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## Cosmo Lady (China) Holdings Company Limited

都市麗人(中國)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2298)

### ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS		For the year ended	
		31 December 2024	2023
Revenue	<i>RMB'000</i>	<b>3,010,130</b>	2,757,081
Profit attributable to owners of the Company	<i>RMB'000</i>	<b>126,157</b>	42,483
Earnings per share			
– Basic	<i>RMB cents</i>	<b>5.8</b>	1.9
– Diluted	<i>RMB cents</i>	<b>5.7</b>	1.9
Final dividend per share	<i>HK cents</i>	<b>0.5</b>	–

### ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Cosmo Lady (China) Holdings Company Limited (the “**Company**”) announced the annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024, together with comparative figures for 2023 and selected explanatory notes, as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*Year ended 31 December 2024*

	<i>Notes</i>	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Revenue</b>	5	<b>3,010,130</b>	2,757,081
Cost of sales		<u>(1,634,463)</u>	<u>(1,448,422)</u>
<b>Gross profit</b>		<b>1,375,667</b>	1,308,659
Selling and marketing expenses		<b>(1,019,925)</b>	(1,103,187)
General and administrative expenses		<b>(184,383)</b>	(194,961)
Net (impairment losses)/reversal of impairment losses on financial assets		<b>(8,688)</b>	31,317
Other income	6	<b>25,502</b>	25,634
Other gains/(losses) – net	6	<u><b>793</b></u>	<u>(857)</u>
<b>Operating profit</b>		<u><b>188,966</b></u>	<u>66,605</u>
Finance income	7	<b>7,378</b>	7,618
Finance expenses	7	<u><b>(27,218)</b></u>	<u>(30,194)</u>
<b>Finance expenses – net</b>		<b>(19,840)</b>	(22,576)
Share of profit/(loss) of joint ventures – net		<u><b>(823)</b></u>	<u>3,973</u>
<b>PROFIT BEFORE INCOME TAX</b>	8	<b>168,303</b>	48,002
Income tax expense	9	<u><b>(52,946)</b></u>	<u>(7,316)</u>
<b>PROFIT FOR THE YEAR</b>		<b>115,357</b>	40,686
<b>OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR</b>			
<i>Item that may be reclassified subsequently to profit or loss</i>			
– Exchange differences		<b>1,856</b>	2,618
<i>Item that will not be reclassified to profit or loss</i>			
– Changes in the fair value of equity investments at fair value through other comprehensive income		<u><b>(3,450)</b></u>	<u>(8,803)</u>
<b>Total comprehensive income for the year</b>		<u><b>113,763</b></u>	<u>34,501</u>

	<i>Note</i>	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Profit/(loss) attributable to:</b>			
Owners of the Company		<b>126,157</b>	42,483
Non-controlling interests		<b>(10,800)</b>	(1,797)
		<u><b>115,357</b></u>	<u>40,686</u>
<b>Total comprehensive income/(loss) for the year is attributable to:</b>			
Owners of the Company		<b>124,563</b>	36,298
Non-controlling interests		<b>(10,800)</b>	(1,797)
		<u><b>113,763</b></u>	<u>34,501</u>
		<i>RMB cents</i>	<i>RMB cents</i>
<b>Earnings per share for profit attributable to the ordinary equity holders of the Company:</b>			
Basic earnings per share	10	<u><b>5.8</b></u>	<u>1.9</u>
Diluted earnings per share	10	<u><b>5.7</b></u>	<u>1.9</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

		2024	2023
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		765,361	994,638
Right-of-use assets		310,891	389,161
Intangible assets		27,742	27,750
Investments in joint ventures		72,782	85,622
Financial assets at fair value through other comprehensive income		18,197	24,761
Deposits, prepayments and other receivables		23,832	21,109
Deferred income tax assets		113,292	125,969
		<u>1,332,097</u>	<u>1,669,010</u>
		-----	-----
<b>CURRENT ASSETS</b>			
Inventories		672,698	616,454
Completed properties held for sale		130,716	-
Trade and notes receivables	12	385,245	320,681
Deposits, prepayments and other receivables		554,181	527,439
Restricted bank deposits		84,107	175,776
Cash and cash equivalents		537,764	506,157
		<u>2,364,711</u>	<u>2,146,507</u>
		-----	-----
<b>Total assets</b>		<b><u>3,696,808</u></b>	<b><u>3,815,517</u></b>

	<i>Note</i>	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>EQUITY</b>			
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital		<b>140,312</b>	140,312
Share premium		<b>1,633,846</b>	1,656,669
Shares held for share award scheme		<b>(59,550)</b>	(64,480)
Other reserves		<b>426,211</b>	430,298
Accumulated losses		<b>(107,829)</b>	(233,730)
		<b>2,032,990</b>	1,929,069
Non-controlling interests		<b>(11,627)</b>	(630)
<b>Total equity</b>		<b>2,021,363</b>	1,928,439
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and notes payables	13	<b>523,473</b>	751,436
Accruals and other payables		<b>449,591</b>	417,913
Tax payables		<b>44,636</b>	14,036
Borrowings		<b>304,380</b>	162,038
Lease liabilities		<b>143,193</b>	135,823
Deferred income		<b>113</b>	231
		<b>1,465,386</b>	1,481,477
<b>NON-CURRENT LIABILITIES</b>			
Borrowings		<b>91,250</b>	230,442
Lease liabilities		<b>118,809</b>	175,046
Deferred income		<b>–</b>	113
		<b>210,059</b>	405,601
<b>Total liabilities</b>		<b>1,675,445</b>	1,887,078
<b>Total equity and liabilities</b>		<b>3,696,808</b>	3,815,517

NOTES:

**1. GENERAL INFORMATION**

The Company was incorporated in the Cayman Islands on 28 January 2014 as an exempted company with limited liability under the Companies Act, Cap 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company. The Group is principally engaged in the designing, marketing and selling of intimate wear products, development of industrial projects and provision of logistic services in the People's Republic of China (the "PRC"). The Company's ordinary shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 26 June 2014.

The logistic services in the Group's industrial properties have been one of the businesses of the Group for years. During the year ended 31 December 2024, the Board resolved that additional resources would continuously be deployed to such business as well as development of industrial projects. Accordingly, the industrial projects and logistic services are redesignated by the Board as one of the principal businesses of the Group. Other than this change, there were no significant changes in the nature of the Group's principal businesses.

Harmonious Composition Investment Holdings Limited, a company incorporated in the British Virgin Islands (the "BVI"), is the immediate holding company of the Company. In the opinion of the Company's directors, Yao Li Investment Holdings Limited, a company incorporated in the BVI with limited liability and controlled by Mr. Zheng Yaonan, is the ultimate holding company of the Company.

The consolidated financial statements have been approved for issue by the Board on 28 March 2025.

**2. BASIS OF PREPARATION**

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as 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 other comprehensive income, which have been measured at fair value. The consolidated financial statements are presented in Renminbi ("RMB"), and all values are rounded to the nearest thousand ("RMB'000") except when otherwise indicated.

The preparation of the financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

**3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

The Group has adopted the following amended IFRS Accounting Standards 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 (the "2020 Amendments")</i>
Amendments to IAS 1	<i>Non – current Liabilities with Covenants (the "2022 Amendments")</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The nature and impact of the amended IFRS Accounting Standards 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. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

Intimate wear products segment	–	Designing, marketing and selling of intimate wear products
Industrial projects and logistic segment	–	Development of industrial projects and provision of logistic services

The logistic services in the Group's industrial properties have been one of the businesses of the Group for years. During the year, as mentioned in note 1, the Board has resolved that additional resources would continuously be deployed to the industrial projects and logistic services and accordingly, the industrial projects and logistic services are redesignated by the Board as one of the principal businesses of the Group. The results of the industrial projects and logistic services are also separately reviewed and evaluated for management reporting purposes. Accordingly, the presentation of segment information for the year ended 31 December 2024 has been changed to reflect this change of segment composition. Comparative segment information has been restated to conform with the current year's presentation.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that interest income, interest expenses on bank borrowings as well as head office and corporate income and expenses are excluded from such measurement.

No assets and liabilities are included in the measures of the Group's segment reporting that are used by the management for performance assessment and resource allocation. Accordingly, no segment assets and liabilities are presented.

The Group's revenue from external customers was derived solely from its operations in the PRC and the non-current assets of the Group were located in the PRC as at 31 December 2024 and 2023.

None of the revenue derived from any single external customer amounted to 10% or more of the Group's revenue for the year ended 31 December 2024 (2023: None).

Information regarding the reportable segments is presented below.

	Intimate wear products		Industrial projects and logistic		Total	
	2024 RMB'000	2023 RMB'000 (restated)	2024 RMB'000	2023 RMB'000 (restated)	2024 RMB'000	2023 RMB'000 (restated)
<b>Segment revenue</b>						
Revenue from external customers	2,554,880	2,642,960	455,250	114,121	3,010,130	2,757,081
Intersegment sales	—	—	117,149	120,031	117,149	120,031
<b>Total segment revenue</b>	<b>2,554,880</b>	<b>2,642,960</b>	<b>572,399</b>	<b>234,152</b>	<b>3,127,279</b>	<b>2,877,112</b>
<i>Reconciliation:</i>						
Elimination of intersegment sales					(117,149)	(120,031)
Total revenue					<b>3,010,130</b>	<b>2,757,081</b>
Segment gross profit	1,209,067	1,285,315	166,600	23,344	1,375,667	1,308,659
<b>Segment results before impairment losses on financial assets</b>	<b>97,649</b>	<b>55,175</b>	<b>122,055</b>	<b>16,265</b>	<b>219,704</b>	<b>71,440</b>
Net (impairment losses)/reversal of impairment losses on financial assets	(8,688)	31,317	—	—	(8,688)	31,317
<b>Segment results</b>	<b>88,961</b>	<b>86,492</b>	<b>122,055</b>	<b>16,265</b>	<b>211,016</b>	<b>102,757</b>
<i>Reconciliation:</i>						
Interest income					7,378	7,618
Unallocated gains/(losses) – net					2,900	5,426
Corporate and other unallocated expenses					(37,929)	(49,903)
Interest expenses on bank borrowings					(15,062)	(17,896)
Profit before income tax					<b>168,303</b>	<b>48,002</b>



## 5. REVENUE

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Retail sales	1,279,128	1,212,137
Sales to franchisees	864,983	906,704
E-commerce	410,769	524,119
Logistic income	132,481	114,121
Sales of properties from industrial projects	322,769	–
	<u>3,010,130</u>	<u>2,757,081</u>

## 6. OTHER INCOME AND OTHER GAINS/(LOSSES) – NET

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
An analysis of the Group's other income is as follows:		
Government grants ( <i>Note</i> )	1,507	3,653
Dividends from financial assets at fair value through other comprehensive income	1,999	81
Investment income from financial assets at fair value through profit or loss	3,723	1,453
Others	18,273	20,447
	<u>25,502</u>	<u>25,634</u>

*Note:* These mainly represented grants received from various local governments in the PRC. There are no unfulfilled conditions or contingencies relating to these grants.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
An analysis of the Group's other gains/(losses) – net is as follows:		
Net foreign exchange losses	(274)	(2,021)
Gain on disposal of subsidiary	–	742
Gains on disposal of property, plant and equipment – net	1,067	444
Loss on disposal of intangible assets	–	(22)
	<u>793</u>	<u>(857)</u>

## 7. FINANCE INCOME AND EXPENSES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Finance income		
Interest income on short-term bank deposits	<u>7,378</u>	<u>7,618</u>
	7,378	7,618
Finance expenses		
Interest expenses on bank borrowings	(15,062)	(24,662)
Less: interest capitalised	–	6,766
Interest expenses on lease liabilities	<u>(12,156)</u>	<u>(12,298)</u>
	<u>(27,218)</u>	<u>(30,194)</u>
	<u><b>(19,840)</b></u>	<u><b>(22,576)</b></u>

## 8. PROFIT BEFORE INCOME TAX

The Group's profit before income tax is arrived at after charging:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Costs of inventories sold	1,319,731	1,333,900
Cost of services rendered	135,163	114,522
Cost of properties sold	179,569	–
Depreciation and amortisation		
– Right-of-use assets	209,077	172,522
– Property, plant and equipment	68,454	103,206
– Intangible assets	6,910	6,759
Expenses relating to short-term leases	22,366	20,569
Leasing expenses in respect of stores under cooperative arrangements	338,473	362,173
Auditor's remuneration	3,200	3,900
Employee benefit expense (including directors' emoluments)	276,038	275,868
Provision for inventories	12,671	47,076
Impairment of property, plant and equipment	–	749
Impairment of intangible assets	–	2,887
Impairment of right-of-use assets	<u>6,752</u>	<u>8,490</u>

## 9. INCOME TAX EXPENSE

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current income tax		
– PRC corporate income tax ( <i>Note (b)</i> )	6,565	(20,538)
– PRC land appreciation tax (“LAT”) ( <i>Note (c)</i> )	33,704	–
	<u>40,269</u>	<u>(20,538)</u>
Deferred income tax	<u>12,677</u>	<u>27,854</u>
Income tax expense	<u><u>52,946</u></u>	<u><u>7,316</u></u>

*Notes:*

### (a) Hong Kong profits tax

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the current and the prior years.

### (b) PRC corporate income tax

The Company’s subsidiary, Cosmo Lady Guangdong Holdings Limited (“Cosmo Lady Guangdong”) was given the preferential corporate income tax at 15% under the High and New Technology Enterprises (“HNTE”) in December 2021, which is effective for 3 years from 2021 to 2024. The Group’s other subsidiaries in the PRC are subject to PRC corporate income tax at the rate of 25% for the year ended 31 December 2024 (2023: 25%) on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

### (c) PRC land appreciation tax

The Group is subject to LAT in the PRC. The provision for LAT is based on management’s best estimates according to the understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its LAT calculation and payments with the tax authorities for certain of its property development projects. The final outcome could be different from the amounts that were initially recorded.

### (d) Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act, Cap 22 (Act 3 of 1961, as consolidated and revised) of Cayman Islands and accordingly, is exempted from Cayman Islands income tax. The Company’s direct subsidiary in the BVI was incorporated under the International Business Companies Act of the BVI and, accordingly, is exempted from BVI income tax.

## 10. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

The calculations of basic and diluted earnings per share are based on:

	2024	2023
Profit for the year attributable to owners of the Company ( <i>RMB'000</i> )	<u>126,157</u>	<u>42,483</u>
Weighted average number of ordinary shares for the purposes of basic earnings per share ( <i>thousands of shares</i> )	2,177,311	2,187,880
Effect of dilution – weighted average number of ordinary shares: share award scheme ( <i>thousands of shares</i> )	<u>45,026</u>	<u>39,697</u>
Number of shares used in diluted earnings per share calculation ( <i>thousands of shares</i> )	<u>2,222,337</u>	<u>2,227,577</u>

*Note:* The weighted average number of ordinary shares for the purpose of basic earnings per share for the years ended 31 December 2024 and 2023 has been adjusted for the effects of vesting, purchase and withholding of ordinary shares of the Company for the share award scheme.

The diluted earnings per share calculation for the year ended 31 December 2023 disclosed in the table above had been restated to add the dilutive effect of the shares held for the Company's share award scheme.

## 11. DIVIDENDS

At a meeting held on 28 March 2025, the Board recommended a final dividend of HK0.5 cents (2023: nil) per ordinary share of the Company, totaling approximately HK\$11,247,000 for the year ended 31 December 2024. This proposed dividend is not reflected as a dividend payable in the consolidated financial statements for the year ended 31 December 2024, but will be reflected as an appropriation for the year ending 31 December 2025. The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

At a meeting held on 27 August 2024, the Board has recommended the payment of an interim dividend of HK1.1 cents (2023: nil) per ordinary share of the Company, totaling approximately HK\$24,744,000 for the six months ended 30 June 2024, which was paid during the year and has been reflected as an appropriation for the year ended 31 December 2024.

## 12. TRADE AND NOTES RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables – due from third parties	401,417	330,202
Notes receivables	267	761
Less: loss allowance	<u>(16,439)</u>	<u>(10,282)</u>
Trade and notes receivables – net	<u><b>385,245</b></u>	<u><b>320,681</b></u>

- (a) As at 31 December 2024, the carrying amounts of the trade receivables of the Group approximate their fair values and are all denominated in RMB.
- (b) The Group's trade receivables are primarily derived from sales to certain franchise customers with an appropriate credit history. The Group generally grants franchise customers with a credit period of 15 to 90 days from the invoice date. The Group also gives franchise customers a credit period of 90 to 180 days for their first order of products for new retail stores. The Group would also extend the credit period for certain franchise customers under certain circumstances. The ageing analysis of trade receivables based on invoice date, as at 31 December 2024 is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables, gross		
– Within 30 days	157,275	200,593
– Over 30 days and within 60 days	44,861	19,876
– Over 60 days and within 90 days	94,702	12,767
– Over 90 days and within 180 days	44,192	23,465
– Over 180 days and within 360 days	48,501	66,174
– Over 360 days	<u>11,886</u>	<u>7,327</u>
	<u><b>401,417</b></u>	<u><b>330,202</b></u>

### 13. TRADE AND NOTES PAYABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables		
– Due to third parties	398,564	295,070
– Due to related parties	5,544	1,752
	<u>404,108</u>	<u>296,822</u>
Notes payables	<u>119,365</u>	454,614
	<u><b>523,473</b></u>	<u><b>751,436</b></u>

As at 31 December 2024, trade and notes payables of the Group are non-interest bearing, and their fair values approximate their carrying amounts due to their short maturities.

As at 31 December 2024, trade payables are denominated in RMB. The aging analysis of trade payables based on invoice dates, as at 31 December 2024 is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables		
– Within 30 days	43,302	61,674
– Over 30 days and within 60 days	38,016	45,989
– Over 60 days and within 90 days	100,054	104,038
– Over 90 days and within 180 days	191,386	80,914
– Over 180 days and within 360 days	19,748	2,310
– Over 360 days	11,602	1,897
	<u>404,108</u>	<u>296,822</u>

## **BUSINESS REVIEW**

In 2024, in the face of the complex international and domestic situation, we witnessed the strong resilience of China's economy, with the national GDP achieving a growth of 5%. However, we also faced challenges such as the decline in the growth rate of total retail sales, consumer confidence and purchasing power. Throughout the year of 2024, the Group adhered to a long-term perspective, focusing on internal capabilities as its core strategy to cope with economic cycles. Under the strategy of building a national brand, we achieved excellent performance in 2024 through a series of initiatives, such as enhancing brand value, creating bestsellers, strengthening sales channels, optimizing operational management and improving efficiency. Together with the asset value released from the Group's successfully revived logistics industry projects, the profit attributable to owners of the Company amounted to approximately RMB126,157,000 for the year ended 31 December 2024, as compared to approximately RMB42,483,000 for the year ended 31 December 2023, representing an increase of approximately 197%.

### **Strengthening brand equity to further enhance our brand power**

In 2024, to further enhance our brand power, we launched a series of brand activities centered on our positioning as a "National Intimate Wear" and achieved remarkable results.

In March 2024, we entered into a strategic cooperation with the China National Synchronized Swimming Team and launched a series of "Champion Brand" marketing campaigns. The world's first "Soft Size Nude Bra" launched by Cosmo Lady opened the 3.0 era of comfortable and stylish underwear, attracting widespread attention.

In June 2024, Cosmo Lady launched a marketing activity in collaboration with its brand ambassador Xu Dongdong for the 10th anniversary of the Company's listing. The campaign, which highlighted themes of "Comfort" (舒適自在), and "Freedom From Stereotypes" (不被定義), successfully garnered widespread attention and landed on the trending lists in the PRC.

In July 2024, we seized the opportunity of the Olympic Games and launched a large-scale Olympic-themed marketing. By launching the Paris Olympic-themed Bus, we showcased our image of China's champion intimate wear brand at global landmarks, such as the Eiffel Tower and the Arc de Triomphe in Paris, conveying our brand charisma to consumers worldwide.

At the same time, to support our initiatives in the "Key Province Campaign", Cosmo Lady has partnered with Lutie Media to roll out a thousand premium media advertisements across high-speed rail stations in over 160 cities nationwide, further shaping our brand image and enhancing the recognition and influence of the Group's brands.

These activities effectively strengthened the brand equity of Cosmo Lady, further consolidated its image as a national brand, and significantly enhanced our brand power.

## **Creating bestsellers and winning consumers with quality products**

Adhering to the original aspiration of producing high-quality and affordable intimate wear for consumers, we leveraged new technologies, new materials, new processes, new cup designs to create bestsellers that offer high value for money.

The “Soft Size Nude Bra” released in spring and summer featuring “comfort and style” as its distinct characteristics, integrating memory strips, adaptive cups and invisible seamless technology and gained wide recognition from consumers. The “Black Gold Lightweight Down” released in autumn and winter offered the advantage of ‘double hydration and no dryness in autumn and winter’. Its thin, warm and smooth qualities have made it a memorable bestseller for consumers.

## **Optimizing channel layout to seize growth opportunities in shopping malls and e-commerce channels**

The offline street retail channel remains a core advantage for Cosmo Lady. In 2024, despite a complex market environment, our stores achieved net growth amidst the adversity, and further consolidating our strengths in offline channels.

In addition, the Group achieved a breakthrough in the shopping malls channel through the “Cotton Regions” brand. Cotton Regions is targeted at the mid-to-high end market and is committed to providing consumers with products that are made with pure cotton, healthy and comfortable, creating a one-stop family shopping experience, thereby differentiating its positioning from that of our main brand Cosmo Lady. With exquisite products and great shopping experience, Cotton Regions has gained wide recognition from consumers, and its performance in 2024 increased by approximately 50% year-on-year as compared to that of 2023. Meanwhile, with its excellent performance and profitability, Cotton Regions has attracted numerous franchisees, who show a strong willingness to open new stores. It is expected that Cotton Regions will double its number of stores and performance by 2025, and become a strong driver of the Group’s growth.

In terms of e-commerce channels, we successfully expanded cooperation with our Group’s partners in the first half of 2024, and made a breakthrough in business development by enhancing our market share in multiple facets through integrating online and offline sales channels. For the year ended 31 December 2024, the Group’s gross merchandise value (“GMV”) of e-commerce transactions exceeded RMB1.5 billion, representing a year-on-year growth over 100% as compared to that for the year ended 31 December 2023. With further cooperation with its partners in 2025, the Group expects to achieve significant results in its e-commerce business, which will become another growth driver for the Group’s performance.



Looking ahead to 2025, we will maintain a prudent and pragmatic approach, continuing to deepen our business with ongoing optimization and innovation. Although the external environment remains uncertain, we are confident that we will be able to seize new opportunities and meet new challenges through practical and diligent efforts and solid business development. We will remain committed to creating value for our shareholders, providing higher-quality products and services for consumers, and offering better development platforms for our employees. We believe that the Group will achieve sustainable healthy growth and embrace a brighter future through our relentless efforts.

We would like to extend my sincere gratitude to all our customers, suppliers, bankers, shareholders, and supporters of the Company who have been supportive of the Group. We would also like to thank our Directors, management and staff for their valuable contributions to the Group.

## **FINANCIAL REVIEW**

### **Profit attributable to the owners of the Company and the segment results**

Profit attributable to the owners of the Company for the year ended 31 December 2024 (the “**Year**”) was approximately RMB126,157,000 (2023: RMB42,483,000), which increased by approximately 197% as compared with that of the corresponding year in 2023. Besides, the segment results (before impairment losses on financial assets) from the intimate wear products and industrial projects and logistic segments of the Group for the Year were approximately RMB97,649,000 (2023: RMB55,175,000) and approximately RMB122,055,000 (2023: RMB16,265,000), respectively, which increased by approximately 77.0% and approximately 650.4% as compared with that for the year ended 31 December 2023, respectively.

Such increases were mainly due to (i) the successful cooperation with the Group’s partners to expand e-commerce business of the Group, thereby increasing the Group’s market share in the PRC substantially and, in turn, resulting in the improvement in the Group’s operating results during the Year; (ii) the effective cost control and improved efficiency of the Group has also further reduced the Group’s operating costs; and (iii) certain units of the industrial projects of the Group located in Fenggang, Dongguan, Guangdong Province, the PRC (the “**Yuquan Projects**”), which have been delivered and recognised as revenue during the Year.

## Revenue

The Group's revenue is mainly derived from sales of intimate wear products to the franchisees and to consumers through self-managed/cooperative stores and online sales platforms, development of industrial projects and provision of logistic services in the PRC. The breakdown of the revenue is as follows:

	Year ended 31 December			
	2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
<b>Intimate wear products:</b>				
Offline sales	2,144,111	71.3	2,118,841	76.9
E-commerce	410,769	13.6	524,119	19.0
	<u>2,554,880</u>	<u>84.9</u>	<u>2,642,960</u>	<u>95.9</u>
<b>Industrial projects and logistic:</b>				
Logistic income	132,481	4.4	114,121	4.1
Industrial projects sales	322,769	10.7	–	–
	<u>455,250</u>	<u>15.1</u>	<u>114,121</u>	<u>4.1</u>
	<u><u>3,010,130</u></u>	<u><u>100.0</u></u>	<u><u>2,757,081</u></u>	<u><u>100.0</u></u>

During the Year, the changes in revenue of the Group were mainly driven by the following factors:

- for the revenue from intimate wear products, the Group successfully cooperated with the Group's partner to expand its e-commerce business and increased the Group's market share in the PRC substantially, with the GMV of approximately RMB1.1 billion transacted on the e-commerce platforms that the Group established corporations with during the Year, from which the Group received the relevant service income. As a result, the Group reduced some of the inefficient self-operated e-commerce platforms, resulting in a decrease in revenue from e-commerce during the Year; and
- the increase in revenue from industrial projects and logistic was mainly due to the completion of the delivery and sales recognition of certain units of the Yuquan Projects during the Year. Since 2022, the Group has transformed the former old warehouses in Yuquan, the PRC, into the modern industrial and intelligent logistic warehousing industrial projects, which has been completed and approved by the relevant authorities during the Year. The total gross floor area of the Yuquan Projects is approximately 145,000 square meters, of which approximately 56,000 square meters are used by the Group for logistic business and the remaining approximately 89,000 square meters are mainly used for sales. As at 31 December 2024, the gross floor area of the Yuquan Projects of approximately 66,000 square metres had been contracted, of which approximately 47,000 square metres were delivered and revenue was recognised during the Year. The remaining contracted units of the Yuquan Projects will be delivered progressively in 2025.

### **Gross profit margin**

In 2024, the gross profit margin of the Group remained steady at approximately 45.7% as compared with that for the year ended 31 December 2023 (2023: 47.5%), in which the gross profit margin of intimate wear products also remained steady during the Year at approximately 47.3% as compared with that for the year ended 31 December 2023 (2023: 48.6%). The gross profit margin of industrial projects and logistic increased to approximately 36.6% (2023: 20.5%) during the Year, which was mainly due to the newly increased sales from the industrial projects during the Year.

### **Selling and marketing expenses**

Selling and marketing expenses primarily consist of employee benefit expenses, operating expenses in respect of stores under cooperative arrangements, marketing and promotion expenses, e-commerce platforms commission expenses, depreciation and amortisation and others.

The decrease of selling and marketing expenses by about 7.5% for the year ended 31 December 2024 to approximately RMB1,019,925,000 (2023: RMB1,103,187,000) was mainly due to the optimization of e-commerce platform traffic promotion as a result of the change in business strategy in e-commerce business as mentioned above and the more effective and efficient brand marketing investment during the Year.

### **General and administrative expenses**

General and administrative expenses primarily consist of employee benefit expenses, consulting service expenses, travelling expenses, depreciation and amortisation and others.

The decrease in general and administrative expenses by about 5.4% for the year ended 31 December 2024 to approximately RMB184,383,000 (2023: RMB194,961,000) was mainly attributable to the continuous and effective cost control measures implemented during the Year.

### **Net (impairment losses)/reversal of impairment losses on financial assets**

The amount of approximately RMB8,688,000 was mainly represented the provision for trade receivables made during the Year. The net reversal of impairment losses of approximately RMB31,317,000 mainly represented the reversal of partial provisions for trade receivables made in previous years upon settlement of these balances during the year ended 31 December 2023.

### **Finance expenses – net**

Finance expenses – net represents financial expenses on bank borrowings and lease liabilities less interest income on bank deposits.

The decrease in finance expenses – net to approximately RMB19,840,000 in 2024 (2023: RMB22,576,000) was mainly due to the decrease in interest expenses on bank borrowings during the Year.

### **Income tax expense**

As at 31 December 2024, the Group had fulfilled all its tax obligations and did not have any unresolved tax disputes.

The income tax expense during the Year increased to approximately RMB52,946,000 (2023: RMB7,316,000). Such increase was mainly due to the PRC land appreciation tax charges amounted to approximately RMB33,704,000 as a result of the sales and profit from industrial projects during the Year and the reversal of part of the deferred tax assets recognised in previous years.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group maintained a strong and healthy financial position. As at 31 December 2024, the Group's restricted bank deposits and cash and cash equivalents amounted to approximately RMB621,871,000 (31 December 2023: RMB681,933,000) and bank borrowings amounted to approximately RMB395,630,000 (31 December 2023: RMB392,480,000). As at 31 December 2024, the current ratio was about 1.6 times (31 December 2023: 1.4 times).

As at 31 December 2024, the Group's gross gearing ratio, which was calculated on the basis of the amount of bank borrowings as a percentage of the total shareholders' equity, was approximately 19.6% (31 December 2023: 20.4%). The net gearing ratio, which was calculated on the basis of the amount of bank borrowings less restricted bank deposits and cash and cash equivalents as a percentage of the total shareholders' equity, was approximately negative 11.2% (31 December 2023: negative 15.0%) as the Group continued to maintain a net cash position.

As at 31 December 2024, the Group provided guarantees amounting to approximately RMB250,023,000 (2023: Nil) to certain banks in respect of loans granted by banks for purchasers of the Group's industrial properties. The fair value of the guarantees is not significant and the Group considers that in case of default in payments, the net realisable value of the related properties will be sufficient to cover the repayment of the outstanding loan principals together with the accrued interest and penalty.

## **FOREIGN CURRENCY RISK**

Most of the Group's income, expenses and purchases of raw materials are denominated in Renminbi. The Group has never encountered any significant difficulties in obtaining sufficient foreign currencies for repatriation of profits declared by the subsidiaries in mainland China to the overseas holding companies.

## **CAPITAL EXPENDITURE ON PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS**

During the Year, the capital expenditure on property, plant and equipment and intangible assets of the Group amounted to approximately RMB86,900,000 (2023: RMB508,088,000), which was mainly used for decoration and renewal of stores.

## **PLEDGE OF ASSETS**

As at 31 December 2024, the Group's restricted bank deposits, certain property, plant and equipment, and land use rights of approximately RMB381,119,000 (31 December 2023: RMB934,046,000) were pledged as securities for obtaining banking borrowings and notes payables.

## **HUMAN RESOURCES AND MANAGEMENT**

The Group had approximately 2,200 full-time employees as at 31 December 2024 (31 December 2023: 2,600). The Group's remuneration package is determined with reference to the experience and qualifications of the individual employees and general market conditions. Bonus is linked to the Group's operating result as well as individual performance. The Company believes that the ability to recruit and retain experienced and skilled labour is crucial to the Group's growth and development. The Group provides training to its new employees to familiarise them with the working environment and work culture. The Group also provides on-the-job training to the employees, which aims at developing their skills so as to meet the strategic goals and customer requirements. In addition to providing the Group's staff with opportunities to receive on-the-job training, the Group strives to create a harmonious and warm working and living environment for the staff.

## **ENVIRONMENTAL MANAGEMENT**

Being a socially and environmentally responsible enterprise, the Group is dedicated to achieving environmental sustainability through its daily operations and is in compliance with regulations. An environmental, social and governance report for the Group has been issued in accordance with the Environmental, Social and Governance Reporting Guide of the Stock Exchange and included in the 2024 annual report.

## **FINAL DIVIDENDS**

The Board has recommended the payment of final dividend of HK0.5 cents (2023: Nil) per share of the Company (the "**Share(s)**"), totaling approximately HK\$11,247,000 (the "**Final Dividends**") for the year ended 31 December 2024 to be paid on Wednesday, 18 June 2025 to the shareholders of the Company whose names appear on the register of members of the Company on Monday, 9 June 2025, subject to the approval of shareholders at the annual general meeting of the Company to be held on Friday, 30 May 2025 (the "**2025 AGM**").

## **CLOSURE OF REGISTER OF MEMBERS**

For determining shareholders' entitlement to attend and vote at the annual general meeting held on 30 May 2025, the register of members of the Company will be closed from Tuesday, 27 May 2025 to Friday, 30 May 2025, both days inclusive, during which no transfer of the Shares shall be registered.

In order to be eligible to attend and vote at the 2025 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queens’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, 26 May 2025 for registration.

The record date and time for entitlement to the Final Dividends are Monday, 9 June 2025 at 4:30 p.m.. The register of members of the Company will be closed from Thursday, 5 June 2025 to Monday, 9 June 2025, both days inclusive. In order to qualify for the Final Dividends, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at the above address, no later than 4:30 p.m. on Wednesday, 4 June 2025 for registration.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 December 2024.

## **CORPORATE GOVERNANCE PRACTICES**

The Company has applied the principles set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and has complied with the code provisions contained therein during the year ended 31 December 2024 with the exception of Code Provision C.2.1.

According to Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same person. The Company deviated from this provision during the Year because Mr. Zheng Yaonan (“**Mr. Zheng**”) performed both the roles of the chairman of the Board and the chief executive officer of the Company. Mr. Zheng, with the established market reputation in the intimate wear industry in China, is the founder of the Group and has extensive experience in business operations and management in general. Under the leadership of Mr. Zheng, the Board worked effectively and performed its responsibilities with all key and appropriate issues discussed in a timely manner. In addition, as all major decisions were made in consultation with members of the Board and relevant Board committees, and there are four independent non-executive directors on the Board offering advice in independent perspectives, the Board was therefore of the view that there were adequate safeguards in place to ensure sufficient balance of powers within the Board.

## **AUDIT COMMITTEE REVIEW AND SCOPE OF WORK OF THE COMPANY'S AUDITOR**

The audit committee comprises four independent non-executive Directors, namely, Mr. Yau Chi Ming, Dr. Dai Yiyi, Mr. Chen Zhigang and Dr. Lu Hong Te. Mr. Yau Chi Ming, who has appropriate professional qualifications as required by the Listing Rules, is the chairman of the audit committee.

The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters for the Year ended 31 December 2024. The audit committee has also reviewed the audited consolidated annual results of the Group for the year ended 31 December 2024.

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2024 have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year as approved by the Board. The work performed by Ernst & Young 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 opinion or assurance conclusion has been expressed by Ernst & Young on the preliminary announcement.

## **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules (the "**Model Code**") as the code of conduct regarding securities transactions by the Directors. Specific enquiry was made with all the Directors and all of the Directors confirmed that they have complied with the requirements set out in the Model Code during the year ended 31 December 2024.

## **SIGNIFICANT EVENTS AFTER REPORTING PERIOD**

There was no significant event occurred subsequent to 31 December 2024, being the end of the reporting period.



**PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2024**

This annual results announcement is published on the HKEXnews website at <http://www.hkexnews.hk> and on the Company's website at <http://www.cosmo-lady.com.hk>. The 2024 annual report of the Company will be available on both websites and dispatched to the shareholders of the Company in due course.

By order of the Board  
**Cosmo Lady (China) Holdings Company Limited**  
**Zheng Yaonan**  
*Chairman*

Hong Kong, 28 March 2025

*As at the date of this announcement, the Board comprises Mr. Zheng Yaonan, Mr. Zhang Shengfeng, Ms. Wu Xiaoli, Mr. Xian Shunxiang and Mr. Zhu Hongbo as executive Directors; Mr. Lin Zonghong and Ms. Kong Xiangying as non-executive Directors; and Mr. Yau Chi Ming, Dr. Dai Yiyi, Mr. Chen Zhigang and Dr. Lu Hong Te as independent non-executive Directors.*