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EEKA Fashion Holdings Limited

贏家時尚控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3709)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

SUMMARY

- Revenue and gross profit of the Group for the year ended 31 December 2024 reached RMB6,588.54 million and RMB5,035.55 million respectively, representing a decrease of 4.68% and 3.26% respectively as compared to the year ended 31 December 2023.
- Profit for the year ended 31 December 2024 was RMB474.09 million as compared to RMB832.63 million for the year ended 31 December 2023, representing a decrease of 43.06% or RMB358.54 million. Net profit margin was 7.20% for the year ended 31 December 2024 (2023: 12.05%).
- Net cash inflow from operating activities was RMB996.24 million for the year ended 31 December 2024 (2023: RMB1,569.21 million).
- Basic earnings per share for the year ended 31 December 2024 was RMB68 cents (2023: RMB124 cents).
- The Board proposed to declare a final dividend of HK38 cents per share for the year ended 31 December 2024 (2023: HK70 cents).

The board (the “Board”) of directors (the “Directors”) of EEKA Fashion Holdings Limited (the “Company”) hereby announces the consolidated financial results of the Company and its subsidiaries (together, the “Group”) for the year ended 31 December 2024 with comparative figures for the corresponding period in 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

		2024	2023
	Notes	RMB'000	RMB'000
REVENUE	6	6,588,536	6,912,301
Cost of sales		<u>(1,552,984)</u>	<u>(1,707,313)</u>
Gross profit		<u>5,035,552</u>	<u>5,204,988</u>
Other income and gains	6	162,960	237,083
Selling and distribution expenses		(3,884,321)	(3,778,110)
Administrative expenses		(678,421)	(608,744)
Impairment losses on financial assets	7	(998)	(4,772)
Other expenses		(16,739)	(7,105)
Finance costs		<u>(55,505)</u>	<u>(48,739)</u>
PROFIT BEFORE TAX	7	562,528	994,601
Income tax expense	8	<u>(88,440)</u>	<u>(161,969)</u>
PROFIT FOR THE YEAR		<u><u>474,088</u></u>	<u><u>832,632</u></u>
Attributable to:			
Owners of the parent		468,504	838,170
Non-controlling interests		<u>5,584</u>	<u>(5,538)</u>
		<u><u>474,088</u></u>	<u><u>832,632</u></u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic			
– For profit for the year		<u><u>RMB68.3 cents</u></u>	<u><u>RMB123.7 cents</u></u>
Diluted			
– For profit for the year		<u><u>RMB68.3 cents</u></u>	<u><u>RMB121.9 cents</u></u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*Year ended 31 December 2024*

	2024 RMB'000	2023 RMB'000
PROFIT FOR THE YEAR	474,088	832,632
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(26,876)</u>	<u>(35,498)</u>
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	<u>(26,876)</u>	<u>(35,498)</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	–	9,889
Income tax effect	<u>–</u>	<u>(1,483)</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>–</u>	<u>8,406</u>
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	<u>(26,876)</u>	<u>(27,092)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>447,212</u>	<u>805,540</u>
Attributable to:		
Owners of the parent	441,628	811,078
Non-controlling interests	<u>5,584</u>	<u>(5,538)</u>
	<u>447,212</u>	<u>805,540</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*31 December 2024*

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		576,071	661,486
Investment properties		79,217	–
Right-of-use assets		829,764	766,589
Goodwill		1,253,540	1,253,540
Other intangible assets		610,623	615,894
Investments in associates		2,100	1,800
Prepayments, other receivables and other assets		33,922	31,501
Financial assets at fair value through profit or loss		45,667	80,655
Deferred tax assets		56,655	68,679
		<hr/>	<hr/>
Total non-current assets		3,487,559	3,480,144
		<hr/>	<hr/>
CURRENT ASSETS			
Inventories		1,572,275	1,152,505
Trade and bills receivables	<i>10</i>	715,210	717,449
Prepayments, other receivables and other assets		191,735	208,688
Financial assets at fair value through profit or loss		519,233	909,633
Time deposits		9,340	120,625
Cash and cash equivalents		363,926	440,756
		<hr/>	<hr/>
Total current assets		3,371,719	3,549,656
		<hr/>	<hr/>
CURRENT LIABILITIES			
Trade and bills payables	<i>11</i>	306,398	411,505
Other payables and accruals	<i>12</i>	388,518	443,947
Interest-bearing bank borrowings		524,068	513,779
Lease liabilities		457,147	470,115
Tax payable		97,725	149,927
		<hr/>	<hr/>
Total current liabilities		1,773,856	1,989,273
		<hr/>	<hr/>
NET CURRENT ASSETS		1,597,863	1,560,383
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,085,422	5,040,527
		<hr/>	<hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*31 December 2024*

	<i>Note</i>	2024 RMB'000	2023 <i>RMB'000</i>
NON-CURRENT LIABILITIES			
Lease liabilities		335,511	282,197
Deferred government grants		77,025	12,671
Deferred tax liabilities		170,833	181,239
Other long-term liabilities		3,000	3,000
		<hr/>	<hr/>
Total non-current liabilities		586,369	479,107
		<hr/>	<hr/>
Net assets		4,499,053	4,561,420
		<hr/>	<hr/>
EQUITY			
Equity attributable to owners of the parent			
Share capital		5,766	5,766
Shares held for share award scheme		(235,685)	(211,914)
Reserves		4,738,875	4,783,055
		<hr/>	<hr/>
		4,508,956	4,576,907
		<hr/>	<hr/>
Non-controlling interests		(9,903)	(15,487)
		<hr/>	<hr/>
Total equity		4,499,053	4,561,420
		<hr/>	<hr/>

1. CORPORATE AND GROUP INFORMATION

EEKA Fashion Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 23 March 2012 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company and its subsidiaries hereinafter are collectively referred to as the “Group”. The Company’s shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on 27 June 2014.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all International Financial Reporting Standards, International Accounting Standards (“IAS”) and Interpretations) issued by the 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.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same year as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the "2020 Amendments")
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i> (the "2022 Amendments")
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The nature and the impact of the revised IFRSs that are described below:

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

4. ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRSs, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ³
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ³
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ²
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
Amendments to IAS 21	<i>Lack of Exchangeability</i> ¹
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ²

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

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

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

⁴ No mandatory effective date yet determined but available for adoption

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

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

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRSs. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRSs. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19. Some of the Company's subsidiaries are considering the application of IFRS 19 in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through

other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- **IFRS 7 *Financial Instruments: Disclosures*:** The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IFRS 9 *Financial Instruments*:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IFRS 10 *Consolidated Financial Statements*:** The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IAS 7 *Statement of Cash Flows*:** The amendments replace the term “cost method” with “at cost” in paragraph 37 of IAS 7 following the prior deletion of the definition of “cost method”. Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

5. OPERATING SEGMENT INFORMATION

Operating segments and the amounts of each segment item reported in the financial statements are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

The Group operates in a single business, which is the retailing and wholesale of ladies-wear in the People's Republic of China. Accordingly, no segmental analysis is presented.

Information about major customers

The Group's customer base is diversified and there was no single external customer from which the revenue amounted to 10% or more of the Group's total revenue during the years ended 31 December 2024 and 2023.

6. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue from contracts with customers	<u>6,588,536</u>	<u>6,912,301</u>

(i) Disaggregated revenue information

For the year ended 31 December 2024

	Total <i>RMB'000</i>
Type of goods	
Sale of apparel and accessories	<u>6,588,536</u>
Geographical market	
Chinese Mainland	<u>6,588,536</u>
Timing of revenue recognition	
Goods transferred at a point in time	<u>6,588,536</u>

For the year ended 31 December 2023

	Total <i>RMB'000</i>
Type of goods	
Sale of apparel and accessories	<u>6,912,301</u>
Geographical market	
Chinese Mainland	<u>6,912,301</u>
Timing of revenue recognition	
Goods transferred at a point in time	<u>6,912,301</u>

The following table shows the amounts of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the 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 reporting period:		
Sales of apparel and accessories	<u>77,028</u>	<u>64,020</u>

(ii) Performance obligations

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

Sale of apparel and accessories

The performance obligation is satisfied upon delivery of the apparel and accessories and payment is generally due within 60 days from delivery, except for third-party retailers, where payment in advance is normally required.

The Group has elected the practical expedient as described in IFRS 15.121(a) for not to disclose the remaining performance obligations for these types of contracts.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Other income and gains		
Bank interest income	4,200	2,740
Subsidy income*	65,753	84,893
Other interest income from financial assets at fair value through profit or loss	33,140	26,183
Rental income	12,543	11,981
Exchange gain, net	25,419	42,906
Fair values gain, net	–	47,964
Others	<u>21,905</u>	<u>20,416</u>
	<u>162,960</u>	<u>237,083</u>

* Subsidy income represents various government grants received from the relevant government authorities to support the development of the Group in Mainland China. In the opinion of management, there are no unfulfilled conditions or contingencies relating to these grants.

7. PROFIT BEFORE TAX

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

	2024 RMB'000	2023 RMB'000
Cost of inventories sold	1,552,984	1,707,313
Depreciation of property, plant and equipment	161,351	132,982
Depreciation of investment property	1,697	–
Depreciation of right-of-use assets	880,366	836,134
Amortisation of other intangible assets	8,420	8,477
Advertising and promotion expenses	262,589	198,418
Research and development costs [^] :		
Current year expenditure	181,581	183,134
Lease payments not included in the measurement of lease liabilities	689,658	728,311
Auditor's remuneration	1,800	1,880
Employee benefit expense (including directors' remuneration and outsourced labor costs):		
Wages and salaries	1,310,775	1,330,705
Pension scheme contributions (defined contribution scheme)**	95,771	83,023
Equity-settled share award expense	99,481	30,711
	<u>1,506,027</u>	<u>1,444,439</u>
Exchange gain, net [#]	(25,419)	(42,906)
Impairment of trade receivables	998	4,772
Write-down of inventories to net realisable value*	5,799	22,256
Fair values loss/(gain), net [#] :		
Financial assets at fair value through profit or loss	<u>15,483</u>	<u>(47,964)</u>

[^] Research and development costs are included in "Administrative expenses" in the consolidated statement of profit or loss.

^{*} Write-down of inventories to net realisable value is included in "Cost of sales" in the consolidated statement of profit or loss.

[#] Exchange gains and fair values gain of financial assets at fair value through profit or loss are included in "Other income and gains" in the consolidated statement of profit or loss. Fair value losses is included in "Other expenses" in the consolidated statement of profit or loss.

^{**} There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

8. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The Company incorporated in the Cayman Islands is exempted from taxation.

Hong Kong profits tax has been provided at the rate of 16.5% (2023:16.5%) on the estimated assessable profits arising in Hong Kong during the year. And no provision for Hong Kong profits tax has been made as the Group had non-taxable profits derived from or earned in Hong Kong during the year of 2024 (2023: Nil).

In accordance with the relevant PRC income tax rules and regulations, the Group's subsidiaries registered in the PRC are subject to Corporate Income Tax ("CIT") at a statutory rate on their respective taxable income for the year ended 31 December 2024.

	2024 RMB'000	2023 <i>RMB'000</i>
Current – Mainland China	92,941	152,796
Deferred	(4,501)	9,173
	<hr/>	<hr/>
Total tax charge for the year	88,440	161,969
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A reconciliation of the income tax expense applicable to profit before tax at the statutory tax rates for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled and operate to the tax expense at the effective tax rates are as follows:

	2024 RMB'000	%	2023 <i>RMB'000</i>	%
Profit before tax	562,528		994,601	
	<hr/>		<hr/>	
Tax at the statutory tax rate	142,232	25.3	227,677	22.9
Entities subject to a lower statutory tax rate*	(40,695)	(7.1)	(62,452)	(6.2)
Super-deduction of research and development costs	(33,565)	(6.0)	(32,178)	(3.2)
Tax losses utilised from previous periods	(8,481)	(1.6)	(6)	(0.1)
Income not subject to tax	(3,110)	(0.6)	(15,185)	(1.5)
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	20,000	3.6	30,000	3.0
Tax losses and temporary difference not recognised	9,824	1.7	12,395	1.2
Expensed not deductible for tax	522	0.1	1,504	0.2
Effect on deferred tax balances at 1 January resulting from a change in tax rate*	2,381	0.4	–	–
Adjustments in respect of current tax of previous periods	(668)	(0.1)	214	–
	<hr/>		<hr/>	
Tax charge at the effective rate	88,440	15.7	161,969	16.3
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* Dongfang Susu Creativity and Design (Shenzhen) Co., Ltd. ("Dongfang Susu") and Jianmo Idea Design Consulting (Shenzhen) Co., Ltd. ("Jianmo") were entitled to a reduced CIT rate of 15% under the preferential tax policy of Shenzhen-Hong Kong Modern Service Industry Cooperation Zone.

Shenzhen Koradior Fashion Co., Ltd. (“Shenzhen Koradior”) obtained an approval from Shenzhen Science and Technology Innovation Committee, Shenzhen Finance Bureau, Shenzhen Tax Service State Administration of Taxation in 2017 to be taxed as a High and New-Technology Enterprise, and the approval was renewed in 2022. Pursuant to the approval, Shenzhen Koradior was entitled to a preferential PRC CIT rate of 15% for a period of three years from December 2022 to December 2025.

Shenzhen Naersi Fashion Co., Ltd. (“Naersi”) obtained an approval from Shenzhen Science and Technology Innovation Committee, Shenzhen Finance Bureau, Shenzhen Tax Service State Administration of Taxation in 2020 to be taxed as a High and New-Technology Enterprise, and the approval was renewed in 2023. Pursuant to the approval, Naersi is entitled to a preferential PRC CIT rate of 15% for a period of three years from October 2023 to October 2026.

Shenzhen Mondial Industrial Co., Ltd. (“Mondial”) obtained an approval from Shenzhen Science and Technology Innovation Committee, Shenzhen Finance Bureau and Shenzhen Tax Service State Administration of Taxation in 2024 to be taxed as a High and New Technology Enterprise. Pursuant to the approval, Mondial is entitled to a preferential PRC CIT rate of 15% for a period of three years from December 2024 to December 2027.

Shenzhen De Kora Technology Development Limited was a certified Software Enterprise by China Software Industry Association, and was entitled to an exemption from PRC CIT for two years commencing from 1 January 2020 to 31 December 2021 and thereafter is entitled to a 50% reduction in PRC corporate income tax for the subsequent three years from 1 January 2022 to 31 December 2024.

9. EARNINGS PER SHARE

The calculation of the basic earnings per share amount for the year ended 31 December 2024 is based on the profit for the year attributable to ordinary equity holders of the parent of RMB468,504,000 (2023: RMB838,170,000), and the weighted average number of ordinary shares outstanding less shares held for the share award schemes of 685,852,612 shares (2023: 677,427,339 shares) outstanding during the year.

The calculation of the diluted earnings per share amounts is based on the profits for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Earnings		
Profit attributable to ordinary equity holders of the parent,		
used in the basic and diluted earnings per share calculations	<u><u>468,504</u></u>	<u><u>838,170</u></u>

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue less shares held for the share award schemes during the year used in the basic earnings per share calculation	<u>685,852,612</u>	<u>677,427,339</u>
Effect of dilution – weighted average number of ordinary shares:		
Awarded Shares	<u>–</u>	<u>10,183,731</u>
	<u>685,852,612</u>	<u>687,611,070</u>

10. TRADE AND BILLS RECEIVABLES

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade and bills receivables	736,280	739,456
Impairment	<u>(21,070)</u>	<u>(22,007)</u>
Total	<u>715,210</u>	<u>717,449</u>

Majority of the trade receivables are related to sales made through the Group's self-operated stores. The Group leased a number of retail stores within department stores and shopping malls in Mainland China. Proceeds from the Group's sales made in these leased retail stores are mainly collected by the department stores and the shopping malls on the Group's behalf. Following the completion of the reconciliation of the sales in the past months with the department stores and shopping malls, the Group then issues invoices, which generally fall within 30 days from the date of revenue recognition. Settlement in respect of these concession sales is made net of the lease rental payable to the department stores and the shopping malls and is generally expected within 60 days from the date of revenue recognition.

An ageing analysis of the trade receivables as at the end of the year, based on the revenue recognition date and net of loss allowance, is as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables:		
Within 1 month	452,002	447,541
1 to 2 months	173,540	189,455
2 to 3 months	53,063	38,835
Over 3 months	<u>36,605</u>	<u>41,618</u>
Total	<u>715,210</u>	<u>717,449</u>

The movement in the loss allowance for impairment of trade receivables is as follows:

	2024 RMB'000	2023 <i>RMB'000</i>
At beginning of year	22,007	17,235
Impairment losses, net	998	4,772
Amount written off as uncollectible	(1,935)	–
	<hr/>	<hr/>
At end of year	21,070	22,007
	<hr/>	<hr/>

As at 31 December 2024, the allowance for credit losses is related to individually impaired receivables amounting to RMB21,070,000 (2023: RMB22,007,000). Management considers that such receivables are not recoverable since the customers are in severe financial liabilities. As a consequence, allowance for expected credit losses of RMB21,070,000 (2023: RMB22,007,000) has been recognised in respect of such receivables.

As at 31 December 2024, trade receivables that were not individually impaired related to a large number of independent customers including owners of department stores and shopping malls in Mainland China with no recent history of material defaults, and the probability of default, and the loss given default was estimated to be minimal.

11. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the year, based on the invoice date, is as follows:

	2024 RMB'000	2023 <i>RMB'000</i>
Trade payables:		
Within 1 month	148,869	172,432
1 to 2 months	29,455	2
Over 2 months	74	71
	<hr/>	<hr/>
	178,398	172,505
Bills payables	128,000	239,000
	<hr/>	<hr/>
	306,398	411,505
	<hr/>	<hr/>

The trade payables are non-interest-bearing and are normally settled on terms of one month.

All bills payable have maturity dates within a year. As at 31 December 2024, bills payable amounting to RMB118,000,000 (2023: RMB138,500,000) were discounted by the bill holders.

12. OTHER PAYABLES AND ACCRUALS

		2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
	<i>Notes</i>		
Contract liabilities	(a)	58,764	77,028
Refund liabilities		7,598	6,038
Tax payables other than current income tax liabilities		110,479	120,679
Salaries and welfare payables		50,663	124,457
Other payables	(b)	160,538	115,280
Dividend payables		476	465
		<u>388,518</u>	<u>443,947</u>

Notes:

(a) Details of contract liabilities are as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<i>Short-term advances received from customers</i>		
Sale of goods	<u>58,764</u>	<u>77,028</u>

(b) Other payables are non-interest-bearing and have an average term within a year.

13. DIVIDENDS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Final dividend	442,711	249,112
Proposed final – HK38 cents (2023: HK70 cents) per ordinary share	<u>238,316</u>	<u>432,137</u>
	<u>681,027</u>	<u>681,249</u>

The proposed final dividend is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

In 2024, China's consumer market remained generally stable. According to data from the National Bureau of Statistics, the total retail sales of consumer goods for the year reached RMB48.8 trillion, setting a new record high with a year-on-year growth of 3.5%. However, due to deep adjustments in the real estate market and other factors, China's economic recovery remained sluggish, with continued weak consumer demand. The monthly year-on-year growth rate of total retail sales of consumer goods ranged between 2.0% and 5.5%, staying within the low single-digit range. Specifically, the retail sales of apparel, footwear, and textiles recorded negative year-on-year growth for seven months, with an annual increase of just 0.3%. The contribution of final consumption expenditure to economic growth stood at 44.5%, marking the lowest level since 2021. In the mid-to-high-end consumption sector, major international luxury groups experienced an overall decline in performance in China. Meanwhile, inflation remained low throughout the year, with the monthly year-on-year change in the national Consumer Price Index (CPI) fluctuating between -0.8% and 0.7%.

Amid economic downward pressure, the Chinese government intensified stimulus efforts throughout the year. Particularly since September, a series of policies, including reserve requirement ratio (RRR) cuts, interest rate reductions, and adjustments to existing mortgage rates, began to take effect, improving business sentiment. The stock market rebounded sharply, and the Manufacturing Purchasing Managers' Index (PMI) returned to the expansion zone in October after remaining below the threshold for five consecutive months. These economic stimulus measures gradually showed results, leading to a 4th quarter GDP growth of 5.4% year-on-year, which was 0.1, 0.7, and 0.8 percentage points higher than the growth rates in the first, second, and third quarters, respectively.

Expanding domestic demand and ensuring stable economic growth remained the top priorities of China's economic policy. The December 2024 meeting of the CPC Central Political Bureau introduced the concept of "extraordinary counter-cyclical adjustments" for the first time. The description of fiscal policy changed from "proactive fiscal policy" in previous years to "more proactive fiscal policy", while the description of monetary policy shifted from "prudent" to "moderately accommodative" – the first time such change was introduced after 2011. Additionally, the meeting explicitly stated the need to "stabilize the real estate and stock markets". The Central Economic Work Conference also prioritized "boosting consumption" as the first of nine key economic tasks for 2025, a ranking only previously seen in 2022, demonstrating the Chinese government's strong emphasis and determination in this area.

In January 2025, the National Development and Reform Commission (NDRC) and the Ministry of Finance issued a notice on "expanding large-scale equipment upgrades and trade-in policies for consumer goods in 2025". For the first time, smartphones, tablets, smartwatches, and smart bands were included in the consumption subsidy program. With further intensified stimulus measures and accelerated policy implementation, consumer demand is expected to be significantly unleashed, and the overall growth rate of the consumer market is expected to rebound notably in the coming year.

In 2024, consumer preferences continued to shift towards rational spending. Consumers increasingly sought “value for money” in basic daily necessities, while also expressing strong demand for emotional satisfaction through consumption. According to Roland Berger’s “2024 Asia Consumer Study”, food, non-alcoholic beverages, and household goods were the top consumer concerns across Asia, while Chinese consumers showed the highest interest in apparel and footwear. Meanwhile, the continued growth and intergenerational transfer of high-net-worth family wealth in China are expected to further expand the mid-to-high-end consumption segment. Combined with China’s steady economic recovery, the domestic mid-to-high-end women’s fashion market still holds significant growth potential.

Challenges and Opportunities in 2025

In 2025, China’s biggest economic challenges will continue to be weak domestic market confidence and insufficient effective demand. Additionally, uncertainties and risks such as U.S. tariff increases on Chinese goods and geopolitical tensions will also pose challenges.

During this period of economic downturn and market volatility, local mid-to-high-end women’s fashion brands – especially leading companies with established advantages – will be better positioned to earn consumer trust, seize market opportunities, and achieve greater growth potential by focusing on consumer-centric strategies, deep product development, refined operations, and value-driven branding.

FINANCIAL REVIEWS

Revenue

The principal activities of the Group are design, retail and wholesale of womenswear in the PRC. The Group’s revenue is generated primarily from (a) retail sales to end customers in its self-operated retail stores; (b) sales on third party e-commerce platforms; (c) wholesales to its distributors, who in turn sell the products to end consumers through the retail stores operated by them; and (d) other sales which were mainly derived from staff sales or direct sales through promotional activities outside the Group’s retail stores. Revenue represents the sales value of goods sold, excluding VAT and other sales taxes, less sales returns and trading discounts. Total revenue decreased from RMB6,912.30 million for the year ended 31 December 2023 to RMB6,588.54 million for the year ended 31 December 2024, representing a decrease of 4.68% or RMB323.76 million. Sales generated by the Group’s self-operated retail stores accounted for about 78.50% and 80.43% of the Group’s total revenue in 2024 and 2023 respectively. The decrease in total revenue is primarily attributable to the drop of product sales across various retail channels as stated above, the vigorous product improvement and optimization of the operations of the Group.

Total revenue from e-commerce increased by 16.57% from RMB968.78 million for the year ended 31 December 2023 to RMB1,129.32 million for the year ended 31 December 2024, primarily due to an increase in sales of the Group’s products through online retail stores, which was driven by an increase in expenditure on advertising and promotion through e-commerce platforms and search engines in the PRC as well as the Group’s effort in focusing on the transformation of consumer’s online consumption and shopping habits and expanding the e-commerce team. With specific focus placed on the Douyin live streaming sales model, the sales achieved via the Douyin channel have grown rapidly.

Total revenue from distributors decreased by 25.17% from RMB383.90 million for the year ended 31 December 2023 to RMB287.27 million for the year ended 31 December 2024.

Cost of sales

Cost of sales decreased from RMB1,707.31 million during the year ended 31 December 2023 to RMB1,552.98 million for the year ended 31 December 2024, representing a decrease of 9.04% or RMB154.33 million, mainly due to decrease in the Group's revenue.

Gross profit and gross margin

Gross profit decreased from RMB5,204.99 million for the year ended 31 December 2023 to RMB5,035.55 million for the year ended 31 December 2024, representing a decrease of 3.26% or RMB169.44 million. The Group's overall gross profit margin slightly increased from 75.30% for 2023 to 76.43% for 2024.

Other income and gains

Other income and gains, comprising mainly government grants, rental income, investment gain, exchange gain and interest income, decreased by 31.26% from RMB237.08 million for the year ended 31 December 2023 to RMB162.96 million for the year ended 31 December 2024. The decrease was mainly attributed to recognition of fair value gain in investment in 2023, and a reduction in foreign exchange gain.

Selling and distribution expenses

Selling and distribution expenses increased by 2.81% from RMB3,778.11 million for the year ended 31 December 2023 to RMB3,884.32 million for the year ended 31 December 2024, primarily due to the increase in store upgrades and advertising marketing promotions expenses.

Administrative expenses

Administrative expenses increased by 11.45% from RMB608.74 million for the year ended 31 December 2023 to RMB678.42 million for the year ended 31 December 2024 primarily due to the increase in share award expense.

Other expenses

Other expenses increased by 135.44% from RMB7.11 million for the year ended 31 December 2023 to RMB16.74 million for the year ended 31 December 2024. The increase is mainly attributed to increase in fair values loss on financial assets at fair value through profit or loss.

Finance costs

Finance costs increased by 13.89% from RMB48.74 million for the year ended 31 December 2023 to RMB55.51 million for the year ended 31 December 2024. It was mainly attributed to the increase in net borrowings.

Income tax expenses

Income tax expenses decreased by 45.40% from RMB161.97 million for the year ended 31 December 2023 to RMB88.44 million for the year ended 31 December 2024. It was mainly attributed to the decrease in operating profit.

Net profit and net profit margin

As a result of the foregoing factors, the net profit attributable to owners of the parent was RMB468.50 million for the year ended 31 December 2024 as compared to RMB838.17 million for the year ended 31 December 2023, representing a decrease of 44.10% or RMB369.67 million. Net profit margins were 7.20% and 12.05% for the years ended 31 December 2024 and 2023 respectively.

Capital structure

The Group requires working capital to support its design and development, retail and other business operations. As at 31 December 2024, the Group's total current assets were RMB3,371.72 million (31 December 2023: RMB3,549.66 million) and total current liabilities were RMB1,773.86 million (31 December 2023: RMB1,989.27 million). The current ratio as at 31 December 2024 was 1.90 (31 December 2023: 1.78).

As at 31 December 2024, the total sum of the Group's interest-bearing bank borrowings amounted to RMB524,068,000 (31 December 2023: RMB513,779,000). The increase in net borrowing was mainly attributed to the Group's production and operation activities and repayment of matured liabilities. The Group's borrowings were denominated in RMB.

Financial position, liquidity and gearing ratio

As at 31 December 2024, the Group's cash and cash equivalents were RMB363.93 million (31 December 2023: RMB440.76 million), denominated as to 96.96% in RMB, 2.31% in Hong Kong dollar, 0.19% in Euro and 0.54% in JPY. The net cash inflow from operating activities generated was RMB996.24 million for the year ended 31 December 2024, down 36.51% from RMB1,569.21 million for the year ended 31 December 2023.

As at 31 December 2024, the gearing ratio (i.e. outstanding bank loans divided by total equity) was 11.65% (31 December 2023: 11.26%).

Exposures to fluctuation in foreign exchange

The Group is exposed to currency risk attributable to receivables, payables and cash balances that are denominated in foreign currencies, i.e. currencies other than the functional currency of relevant subsidiaries. The management actively monitors foreign exchange rate fluctuations to ensure that its net exposure is kept at an acceptable level. The Group mainly operates its business in the PRC with most of the transactions settled by RMB. Hence, the Board considers that the risk exposure to foreign exchange rate fluctuation is not significant and no financial instrument of hedging was employed to hedge against the currency risks.

Contingent liabilities

As at 31 December 2024, the Group had no significant contingent liabilities (31 December 2023: Nil).

Charges on assets

As at 31 December 2024, there were no charges on the assets and undertakings of the Group (31 December 2023: buildings with carrying value of RMB86.01 million were pledged to banks in respect of the banking facilities granted to the Group).

Treasury policies

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on risk management and transactions that are directly related to the underlying business of the Group.

Material acquisition and disposal

The Group had no material acquisition or disposal of any subsidiaries, associates or joint ventures during the year ended 31 December 2024.

Significant investment

As at 31 December 2024, the Group had no significant investment with a value of 5% or more of the Group's total assets.

Equity fund raising

There was no equity fund raising activity by the Company for the year ended 31 December 2024, nor was there any unutilized proceeds brought forward from any issue of equity securities made in previous financial years.

BUSINESS REVIEWS

The Group owns and manages eight brands to meet various dressing needs of its customers including: our own brands – (i) Koradior (ii) La Koradior, (iii) ELSEWHERE and (iv) FUUNNY FEELLN, and acquired brands – (i) CADIDL (ii) NAERSI (iii) NAERSILING and (iv) NEXY.CO.

The Group's dual main brands Koradior and NAERSI with sales revenue of more than RMB3.59 billion for the year ended 31 December 2024 are among the top 10 brands in the industry in China. Sales revenue from ELSEWHERE, La Koradior, NAERSILING, NEXY.CO, CADIDL sales are generally between RMB400–1,100 million, and the Company launched FUUNNY FEELLN in 2019, which aims at a wider population and meets more diverse needs. As a brand cluster enterprise, the Company's group operation is outstanding, and it has built an endogenous and diversified affordable luxury brand matrix.

The Group has always adopted direct sales strategy which has the largest number of self-operated retail stores in the industry, and the broad retail network enables the Group to have stronger bargaining power and significant scale effects. In a competitive market at a time of deepening uncertainty, self-operated channels will play a pivotal role in the steady and sustained growth of the Group's performance. At the same time, the self-operated retail stores layout also allows brands to fully contact customers, understand the market, meet the demand, and deal with uncertain risks.

1. EEKA Brands

Revenue analysis by brands

Brand	2024		2023		Increase/(decrease)	
	RMB'000	%	RMB'000	%	RMB'000	%
Koradior	2,156,066	32.73%	2,387,053	34.54%	(230,987)	(9.68)%
La Koradior	508,909	7.72%	461,676	6.68%	47,233	10.23%
ELSEWHERE	477,982	7.25%	531,576	7.69%	(53,594)	(10.08)%
CADIDL (note 1)	397,552	6.03%	430,272	6.22%	(32,720)	(7.60)%
FUUNNY FEELN	165,849	2.52%	135,685	1.96%	30,164	22.23%
NAERSI (note 2)	1,437,027	21.81%	1,464,413	21.19%	(27,386)	(1.87)%
NAERSILING (note 2)	433,340	6.58%	497,790	7.20%	(64,450)	(12.95)%
NEXY.CO (note 2)	1,011,811	15.36%	1,003,836	14.52%	7,975	0.79%
Total	<u>6,588,536</u>	<u>100%</u>	<u>6,912,301</u>	<u>100%</u>	<u>(323,765)</u>	<u>(4.68)%</u>

Note 1: The Group acquired 65% and 35% of the equity interest of Mondial on 13 July 2016 and 10 November 2021 respectively which has a self owned brand “CADIDL”. Mondial is an insignificant subsidiary of the Company within the meaning of the Rules (the “Listing Rules”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Note 2: The Group acquired 100% of the equity interest of Keen Reach which has self-owned brands “NAERSI”, “NEXY.CO” and “NAERSILING” on 3 July 2019.

Gross Profit and Gross Profit Margin analysis by brands

Brand	2024		2023		Increase in Gross Profit Margin (% point)
	Gross Profit		Gross Profit		
	Gross Profit	Margin	Gross Profit	Margin	
	(RMB'000)	(%)	(RMB'000)	(%)	
Koradior	1,658,375	76.92%	1,834,412	76.85%	0.07
La Koradior	414,564	81.46%	375,145	81.26%	0.20
ELSEWHERE	343,918	71.95%	381,108	71.69%	0.26
CADIDL (note 1)	294,979	74.20%	299,283	69.56%	4.64
FUUNNY FEELN	107,856	65.03%	87,707	64.64%	0.39
NAERSI (note 2)	1,097,594	76.38%	1,087,567	74.27%	2.11
NAERSILING (note 2)	339,825	78.42%	376,110	75.56%	2.86
NEXY.CO (note 2)	778,441	76.94%	763,656	76.07%	0.87
Total	5,035,552	76.43%	5,204,988	75.30%	1.13

Note 1: The Group acquired 65% and 35% of the equity interest of Mondial on 13 July 2016 and 10 November 2021 respectively which has a self owned brand “CADIDL”. Mondial is an insignificant subsidiary of the Company within the meaning of the Listing Rules.

Note 2: The Group acquired 100% of the equity interest of Keen Reach which has self-owned brands “NAERSI”, “NEXY.CO” and “NAERSILING” on 3 July 2019.

Revenue analysis by sales channels

Sales channel	2024		2023		Increase/(decrease)	
	RMB'000	%	RMB'000	%	RMB'000	%
Self-operated retail stores	5,171,947	78.50%	5,559,614	80.43%	(387,667)	(6.97)%
Wholesales to distributors	287,266	4.36%	383,903	5.55%	(96,637)	(25.17)%
E-commerce	1,129,323	17.14%	968,784	14.02%	160,539	16.57%
Total	<u>6,588,536</u>	<u>100%</u>	<u>6,912,301</u>	<u>100%</u>	<u>(323,765)</u>	<u>(4.68)%</u>

Gross Profit and Gross Profit Margin analysis by sales channels

Sales channel	2024		2023		Increase in Gross Profit Margin
	Gross Profit (RMB'000)	Gross Profit Margin (%)	Gross Profit (RMB'000)	Gross Profit Margin (%)	
Self-operated retail stores	4,149,340	80.23%	4,383,968	78.85%	1.38
Wholesales to distributors	204,203	71.08%	271,644	70.76%	0.32
E-commerce	682,009	60.39%	549,376	56.71%	3.68
Total	<u>5,035,552</u>	<u>76.43%</u>	<u>5,204,988</u>	<u>75.30%</u>	<u>1.13</u>

Revenue of retail stores analysis

The Group has always placed a strong focus on establishing self-operated retail stores. For the year ended 31 December 2024, 1,444 self-operated retail stores (Koradior: 485, La Koradior: 46, ELSEWHERE: 119, CADIDL: 125, FUUNNY FEELN: 35, NAERSI: 350, NEXY.CO: 201 and NAERSILING: 83) generated revenue of RMB5,171.95 million in aggregate, representing a decrease of 6.97% as compared to the year ended 31 December 2023 under our brands. The decrease in direct revenue is mainly attributed to the existing stores sales drop.

As at 31 December 2024, there were 395 retail stores operated by distributors under eight brands (Koradior: 191, La Koradior 1, ELSEWHERE: 28, CADIDL: 19, FUUNNY FEELN: 34, NAERSI: 86, NEXY.CO: 34 and NAERSILING: 2) and the revenue of retail stores operated by distributors amounted to RMB287.27 million, representing a decrease of 25.17% as compared to the year ended 31 December 2023 due to low market confidence and insufficient consumer demand.

Revenue of e-commerce analysis

The Group makes use of third-party e-commerce platforms and own e-commerce platform as one of its sales channels. E-commerce revenues for the year of 2024 amounted to RMB1,129.32 million, representing an increase of 16.57% or RMB160.54 million as compared to the year ended 31 December 2023. The total e-commerce revenue from Tmall increased by 1.19% from RMB244.62 million for the year ended 31 December 2023 to RMB247.54 million (representing 21.92% of the total e-commerce revenue) for the year ended 31 December 2024. The total e-commerce revenue from VIP.com increased by 11.56% from RMB440.40 million for the year ended 31 December 2023 to RMB491.31 million (representing 43.50% of the total e-commerce revenue) for the year ended 31 December 2024. The total e-commerce revenue from EEKA Fashion Mall increased by 37.41% from RMB71.21 million for the year ended 31 December 2023 to RMB97.85 million (representing 8.66% of the total e-commerce revenue) for the year ended 31 December 2024. The total e-commerce revenue from Douyin increased by 8.90% from RMB187.32 million for the year ended 31 December 2023 to RMB204.00 million (representing 18.06% of the total e-commerce revenue) for the year ended 31 December 2024. The total e-commerce revenue from WeChat Video Channel increased by 519.60% from RMB10.00 million for the year ended 31 December 2023 to RMB61.96 million (representing 5.49% of the total e-commerce revenue) for the year ended 31 December 2024. The other e-commerce revenues amounted to RMB26.66 million (representing 2.37% of the total e-commerce revenue) for the year ended 31 December 2024.

Revenue of retail stores analysis by geographical regions (Excluding e-commerce)

The following table sets out the breakdown of the Group's revenue generated from its self-operated retail stores and wholesales to distributors by geographical regions for the years ended 31 December 2024 and 2023, respectively:

Region	Year ended 31 December			
	2024		2023	
	<i>RMB million</i>	<i>%</i>	<i>RMB million</i>	<i>%</i>
Central PRC ¹	538.20	9.86%	593.17	9.98%
Eastern PRC ²	1,772.12	32.46%	1,943.67	32.70%
North Eastern PRC ³	361.05	6.61%	371.42	6.25%
North Western PRC ⁴	422.41	7.74%	514.57	8.66%
Northern PRC ⁵	694.64	12.72%	714.67	12.02%
South Western PRC ⁶	958.05	17.55%	1,050.69	17.68%
Southern PRC ⁷	712.74	13.06%	755.33	12.71%
Total	<u>5,459.21</u>	<u>100%</u>	<u>5,943.52</u>	<u>100%</u>

Notes:

- 1 Central PRC includes Henan, Hubei and Hunan.
- 2 Eastern PRC includes Shandong, Jiangsu, Zhejiang, Anhui, Shanghai, Jiangxi and Fujian.
- 3 North Eastern PRC includes Jilin, Heilongjiang and Liaoning.
- 4 North Western PRC includes Shaanxi, Ningxia, Qinghai, Gansu and Xinjiang.
- 5 Northern PRC includes Tianjin, Beijing, Inner Mongolia, Hebei and Shanxi.
- 6 South Western PRC includes Guizhou, Chongqing, Yunnan, Tibet and Sichuan.
- 7 Southern PRC includes Guangxi, Hainan and Guangdong.

During the year ended 31 December 2024, the revenue of retail stores generated from Eastern PRC and South Western PRC contributed to more than half of the total revenue of self-operated retail stores and wholesales to distributors.

Breakdown of retail stores by geographical regions

During 2024, the Group opened 197 new retail stores (of which 117 are self-operated) and closed 322 retail stores (of which 198 are self-operated), representing a net decrease of 125 retail stores. The following table sets out the number of retail stores in the Group's sales network by geographical regions in the PRC as at 31 December 2024, including both self-operated retail stores and retail stores operated by distributors:

Region	Number of retail stores			As at 31 December 2024
	As at 1 January 2024	Opened during the year	Closed during the year	
Central PRC ¹	204	14	(32)	186
Eastern PRC ²	626	66	(124)	568
North Eastern PRC ³	135	29	(21)	143
North Western PRC ⁴	218	21	(45)	194
Northern PRC ⁵	244	23	(38)	229
South Western PRC ⁶	315	19	(25)	309
Southern PRC ⁷	222	25	(37)	210
Total	1,964	197	(322)	1,839

Notes:

- 1 Central PRC includes Henan, Hubei and Hunan.
- 2 Eastern PRC includes Shandong, Jiangsu, Zhejiang, Anhui, Shanghai, Jiangxi and Fujian.
- 3 North Eastern PRC includes Jilin, Heilongjiang and Liaoning.
- 4 North Western PRC includes Shaanxi, Ningxia, Qinghai, Gansu and Xinjiang.
- 5 Northern PRC includes Tianjin, Beijing, Inner Mongolia, Hebei and Shanxi.
- 6 South Western PRC includes Guizhou, Chongqing, Yunnan, Tibet and Sichuan.
- 7 Southern PRC includes Guangxi, Hainan and Guangdong.

As at 31 December 2024, there were 1,839 retail stores, covering 31 cities of provinces, autonomous regions, municipalities of which 1,444 were operated by the Group, 395 were operated by the Group's distributors. Out of the 1,444 self-operated retail stores, there were 902 retail stores in department stores, 215 retail stores in shopping malls, 271 retail stores in outlets, 40 retail stores on street levels and 16 retail stores in airports.

2. Design, research and development

The Group understands the need and preference of the customers, through the establishment of the bottom consumer database with comprehensive analysis and modeling to guide the development of evaluation and return orders. Big data and omni-channel provide comprehensive support on the design end. In the early stage of design, information of each brand and member is shared through omni-channels, design research and development directions are compiled based on data after accurate figures; after entering the market, the direction is adjusted based on omni-channel feedback. With a focus on the analysis of products with a small but high production and sales in the early stage, scientific return, as a subordinate potential product, cultivates it into a future best-selling product.

The total number of SKC^(note) reached 5,894 in 2024, representing a decrease of 7.40% from a total of 6,365 SKC in 2023 mainly due to the upgrade of the Company's excellent product system, increased investment in research and development in the creation of main sales models, and the product development of the main line and sub-line brands has been merged. As such, customers can obtain better product experience. The Group's research and design team members slightly increased to 569 as at 31 December 2024 from 562 as at 31 December 2023.

The Group engages well-known designers from both overseas and locally in China as the brand creative directors for "Koradior", "La Koradior", "ELSEWHERE", "FUUNNY FEELN", "NAERSI", "NEXY.CO", "NAERSILING" and "CADIDL". Research and development expenses were RMB181.58 million, representing 2.76% of the Group's total revenue for the year ended 31 December 2024, as compared to RMB183.13 million, representing 2.65% of the Group's total revenue for the year ended 31 December 2023. The research and development of products not only earned customer's satisfaction but were also highly recognized by government departments. During the year, the Group released over 300 series of creative design including Koradior "Kora Rose Wonderland (玫瑰之境)", La Koradior "Butterfly in the Orchid (蝶入蘭間)", ELSEWHERE "Poetic Picture Scroll (詩逸畫春)", FUUNNY FEELN "Highlight Attitude (高光態度)", NAERSI "Elegance meets with Blue Sail (雅遇帆藍)", NEXY.CO "Mulan Vision (木蘭視界)", NAERSILING "TULIP Miracle Garden (TULIP 奇跡花園)" and CADIDL "Classic of Wisdom and Elegance (智雅經典)" series.

Note: Stock keeping color (SKC) refers to when a batch of products in addition to the size of the same style, then different colors will be attributed to different stock keeping color (SKC).

3. Marketing and promotion

The Group continues to improve its brands influence, including through airport advertising which is one of the most effective ways to promote brands. The Group has placed advertisements at Shenzhen Bao'an International Airport and Shanghai Hongqiao International Airport presently. The Group also placed advertisements in selected top nationwide circulated fashion/lifestyle magazines and publications, such as "Madame Figaro", "ELLE", "ELLE Arabic", "VOGUE", "Harper's BAZAAR", "T Magazine China", "WONDERLAND", "OK!Magazine", etc. The influence of the Company's brands has continuously improved. The Group engages spokesperson for brands including Lily Collins for Koradior, Yolanda, Yuan Quan for NEXY.CO and Gina, Jin Chen for FUUNNY FEELN, and brand ambassador Karena, Lam Ka Yan for ELSEWHERE. To promote the diversification of online marketing channels, the Group uses short videos, WeChat mini programs, WeChat circle of friend advertising, WeChat service account article promotion, e-commerce live broadcast and other online marketing methods to reach customers and promote marketing. In addition, the Group has continued to make marketing investment on Douyin platform in 2024. For the year ended 31 December 2024, the brand and marketing promotion expenses (excluding sales promotion expenses) were RMB262.59 million which accounted for 3.99% of the Group's total revenue, representing an increase of RMB64.17 million or 32.34% as compared to RMB198.42 million in 2023 primarily due to the increase in promotion expenses for new spokesperson and existing brands.

4. Human resources

As at 31 December 2024, the Group had a total of 10,313 employees in Mainland China and Hong Kong. The following table sets forth a breakdown of the Group's employees' allocation by departments as at 31 December 2024 and 31 December 2023 respectively:

	2024	2023
	<i>Number of employees</i>	<i>Number of employees</i>
Management, administration and finance	258	259
Product design and research and development	569	562
Sales and marketing (including dispatched labor employee in 2024: 6,032)	9,115	9,140
Procurement, logistics and quality control	371	374
Total	10,313	10,335

The Group has implemented various programs for staff training and development, focusing on the training of sales and marketing skills. The Group provides competitive salary and welfare package for its staff. For the year ended 31 December 2024, the total salary and welfare expenses were RMB1,406.55 million, representing 21.35% of the Group's total revenue and a decrease of RMB7.18 million or 0.51% as compared to RMB1,413.73 million, representing 20.45% of the Group's total revenue for the year ended 31 December 2023.

The Company has two share award schemes, adopted in December 2019 and April 2024 respectively, in place for selected participants as incentive and reward for their contribution to the Group. A mandatory provident fund scheme and local retirement benefit schemes are also in effect. The Group encourages employees to seek training to strengthen their work skills and for personal development. The Group also provides workshops for staffs at different levels to enhance their knowledge of work safety and to build team spirit. Staffs are rewarded based on performance of the Group as well as on individual performance and contribution.

5. Outlook

In terms of the external environment, China's economy remained stable with progress in 2024. Looking ahead to 2025, under the "extraordinary counter-cyclical adjustments" of a more proactive fiscal policy and a moderately loose monetary policy, the real estate market is expected to bottom out and stabilize, consumer confidence will significantly recover, and the retail market will continue to grow steadily in both volume and quality.

In terms of internal operation, in 2025, the Group will continue to be guided by its vision of "becoming a globally renowned Chinese affordable luxury brand management group" and driven by its mission to "combining the fashion aesthetics, savoring the exquisite life." It will adhere to the development strategy of "multi-brand, omni-channel, platform-based, and integrated upstream and downstream operations," with a strong focus on reinforcing the dual drivers of product and brand development.

(1) Increasingly Clear Differentiation Strategy in the Brand Matrix, Driving Multi-Brand Synergy and Growth

In 2024, the Group conducted in-depth research and adjustments on the style positioning, product strategy, and market strategy of its eight brands, leading to a clearer roadmap for differentiated brand development. While maintaining their existing styles and core scenarios, each brand will further refine its positioning in 2025: Koradior will extend into the "elegant social" scene, NEXY.CO will be supported in becoming a leading player in China's affordable luxury women's fashion market, La Koradior will gradually expand its business to include jewelry and accessories, CADIDL will extend into the "business travel" scenario, and FUUNNY FEEELLN will maintain its core focus on "casual commuting" while gradually incorporating elements of "outdoor/sportswear."

At the same time, the Group will implement a differentiated pricing strategy and continue to expand its price range. By enriching brand styling scenarios and broadening price segments, the Company aims to attract a wider customer base and further increase market share.

In 2025, the Group's capability for multi-brand coordinated development will be further enhanced. The synergy among brands will generate a multiplier effect, leading to even more significant growth.

(2) *Commitment to Long-Term Brand Development, Strengthening Brand Value System*

Building strong brand influence is neither an overnight achievement nor a one-time effort. We are committed to long-term investment in brand development, continuously solidifying our brand value system and enriching our brand DNA assets. In 2025, we will establish a more scientific and efficient integrated brand marketing system, enhancing synergy across product development, brand promotion, and terminal marketing. First, brand promotion will be closely linked to category-specific product development, ensuring that “product” elements remain a focal point in brand campaigns while highlighting core brand categories. Second, across online and offline multi-channel platforms – through brand endorsements, IP collaborations, advertisements, editorial placements, fashion shows, and retail store imagery – we will consistently deliver a unified brand image and story to customers. Third, the Group’s planning and strategy department will lead the establishment of specialized resource libraries for creative planning, digital art, animated illustrations, and graphic design, further empowering brand promotion efforts.

In 2025, for offline promotions, we will launch a specialized campaign to enhance the nationwide flagship store matrix within key commercial systems, such as the MixC (萬象城) network. At the same time, we will continue implementing our regular fashion show strategy: Koradior will host its 2025 Autumn/Winter fashion show, NAERSI will participate in the Beijing International Film Festival and celebrate its 30th anniversary show, La Koradior will take the stage at the Sino-French International Fashion Week in Paris, and NEXY.CO will also appear at Milan Fashion Week.

For online promotions, we will strengthen our marketing efforts on Xiaohongshu (小紅書), focusing on deepening Koradior’s collaboration with the platform. By leveraging Xiaohongshu’s content-driven engagement and influencer marketing, we aim to drive traffic and enhance brand storytelling, effectively reinforcing brand value.

(3) *Strengthening the Excellence Product System and Enhancing the “Value-for-Price” Advantage*

The Group has always prioritized creating high-quality products as a core focus. Since introducing the Excellence Product System in 2021, we have adopted a more scientific approach to product development, optimized product structures, and continuously enhanced our ability to create outstanding products.

In 2025, we will further strengthen our Excellence Product System by enhancing consumer research capabilities to gain deeper insights into customer lifestyles and fashion preferences, optimizing the “Golden Triangle” product system to refine brand product structures and boost market competitiveness, deepening category-specific R&D to establish leadership in niche markets, and advancing the matrix organizational structure of brand business units to improve synergy and efficiency in product development. Simultaneously, to enhance our value-for-price advantage, we will continue upgrading product materials, increasing the use of premium fabrics, and refining craftsmanship and production techniques to elevate product quality, sophistication, and design. These initiatives will ensure that our products meet evolving consumer expectations while reinforcing the Group’s position as a leader in high-quality fashion.

(4) *Enhancing Offline Channel Efficiency and Strengthening Differentiated Online Expansion*

In 2024, the Group actively implemented the “Store Optimization and Efficiency Improvement” strategy, reducing the total number of directly operated stores while increasing the average store size. Moving into 2025, we will continue this approach with a strong commitment to the “Opening Larger, High-Quality Stores” strategy. Our store expansion will focus on enhancing store quality and maximizing sales efficiency per square meter, ensuring that both directly operated and franchise channels align with our long-term growth objectives. We will continue to focus on high-tier markets, establishing flagship stores in prime locations of top-tier cities to reinforce our premium brand image while implementing a single-brand, single-region market penetration strategy. Additionally, we will develop high-performing benchmark stores with larger footprints and higher sales output, leveraging their momentum to expand into lower-tier markets. While maintaining our competitive edge in mid-to-high-end department stores, we will strategically expand our presence in shopping malls and optimize our outlet channel strategy. Furthermore, we will drive stable growth in the franchise business, fostering long-term partnerships with top regional distributors to increase market share and strengthen our distribution network.

In 2025, the Group will continue implementing a differentiated strategy across public and private domain e-commerce channels. Tmall and JD.com will focus on quality enhancement, leveraging a dual-store model (flagship and full-price stores) to serve diverse customer segments while steadily growing market share. The Douyin (TikTok China) channel will expand under a “full-price + discount” store matrix, optimizing live-stream marketing to enhance platform penetration, while VIP.com will remain dedicated to inventory clearance. At the same time, we will refine private domain operations, strengthening traffic acquisition, retention, and conversion strategies to boost engagement and loyalty. Additionally, we will explore emerging e-commerce channels, such as WeChat Video Channel and cross-border platforms like Shopee and Lazada, to expand our international presence and enhance brand visibility globally.

(5) Uphold the “Quality First” Strategy, Advancing the Vertical Specialization and Precision Optimization of the Supply Chain

Following three years of consolidation, our core fabric suppliers have been effectively streamlined, achieving stability in supplier numbers. Moving forward, we will strengthen partnerships with key suppliers in core categories to enhance efficiency and precision in resource allocation. In upstream development and procurement, we will reinforce centralized management of raw materials and implement full lifecycle risk control. Additionally, we will deepen engagement with upstream raw material sources, focusing on material upgrades, traceability, and technological advancements to enhance quality while supporting brand storytelling.

In terms of production, we will persist with a category-focused, centralized, and specialized approach, prioritizing OEM partnerships while driving the transition from ODM (Original Design Manufacturing) to FOB (Free on Board) to ensure greater control over raw materials and supply chain stability. In logistics and warehousing, we will implement professionalized and centralized management, establishing integrated logistics networks in key metropolitan clusters and launching Regional Distribution Centers (RDCs) to reduce inefficiencies and optimize warehouse structures, ultimately lowering costs and improving operational efficiency. Additionally, we will enhance merchandise operations, further developing an omni-channel inventory-sharing mechanism, strengthening product allocation, and ensuring faster circulation to continuously improve overall operational efficiency.

RISK MANAGEMENT

The Group is devoted to establishing risk management systems that it considers appropriate to manage risks in its business operations, and the Group is dedicated to monitoring these systems for effectiveness and modifying them as necessary as business grows to maintain effectiveness.

ENVIRONMENTAL AND SAFETY MEASURES

The Group is subject to the PRC environmental laws and regulations, which include the environmental protection law of the PRC, law of the PRC on the prevention and control of water pollution, law of the PRC on the prevention and control of atmospheric pollution, law of the PRC on the prevention and control of pollution from environmental noise and law of the PRC on the prevention and control of environmental pollution by solid waste. These laws and regulations govern a broad range of environmental matters, including air pollution, noise emissions and water and waste discharge.

The Group does not own or operate any manufacturing facilities. The Group believes (i) its internal guidelines and policies are adequate to comply with all applicable PRC environmental laws and regulations and (ii) its annual cost of compliance with applicable rules and regulations during the period under review and the cost of compliance going forward is expected to be immaterial. The Group’s business operation only discharges domestic wastewater and generates garbage as it outsources all of its production to its OEM contractors.

DIVIDENDS

The Board proposed to declare a final dividend of HK38 cents per share for the year ended 31 December 2024 out of the share premium account of the Company (2023: final dividend HK70 cents) to those shareholders whose names appeared on the register of members of the Company as at the close of business on 17 June 2025. Subject to the approval of shareholders of the Company at the forthcoming annual general meeting (“AGM”), the final dividend will be paid in cash on or before 30 June 2025. The Board is satisfied that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately after the date on which the final dividend is paid.

CLOSURE OF THE REGISTER OF MEMBERS

To determine the eligibility of the shareholders of the Company to attend the AGM, the register of members will be closed from Tuesday, 3 June 2025 to Friday, 6 June 2025, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office 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 Monday, 2 June 2025.

To determine the eligibility of the shareholders of the Company to receive the proposed final dividend, the register of members will be closed from Friday, 13 June 2025 to Tuesday, 17 June 2025, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to receive the proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office 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 Thursday, 12 June 2025.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance practices and the implementation of effective corporate governance commitments. The Company has adopted and met the relevant code provisions set out in the Corporate Governance Code (the “CG Code”) based on the principles set out in Part 2 of Appendix C1 to the Listing Rules during the year ended 31 December 2024 except for code provision C.2.1 of the CG Code which requires that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. Mr. Jin Ming currently performs these two roles in the Company. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired considering the background and experience of the Directors and the number of independent non-executive Directors on the Board and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company as and when appropriate and suitable by taking into account the circumstances of the Group as a whole.

In order to comply with the new diversity requirement under the CG Code effective on 1 July 2025, Ms. He Hongmei, an executive Director, and Mr. Zhong Ming, an independent non-executive Director, have been appointed as members of the Nomination Committee of the Company with effect from 25 March 2025.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors, the Company has confirmed with all Directors that they have complied with the required standard set out in the Model Code and its code of conduct regarding any Director’s securities transactions during the year ended 31 December 2024.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Pursuant to the rules of the share award scheme adopted in April 2024, the Company instructed the trustee to purchase from the market a total of about 15.7 million shares for awards to the relevant grantees during the year ended 31 December 2024. The total costs (excluding related transaction costs) involved was about HK\$143.37 million. Save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities (including the sale of treasury shares) during the year ended 31 December 2024. As at 31 December 2024, there were no treasury shares (as defined under the Listing Rules) held by the Company.

AUDIT COMMITTEE

The Company set up an audit committee (the “Audit Committee”) on 6 June 2014 for the purpose of reviewing and providing supervision on the financial reporting process, internal control system and risk management of the Group.

The Audit Committee comprises the three independent non-executive Directors with Mr. Zhang Guodong acting as chairman.

The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2024. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Group with external auditor.

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, the consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Company’s auditors to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by the Company’s auditors in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company’s auditors on the preliminary announcement.

By order of the Board
EEKA Fashion Holdings Limited
JIN MING
Chairman

Hong Kong, 25 March 2025

As at the date of this announcement, the Board comprises Mr. Jin Ming, Ms. He Hongmei and Mr. Jin Rui as executive Directors; and Mr. Zhong Ming, Mr. Zhou Xiaoyu and Mr. Zhang Guodong as independent non-executive Directors.