Tristate Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 458)

ANNOUNCEMENT OF 2024 ANNUAL RESULTS

FINANCIAL SUMMARY OF 2024 ANNUAL RESULTS

- Revenue of HK$4,184 million
- Profit attributable to equity shareholders of HK$156 million
- Earnings per share of HK$0.57
- Final dividend of HK$0.17 per share

RESULTS

The board of directors (the "**Board**") of Tristate Holdings Limited (the "**Company**") is pleased to present the consolidated results of the Company and its subsidiaries (together, the "**Group**") for the year ended 31 December 2024 together with comparative figures for 2023.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	Note	**2024** ***HK$'000***	2023 *HK$'000*
Revenue	3	**4,183,746**	4,215,667
Cost of sales		**(2,468,378)**	(2,432,652)
Gross profit		**1,715,368**	1,783,015
Other net gain/(loss)	4	**12,429**	(48,931)
Selling and distribution expenses		**(824,052)**	(862,206)
General and administrative expenses		**(599,150)**	(563,676)
Profit from operations	5	**304,595**	308,202
Finance income	6	**3,853**	3,516
Finance costs	6	**(61,792)**	(64,301)
Profit before taxation		**246,656**	247,417
Income tax charge	7	**(83,717)**	(67,244)
Profit for the year		**162,939**	180,173
Attributable to:			
Equity shareholders of the Company		**156,015**	171,232
Non-controlling interests		**6,924**	8,941
Profit for the year		**162,939**	180,173
Earnings per share attributable to equity shareholders of the Company:			
Basic	9	**HK$0.57**	HK$0.63
Diluted	9	**HK$0.57**	HK$0.63

Details of dividends payable to equity shareholders of the Company are set out in Note 8.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024	2023
	HK$'000	*HK$'000*
Profit for the year	**162,939**	180,173
Other comprehensive income, net of nil tax unless specified:		
Items that may be reclassified subsequently to profit or loss		
Fair value changes on cash flow hedges:		
– Losses arising during the year	**(4,134)**	(10,216)
– Transferred to and included in the following line items in the consolidated statement of profit or loss:		
– Cost of sales	**1,417**	5,076
– General and administrative expenses	**2,307**	2,894
Realisation of exchange reserve upon liquidation and disposal of subsidiaries	**–**	(766)
Exchange difference on translation of financial statements of subsidiaries outside Hong Kong	**(37,568)**	11,357
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans and long service payment liabilities	**(4,801)**	(4,106)
Income tax effect	**176**	138
Other comprehensive income for the year	**(42,603)**	4,377
Total comprehensive income for the year	**120,336**	184,550
Attributable to:		
Equity shareholders of the Company	**113,412**	175,609
Non-controlling interests	**6,924**	8,941
Total comprehensive income for the year	**120,336**	184,550

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Note	At 31 December 2024 HK$'000	At 31 December 2023 HK$'000
Non-current assets			
Property, plant and equipment		**561,822**	587,387
Intangible assets		**575,458**	630,925
Other long-term assets		**16,908**	27,083
Deferred tax assets		**19,844**	16,998
Defined benefit plan assets		**11,439**	10,561
Financial assets measured at fair value through profit or loss		**6,033**	–
Interest in an associate		**–**	–
		1,191,504	1,272,954
Current assets			
Inventories	10	**781,202**	741,108
Accounts receivable and bills receivable	11	**453,045**	568,955
Forward foreign exchange contracts		**–**	266
Prepayments and other receivables		**83,653**	69,326
Current tax recoverable		**300**	1,414
Cash and bank balances		**466,554**	462,655
		1,784,754	1,843,724
Current liabilities			
Accounts payable and bills payable	12	**329,012**	444,483
Accruals and other payables and contract liabilities		**485,731**	483,790
Lease liabilities		**108,418**	101,603
Forward foreign exchange contracts		**576**	432
Current tax liabilities		**53,243**	44,063
Bank borrowings		**–**	32,752
		976,980	1,107,123
Net current assets		**807,774**	736,601
Total assets less current liabilities		**1,999,278**	2,009,555
Non-current liabilities			
Retirement benefits and other post retirement obligations		**30,921**	25,910
Licence fees payable		**545,328**	592,408
Lease liabilities		**124,474**	145,196
Deferred tax liabilities		**42,632**	40,983
		743,355	804,497
Net assets		**1,255,923**	1,205,058
Capital and reserves			
Share capital		**27,260**	27,161
Reserves		**1,200,191**	1,153,040
Total equity attributable to equity shareholders of the Company		**1,227,451**	1,180,201
Non-controlling interests		**28,472**	24,857
Total equity		**1,255,923**	1,205,058

1. Statement of Compliance and Basis of Preparation of the Financial Statements

The consolidated results set out in this announcement do not constitute the Group's annual consolidated financial statements for the year ended 31 December 2024 but are extracted from those financial statements.

The basis of preparation and material accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The consolidated financial statements comprise the Group and the Group's interest in an associate.

The measurement basis used in the preparation of these consolidated financial statements is the historical cost basis except that the derivative financial instruments (financial assets measured at fair value through profit or loss and forward foreign exchange contracts) and accounts receivable to be sold at fair value through other comprehensive income (recycling) which are stated at their fair values.

The preparation of the consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2. Changes in Accounting Policies

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current ("**2020 amendments**")* and amendments to HKAS 1, *Presentation of financial statements – Non-current liabilities with covenants ("**2022 amendments**")*

- Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*

- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

2. Changes in Accounting Policies (Continued)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amendments to HKFRSs are discussed below:

(i) Amendments to HKAS 1, *Presentation of financial statements (the 2020 amendments and 2022 amendments, collectively the "HKAS 1 amendments")*

The HKAS 1 amendments impact the classification of a liability as current or non-current, and have been applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments and that conversion option is accounted for separately from the liability as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions.

The HKAS 1 amendments have no effect on the Group's financial statements.

(ii) Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments have no impact on these financial statements as the Group applied the same accounting treatment for its sale and leaseback transactions.

(iii) Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The Group does not have any supplier finance arrangements that provide the Group with extended payment terms or the Group's suppliers with early payment terms.

3. Revenue and Segment Reporting

(a) Revenue

The principal activities of the Group are (i) garment manufacturing and (ii) brands business. Revenue represents the fair value of the consideration received or receivable from products sold, excluding value added tax or other sales taxes and after the net-off of any trade discounts.

Revenue from sales of goods was recognised at point in time for the years ended 31 December 2024 and 2023.

Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

At 31 December 2024, none of the remaining performance obligations under the Group's existing contracts had an original expected duration of more than one year.

For remaining performance obligations of existing contracts that had an original expected duration of one year or less, the Group has applied the practical expedient in paragraph 121 of HKFRS 15 such that it does not include information about revenue for the remaining performance obligations under the contracts.

(b) Segment reporting

Reportable segments are reported in a manner consistent with internal reports of the Group that are regularly reviewed by the chief operating decision makers (the Chief Executive Officer and the senior management collectively) in order to assess performance and allocate resources. The Group manages its business by business units, which are organised by business lines and geography. The Group identified two reportable segments: (i) garment manufacturing and (ii) brands business. The chief operating decision makers assess the segment performance and allocate resources between segments based on the reported profit or loss before taxation.

3. **Revenue and Segment Reporting (Continued)**

Segment assets include all tangible assets, intangible assets and current assets employed by the segments. Segment liabilities include all current liabilities and non-current liabilities managed directly by the segments. Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Inter-segment sales are priced with reference to prices charged to external parties for similar orders. The segment information is as follows:

	Garment manufacturing		**Brands business**		**Unallocated** *(Note (ii))*		**Total**	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment revenue	**2,350,053**	2,036,739	**2,025,773**	2,283,328	**–**	–	**4,375,826**	4,320,067
Less: Inter-segment revenue	**(191,704)**	(103,883)	**(376)**	(517)	**–**	–	**(192,080)**	(104,400)
Revenue	**2,158,349**	1,932,856	**2,025,397**	2,282,811	**–**	–	**4,183,746**	4,215,667
Reportable segment EBITDA *(Note (i))*	**317,317**	279,595	**224,547**	303,904	**37,767**	18,042	**579,631**	601,541
Finance income	**–**	–	**758**	360	**3,095**	3,156	**3,853**	3,516
Finance costs								
– Interest on bank borrowings	**–**	–	**(32)**	(130)	**(3,043)**	(3,578)	**(3,075)**	(3,708)
– Interest on licence fees payable	**–**	–	**(48,630)**	(50,581)	**–**	–	**(48,630)**	(50,581)
– Interest on lease liabilities	**(1,897)**	(1,731)	**(7,960)**	(7,802)	**(230)**	(353)	**(10,087)**	(9,886)
– Other bank charges on accounts receivable factoring	**–**	–	**–**	–	**–**	(126)	**–**	(126)
Depreciation charge								
– Owned property, plant and equipment	**(19,574)**	(18,092)	**(49,469)**	(51,048)	**(7,135)**	(7,250)	**(76,178)**	(76,390)
– Right-of-use assets	**(10,773)**	(9,820)	**(104,232)**	(90,663)	**(7,188)**	(7,839)	**(122,193)**	(108,322)
Amortisaion of intangible assets	**–**	–	**(52,122)**	(56,396)	**–**	–	**(52,122)**	(56,396)
Impairment losses of property, plant and equipment	**–**	–	**(24,543)**	(6,176)	**–**	–	**(24,543)**	(6,176)
Impairment losses of intangible assets	**–**	–	**–**	(46,055)	**–**	–	**–**	(46,055)
Reportable segment profit/(loss) before taxation	**285,073**	249,952	**(61,683)**	(4,587)	**23,266**	2,052	**246,656**	247,417
Income tax charge							**(83,717)**	(67,244)
Profit for the year							**162,939**	180,173

3. **Revenue and Segment Reporting (Continued)**

Notes:

(i) EBITDA is defined as earnings before finance income, finance costs, income tax charge, depreciation, amortisation and impairment. EBITDA is a non-HKFRS measure used by management for monitoring business performance. It may not be comparable to similar measures presented by other companies.

(ii) Unallocated segment profit or loss for the year mainly includes income and expenses arising from unallocated assets and liabilities for corporate purposes and head office expenses.

(iii) Under HKFRS 16, the Group as a lessee is required to recognise interest expenses accrued on the outstanding balance of the lease liability and the depreciation on the right-of-use assets, instead of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. In the cash flow statement, the Group as a lessee is required to classify rentals paid under the capitalised leases as financing cash outflows.

	Garment manufacturing		**Brands business**		**Unallocated** *(Note (i))*		**Total**	
	At 31 December 2024	At 31 December 2023	**At 31 December 2024**	At 31 December 2023	**At 31 December 2024**	At 31 December 2023	**At 31 December 2024**	At 31 December 2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment assets	**723,321**	777,700	**1,681,314**	1,761,780	**571,623**	577,198	**2,976,258**	3,116,678
Reportable segment liabilities	**401,385**	407,109	**1,256,141**	1,408,736	**62,809**	95,775	**1,720,335**	1,911,620

	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reversal of/(provision for) impairment of receivables, net	**6**	(439)	**(6,659)**	(484)	**–**	–	**(6,653)**	(923)
Write-down inventories to net realisable value, net	**(15,989)**	(11,450)	**(44,675)**	(31,174)	**–**	–	**(60,664)**	(42,624)
Additions to property, plant and equipment (including right-of-use assets)	**31,314**	23,721	**159,537**	178,282	**2,093**	636	**192,944**	202,639

3. **Revenue and Segment Reporting (Continued)**

The Group's revenue is mainly derived from customers located in the People's Republic of China ("**PRC**"), the United Kingdom ("**UK**"), Canada, Italy and Singapore, while the Group's right-of-use assets, production facilities, trademark, licence rights and other assets are located predominantly in PRC, Switzerland and Thailand. An analysis of the Group's revenue by location of customers and an analysis of the Group's non-current assets by locations of physical assets or the asset holding companies are as follows:

	PRC		**UK**		**Canada**		**Italy**		**Singapore**		**Other countries**		**Total**	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue	**1,193,708**	1,358,669	**1,038,976**	920,525	**547,217**	387,112	**367,883**	558,625	**212,967**	206,052	**822,995**	784,684	**4,183,746**	4,215,667

Included in revenue derived from PRC was HK$116,872,000 (2023: HK$117,675,000) which was generated in Hong Kong.

For the year ended 31 December 2024, revenue from two customers (2023: one customer) in the garment manufacturing segment accounted for more than 10% of the Group's total revenue and they represented approximately 16% and 11% (2023: 14%) of the total revenue respectively.

	PRC *(Note (iii))*		**Switzerland**		**Thailand**		**Other countries**		**Total**	
	At 31 December 2024	At 31 December 2023	**At 31 December 2024**	At 31 December 2023	**At 31 December 2024**	At 31 December 2023	**At 31 December 2024**	At 31 December 2023	**At 31 December 2024**	At 31 December 2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Non-current assets *(Note (ii))*	**704,943**	830,891	**215,805**	215,712	**67,261**	63,617	**172,212**	135,175	**1,160,221**	1,245,395

Notes:

(i) Unallocated assets and liabilities mainly include centrally-managed cash and bank balances, bank borrowings and property, plant and equipment for corporate purposes.

(ii) Non-current assets exclude deferred tax assets and defined benefit plan assets.

(iii) Included in non-current assets located in PRC was HK$13,009,000 (2023: HK$19,771,000) which was related to assets located in Hong Kong.

4. Other Net Gain/(Loss)

	2024	2023
	HK$'000	*HK$'000*
Government subsidies	**4,197**	867
Impairment losses of property, plant and equipment *(Note (ii))*	**(24,543)**	(6,176)
Impairment losses of intangible assets *(Note (ii))*	**–**	(46,055)
Net gain/(loss) on disposals of property, plant and equipment *(Note (i))*	**17,739**	(3,983)
Net gain on liquidation and disposal of subsidiaries	**–**	790
Net gain on derecognition of right-of-use assets and lease liabilities	**2,161**	2,383
Royalty income	**8,789**	–
Rental income	**1,781**	1,760
Sundry income	**2,305**	1,483
	12,429	(48,931)

Notes:

(i) Included in net gain on disposals of property, plant and equipment for the year ended 31 December 2024 was a gain of HK$20,923,000 arising from disposal of certain unused leasehold land use right and ancillary building in PRC. The Group has received the disposal consideration of RMB20,296,000, which was determined with reference to a property valuation report issued by an independent PRC valuer. The subject leasehold land and ancillary building were unused by the Group and the disposal did not affect the operation of the Group.

(ii) In 2024 and 2023, certain cash generating units ("**CGU**") of the brands business underperformed. The Group performed impairment assessments of these CGUs. As a result, impairment losses of HK$24,543,000 (2023: HK$6,176,000) on property, plant and equipment and HK$ Nil (2023: HK$46,055,000) on intangible assets were charged to other net gain/(loss).

5. Profit from Operations

Profit from operations is stated at after charging:

	2024	2023
	HK$'000	*HK$'000*
Amortisation of intangible assets	**52,122**	56,396
Depreciation charge		
– Owned property, plant and equipment	**76,178**	76,390
– Right-of-use assets	**122,193**	108,322
Variable lease payments not included in the measurement of lease liabilities	**13,968**	14,802
Expenses related to short-term leases	**25,618**	23,719
Provision for impairment of receivables, net	**6,653**	923
Cost of inventories	**2,468,378**	2,432,652
Employee benefit expenses	**771,440**	732,940

6. Finance Income and Finance Costs

	2024	2023
	HK$'000	*HK$'000*
Finance income		
Interest income from bank deposits	**3,408**	3,125
Imputed interest on long-term rental deposits	**445**	391
	3,853	3,516
Finance costs		
Interest on licence fees payable	**48,630**	50,581
Interest on lease liabilities	**10,087**	9,886
Interest on bank borrowings	**3,075**	3,708
Other bank charges on accounts receivable factoring	**–**	126
	61,792	64,301

7. Income Tax Charge

	2024	2023
	HK$'000	*HK$'000*
Current income tax		
Hong Kong Profits Tax	**38,705**	24,057
Non-Hong Kong tax	**42,158**	46,080
Under/(over)-provision of prior years	**4,701**	(5,744)
	85,564	64,393
Deferred tax	**(1,847)**	2,851
	83,717	67,244

The provision for Hong Kong Profits Tax for 2024 and 2023 is calculated at 16.5% of the estimated assessable profit for the year, except for one subsidiary of the Group which is a qualifying corporation under two-tiered profits tax rate regime.

Taxation for subsidiaries outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant countries.

8. Dividends

Dividends paid and payable to equity shareholders of the Company attributable to the year:

	2024	2023
	HK$'000	*HK$'000*
Interim dividend of HK$0.06 (2023: HK$0.06) per share paid	**16,356**	16,296
Final dividend of HK$0.17 (2023: HK$0.19) per share proposed after the end of the year	**46,342**	51,605
	62,698	67,901

On 25 March 2025, the Board has proposed a final dividend of HK$0.17 per share which is subject to approval by the shareholders at the forthcoming annual general meeting of the Company. The amount will be reflected as an appropriation of retained profits for the year ending 31 December 2025.

The final dividend for the year ended 31 December 2023 of HK$0.19 per share was approved by the shareholders at the Company's last annual general meeting held on 24 June 2024 and was paid to the shareholders on 16 July 2024. The actual amount of dividend paid of HK$51,794,000 was higher than the amount disclosed in the 2023 annual report of HK$51,605,000 due to the increase in number of issued shares at the relevant dividend record date following exercise of share options under the share option scheme of the Company.

9. Earnings per Share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company for the year ended 31 December 2024 of HK$156,015,000 (2023: HK$171,232,000) by the weighted average number of 272,191,160 (2023: 271,607,253) ordinary shares in issue during the year.

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares granted under the Company's share option scheme.

Diluted earnings per share for year ended 31 December 2024 is calculated by dividing the profit attributable to equity shareholders of the Company of HK$156,015,000 by the weighted average number of 275,241,453 ordinary shares (diluted) as calculated below:

	2024	2023
Weighted average number of ordinary shares in issue for the year	**272,191,160**	271,607,253
Effect of deemed issue of shares under the Company's share option scheme	**3,050,293**	–
Weighted average number of ordinary shares (diluted)	**275,241,453**	271,607,253

During the year ended 31 December 2023, the conversion of all potential ordinary shares outstanding would have an anti-dilutive effect on the earnings per share. Hence, there was no dilutive effect on calculation of the diluted earnings per share for the year ended 31 December 2023.

10. Inventories

	2024	2023
	HK$'000	*HK$'000*
Raw materials	**74,862**	79,305
Work-in-progress	**159,291**	132,690
Finished goods	**517,785**	496,008
Goods in transit	**29,264**	33,105
	781,202	741,108

11. Accounts Receivable and Bills Receivable

	2024	2023
	HK$'000	*HK$'000*
Accounts receivable at amortised cost, net of loss allowance	**330,538**	421,889
Accounts receivable to be sold at fair value through other comprehensive income (recycling)	**122,507**	147,066
	453,045	568,955

At the end of the reporting period, the ageing of accounts receivable and bills receivable, based on the invoice date, is as follows:

	2024	2023
	HK$'000	*HK$'000*
Less than 3 months	**412,595**	523,316
3 months to 6 months	**36,551**	46,129
Over 6 months	**14,046**	4,109
	463,192	573,554
Less: Loss allowance	**(10,147)**	(4,599)
	453,045	568,955

11. Accounts Receivable and Bills Receivable (Continued)

The majority of accounts receivable are with customers having an appropriate credit history and are on open account. The Group grants its customers credit terms mainly ranging from 45 days to 90 days (2023: 45 days to 90 days). All of the accounts receivable and bills receivable are expected to be recovered within one year.

The carrying amounts of the accounts receivable and bills receivable approximate their fair values. The maximum exposure to credit risk is the fair value of the above receivables. The Group does not hold any collateral as security.

As part of the Group's cash flow management, the Group may and has the practice of selling some of the accounts receivable to financial institutions under customers' vendor financing program before the accounts receivable are due for payment. The Group derecognises the accounts receivable sold on the basis that the Group has transferred substantially all risks and rewards to the relevant counterparties.

At 31 December 2024 and 31 December 2023, the fair value changes on accounts receivable at fair value through other comprehensive income (recycling) are insignificant and accordingly, no fair value changes are recognised in equity as fair value through other comprehensive income reserve.

12. Accounts Payable and Bills Payable

At the end of the reporting period, the ageing of accounts payable and bills payable, based on the invoice date, is as follows:

	2024	2023
	HK$'000	*HK$'000*
Less than 3 months	**289,622**	399,126
3 months to 6 months	**19,757**	26,133
Over 6 months	**19,633**	19,224
	329,012	444,483

The majority of payment terms with suppliers are within 60 days. All of the accounts payable and bills payable are expected to be settled within one year or are on demand.

The carrying amounts of accounts payable and bills payable approximate their fair values.

13. Capital Commitments

	2024	2023
	HK$'000	*HK$'000*
Contracted but not provided for in respect of leasehold improvement	**–**	1,131

In this management discussion and analysis, we present the business review and a discussion on the financial performance of the Group for the year ended 31 December 2024.

Overview

For the year ended 31 December 2024, the Group recorded profit attributable to equity shareholders of HK$156 million compared to the profit of HK$171 million in 2023. Our garment manufacturing business continued to contribute strong revenue and profit in 2024. The decrease in profit attributable to equity shareholders of the Group in the year was largely attributable to the increase in losses of our brands business combined.

Own Brands

C.P. Company continued to maintain a stable revenue stream in 2024 despite a market slowdown. The brand's revenue recorded merely a low single-digit decline in 2024 and was largely flat at constant exchange rates. In 2024, the economic backdrop and market slowdown caused wholesale sales in Europe to drop by 6% while retail sales and e-commerce saw revenue growth. Italy, UK and France remained the largest contributors to C.P. Company's wholesale revenue. On direct retail, at year end, this brand operated eleven directly managed retail stores and outlets in the upmarket streets of London, Milan, Riccione, Amsterdam, Cannes, Lyon, Hamburg, Metzingen, Serravalle, Mendrisio and Noventa di Piave. Our outlet stores have been performing well and confirming value for money is a key consideration of the consumers. On e-commerce, the market is extremely competitive and saturated with markdown items. From May 2024, this brand took over the management of its e-commerce platform from a third party partner. This helped enhance brand performance and contribution margin of our e-commerce business. Overall, the brand's profit contributed to the brands business segment in 2024 was lower than 2023, mainly attributable to increased dedicated marketing spending to further grow brand awareness and increase in personnel expenses for business expansion.

In January 2024, the Group signed a 10-year licence agreement to use certain trademarks and domain names related to the MASSIMO OSTI brand in the manufacturing and distribution of MASSIMO OSTI branded products. This brand pays homage to the work of the late Italian designer Massimo OSTI (the founder of C.P. Company) and his ongoing legacy by redefining the paradigms of modern sportswear and focusing on fabric research, experimental silhouettes, and functional shapes. During the year, the Group's product offerings were enlarged with the addition of the contemporary label, Massimo Osti Studio. Along with the licence, the Group also acquired an option pursuant to which the Group may opt to purchase a 45% stake in MO IP Srl (which holds the MASSIMO OSTI brand) during the option period commencing from January 2027. This option has given the Group the right and opportunity to invest in the ownership of the MASSIMO OSTI brand when its performance becomes more promising in the coming years.

Our unique French concept premium ladies wear Cissonne continued to gradually expand through direct retailing in major cities of China. This brand has now seven stores located in Beijing China World Mall, Shanghai Grand Gateway 66, Shanghai Jiu Guang, Nanjing Deji Plaza, Hangzhou MIXC, Wuhan International Plaza and Shanghai Zhenning Road respectively.

Licensed Brands

In 2024, China's domestic weakness and selective consumer spending affected the revenue of our licensed brands in China. Nautica's revenue dropped by 20% this year compared to the post-pandemic boom in 2023. In response to the challenging retail environment, the brand had adjusted store composition and closed underperforming stores in the reporting year. This optimisation measure and other cost control initiatives helped mitigate partially the revenue decline impact. Overall, Nautica's net loss in 2024 increased over last year. At 31 December 2024, Nautica had 78 directly managed retail stores and another 65 stores operated by partners (2023: 161 stores in total).

Spyder's revenue decreased by 10% and recorded a flat result compared to last year. At 31 December 2024, Spyder had 48 stores across China (2023: 50 stores).

The Reebok China and Hong Kong businesses are primarily direct-to-consumer through mono-brand stores and e-commerce. Reebok's revenue reduced by 19% in 2024 compared to last year amid weak consumer demand. The Group has performed a strategic review of the Group's licensed brands portfolio and business objectives. The Group, in consultation with the licensor, has been assessing how best we could allocate our resources across the licensed brands portfolio to support the long-term growth of the Group. As part of this review, the Group has taken into consideration adjustments to its Reebok business strategy, which may include changes to, or shortening of the licence term of, this brand's current licensing arrangement. These discussions and review reflected the evolving market dynamics and a shared commitment with the licensor to ensuring sustainable brand performance. Net loss of the brand in 2024 was lower than last year mainly due to less impairment loss recognised in the year and stringent cost control. At 31 December 2024, Reebok had 36 stores across China (2023: 30 stores).

Garment Manufacturing

In the year under review, our garment manufacturing business continued to report strong revenue and bottom-line results. Our China and Thailand factories are serving our "premium business" for fashion and complicated outerwear products. Our "better business" factories located in Vietnam and Myanmar allow us to stay competitive in cost to support better tailoring products. To cope with the increase in demand, we have expanded the capacity of our Vietnam factory in the first quarter of 2024 and will look for further expansion of our Vietnam capacity in 2025.

Financial Highlights

	Note	**2024**	2023	
Operating results (HK$ million)				
Revenue		**4,184**	4,216	–1%
Gross profit		**1,715**	1,783	–4%
EBITDA		**580**	602	–4%
Depreciation on right-of-use assets	1	**(122)**	(108)	–13%
Interest on lease liabilities	1	**(10)**	(10)	–
Amortisation of licence rights	2	**(52)**	(56)	+7%
Interest on licence fees payable	2	**(49)**	(51)	+4%
Depreciation on owned property, plant and equipment		**(76)**	(76)	–
Impairment of intangible assets		**–**	(46)	+100%
Impairment of property, plant and equipment		**(25)**	(6)	–317%
Income tax charge		**(84)**	(67)	–25%
Profit attributable to equity shareholders		**156**	171	–9%
Segment results (HK$ million)				
Garment manufacturing EBITDA		**317**	280	+13%
Depreciation on right-of-use assets	1	**(11)**	(10)	–10%
Interest on lease liabilities	1	**(2)**	(2)	–
Depreciation on owned property, plant and equipment		**(20)**	(18)	–11%
Garment manufacturing results before tax		**285**	250	+14%
Brands business EBITDA		**225**	304	–26%
Depreciation on right-of-use assets	1	**(104)**	(91)	–14%
Interest on lease liabilities	1	**(8)**	(8)	–
Amortisation of licence rights	2	**(52)**	(56)	+7%
Interest on licence fees payable	2	**(49)**	(51)	+4%
Depreciation on owned property, plant and equipment		**(49)**	(51)	+4%
Impairment of intangible asset		**–**	(46)	+100%
Impairment of property, plant and equipment		**(25)**	(6)	–317%
Brands business results before tax		**(62)**	(5)	–1140%
Cash flow (HK$ million)				
Cash generated from operations		**410**	590	–31%
Income tax paid		**(73)**	(118)	+38%
Payment for the purchase of property, plant and equipment		**(95)**	(98)	+3%
Rental payments under capitalised leases	1	**(144)**	(120)	–20%
Dividend paid		**(71)**	(20)	–255%
Financial position (HK$ million)				
Cash and bank balances		**467**	463	+0.9%
Bank borrowings		**–**	33	+100%
Total equity		**1,256**	1,205	+4.2%
Gross profit margin		**41.0%**	42.3%	–1.3pp
Net profit margin attributable to equity shareholders		**3.7%**	4.1%	–0.4pp
Return on average equity ("**ROE**")	3	**12.7%**	15.3%	–2.6pp

Notes:

1. Under HKFRS 16, the Group as a lessee is required to recognise interest expense accrued on the outstanding balance of the lease liability and the depreciation on the right-of-use asset, instead of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. In the cash flow statement, the Group as a lessee is required to classify rentals paid under the capitalised leases as financing cash outflows.

2. Licence related amortisation and imputed interest on licence fees payable are non-cash items recognised in accordance with accounting policy for our long-term licences – Nautica, Spyder and Reebok.

3. ROE is calculated as profit attributable to equity shareholders over average total equity for the current and prior year.

Financial Review

Revenue

Total revenue of the Group for the year was HK$4,184 million, compared to HK$4,216 million in 2023.

Revenue from our brands business amounted to HK$2,025 million in 2024, down 11% compared to HK$2,283 million in 2023. Revenue of C.P. Company remained strong and was largely flat at constant exchange rates in 2024. The wholesale business in Europe dropped by 6% while retail sales and e-commerce saw revenue growth. The revenue of our licensed brands in China was affected by the weak consumer spending and decreased by 10% to 20% in 2024 compared to last year.

Revenue from garment manufacturing business in the year reached HK$2,158 million compared to HK$1,933 million in 2023. Revenue from premium business, which accounted for 70% (2023: 71%) of the segment revenue, increased 10% compared to last year. Revenue from better business also grew 17% over 2023.

Geographically, major markets of the Group are PRC, UK, Canada and Italy, and which accounted for 29% (2023: 32%), 25% (2023: 22%), 13% (2023: 9%) and 9% (2023: 13%) of the Group's total revenue respectively. The change in proportion among different geographical markets this year was mainly due to the increase in revenue from certain garment manufacturing customers while decrease in revenue from our brands business.

In this reporting year, the Group's business tends to be skewed towards the second half year mainly due to the seasonality effect for Fall/Winter and holiday seasons shipment for both our garment manufacturing and brands business. The Group expects that the pattern of a larger proportion of sales record in the second half year will continue with such order pattern from customers.

Gross Profit

During the year, the Group's overall gross profit recorded at HK$1,715 million (2023: HK$1,783 million), representing a gross profit margin of 41.0% (2023: 42.3%). The decrease in gross profit was mainly attributable to the decreased turnover. The gross profit margin of the garment manufacturing business slightly decreased compared to last year due to the change of customer revenue mix. The gross profit margin of our brands business was improved compared to last year. Both the gross profit margin of C.P. Company and our licensed brands rose due to better sourcing management and increased production by our own factories. Overall, the Group's overall gross profit margin dropped slightly in 2024 due to the rise in revenue proportion of garment manufacturing business.

Other Net Gain/(Loss)

In 2024. included in other net gain/(loss) was a gain of HK$21 million arising from disposal of certain unused leasehold land use right and ancillary building in China. The disposal consideration of RMB20 million was determined with reference to a property valuation report issued by an independent PRC valuer. The subject leasehold land and ancillary building were unused by the Group and the disposal did not affect the Group's operation.

In 2024, other net gain/(loss) also included impairment losses on property, plant and equipment totaling HK$25 million (2023: impairment losses on intangible assets and property, plant and equipment totaling HK$52 million), of which HK$13 million was in relation to impairment for Reebok (2023: HK$49 million relating to Reebok).

Selling and Distribution Expenses

Selling and distribution expenses comprised mainly retail shop expenses, advertising and promotion, commissions to retail partners and sales agents and brand licence rights amortisation. Selling and distribution expenses decreased compared to 2023 mainly due to less retail partners commissions and shop expenses paid for Nautica following the store optimisation and reduced agency commissions for C.P. Company.

General and Administrative Expenses

General and administrative expenses rose as compared to 2023. This was mainly due to increased payroll costs for C.P. Company business expansion and general pay rise.

Income Tax Charge

Income tax was charged on profits of our garment manufacturing and C.P. Company business. Income tax charges increased compared to 2023 mainly because in this year the Group recorded tax underprovided for previous years and income tax was attributable to entities at different tax rates in these two years.

Segment Results

Our garment manufacturing business recorded an increase in profit in 2024 compared to 2023. In 2024, the loss of our brands business collectively increased compared to last year. C.P. Company's profit was lower than 2023 mainly due to increased marketing spending and payroll costs rise for business expansion. The operating loss of Nautica increased due to revenue drop while Spyder delivered a flat result. Reebok reported a lower loss in 2024 mainly due to less impairment loss recognised in this year and cost control.

Financial Resources and Liquidity

At 31 December 2024, cash and bank balances amounted to HK$467 million (31 December 2023: HK$463 million) which mainly represented United States dollars ("**US dollars**"), Euro and Renminbi bank deposits and balances.

The Group maintained sufficient banking facilities to support its business. At 31 December 2024, the Group had no outstanding short-term bank borrowings (31 December 2023: short-term bank borrowings of HK$33 million denominated in Renminbi and bearing interest at fixed rates). At 31 December 2024, bank deposits of HK$11 million (31 December 2023: HK$10 million) were pledged to secure bank facilities granted to the Group. Gearing ratio of the Group is calculated as net borrowings divided by total capital. Net borrowings are calculated as total bank borrowings less cash and bank balances, while total capital comprised total equity plus net borrowings. The Group did not have any net borrowing at 31 December 2024 and 31 December 2023, and accordingly, no information on gearing ratio as at that dates is provided.

For cash flow generation, the Group generated lower cash inflow from operations in 2024 than 2023 due to slowdown of our brands business and increased working capital requirement. On working capital, inventories at 31 December 2024 were higher than a year earlier as the Group had been reducing brands business inventories during 2023 after the pandemic.

Shareholders' equity at 31 December 2024 increased over 2023 mainly due to profit attributable to equity shareholders for the year, partially reduced by dividends paid during the year and unfavourable exchange difference on translating financial statements of subsidiaries outside Hong Kong, mainly from the weakness of Euro against Hong Kong dollar during the year.

Most of the Group's receipts and payments are denominated in US dollars, Hong Kong dollars, Renminbi, Pound Sterling and Euro. The Group manages the related foreign exchange risk exposure by entering into forward foreign exchange contracts. During the reporting year, the Group had forward foreign exchange contracts to hedge against the foreign exchange exposures arising from Renminbi manufacturing costs and Pound Sterling sales receipts of a European subsidiary.

Contingent Liabilities and Capital Commitments

Apart from the capital commitments as disclosed in Note 13 in this announcement, there were no other material capital commitments or contingent liabilities at 31 December 2024.

Human Resources

The Group had about 6,530 employees at 31 December 2024 (2023: 6,370). Fair and competitive remuneration packages and benefits are offered to employees. Those employees with outstanding performance are also awarded discretionary bonuses and share options.

Outlook

Our own brand C.P. Company has a solid business foundation and has been focusing on implementing new strategies to achieve breakthroughs and further growth and development. Amid a soft market, the Group will continually exert effort to grow brand awareness, expand customer segments and create brand momentum through marketing initiatives and collaborations. We will continue to focus on existing key wholesale markets and further expand the distribution network in Europe and overseas markets, while increasing our dedicated efforts in expanding through e-commerce and direct retail channels.

On our licensed brands business, we are positive on the outdoor segment. For Nautica and Spyder, we will continue to elevate brand image, expand new product lines and categories, increase sell-through and improve supply chain performance. We will also keep controlling the operating costs. The Group's strategic change of its Reebok business strategy aligns with our objective to better allocate resources among our licensed brands with a view to achieving sustainable long-term growth and optimal results of the Group.

Our garment manufacturing business delivered a strong performance in 2024. Looking ahead, economic and global trade uncertainty, slowdown in demand as well as shifting consumer behaviour are challenges to the businesses of our customers and the fashion industry. To remain competitive and flexible, we will continue to streamline our operations and improve efficiency. Our diversified production base, unique production system together with flexible supply chain will enable us to work closely with our customers and respond to their needs. To cope with the US-China trade tensions, we are seeking further capacity expansion in Vietnam. We believe our diversified production base could alleviate the pressure from the global trade conflict.

The Group is dedicated to continually strengthening its own capability to striving for the long-term success of our business. The Group has adequate cash and available bank credit facilities to finance working capital and operational requirements. As we navigate an increasingly challenging global macroeconomic environment and uncertainty for global trade, the Group will keep a firm grip on operating costs. We will continue to focus on operational efficiency improvement, brand innovation and product optimisation to strengthen the Group's competitiveness and drive long-term value creation and sustainable long-term growth of the Group.

Principal Risks and Uncertainties

The Group has an enterprise risk management mechanism in place to identify, evaluate and manage its exposure to risks (including Environment, Social and Governance risks). Management oversees the risks and implements robust business processes to mitigate the risks. Existing and emerging risks are identified, evaluated and tracked regularly by management and reported to the Audit Committee.

Principal risks and uncertainties affecting the Group are outlined below:

External Risks	**Operational Risks**	**Financial Risks**
Macroeconomic Environment	Increased Cost	Liquidity and Interest Rate
Business Partner's Change in Business Strategy	Environment and Social Responsibility	Foreign Exchange
Regulatory Risks	IT Risks	
	Business Interruption	

The responses of the Group to the principal risks and uncertainties are set out below:

Nature of Risk	Responses
External Risks	
Macroeconomic Environment • The principal business activities of the Group are garment manufacturing and brands business with worldwide customers located in Europe, North America and Asia. The industries in which the Group operates are affected by the economic conditions and consumer spending behaviour in these countries. Changes in economic condition and consumer spending behaviour may reduce the demand of our products.	• Geographic spread of customers and multiple sales channels will mitigate localised economic risks. • Annual budget is approved by the Board. • Quarterly financial performance and forecast are reported to the Board. • Internal review between business unit heads and corporate finance team on the monthly financial performance. • Monthly rolling forecast review where annual budget will be compared to actual and forecast figures. Variance analysis to account for the difference between budget and actual figures. • Monthly meeting to review business, sales and marketing performance.
Business Partner's Change in Business Strategy • Garment manufacturing customer's strategy change in sourcing locations and competitive pricing may cause the Group to lose orders and revenue. • Change in market entry and licensing strategy by brand owners of our licensed brands may cause the Group to lose distribution rights for the licensed products.	• Our factories are located in different countries and serve a wide range of products with different price levels. • The Group's ongoing strategy in developing our own brands and the long-term licensed brands business will help sustain the revenue of brands business.
Regulatory Risks • The Group is increasingly subject to a broad range of changing legal, tax, and regulatory requirements in the various jurisdictions in which the Group operates. New and changing policies or their applications by governments may pose a risk to the Group's returns and/or subject the Group to legal challenge.	• The Group continually monitors changes in local government policies and legislation. • Ongoing long-term strategic reviews with assessment of market and country concentration.

Nature of Risk	Responses
Operational Risks	
Increased Cost • Increased cost will impact the profitability of our business.	• For our brands business, we have our own sourcing team with diversified supply network to handle product sourcing. • For our garment manufacturing business, the Group earns cut and make profit. Increased cost in fabric material has little impact on the Group. • Diversification of factories and supply chain in various countries in Asia and production process improvements will help offset the rise in wages and staff costs.
Environmental and Social Responsibility • Failure to comply with applicable laws, regulations or standards related to environmental and social responsibility may adversely impact our employees, lose production time and attract negative media attention and regulators' interest.	• The Group manages internal controls over our significant environmental aspects with an aim to enhance the efficiency of resource utilisation and reduce environmental emissions in our business operations. • Applying the principle of equal opportunity in all our employment policies.
IT Risks • When there is IT system outage or cyberattack, all the IT systems may come to a halt causing not only business interruption but also loss of confidential information such as personal data of employees or consumers of the e-shops.	• Appropriate controls and technology have been deployed to mitigate the risk of system outages and cyberattacks. They include preventive system maintenance, regular security checks, installation of firewall and anti-virus software, multi-level security, uninterrupted power supply, daily off-site backup of key application systems and data, regular disaster recovery drill, assignment of job-related access rights, and well-defined access controls system. • Although certain e-shops are run on third party platform, the e-commerce service agreement specifies that the operator should maintain and update all the technological elements necessary to guarantee the proper functioning of the e-shops, the safety of the systems underlying the e-shops and the protection of personal data according to applicable laws and market practices.

Nature of Risk	Responses
Operational Risks (Continued)	
Business Interruption • The Group's operations may be interrupted by the occurrence of unexpected events like natural disasters, strikes, epidemics and occupational hazards that may or may not be under the Group's control.	• Proactive sourcing of suppliers in different countries and regional production facilities will help reduce the reliance on any single site. • Constant communications with customers to keep them abreast of any potential disruption of services and endeavour to seek their support and understanding. • Work from home with the use of conference call, video conferencing and remote access to the Group's IT systems.
Financial Risks	
Liquidity and Interest Rate • Cash and treasury management may not be operating effectively leading to liquidity risk. • Cash flows and profitability will be negatively impacted by the movement of interest rates on bank balances and bank borrowings.	• The Group closely monitors to ensure that the combination of cash on hand, available credit lines and expected future operating cash flows is sufficient to satisfy current and planned cash needs. • The Group closely monitors the movement of market interest rates and consider interest rate hedging when necessary.
Foreign Exchange • The Group has operations in PRC, Europe, North America and various Asian countries. It earns revenue, incurs costs and makes investments in various foreign currencies and is thus exposed to foreign exchange risk arising from various currency exposures. • The conversion of Renminbi receipts into foreign currencies and the remittance of funds out of PRC are both subject to the rules and regulations of foreign exchange in PRC.	• The Group manages significant foreign exchange risk against the respective subsidiaries' functional currencies arising from future commercial transactions, recognised assets, liabilities and net investment in foreign operations principally by means of forward foreign exchange contracts. • The Group endeavours to maintain adequate and reasonable amount of Renminbi deposits in PRC and remits surplus Renminbi out of PRC.

Relationship with Business Partners and Stakeholders

Relationship with Customers

The Group maintains long-term relationships with customers of our garment manufacturing business and brands business. The Group has developed multi-products strategy and also strengthened our scope of services to our global brands customers. The Group has no concentration or a high level of dependency on any individual customer.

Relationship with Suppliers

The Group maintains long-term relationships with suppliers and subcontractors. The Group has no concentration or a high level of dependency on a small group of suppliers. The suppliers of our garment manufacturing business are generally nominated by customers. For suppliers of our brands business, we communicate with them all the way through to ensure they understand our policies and requirements.

Relationship with Employees

The Group recognises and supports the culture of attracting, motivating and retaining talents. The Group provides competitive compensation and benefits for its employees. Remuneration packages are generally structured by reference to market and individual merits. Salaries are normally reviewed on an annual basis based on individual performance and financial performance of the Group. Those employees with outstanding performance are also awarded discretionary bonuses and share options. The Group promotes open communications, encourages continuous learning and supports different kinds of leadership development programme.

Compliance with Relevant Laws and Regulations

We uphold high standards of governance and compliance and meet relevant requirements under applicable laws and regulations when conducting our business. We were not aware of any material non-compliance of relevant standards, rules and regulations during the year.

Environmental and Social Policies

The Group is committed to creating a sustainable and greener environment and continues to explore ways to reduce carbon emission, conserve energy and reduce wastage. We have implemented various environmental and sustainability initiatives in our factories. Being a responsible corporate citizen, the Group is committed to supporting various charitable events, including making donations in relation to education, disaster relief and for the less-privileged, in particular supporting local society needs where members of the Group locate for the long term. Since 2015, the Company has been participating in the Caring Company Scheme and we also donated to support The Salvation Army for her various charitable activities in the year. Please refer to the "Environmental, Social and Governance Report" of our 2024 Annual Report for details of our initiatives on environmental and social aspects and related performance.

SCOPE OF WORK OF KPMG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary results announcement have been agreed by the Company's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on this preliminary results announcement.

AUDIT COMMITTEE'S REVIEW OF FINANCIAL STATEMENTS

The consolidated financial statements and the annual report of the Company for the year ended 31 December 2024 had been reviewed by the Audit Committee in conjunction with the management of the Group.

CORPORATE GOVERNANCE CODE

Throughout the year ended 31 December 2024, the Company had applied the principles and complied with all the code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules, except for the deviation from code provision C.2.1.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. WANG Kin Chung, Peter is the Chairman of the Board and the Chief Executive Officer, which constitutes a deviation from said code provision C.2.1. The Board considers that it is in the interest of the Group to have Mr. WANG Kin Chung, Peter to hold both the offices of the Chairman of the Board and the Chief Executive Officer so that the Board can enjoy the benefit of a chairman who is knowledgeable about the business of the Group and capable of guiding discussions and briefing the Board in a timely manner on key issues and developments.

Further information of the Company's corporate governance practices will be set out in the "Corporate Governance Report" of our 2024 Annual Report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at Room 5A, 5th Floor, 66-72 Lei Muk Road, Kwai Chung, New Territories, Hong Kong at 10:00 a.m. on Tuesday, 24 June 2025 (the "**2025 AGM**"). Notice convening the 2025 AGM will be published and despatched to the shareholders of the Company in due course.

DIVIDENDS

An interim dividend of HK$0.06 (2023: HK$0.06) per share was paid on Friday, 27 September 2024.

The Board has resolved to recommend the payment of a final dividend of HK$0.17 (2023: HK$0.19) per share for the year ended 31 December 2024 to the shareholders of the Company whose names appear on the register of members of the Company on Monday, 7 July 2025.

Subject to the approval by the shareholders of the Company at the 2025 AGM, the proposed final dividend will be paid in cash to the shareholders of the Company on Thursday, 17 July 2025.

Together with the interim dividend, total dividend for the year will amount to HK$0.23 (2023: HK$0.25) per share.

CLOSURE OF REGISTER OF MEMBERS

2025 AGM

For the purpose of ascertaining shareholders' right to attend the 2025 AGM, the register of members of the Company will be closed from Thursday, 19 June 2025 to Tuesday, 24 June 2025, both days inclusive, during which period no transfer of shares will be registered. The record date for ascertaining right to attend the 2025 AGM is Tuesday, 24 June 2025. To qualify for attending and voting at the 2025 AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 18 June 2025.

Final Dividend

For the purpose of ascertaining shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 2 July 2025 to Monday, 7 July 2025, both days inclusive, during which period no transfer of shares will be registered. The record date for the proposed final dividend is Monday, 7 July 2025. To qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 30 June 2025. In the event that the 2025 AGM is held on a date later than Tuesday, 24 June 2025 because of bad weather or other reasons, the book closure dates together with the record date for determining the entitlement to the proposed final dividend may be deferred accordingly. In such circumstances, the Company will make an announcement of the new book closure dates and the record date.

On behalf of the Board
WANG Kin Chung, Peter
Chairman and Chief Executive Officer

Hong Kong, 25 March 2025

At the date of this announcement, the Board comprises one Executive Director, namely Mr. WANG Kin Chung, Peter; three Non-Executive Directors, namely Ms. WANG KOO Yik Chun, Ms. MAK WANG Wing Yee, Winnie and Dr. WANG Shui Chung, Patrick; and four Independent Non-Executive Directors, namely Mr. LO Kai Yiu, Anthony, Mr. James Christopher KRALIK, Mr. Peter TAN and Professor Chen LIN.