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**L U X X U**

GROUP LIMITED

**Luxxu Group Limited**

**勵時集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1327)**

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

**FINANCIAL HIGHLIGHTS**

- Revenue for the year ended 31 December 2024 amounted to approximately RMB29.4 million (2023: approximately RMB31.7 million), representing a decrease of approximately 7.3% as compared with the preceding year.
- Gross profit for the year ended 31 December 2024 was approximately RMB12.4 million (2023: approximately RMB5.6 million), representing an increase of approximately 124.0% as compared with the preceding year.
- Net loss for the year ended 31 December 2024 was approximately RMB52.0 million (2023: approximately RMB39.5 million).
- No dividend was proposed by the Board for the year ended 31 December 2024.

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

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	5	29,357	31,667
Cost of sales		(16,920)	(26,114)
Gross profit		12,437	5,553
Other gain (loss)	6	–	43
Change in fair value of financial assets at fair value through profit or loss		(456)	(5,480)
Allowance for expected credit losses (“ECLs”), net – trade receivables		(18,415)	(10,169)
Allowance for inventories		(16,353)	(3,086)
Selling and distribution expenses		(6,929)	(5,425)
Administrative expenses		(19,920)	(18,606)
Finance costs	7	(2,328)	(2,366)
<b>Loss before tax</b>		<b>(51,964)</b>	<b>(39,536)</b>
Income tax expense	8	–	–
<b>Loss for the year</b>	9	<b>(51,964)</b>	<b>(39,536)</b>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translating foreign operations		3,669	3,183
Exchange differences reclassified to profit or loss on disposal of a subsidiary		–	169
<b>Other comprehensive income for the year, net of tax</b>		<b>3,669</b>	<b>3,352</b>
<b>Total comprehensive expense for the year attributable to owners of the Company</b>		<b>(48,295)</b>	<b>(36,184)</b>
<b>Loss per share attributable to owners of the Company</b>			
Basic and diluted (RMB cents)	11	(9.64)	(7.33)

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 31 December 2024*

	<i>Notes</i>	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>3,464</b>	8,704
Right-of-use assets		<b>8,520</b>	1,431
Rental deposits		<b>1,893</b>	1,711
Goodwill		<b>—</b>	—
		<b>13,877</b>	11,846
<b>Current assets</b>			
Inventories		<b>26,629</b>	59,654
Trade receivables	12	<b>13,986</b>	21,440
Financial asset at fair value through profit or loss		<b>14,604</b>	14,482
Deposits, prepayments and other receivables		<b>3,625</b>	4,209
Cash and cash equivalents		<b>1,030</b>	1,998
		<b>59,874</b>	101,783
<b>Liabilities</b>			
<b>Current liabilities</b>			
Lease liabilities		<b>3,419</b>	1,350
Accruals and other payables		<b>1,934</b>	3,307
Bond payables		<b>5,146</b>	4,854
Income tax payable		<b>70</b>	70
		<b>10,569</b>	9,581
<b>Net current assets</b>		<b>49,305</b>	92,202
<b>Total assets less current liabilities</b>		<b>63,182</b>	104,048
<b>Non-current liabilities</b>			
Lease liabilities		<b>5,202</b>	—
Bond payables		<b>24,084</b>	21,857
		<b>29,286</b>	21,857
<b>NET ASSETS</b>		<b>33,896</b>	82,191
<b>Equity</b>			
Share capital	13	<b>45,286</b>	45,286
Reserves		<b>(11,390)</b>	36,905
<b>TOTAL EQUITY</b>		<b>33,896</b>	82,191

## **NOTES TO FINANCIAL STATEMENTS**

### **1. GENERAL INFORMATION**

The Company is a public limited company incorporated in the Cayman Islands on 3 December 2012 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Its shares are listed on The Stock Exchange of Hong Kong Limited. The Company has been registered as a non-Hong Kong company under Part 16 of the Hong Kong Companies Ordinance (Cap. 622) since 10 June 2013. Its shares were initially listed on Main Board of The Stock Exchange Hong Kong Limited.

The Company's registered office is located at Cricket Square, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at Unit 506, 5/F, New World Tower I, 18 Queen's Road Central, Central, Hong Kong.

Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company is Hong Kong dollars. For the purpose of presenting the consolidated financial statements, the Group adopted Renminbi ("RMB") as its presentation currency. All financial information presented in RMB has been rounded to the nearest thousand.

The Company is an investment company. The Group is principally engaged in the manufacture and sales of own-branded watches and jewellerys, including but not limited to diamond watches, tourbillon watches and luxury jewellery accessories, OEM watches and third-party watches. In addition, the Group has commenced the business of providing exhibition services since 2023.

### **2. BASIS OF PREPARATION**

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for current and prior accounting periods reflected in these consolidated financial statements.

### 3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

#### 3.1 Application of new and revised HKFRSs

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

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

The application of the amendment to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### 3.2 New and revised HKFRSs issued but not yet effective

The Group has not applied any new standard, amendments to standards and interpretation that have been issued but are not yet effective for the financial year beginning 1 January 2024. The new standard, amendments to standards and interpretation include the following which may be relevant to the Group.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>3</sup>
Amendments to HKFRS 21	Lack of Exchangeability <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027.

## ***HKFRS 18 Presentation and Disclosure in Financial Statements***

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1st January, 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

## **4. OPERATING SEGMENT**

Information reported internally to the chief operating decision makers for the purpose of resources allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group currently operates in two business segment in manufacturing, trading and retailing business of watches and assists customers to hold exhibition.

A single management team reports to the chief operating decision makers who comprehensively manages the entire business. Accordingly, the Group does not have separate reportable segments.

### **Revenue from major products**

	<b>2024</b> <b><i>RMB'000</i></b>	<b>2023</b> <b><i>RMB'000</i></b>
Branded watches	<b>22,149</b>	29,317
Third-party watches	–	–
Exhibition income	<b>7,208</b>	2,350
	<hr/>	<hr/>
	<b>29,357</b>	31,667
	<hr/>	<hr/>

***Geographical information (based on location of ultimate clients)***

	<b>2024</b> <b>RMB'000</b>	<b>2023</b> <b>RMB'000</b>
Hong Kong, China	<b>7,208</b>	2,350
The People's Republic of China (the "PRC"), excluding Hong Kong	<b>22,149</b>	29,317
	<b>29,357</b>	31,667

The Group's non-current assets (excluding goodwill) are mainly located in the PRC and Hong Kong.

**Information about major customers**

Below are individual customer (from sales of branded watches) contributed over 10% of total revenue of the Group during the years ended 31 December 2024 and 2023:

	<b>2024</b> <b>RMB'000</b>	<b>2023</b> <b>RMB'000</b>
Customer A	<b>4,948</b>	3,761
Customer B	<b>3,379</b>	N/A
Customer C	<b>3,052</b>	3,444
Customer D	<b>3,043</b>	N/A

**5. REVENUE**

	<b>2024</b> <b>RMB'000</b>	<b>2023</b> <b>RMB'000</b>
Contract with customers within the scope of HKFRS 15		
Recognised at a point in time:		
Branded watches	<b>22,149</b>	29,317
Recognised over time:		
Exhibition income	<b>7,208</b>	2,350
	<b>29,357</b>	31,667

**6. OTHER GAIN/(LOSS)**

	<b>2024</b> <b>RMB'000</b>	<b>2023</b> <b>RMB'000</b>
Gain on disposal of a subsidiary	—	43
Exchange loss, net	—	—
	—	43

## 7. FINANCE COSTS

	2024 RMB'000	2023 RMB'000
Finance charges on bond payables	2,051	2,221
Finance charges on lease liabilities	277	145
	<u>2,328</u>	<u>2,366</u>

## 8. LOSS BEFORE TAX

The Group's loss for the year is arrived at after charging/(crediting) the following:

	2024 RMB'000	2023 RMB'000
Employee benefit expense (excluding directors' and chief executive's remuneration (note 13)):		
Salaries and other benefits	5,207	3,980
Retirement benefits schemes contribution	33	21
	<u>5,240</u>	<u>4,001</u>
Advertising expenses	6,929	5,425
Auditor's remuneration	600	588
Cost of inventories recognised as cost of sales	16,920	26,114
Depreciation of property, plant and equipment	5,477	7,883
Depreciation of right-of-use assets	3,472	3,425
Allowance for inventories	16,353	3,086
Gain on disposal of a subsidiary	–	(43)
Allowance for expected credit losses ("ECLs"), net – trade receivables	18,415	10,169
Change in fair value of financial assets through profit or loss	456	5,480
	<u>456</u>	<u>5,480</u>

## 9. INCOME TAX EXPENSE

	2024 RMB'000	2023 RMB'000
Hong Kong Profits Tax	<u>–</u>	<u>–</u>

### Hong Kong

Under the two-tiered profits tax regime, the first HK\$2,000,000 of assessable profits of qualifying corporations subject to Hong Kong Profits Tax will be taxed at 8.25%, and assessable profits above HK\$2,000,000 will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two-tiered profits rates regime will continue to be taxed at a flat rate of 16.5%.

No Hong Kong Profits Tax has been provided as there was no assessable profits arising in Hong Kong during the current year (2023: same).

## The PRC

The PRC Enterprise Income Tax (“PRC EIT”) is calculated at the applicable tax rates in accordance with the relevant laws and regulations in the PRC.

Under the PRC Enterprise Income Tax Law (the “EIT Law”) and Implementation Regulations of the EIT Law, the tax rate of a PRC subsidiary is 25% from 1 January 2008 onwards. No provision for EIT has been made for the PRC subsidiary as the PRC subsidiary did not have any assessable profits subject to EIT in the PRC during the year (2023: same).

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax under these jurisdictions for both years.

The reconciliation between the income tax expense and the product of loss before tax multiplied by the income tax rate applicable to respective tax jurisdictions is as follows:

	2024		2023	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Loss before tax	<u>(51,964)</u>		<u>(39,536)</u>	
Tax at the application income tax rate	(8,574)	(16.5)	(6,523)	(16.5)
Income not subject to tax	–	–	(7)	(0.1)
Expense not deductible for tax	5,812	11.2	5,002	12.6
Tax losses not recognised	<u>2,762</u>	<u>5.3</u>	<u>1,600</u>	<u>4.0</u>
Income tax expense	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

## 10. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year, nor has any dividend been proposed since the end of the reporting period (2023: Nil).

## 11. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Loss</b>		
Loss for the year attributable to owners of the Company and		
loss for the purpose of basic and diluted loss per share	<u>(51,964)</u>	<u>(39,536)</u>
	<b>2024</b>	<b>2023</b>
<b>Weighted average number of shares</b>		
Weight average number of ordinary shares for		
the purpose of basic and diluted loss per share	<u>539,136,000</u>	<u>539,136,000</u>

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2024 and 2023 in respect of a dilution as the impact of the exercise of the Company's share options outstanding had no dilutive effect on the basic loss per share amounts presented.

## 12. TRADE RECEIVABLES

	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
Trade receivables	<b>65,317</b>	55,775
Less: Allowance for ECLs	<b>(51,331)</b>	(34,335)
	<b>13,986</b>	21,440

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally ranged from 0 to 180 days for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing. The following is an aged analysis of trade receivables, net of allowance, presented based on the invoice date at the end of the reporting period:

	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
0 to 30 days	<b>1,083</b>	584
31 to 60 days	<b>735</b>	521
61 to 90 days	<b>553</b>	454
91 to 180 days	<b>498</b>	361
Over 180 days	<b>11,117</b>	19,520
	<b>13,986</b>	21,440

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

	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
At beginning of year	<b>34,335</b>	36,231
Allowance for impairment losses	<b>18,415</b>	10,169
Amount written off as uncollectible	<b>(411)</b>	(9,834)
Exchange realignments	<b>(1,008)</b>	(2,231)
At end of year	<b>51,331</b>	34,335

### 13. SHARE CAPITAL

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
Authorised:		
1,300,000,000 ordinary shares of HK\$0.1 each	<u><b>130,000</b></u>	<u>130,000</u>

	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
Issued and fully paid:		
539,136,000 ordinary shares of HK\$0.1 each	<u><b>45,286</b></u>	<u>45,286</u>

The movements in authorised and issued share capital of the Company during the year were as follows:

	<b>Authorised shares</b>		<b>Issued shares</b>		<b>Equivalent to <i>RMB</i></b>
	<b>No. of shares</b>	<b>Total <i>HK\$</i></b>	<b>No. of shares</b>	<b>Total <i>HK\$</i></b>	
At 1 January 2023, 31 December 2023,					
1 January 2024 and 31 December 2024	<u>1,300,000,000</u>	<u>130,000,000</u>	<u>539,136,000</u>	<u>53,913,600</u>	<u>45,286,000</u>

The only externally imposed capital requirement is that for the Group to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares. The Group receives a report from the share registrars monthly on substantial share interests showing the non-public float and it demonstrates continuing compliance with the 25% limit from the date of the Listing. As of 31 December 2024, approximately 100% (2023: 100%) of the shares were in public hands.

#### Capital risk management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value. The Group manages the capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital in both years.

The Group monitors capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group overall strategy remains unchanged in both years.

The capital structure of the Group consists of borrowings and equity attributable to owners of the Company, comprising issued share capital and reserves.

	<b>2024</b> <b><i>RMB'000</i></b>	2023 <i>RMB'000</i>
Total borrowings	<b>29,230</b>	26,711
Total equity	<b>33,896</b>	82,191
Gearing ratio	<b>86%</b>	33%

## **BUSINESS REVIEW, OUTLOOK AND FUTURE PROSPECTS**

In 2024, the Group continued to focus on its business operations which (i) cooperate with different industry experts to design and sales of prestige and high-end watches and accessories, including but not limited to diamond tourbillon watches and luxury jewellery watches; (ii) design, production and assembly of watches for our OEM customers; (iii) manufacture and sales of our own brands watches; and (iv) organisation of exhibitions.

Due to the slow recovery of the global economy and the decrease in sales demand of our products, the sales for the year ended 31 December 2024 has been decreased comparing from that for the year ended 31 December 2023. The Group should continue to evaluate the product and competitor strategies to identify any areas for improvement. According to the statistics from The Census and Statistics Department, retail sales of the jewellery, watches and clocks, and valuable gifts category in Hong Kong has decreased approximately 14.5% for year ended 31 December 2024 respectively, when comparing with 2023.

Going forward, the Group aimed to offer premium quality products to customers and will continue to strengthen our core competitiveness by improving our watch and jewellery design and development capabilities by upholding the design and artistic knowledge of the design team and recruitment of additional talents. In view of the economy condition in Hong Kong and the PRC, the Group expects 2025 will still be a challenging year. The Group will closely monitor the market response and remix the business and product portfolio to suit the market needs, including but not limited to design, manufacture and sales of prestige and high-end watches and jewelleryes and stay competitive.

In view of (i) the growing middle-class; (ii) increase of disposal income, in particular among Chinese women; and (iii) the rising women's job participation rate, the Group still believe that there is a strong force behind the consumption of prestige and high-end watches and luxury jewelleryes and accessories in long run. The Group should allocate more resources and effort to strengthen our design team and consider crossover design with some famous designer so that the Group can offer fashionable and affordable watches and jewelleryes suitable for wearing in workplace.

Looking beyond the near-term uncertainties, the Group remains committed to seeking and seizing new opportunities, and is well-prepared to shine in the future.

## **APPRECIATION**

I would like to take this opportunity to express my gratitude to the Board for its brilliant leadership, to the Company's shareholders for their strong support, and to the community for their enthusiastic help, and last but not least, to our staff for their dedicated efforts.

## **FINANCIAL REVIEW**

### **Revenue**

Our revenue decreased by approximately RMB2.3 million or approximately 7.3% from approximately RMB31.7 million for the year ended 31 December 2023 to approximately RMB29.4 million for the year ended 31 December 2024. The decrease in revenue was mainly attributable to the net effect of (i) decrease of sales demand watches due to the keen competition in the industry and the overall market condition; and (ii) the increase in exhibition income.

### **Cost of sales**

Our cost of sales decreased by approximately RMB9.2 million or approximately 35.2% from approximately RMB26.1 million for the year ended 31 December 2023 to approximately RMB16.9 million for the year ended 31 December 2024. The decrease was in line with the decrease in revenue.

### **Gross profit and gross profit margin**

Our gross profit increased by approximately RMB6.8 million or approximately 121.4% from approximately RMB5.6 million for the year ended 31 December 2023 to approximately RMB12.4 million for the year ended 31 December 2024 which was in line with the increase in the exhibition income for the year ended 31 December 2024. Our overall gross profit margin increased from approximately 17.5% for the year ended 31 December 2023 to approximately 42.4% for the year ended 31 December 2024. The increase was mainly attributable to the increase in exhibition income, which has a higher profit margin, during the year ended 31 December 2024.

### **Selling and distribution expenses**

Our selling and distribution expenses increased by approximately RMB1.5 million or approximately 27.8% from approximately RMB5.4 million for the year ended 31 December 2023 to approximately RMB6.9 million for the year ended 31 December 2024. The increase was mainly attributable to increase in marketing activities due to the increase in exhibition held.

### **Administrative expenses**

Our administrative expenses increased by approximately RMB1.3 million or approximately 7.0% from approximately RMB18.6 million for the year ended 31 December 2023 to approximately RMB19.9 million for the year ended 31 December 2024.

### **Loss before taxation**

As a result of the foregoing, our loss before taxation increased by approximately RMB12.5 million to approximately RMB52.0 million for the year ended 31 December 2024 as against a loss before taxation of approximately RMB39.5 million for the year ended 31 December 2023.

### **Taxation**

No income tax expense for the year ended 31 December 2024 and 2023.

## Loss for the year

As a result of the foregoing, we recorded a loss for the year of approximately RMB52.0 million for the year ended 31 December 2024 as against a loss for the year of approximately RMB39.5 million for the year ended 31 December 2023.

## FINANCIAL POSITION

The Group funded its liquidity and capital requirements primarily through cash inflows from operating activities.

As at 31 December 2024, the Group's total cash and bank balances were approximately RMB1.0 million (31 December 2023: approximately RMB2.0 million), most of which are held in HKD. The current ratio (defined as current assets divided by current liabilities) of the Group decreased from 10.6 times as at 31 December 2023 to 5.7 times as at 31 December 2024. The gearing ratio (defined as total interest-bearing borrowings divided by shareholders' equity) of the Group increased from 32.5% as at 31 December 2023 to approximately 86.2% as at 31 December 2024.

## MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

The Group did not carry out any material acquisition nor disposal of any subsidiaries for the year ended 31 December 2024.

## SIGNIFICANT INVESTMENTS IN LISTED SECURITIES

Name of investee	As at 1 January 2024 RMB'000	As at 31 December 2024 RMB'000	Percentage to the Group's audited total assets as at 31 December 2024 %	Number of shares held by the Group as at 1 January 2024	Percentage of shareholding held by the Group as at 1 January 2024 %	Number of shares held by the Group as at 31 December 2024	Percentage of shareholding held by the Group as at 31 December 2024 %
<b>Significant investments</b>							
SEEC Media Group Limited ("SEEC") (stock code: 205.HK) (note)	4,213	2,159	2.9	11,620,000	1.58%	11,620,000	1.58%
Other listed securities	10,269	12,445	16.9				
	<u>14,482</u>	<u>14,604</u>	<u>19.8</u>				
Total	<u>14,482</u>	<u>14,604</u>	<u>19.8</u>				

*Note:*

SEEC and its subsidiaries are principally engaged in the provision of advertising agency services and distribution of books and magazines in the People's Republic of China and the securities broking business, money lending business and provision of e-commerce platform services and sales of high-tech products in Hong Kong. Based on SEEC's unaudited interim result announcement for the six months ended 30 June 2024, revenue and loss of SEEC was approximately HK\$15,331,000 and HK\$25,701,000 respectively.

The future performance of the listed securities may be influenced by the Hong Kong stock market. In this regard, the Group will continue to maintain a diversified investment portfolio and closely monitor the performance of its investments and the market trends to adjust its investment strategies.

Except the significant investments disclosed above, at 31 December 2024, there was no investment held by the Group the value of which was more than 5% of the total assets of the Group and no investment held by the Group contributed more than 10% of the realised or unrealised gain for the year ended 31 December 2024.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2024, the Group had a total of 56 (2023: 56) employees. The total remuneration costs incurred by the Group for the financial year 2024 were approximately RMB5.6 million (2023: approximately RMB4.4 million). We review the performance of our employees annually and use the results of such review in our annual salary review and promotion appraisal, in order to attract and retain valuable employees.

## **DEBTS AND CHARGE ON ASSETS**

As at 31 December 2024, none of the assets of the Group has been pledged to secure any banking facilities granted to the Group (2023: Nil).

## **FOREIGN CURRENCY RISK**

The Group mainly operates in the PRC and Hong Kong and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to RMB and United States dollars (“USD”). During the years ended 31 December 2024 and 2023, the Group has not entered into any hedging arrangements. However the management will continue to monitor closely its foreign currency exposure and requirements and to arrange for hedging facilities when necessary.

## **CAPITAL COMMITMENTS**

The Group had no capital commitments as at 31 December 2024 and 2023.

## **CONTINGENT LIABILITIES**

The Group did not have any significant contingent liabilities as at 31 December 2024 and 2023.

## **FINAL DIVIDENDS**

The Board did not recommend the payment of any final dividend for the year ended 31 December 2024 (2023: Nil).

## **AUDIT COMMITTEE**

The audit committee (the “Audit Committee”) consists of three members, all being independent non-executive Directors, namely, Mr. Yu Chon Man (Chairman), Ms. Duan Baili and Mr. Zhong Weili. The duties of the Audit Committee include, without limitation, (a) making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, approving the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; (b) monitoring integrity of the Group’s financial statements, annual report and accounts and half-year report, and reviewing significant financial reporting judgments contained therein; (c) reviewing the Group’s financial control, internal control and risk management systems; and (d) reviewing reports made by the corporate guarantee committee, a committee closely monitoring the Group’s activities for the provision of corporate guarantee and to enforce the prohibition on provision of corporate guarantee to any party other than member of the Group. The Group’s annual results for the year ended 31 December 2024 have been reviewed by the Audit Committee.

## **EVENT AFTER THE END OF THE REPORTING PERIOD**

The Group did not have any event after the end of the reporting period.

## **SCOPE OF WORK OF EXTERNAL AUDITOR**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group’s auditors, Jon Gepsom CPA Limited, to the amounts set out in the Group’s latest draft consolidated financial statements for the year. The work performed by Jon Gepsom CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Jon Gepsom CPA Limited on the preliminary announcement.

## **COMPLIANCE WITH THE MODEL CODE**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors confirmed that they have complied with the Model Code throughout the year ended 31 December 2024.

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

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

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND THE ANNUAL REPORT**

This results announcement is published on the Company's website ([www.luxxu.hk](http://www.luxxu.hk)) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The Company's 2024 Annual Report containing all information required under the Listing Rules will be despatched to the shareholders of the Company and available on the above websites in due course.

By Order of the Board  
**Luxxu Group Limited**  
**Liang Yanhuang**  
*Executive Director*

Hong Kong, 28 March 2025

*As at the date of this announcement, the Board comprises two executive Directors being Mr. Liang Yanhuang and Mr. Yang Xi; and three independent non-executive Directors, being Mr. Yu Chon Man, Ms. Duan Baili and Mr. Zhong Weili.*

*In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.*