bearing and have a maturity period ranging from 1 to 180 days for the financial years ended 31 December 2023 and 31 December 2024.

As at 31 December 2024 and 2023, the bills receivable with right of recourse of the Group were RMB905,000 and RMB3,798,000, respectively, were paid to certain of its suppliers in order to settle the trade payables due to some suppliers. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such endorsed bills, and accordingly, it continued to recognise the full carrying amounts of the endorsed bills and the associated trade payables settled. The expected credit losses rate for bills receivable is assessed to be immaterial, and thus the loss allowance is immaterial.

An ageing analysis of the Group's trade receivables and bills receivable as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 1 year	419,137	309,517
Over 1 year	6,420	11,729
Total	<u>425,557</u>	<u>321,246</u>

11. Trade and bills receivables (continued)

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
At beginning of year	12,005	34,197
Impairment losses, net	6,803	(17,698)
Amount written off as uncollectible	(4,370)	(4,494)
	<u>14,438</u>	<u>12,005</u>
At end of year	<u><u>14,438</u></u>	<u><u>12,005</u></u>

12. Trade payables

An ageing analysis of trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 1 year	637,926	517,731
Over 1 year	481	882
	<u>638,407</u>	<u>518,613</u>
Total	<u><u>638,407</u></u>	<u><u>518,613</u></u>

The trade payables are non-interest-bearing and are normally settled within 6 months.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the shareholders of the Company (the “**Shareholders**”) as a whole. During the Reporting Period, the Company has adopted corporate governance practices based on the principles and code provisions listed in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of corporate governance practices.

The Board is of the view that during the Reporting Period, the Company has complied with all the applicable provisions as set out in the CG Code, except for Code Provision C.2.1 described below. The Board will continue to review and monitor the code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance.

Code Provision C.2.1 of the CG Code states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lyu Yixiong is both the chairman of the Board and the chief executive officer of the Company. Notwithstanding the deviation from Code Provision C.2.1 of the CG Code, given Mr. Lyu Yixiong’s extensive knowledge and experience of the Group’s business, the Board considers that vesting the roles of both chairman of the Board and chief executive officer of the Company in the same person brings the benefit of ensuring consistent leadership within the Group and enabling more effective and efficient overall strategic planning for the Group. The Board believes that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and efficiently.

The Board will nevertheless continue to review the structure from time to time and consider the appropriate move to take when appropriate.

Compliance with the Model Code

During the Reporting Period, the Company has adopted the Model Code (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors and the supervisors of the Company (the “**Supervisors**”), and the Group’s employees who, because of his/her office or employment, are likely to possess inside information in relation to the Group or the Company’s securities. Specific enquiries have been made to all Directors and Supervisors and the Directors and Supervisors have confirmed that they have complied with the Model Code during the Reporting Period.

No incident of non-compliance of the Model Code by the employees was noted by the Company for the Reporting Period.

Purchase, Sale or Redemption of the Company’s Securities

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares).

Material Litigation

The Company was not involved in any material litigation or arbitration during the Reporting Period. The Directors are also not aware of any material litigation or claims that were pending or threatened against the Group during the Reporting Period.

Use of Proceeds from the Global Offering

The shares of the Company (the “Share(s)”) were listed on the Main Board of the Stock Exchange on the Listing Date with net proceeds received by the Company from the Global Offering in the amount of approximately HK\$859.7 million⁽¹⁾ after deducting underwriting commissions and all related expenses. The following table sets forth the Company’s use of the proceeds from the Listing and the planned timetable as at 31 December 2024.

	Approximate percentage of the total net proceeds	Net proceeds from the Global Offering (HKD' million)	Remaining net proceeds as at 31 December 2023 (HKD' million)	Utilised amount during the reporting period (HKD' million)	Remaining net proceeds as of 31 December 2024 (HKD' million)	Expected time to utilise the remaining net proceeds in full
Branding activities to continue to enhance the brand image and raise brand awareness of our existing brands, as well as to establish the brand images of our new brands	32.0%	275.5	204.1	203.7	0.4	By 31 December 2026
Enhancing our R&D capabilities by strengthening our fundamental research and product development, to maintain the continuous innovation of our brands	12.2%	104.9	76.8	76.8	0.0	Fully utilised
Strengthen our production and supply chain capabilities, mainly involving the renovation of our production facilities, upgrading our automation equipment, and the expansion of production capacities in the Fengxian Plant	19.8%	170.6	158.4	134.6	23.8	By 31 December 2026
Increasing the breadth and depth of our sales networks to enhance the penetration of our products	18.0%	154.5	0.0	0.0	0.0	Fully utilised
Enhancing our digitisation and information infrastructure	8.0%	69.2	63.3	9.1	54.2	By 31 December 2026
Working capital and other general corporate purposes	9.9%	85.1	0.0	0.0	0.0	Fully utilised
Total ⁽²⁾	100%	859.7	502.5	424.2	78.3	

Notes:

- (1) The total proceeds of approximately HK\$859.7 million include approximately HK\$835.1 million from the Global Offering in December 2022 and approximately HK\$24.6 million from the partial exercise of the Over-allotment Option in January 2023 as disclosed in the announcement of the Company dated 16 January 2023.
- (2) Any discrepancies in the above table between the total shown and the sum of the amounts listed are due to rounding.

The expected timeline is based on the best estimation of future market conditions and business operations made by the Company currently, and will be subject to change based on future development of market conditions and actual business needs.

Audit Committee

The audit committee of the Board (the “**Audit Committee**”) comprises three independent non-executive Directors, namely Mr. Leung Ho Sun Wilson, Ms. Luo Yan (羅妍), and Mr. Li Yang. The chairman of the Audit Committee is Mr. Leung Ho Sun Wilson.

The Audit Committee has reviewed the consolidated annual results of the Group for the year ended 31 December 2024 with the management and the auditor of the Company. The Audit Committee considered that the consolidated annual results of the Group for the year ended 31 December 2024 are in compliance with the applicable accounting standards, laws and regulations. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and issues in relation to internal control, risk management and financial reporting with the management of the Company.

Scope of Work of the Auditor

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this annual results announcement have been agreed by the Group’s auditor, Ernst & Young, to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by Ernst & Young on this annual results announcement.

EVENTS AFTER THE REPORTING PERIOD

Saved as disclosed in this annual report, there is no other important event affecting the Group since 31 December 2024 and up to the date of this annual report.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the “**AGM**”) will be on held on Tuesday, 6 May 2025. A notice convening the AGM will be dispatched in the manner required by the Listing Rule in due course.

FINAL DIVIDEND

The Board has resolved to recommend the payment of final dividends of RMB0.75 per share for the year ended 31 December 2024 (2023: RMB0.75 per share). The payment of final dividends above is still subject to the approval from Shareholders at the forthcoming AGM, and will be made on or around Friday, 30 May 2025.

ANNUAL GENERAL MEETING, CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE

The register of members of the Company will be closed from Tuesday, 29 April 2025 to Tuesday, 6 May 2025, both days inclusive, in order to determine the eligibility of Shareholders who are entitled to attend and vote at the AGM to be held on Tuesday, 6 May 2025. Shareholders whose name appear on the register of members of the Company on Tuesday, 6 May 2025 will be entitled to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfer accompanied by relevant share certificates and transfer forms must be lodged with the Company's H share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on Monday, 28 April 2025. The record date for determining the eligibility of Shareholders who are entitled to attend and vote at the AGM is Tuesday, 6 May 2025.

For determining the entitlement to the final dividend, the register of members of the Company will be closed from Monday, 12 May 2025 to Wednesday, 14 May 2025, both days inclusive. Shareholders whose name appear on the register of members of the Company on Wednesday, 14 May 2025 will be entitled to the final dividend. In order to be entitled to the final dividend, all transfer accompanied by relevant share certificates and transfer forms must be lodged with the Company's H share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on Friday, 9 May 2025. The record date for determining the entitlement to the final dividend is Wednesday, 14 May 2025.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chicmaxgroup.com).

The annual report of the Company for the year ended 31 December 2024 containing all the information required by the Listing Rules will be published on the aforementioned websites of the Stock Exchange and the Company in due course.

By order of the Board
Shanghai Chicmax Cosmetic Co., Ltd.
上海上美化妝品股份有限公司

Mr. Lyu Yixiong

Chairman of the Board, Executive Director and Chief Executive Officer

Shanghai, the PRC
20 March 2025

As at the date of this announcement, the Board comprises Mr. Lyu Yixiong, Ms. Luo Yan (羅燕), Mr. Feng Yifeng and Ms. Song Yang as executive Directors; Ms. Li Hanqiong and Mr. Sun Hao as non-executive Directors; Mr. Leung Ho Sun Wilson, Ms. Luo Yan (羅妍) and Mr. Li Yang as independent non-executive Directors.

* *For identification purpose only*