CIRTEK HOLDINGS LIMITED
常達控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1433)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of Cirtek Holdings Limited (the "**Company**") hereby announces the consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2024 (the "**Reporting Period**") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the Year ended 31 December 2024

	Notes	**2024** ***HK$'000***	2023 *HK$'000*
REVENUE	*4*	**551,049**	372,310
Cost of sales		**(280,430)**	(209,757)
Gross profit		**270,619**	162,553
Other income and gains	*4*	**5,698**	6,061
Selling and distribution expenses		**(61,243)**	(59,524)
Administrative expenses		**(135,638)**	(121,050)
Other operating income/(expenses), net		**(2,433)**	4,067
Impairment of non-financial assets		**–**	(8,065)
Finance costs	*6*	**(2,364)**	(3,164)
Share of profits/(losses) of an associate		**108**	(528)
PROFIT/(LOSS) BEFORE TAX	*5*	**74,747**	(19,650)
Income tax expense	*7*	**(12,888)**	(6,026)
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		**61,859**	(25,676)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY		***HK cents***	*HK cents*
– Basic	*9*	**3.10**	(1.28)
– Diluted		***HK cents***	*HK cents*
	9	**3.10**	(1.28)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year ended 31 December 2024

	2024	2023
	HK$'000	*HK$'000*
PROFIT/(LOSS) FOR THE YEAR	**61,859**	(25,676)
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations, net	**(10,541)**	(14,560)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	**51,318**	(40,236)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	**2024**	2023
		HK$'000	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**131,240**	141,157
Right-of-use assets		**64,036**	31,038
Prepayments and deposits		**3,687**	2,671
Goodwill		**–**	–
Other intangible assets		**569**	675
Financial asset at fair value through profit or loss		**6,067**	5,940
Investment in an associate		**5,789**	5,681
Deferred tax assets		**476**	506
Total non-current assets		**211,864**	187,668
CURRENT ASSETS			
Inventories		**83,227**	70,163
Trade receivables	*10*	**57,562**	44,912
Prepayments, deposits and other receivables		**26,882**	17,877
Tax recoverable		**70**	72
Pledged deposits		**4,306**	14,575
Cash and cash equivalents		**68,519**	34,158
Total current assets		**240,566**	181,757
CURRENT LIABILITIES			
Trade payables	*11*	**64,233**	57,323
Other payables and accruals		**56,018**	51,167
Interest-bearing bank borrowings		**6,246**	21,784
Lease liabilities		**9,580**	10,401
Tax payable		**16,423**	12,484
Total current liabilities		**152,500**	153,159
NET CURRENT ASSETS		**88,066**	28,598
TOTAL ASSETS LESS CURRENT LIABILITIES		**299,930**	216,266

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2024

	2024	2023
	HK$'000	*HK$'000*
NON-CURRENT LIABILITIES		
Other payables	**160**	3,417
Interest-bearing bank borrowings	**–**	1,331
Lease liabilities	**51,846**	14,664
Deferred tax liabilities	**1,990**	1,822
Total non-current liabilities	**53,996**	21,234
Net assets	**245,934**	195,032
EQUITY		
Equity attributable to owners of the Company		
Share capital	**20,000**	20,000
Reserves	**225,934**	175,032
Total equity	**245,934**	195,032

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands. The principal place of business of the Company is located at 1/F, Wing Ming Industrial Centre, 15 Cheung Yue Street, Lai Chi Kok, Kowloon, Hong Kong.

The Company is an investment holding company. During the year, the Group was principally engaged in the manufacturing and sale of printing products.

On 12 March 2020, the shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Charming International Limited ("**Charming International**"), a company incorporated in the British Virgin Islands (the "**BVI**") on 2 January 2019, is the immediate holding company of the Company, and in the opinion of the Directors, is also the ultimate holding company of the Company.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, except for a financial asset at fair value through profit or loss which has been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

Basis of consolidation

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

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

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

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

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

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

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

2.2 Changes in accounting policies and disclosures

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

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised HKFRSs are described below:

(a) Amendments to HKFRS 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 HKFRS 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 HKAS 7 and HKFRS 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.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group has only one reportable operating segment, which is the manufacture and sale of printing products.

Geographical information

(a) Revenue from external customers

	2024	2023
	HK$'000	*HK$'000*
Mainland China	**177,701**	128,401
Hong Kong	**64,582**	54,721
Bangladesh	**99,024**	50,696
India	**34,072**	17,992
Vietnam	**47,484**	30,010
Other countries/regions	**128,186**	90,490
Total revenue	**551,049**	372,310

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

(b) Non-current assets

	2024	2023
	HK$'000	*HK$'000*
Mainland China	**101,094**	72,813
Bangladesh	**47,420**	52,248
Vietnam	**5,258**	8,349
Hong Kong	**18,821**	20,707
Other countries/regions	**30,137**	24,697
Total non-current assets	**202,730**	178,814

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

4. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns, trade discounts and rebates.

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

	2024	2023
	HK$'000	*HK$'000*
Revenue from contracts with customers		
(i) Disaggregated revenue information		
Types of goods or services		
Sale of printing products	**551,049**	372,310
Geographical markets		
Mainland China	**177,701**	128,401
Hong Kong	**64,582**	54,721
Bangladesh	**99,024**	50,696
India	**34,072**	17,992
Vietnam	**47,484**	30,010
Other countries/regions	**128,186**	90,490
Total revenue from contracts with customers	**551,049**	372,310
Timing of revenue recognition		
Goods transferred at a point in time	**551,049**	372,310

The following table shows the amounts of revenue recognised that were included in the contract liabilities at the beginning of the year:

	2024	2023
	HK$'000	*HK$'000*
Sale of printing products	**11,616**	9,564

(ii) Performance obligations

Sale of printing products

The performance obligation is satisfied upon delivery of the printing products and payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required. Some contracts provide customers with a right of return which gives rise to variable consideration subject to constraint.

As the remaining performance obligations (unsatisfied or partially satisfied) as at 31 December 2024 and 2023 are part of contracts that have an original expected duration of one year or less, the transaction price allocated to such is not disclosed, as permitted by the practical expedient in HKFRS 15.

Other income and gains include the following:

	2024	2023
	HK$'000	*HK$'000*
Other income and gains		
Freight and transportation income	**391**	1,212
Interest income	**442**	652
Sale of scrap materials	**1,504**	1,567
Government grants*	**623**	592
Fair value gain on financial asset at fair value through profit or loss	**127**	137
Others	**2,611**	1,901
Total	**5,698**	6,061

* The government grants have been received from the local government. It mainly represented compensation of the unemployment insurance paid to the local government and the acquisition of the Group's new machines, whose compensation are transferred from deferred income to profit or loss over the useful lives of the relevant assets for the years ended 31 December 2024 and 2023. As at 31 December 2024 and 2023, there were no unfulfilled conditions or other contingencies attaching to the government grants that had been recognised by the Group.

5. PROFIT/(LOSS) BEFORE TAX

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

	2024	2023
	HK$'000	*HK$'000*
Cost of sales#	**280,430**	209,757
Depreciation of property, plant and equipment	**20,280**	17,693
Depreciation of right-of-use assets	**13,452**	12,832
Amortisation of other intangible assets	**89**	752
Short-term lease expenses	**930**	969
Employee benefit expense (excluding directors' remuneration)		
Wages and salaries	**152,700**	138,986
Pension scheme contributions (defined contribution scheme)**	**18,269**	14,669
Total	**170,969**	153,655
Auditor's remuneration	**2,050**	2,160
Foreign exchange differences, net*	**629**	(4,109)
Impairment/(reversal of impairment) of trade receivables, net*	**1,981**	(176)
Impairment of goodwill***	**–**	361
Impairment of investment in an associate***	**–**	3,089
Impairment of other intangible assets***	**–**	4,615
(Gain)/loss on disposal of items of property, plant and equipment, net*	**(177)**	217

* These items are included in "Other operating income/(expenses), net" on the face of the consolidated statement of profit or loss for the years ended 31 December 2024 and 2023.

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

*** These items are included in "Impairment of non-financial assets" on the face of the consolidated statement of profit or loss for the years ended 31 December 2024 and 2023.

\# Cost of inventories sold includes HK$74,240,000 (2023: HK$65,322,000) of employee benefit expense, and depreciation of property, plant and equipment and right-of-use assets which are also included in the respective total amounts disclosed above for each of these types of expenses. Included in cost of sales was also provision for inventories of HK$3,248,000 (2023: reversal of provision of HK$1,135,000) for the year ended 31 December 2024.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	HK$'000	*HK$'000*
Interest on bank loans and overdrafts	**621**	1,346
Interest on lease liabilities	**1,743**	1,818
Total	**2,364**	3,164

7. INCOME TAX

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI. Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profit tax rates regime. The first HK$2,000,000 (2023: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions which the Group operates.

	2024	2023
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the year	**4,828**	1,214
Overprovision in prior years	**–**	(31)
Current – Elsewhere		
Charge for the year	**7,721**	4,568
Deferred	**339**	275
Total tax charge for the year	**12,888**	6,026

8. DIVIDENDS

	2024	2023
	HK$'000	*HK$'000*
Proposed final dividend – HK0.75 cents (2023: Nil) per ordinary shares	**15,000**	–

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

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amounts is based on the profit for the year attributable to owners of the Company of HK$61,859,000 (2023: loss for the year attributable to owners of the Company of HK$25,676,000) and the weighted average number of ordinary shares of 1,995,453,825 (2023: 2,000,000,000) outstanding during the year.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the years ended 31 December 2024 and 2023 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings/(loss) per share amounts presented.

10. TRADE RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Trade receivables	**60,134**	45,566
Impairment	**(2,572)**	(654)
Net carrying amount	**57,562**	44,912

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 within 30 to 90 days from the date of monthly statements. Each customer has a maximum credit limit. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	2024	2023
	HK$'000	*HK$'000*
Within 1 month	**32,204**	24,438
1 to 2 months	**14,381**	12,751
2 to 3 months	**6,629**	3,911
Over 3 months	**4,348**	3,812
Total	**57,562**	44,912

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

	2024	2023
	HK$'000	*HK$'000*
At beginning of year	**654**	854
Impairment/(reversal of impairment), net	**1,981**	(176)
Amount written off as uncollectible	**(63)**	(24)
At end of year	**2,572**	654

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

11. TRADE PAYABLES

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

	2024	2023
	HK$'000	*HK$'000*
Within 1 month	**26,093**	16,593
1 to 2 months	**17,992**	12,272
2 to 3 months	**10,317**	10,389
Over 3 months	**9,831**	18,069
Total	**64,233**	57,323

The trade payables are non-interest-bearing and are normally settled on 30 to 150-day terms (2023: 30 to 150-day terms).

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

Although global inflationary pressures eased in 2024, the global economy continued to grow at a slow pace due to the uncertain geopolitical situation and the high interest rate environment. The United Nations forecasted global economic growth of 2.8% in 2024, which remains well below the pre-pandemic levels. During the year, among the developed economies, the US economy grew by 2.8% year-on-year and retail sales increased by 4.4% year-on-year; Mainland China benefited from policies aimed at expanding domestic demand and boosting consumption, resulting in economic growth of 5.0% year-on-year and a 3.5% year-on-year increase in total retail sales of social consumer goods; and in the Eurozone, gross domestic product ("GDP") grew by 0.7% year-on-year, retail sales increased by 1.9% year-on-year in December. Despite these improvements in economic performance across various countries, the market environment remained fraught with uncertainty due to unfavourable factors such as weak economic activity, particularly in the manufacturing industry, and overall low consumer confidence.

In this complex market environment, the Group completed its global expansion initatives. The Group's sales offices and production bases in various countries established a strong foothold, providing the Group with a competitive edge in key markets and creating a worldwide business network conducive to seizing opportunities arising from the rebound of the apparel market. The Group's production bases in major garment exporting countries such as Mainland China, Vietnam and Bangladesh have seen a steady increase in order volumes. Meanwhile, operations at new factories in Central America and Southern Europe progressed smoothly, securing new customers and orders. As a result, the Group maintained its growth momentum in the first half of 2024, with revenue increasing by 48.0% year-on-year to approximately HK$551,049,000 (2023: approximately HK$372,310,000). With the completion of the relocation of the newly established plant in Bangladesh and its commencement of operations in February 2024, the Group achieved significant economies of scale, with the gross profit margin for the year under review increasing to 49.1% (2023: 43.7%). To further enhance production efficiency, reduce costs and increase profits, the Group increased its investment in automation equipment and upgraded its internal management system. Consequently, the Group successfully turned its loss into profit for the year under review and recorded profit attributable to owners of the Company of approximately HK$61,859,000 (2023: loss attributable to owners of the Company of approximately HK$25,676,000).

With the steady growth in business performance, the Group's financial position has become more robust with sufficient cash reserves and stable operating cash flow. In view of this, the Board of Directors has proposed a final dividend of HK0.75 cents per share (2023: Nil) as a token of appreciation to its shareholders for their long-term support. The Group has implemented effective capital management to enhance its cash flow enabling it to better adapt to market changes and seize business opportunities in a timely manner. In addition, with the gearing ratio stabilised, the Group's financial status has become more solid, providing strong support for future development.

In terms of sales and production, the growth in demand for apparel in the European Union ("**EU**") was one of the main drivers during the year under review. In the third quarter of 2024, the EU apparel import market recovered significantly, particularly in October, when non-EU apparel imports into the EU grew by 28.6% year-on-year. By establishing a sales network in more than 40 markets worldwide and production bases in the top five garment exporting countries, the Group has been able to diversify its business risks and capture market opportunities in a timely manner. Leveraging its local operating experience, the Group has been successful in expanding its local customer base and securing new orders by closely following local market demands, optimising supply chain management and improving service response time. During the year under review, the Group achieved significant sales growth in markets such as Mainland China, Vietnam, Bangladesh and India, while sales from its production bases in Central America and Southern Europe also increased, contributing to the Group's overall revenue growth.

In terms of products, with the widespread application of RFID technology in the global retail sector, especially in the apparel industry, the Group is able to promote RFID products to its customers through cross-selling, as it has accumulated a wide customer base with its years of in-depth experience in the apparel labels and trim products industry. During the year under review, the proportion of revenue of RFID products to the revenue of the Group has significantly increased. In addition, the Group has proactively responded to the growing trend of global environmental, social and governance ("ESG") considerations by implementing sustainable development concepts from raw material selection to production processes. The Group has been actively sourcing environmentally friendly materials, such as biodegradable materials and recycled plastics, to enrich its product portfolio and offer more choices to renowned apparel brands, as well as to meet the environmental requirements of these customers in terms of energy and water conservation in the production process.

In 2023, the Group completed the acquisition of an associate in Primway S.A.R.L. ("**Primway**"), a French packaging company with over a decade of history, and the integration into the Group's operations was successfully completed in 2024. During the year under review, Primway introduced French brands to the Group as new customers and started to contribute revenue to the Group. Capitalising on the Group's extensive industry experience and advantages in large-scale production, it is expected that together with Primway, it will be able to attract more brand customers from France and other European countries and regions, thus injecting new impetus into the Group's development.

PROSPECTS

In 2024, the global economy showed a moderate recovery, which positively impacted the Group's performance. However, looking ahead to 2025, challenges such as intensifying geopolitical conflicts and protectionism policies, as well as high debt levels, are expected to create more uncertainty in the market environment. The United Nations forecasts that the global economy will grow by 2.8% in 2025, the same as last year, mainly due to slower growth in the two largest economies, the United States and Mainland China. In particular, growth in the US is expected to slow from 2.8% last year to 1.9% in 2025 due to a weaker labour market and a slowdown in consumer spending. In Mainland China, overall economic performance will be weighed down by a slowdown in consumption and a sluggish recovery in household consumer confidence.

As a pioneer in the apparel labels and trim products industry, the Group has been focusing on the implementation of its global deployment strategy for many years, and has now moved from the investment stage to the harvesting stage. In the face of market ups and downs, the Group will continue to capitalise on the advantages of its global presence to capture the growth potential of each regional market, while increasing its investment in automation of production facilities and improving its management system in order to further consolidate its business footprint. With a solid business foundation and stringent cost control measures, the Group is confident that it will be able to cope with market changes and rise to the challenges.

With the increasing application of RFID products in various industries, the market demand continues to rise and is showing considerable growth potential. The Group will endeavour to expand the market for RFID products while reviewing the way it works with existing customers to create more cross-selling opportunities. In addition, the increasing consumer focus on sustainability has led brands to seek cooperation with manufacturing partners that meet ESG standards. In light of this movement, the Group has incorporated the concept of sustainability into its daily operations and production processes. In addition to the use of renewable energy in its factories in Mainland China, the Group has expanded its choice of environmentally friendly raw materials to further enhance its competitiveness and capture the opportunities presented by the current trend.

Looking ahead, the Group will monitor the market situation and take advantage of its “offensive yet defensive” global deployment strategy to consolidate its existing businesses and markets, while actively exploring and seizing new business opportunities. The Group will continue to strengthen the resilience of its business to ensure its steady progress in the complex and volatile market environment and to bring long-term value to its shareholders.

FINANCIAL REVIEW

Revenue

Revenue of the Group is mainly generated from the sale of apparel labels and trim products, such as hang tags, woven labels, printed labels and heat transfer products. Revenue of our Group sharply increased by approximately HK$178.8 million or 48.0% from approximately HK$372.3 million for the year ended 31 December 2023 (“FY2023”) to approximately HK$551.1 million for the year ended 31 December 2024 (“FY2024”). Such increase was due to the increase in sales orders from the Group’s global sales network during FY2024.

Gross profit

The Group recorded a gross profit and gross profit margin of approximately HK$270.6 million and 49.1% respectively for FY2024, compared to a gross profit of approximately HK$162.6 million and a gross profit margin of 43.7% for FY2023. The improvement in gross profit margin was mainly due to the cost management incentives using the Group’s global advantages and resource allocation during FY2024.

Other income and gains

The Group recorded a decrease in other income and gains of 6.0%, from approximately HK$6.1 million for FY2023 to approximately HK$5.7 million for FY2024, which is due to decline of the freight and transportation income and bank interest income during FY2024.

Selling and distribution expenses

The Group recorded an increase in selling and distribution expenses of 2.9%, from approximately HK$59.5 million for FY2023 to approximately HK$61.2 million for FY2024, which is consistent with the increase in revenue during FY2024.

Administrative expenses

The Group recorded an increase in administrative expenses for the year by 12.1% from approximately HK$121.0 million for FY2023 to approximately HK$135.6 million for FY2024. The increment was mainly due to the headcount and depreciation cost increase during FY2024.

Other operation income/(expenses), net

The Group recorded other operation expenses of approximately HK$2.4 million in FY2024 compared with the other operating income of approximately HK$4.1 million in FY2023. The above change was mainly due to the foreign exchange differences and impairment of trade receivables during FY2024.

Finance costs

The Group recorded a decrease in finance costs of 25.3%, from approximately HK$3.2 million for FY2023 to approximately HK$2.4 million for FY2024, which is due to the repayment of certain bank loans during FY2024.

Taxation

The Group recorded an increase in income tax expenses from approximately HK$6.0 million for FY2023 to approximately HK$12.9 million for FY2024, which is due to the improvement of the operating performance during FY2024.

Profit/(Loss) for the year

The Group recorded a turnaround from loss to profit, as compared to operating loss approximately HK$25.7 million in FY2023 to operating profit approximately HK$61.9 million in FY2024.

The recovery of the Group's financial performance was mainly attributable to an increase in sales orders from Group's global sales network, combined with enhanced production efficiency through the expansion of its production bases and effective cost management using the Group's global advantages and resource allocation.

Capital Structure, Liquidity and Financial Resources

The Group's operating capital was mainly generated from cash from its daily operation of its businesses, equity funding and interest-bearing loan. The Group's cash requirements related primarily to production and operating activities, repayment of due liabilities, capital expenditure, interest and other unforeseeable cash requirements.

The net asset value of the Group increased by 26.1%, from approximately HK$195.0 million as at 31 December 2023 to approximately HK$245.9 million as at 31 December 2024.

Cash and cash equivalents and pledged deposits of the Group as at 31 December 2024 amounted to approximately HK$72.8 million, which increased by 49.5% as compared to approximately HK$48.7 million as at 31 December 2023.

The Group had interest-bearing bank borrowings of approximately HK$6.2 million as at 31 December 2024, which decreased by 73.2% as compared to approximately HK$23.1 million as at 31 December 2023. The Group had aggregate banking facilities of approximately HK$135.6 million, of which approximately HK$6.3 million was utilized and approximately HK$129.3 million was unutilized. The Group maintains these facilities as an available resource and, as at the date of this announcement, the Company does not intent to draw down the unutilised amount.

Current ratio

As at 31 December 2024, the Group had net current assets of approximately HK$88.1 million, representing an increase of approximately HK$59.5 million as compared to that of approximately HK$28.6 million as at 31 December 2023. As a result, the current ratio of the Group (dividing total current assets by total current liabilities at year end date) improved to approximately 1.6 times as at 31 December 2024 compared to approximately 1.2 times as at 31 December 2023.

Gearing ratio

The gearing ratio (dividing bank borrowings plus lease liabilities by equity attributable to owners of the Company) was approximately 27.5% as at 31 December 2024, while the gearing ratio as at 31 December 2023 was approximately 24.7%.

The Board is of the opinion that the Group has a solid and stable financial position and adequate resources to support the necessary operating funding requirements and foreseeable capital expenditures.

Treasury policy

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Reporting Period.

The management of the Group regularly reviews the recoverable amounts and trade receivables by performing ongoing credit assessments and monitoring prompt recovery and, if necessary, making adequate impairment losses for irrecoverable amounts. In order to achieve better cost control and minimise the cost of funds, the Group's treasury activities are centralised and cash is generally deposited with leading licensed banks in Hong Kong and denominated in Hong Kong dollars.

EXPOSURE TO FOREIGN EXCHANGE RISK

The Group's transactions and the monetary assets are principally denominated in Hong Kong dollars, Renminbi, Euro dollars and United States dollars. The Group currently does not use derivative financial instruments to hedge against the volatility associated with foreign currency transactions and other financial assets and liabilities arising in the ordinary course of business. The Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchanges rate during the Reporting Period. The Board will closely monitor the changes of the rate of exchange and government policies from time to time.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any material contingent liabilities (as at 31 December 2023: Nil).

EVENTS AFTER THE REPORTING PERIOD

CHANGE OF PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE AND REGISTERED OFFICE IN THE CAYMAN ISLANDS

As of 31 December 2024, the principal share registrar and transfer office and the registered office of the Company in the Cayman Islands has been changed to:

Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands

For further information, please refer to the announcement of the Company dated 10 January 2025.

EMPLOYEES AND REMUNERATION POLICIES

As at FY2024, we had a total of 1,424 employees in all regions (2023: 1,219 employees).

The Company's employee benefit expense (excluding directors' remuneration), including salaries, bonuses and other employee's benefits, amounted to approximately HK$171.0 million for FY2024 (FY2023: approximately HK$153.7 million). Remuneration packages are generally structured by reference to market terms and individual qualifications. Salaries and wages are normally reviewed annually based on performance appraisals and other relevant factors.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Discloseable transaction in relation to the purchase of machinery

On 6 December 2024 (after trading hours), Charming Printing (Boluo), as the purchaser, entered into the purchase contracts with Konica Minolta Business Solutions (CHINA) Co., Ltd., as the vendor, for the purchase of an UV inkjet printer (the "**UV Inkjet Printer**"), at a total contract price of RMB9,800,000 (equivalent to approximately HK$10,486,000) payable in the manner set out in the announcement of the Company dated 6 December 2024.

The purchase of the UV Inkjet Printer was part of the capital investment to increase the Group's capacity in the sale of printing products. The machines purchased would be utilised by the Group for its business operations.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the purchase of the UV Inkjet Printer exceeds 5% but is less than 25%, such purchase constitutes a discloseable transaction for the Company and is accordingly subject to the notification and announcement requirements under Chapter 14 of the Listing Rules. For further information, please refer to the announcement of the Company dated 6 December 2024.

Save for the above, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Reporting Period.

MAJOR TRANSACTION IN RELATION TO THE LEASE

On 23 July 2024 (after trading hours), Charming Printing (Boluo) Ltd. (博羅縣常美印刷有限公司), a limited liability company incorporated in the People's Republic of China and a wholly-owned subsidiary of the Company ("**Charming Printing (Boluo)**") as lessee, and Boluo County Shiwan Town Shiwan Village Yaowu Joint Stock Economic Cooperative (博羅縣石灣鎮石灣村姚屋股份經濟合作社) as lessor entered into the lease (the "**Lease**") in relation to the lease of the factory located at No. 70, Honghai Road, Shiwan Village, Shiwan Town, Boluo County (the "**Premises**") for a term of fifteen (15) years commencing from 10 November 2024 and expiring on 9 November 2039 (both days inclusive).

Given that the current lease for the relevant premises was expected to expire in November 2024, the Directors considered that continue leasing the Premises with competitive rental terms would be in the interests of the Company and the shareholders of the Company as a whole, as well as avoiding relocation and refurbishment costs which the Group would otherwise have to incur.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the acquisition of right-of-use assets of the Premises recognised by the Group pursuant to HKFRS 16 under the Lease is 25% or more but is less than 100%, the entering into of the Lease constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

For details of the information in relation to the Lease, please refer to the circular of the Company dated 23 September 2024.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY (INCLUDING SALE OF TREASURY SHARES)

During FY2024, the Company repurchased a total of 10,410,000 shares of the Company (the "**Shares**") for an aggregate consideration of HK$416,400 on The Stock Exchange of Hong Kong Limited, all of the purchased Shares are held as treasury shares (as defined in the Listing Rules). As at 31 December 2024, the Company held 10,410,000 treasury shares, details of the Shares repurchase during FY 2024 are as follows:

Month	Number of Shares Repurchased	Purchase Price	Aggregate Amount
		HK$	*HK$*
July 2024	10,410,000	0.04	416,400
Total	**10,410,000**		**416,400**

Save as disclosed, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's securities (including sale of treasury shares (as defined in the Listing Rules)) throughout FY2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company is committed to maintaining a high standard of corporate governance practices and procedures. The corporate governance principle of the Company emphasises accountability and transparency and is adopted in the best interests of the Company and the shareholders (the "**Shareholders**"). In addition, the Company will strive to continuously improve these practices and cultivate an ethical corporate culture.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to protect the interests of its Shareholders and to enhance corporate value and accountability. The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has complied with all Code Provisions of the Corporate Governance Code ("**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") during the Reporting Period. The Company has applied the principles of the CG Code to its corporate governance structure and practices as described in this announcement. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure that they comply with the CG Code and align with the latest developments.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as set out in Appendix C3 to the Listing Rules as the Company's code of conduct regarding Directors' and employees' securities transactions. The chairman of the Audit Committee is the person to be notified for securities dealings by Directors and a designated form is used for notification and acknowledgment purpose. All Directors have confirmed, following specific enquiry by the Company, all Directors have confirmed that they have complied with the requirements of the Model Code during the Reporting Period and up to the date of this announcement.

SHARE OPTION SCHEME

The Company has adopted a share option scheme on 21 February 2020 (the "**Share Option Scheme**"). On 15 September 2020, the Company granted a total of 2,000,000 shares options under the Share Option Scheme to one of our senior management carrying rights to subscribe for up to a total of 2,000,000 ordinary shares of the Company under the Share Option Scheme. The exercise price of the share option granted was HK$0.057 and 50% of the 2,000,000 share options granted shall be exercisable from 31 December 2021 to 14 September 2025, and the remaining 50% shall be exercisable from 31 December 2023 to 14 September 2025. The 2,000,000 share options granted are valid for 5 years from the date of grant (up to 14 September 2025). The said share options granted will be lapsed automatically if not exercised within the validity period. The closing price of the Shares before the date of grant of the share options under the Share Option Scheme was HK$0.059. As at the date of this announcement, 200,000,000 Shares are available for issue under the Share Option Scheme, representing approximately 10.0% of the total number of Shares in issue (i.e., 2,000,000,000 Shares as at the date of this announcement). Pursuant to the Share Option Scheme and Rule 17.03(5) of the Listing Rules, the share option granted under the Share Option Scheme must be taken up within 10 years from the date of grant of the option. No share options were granted, exercised, cancelled or lapsed during FY2024.

AUDIT COMMITTEE

The audit committee of the Company comprises three independent non-executive Directors, namely Ms. Luk Mei Yan (Chairman), Mr. Lee Tak Cheong and Mr. Lam Chor Ki Dick. The audit committee of the Company has reviewed the final results of the Group for FY2024 and the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters.

REVIEW OF PRELIMINARY ANNOUNCEMENT

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 announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for FY2024. 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 this preliminary announcement.

FINAL DIVIDEND AND DATE OF ANNUAL GENERAL MEETING

The Board recommended the payment of a final dividend in cash of HK0.75 cents per ordinary share for the financial year ended 31 December 2024 (2023: Nil). The final dividend is conditional upon the passing of the relevant resolution by the Shareholders at the forthcoming annual general meeting (the "**2025 AGM**") to be held on Friday, 20 June 2025.

Shareholders whose names appear on the register of members of the Company on Friday, 20 June 2025 will be eligible to attend and vote at the 2025 AGM. It is expected that the proposed final dividend, if approved, the final dividend will be paid in Hong Kong dollars and to be paid on Friday, 18 July 2025 to shareholders whose name appeared on the register of members on Friday, 27 June 2025. A notice concerning the annual general meeting will be published and despatched to the shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 17 June 2025 to Friday, 20 June 2025 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the 2025 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 16 June 2025.

The register of members of the Company will be closed from Thursday, 26 June 2025 to Friday, 27 June 2025 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 25 June 2025.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The Company's annual results announcement for FY2024 is published on the website of Hong Kong Exchange and Clearing Limited at www.hkexnews.hk and the Company's website at www.cirtek.com. The annual report of the Company for FY2024, containing information required by the Listing Rules, will be despatched to shareholders of the Company who wish to receive a printed copy of the corporate communication and will also be published on the above websites in due course in compliance with the requirements under the Listing Rules.

APPRECIATION

The Board would like to express its sincere appreciation to the shareholders, business partners and staff for their continuous support to the Group.

By Order of the Board
Cirtek Holdings Limited
CHAN Sing Ming Barry
Chairman and Executive Director

Hong Kong, 31 March 2025

As at the date of this announcement, the Board comprises Mr. Chan Sing Ming Barry, Ms. Law Miu Lan and Mr. Chan Tsz Fung being executive Directors; and Mr. Lam Chor Ki Dick, Mr. Lee Tak Cheong and Ms. Luk Mei Yan being independent non-executive Directors.

* *for identification purposes only*