

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



High Fashion International Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 608)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

CHAIRMAN'S STATEMENT

In 2024, global economy and trade have been deeply affected by changes on U.S. politics and administration; policies and tariffs have caused continued intense fluctuations, leading to changes in the trading environment, exchange rates, and interest rates. Facing the current economic outlook where changes are difficult to accurately predict, High Fashion maintains prudent financial management and has always approached challenges with a high degree of crisis awareness. Using a culture of “adapting to changes and advancing rule of law development with the times” to face and handle challenges, High Fashion remains firmly committed to achieving its core objective as a manufacturing enterprise that leads and drives international fashion trends.

Our key results for the year ended 31 December 2024 are as follows:

- Net profit attributable to shareholders at HK\$91.7 million
- Gearing ratio of non-current liabilities to shareholders' fund at 40.2%. Current ratio at 1.2
- Basic earnings per share landed at HK\$0.3
- Net asset value per share amounted to HK\$10.11

Despite facing a challenging world with intense economic markets and complex tariff environments, High Fashion has been strategically planning for future business to create market competitive advantages, investing more resources to build a robust framework for High Fashion's long-term development. In this ever-changing market environment, High Fashion will continue to fully commit and confidently seize every development opportunity, aiming to achieve market breakthroughs and efficiency growth, building an even more excellent High Fashion. For this reason, we recommend not distributing a final dividend.

High Fashion's business development is centered on creating and developing “sustainable products”. We have been fully committed to research and development, including close partnership-style cooperation with major customers, adopting higher quality fibers, bringing functional innovations, and ultimately achieving significant carbon reduction at the product level, driving the green transformation of the fashion industry. At the same time, through “INNOCELL®”, we provide customers with a one-stop solution for closed-loop circular economy: from textile waste recycling to fiber regeneration, meeting consumers' demands for sustainable fashion and leading industry innovation. The results we have achieved are encouraging, and we are full of confidence and expectations for future development.

Facing unpredictable tariff issues, High Fashion has already deployed strategies to explore new fashion markets with good development prospects, establishing a better and stronger global market layout. At the same time, we have strengthened our global supply chain network, increased coverage, and helped customers match supply chains. We are also developing and promoting digital transformation in fashion manufacturing, using quality equipment and artificial intelligence to optimize production processes, enhance operational efficiency and agility, create more strategic value for customers, improve and strengthen High Fashion's management capabilities, and consolidate market competitive advantages.

People-oriented development and building high-quality High Fashion personnel and teams into excellent talent is the core company culture for High Fashion's long-term development. We view the current significant and numerous challenges as opportunities for better development. High Fashion elites are more motivated and fully committed to creating a better future for High Fashion and developing more ambitious goals.

The completion of "WL District" marks an important milestone in High Fashion's development. This high-tech innovation platform will bring stable cash flow to the group and, while also fostering cross-industry collaborative innovation, gather talent and resources from fashion, technology, and other fields to inspire breakthrough ideas and strengthen core fashion businesses. With this, High Fashion accelerates the transformation toward an intelligent and digital industry chains, further shaping the company into leading enterprise driven by innovation and technology.

Looking to the future where opportunities and challenges coexist, High Fashion is full of confidence. I sincerely thank shareholders, customers, suppliers, banks, and directors for their continued tremendous support and advice. I appreciate the dedication and contributions of the management team and all employees of the group.

RESULTS

The board of directors (the “Board”) of High Fashion International Limited (“High Fashion” or the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for 2024 together with the comparative figures for 2023 are set out as follows:-

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
REVENUE			
Goods and services		3,219,982	3,189,702
Rental		116,850	117,180
TOTAL REVENUE	3	<u>3,336,832</u>	<u>3,306,882</u>
Cost of sales and services		(2,691,147)	(2,614,729)
Gross profit		645,685	692,153
Other income		34,677	33,597
Other gains and losses, net	4	(6,412)	10,193
Impairment losses under expected credit loss model, net of reversal		135	7,804
Administrative expenses		(285,974)	(298,417)
Selling and distribution expenses		(202,430)	(222,379)
Finance costs	5	(72,909)	(80,706)
PROFIT BEFORE TAXATION		<u>112,772</u>	<u>142,245</u>
Income tax expenses	6	(16,845)	(29,415)
PROFIT FOR THE YEAR	7	<u>95,927</u>	<u>112,830</u>
OTHER COMPREHENSIVE (EXPENSE) INCOME			
Items that will not be reclassified to profit or loss:			
Exchange differences on translation of financial statements to presentation currency		(46,778)	(121,270)
Revaluation on properties upon transfer from property, plant and equipment to investment properties		-	20,542
Income tax relating to items that will not be reclassified to profit or loss		-	(3,081)
Fair value loss on equity instruments at fair value through other comprehensive income (“FVTOCI”)		(5,000)	(5,800)
		<u>(51,778)</u>	<u>(109,609)</u>
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		2	433
Other comprehensive expense for the year, net of tax		<u>(51,776)</u>	<u>(109,176)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>44,151</u></u>	<u><u>3,654</u></u>

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
(Cont'd)**

For the year ended 31 December 2024

	<i>Note</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
PROFIT (LOSS) FOR THE YEAR			
ATTRIBUTABLE TO:			
Owners of the Company		91,681	113,662
Non-controlling interests		<u>4,246</u>	<u>(832)</u>
		<u>95,927</u>	<u>112,830</u>
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR			
ATTRIBUTABLE TO:			
Owners of the Company		39,905	4,486
Non-controlling interests		<u>4,246</u>	<u>(832)</u>
		<u>44,151</u>	<u>3,654</u>
EARNINGS PER SHARE			
Basic	8	<u>HK\$0.30</u>	<u>HK\$0.37</u>
Diluted		<u>HK\$0.30</u>	<u>HK\$0.37</u>

Consolidated Statement of Financial Position
At 31 December 2024

		2024	2023
	<i>Notes</i>	HK\$'000	HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		481,401	453,898
Right-of-use assets		47,978	53,717
Investment properties		3,401,188	3,415,751
Interests in joint ventures		7,557	7,557
Interest in an associate		21,624	-
Equity instruments at fair value through other comprehensive income ("FVTOCI")		5,616	10,616
Deferred tax assets		12,756	3,641
Other non-current assets		34,802	67,270
Long-term bank deposits		-	40,857
		4,012,922	4,053,307
CURRENT ASSETS			
Inventories		497,911	435,749
Properties held for sale		208,834	159,145
Trade receivables	<i>10</i>	647,083	633,289
Deposits, prepayments and other receivables		213,127	187,403
Amounts due from joint ventures		5,395	5,395
Derivative financial instruments		-	280
Other financial assets at fair value through profit or loss ("FVTPL")		25,652	254,118
Short-term bank deposits and balances		234,480	63,550
Cash and cash equivalents		333,643	557,722
		2,166,125	2,296,651
CURRENT LIABILITIES			
Trade payables	<i>11</i>	675,878	695,835
Other payables and accruals		233,147	345,550
Lease liabilities		4,072	4,049
Amount due to an associate		691	694
Contract liabilities		101,054	91,818
Tax payable		53,847	62,147
Derivative financial instruments		3,749	3,195
Bank borrowings		763,863	900,107
		1,836,301	2,103,395
NET CURRENT ASSETS		329,824	193,256
TOTAL ASSETS LESS CURRENT LIABILITIES		4,342,746	4,246,563

Consolidated Statement of Financial Position (Cont'd)*At 31 December 2024*

	2024	2023
	HK\$'000	HK\$'000
NON-CURRENT LIABILITIES		
Deferred tax liabilities	335,346	323,731
Bank borrowings	836,065	742,146
Lease liabilities	1,862	5,258
Provision for long service payments	2,994	3,074
Deferred income	5,687	6,833
Other liabilities	69,734	71,244
	<u>1,251,688</u>	<u>1,152,286</u>
NET ASSETS	<u>3,091,058</u>	<u>3,094,277</u>
CAPITAL AND RESERVES		
Share capital	30,562	30,562
Share premium and reserves	<u>3,085,823</u>	<u>3,093,288</u>
Equity attributable to owners of the Company	3,116,385	3,123,850
Non-controlling interests	<u>(25,327)</u>	<u>(29,573)</u>
TOTAL EQUITY	<u>3,091,058</u>	<u>3,094,277</u>

Notes to the Consolidated Financial Statements

1. Basis of Preparation

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and by the Hong Kong Companies Ordinance.

2. Principal Accounting Policies

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual periods beginning on 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 Non-current 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 amendments 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. Revenue and Segment Information

Disaggregation of revenue from contracts with customers

	2024 HK\$'000	2023 <i>HK\$'000</i>
Revenue from contracts with customers in respect of sales of garments, fabrics and accessories recognised at a point in time under HKFRS 15	3,219,982	3,189,702
Rental income recognised under HKFRS 16	116,850	117,180
	<u>3,336,832</u>	<u>3,306,882</u>
Geographical markets for revenue from contracts with customers:		
China (including Mainland China and Hong Kong)	1,817,650	1,827,828
United States of America ("USA")	439,783	445,973
Europe	393,211	393,077
Others	569,338	522,824
	<u>3,219,982</u>	<u>3,189,702</u>

Set out below is the reconciliation of revenue with the amounts disclosed in segment information:

	Manufacturing and trading of garments HK\$'000	Property investment and development HK\$'000
<i>For the year ended 31 December 2024</i>		
Segment revenue	3,219,982	116,850
Less: rental income recognised under HKFRS 16	-	(116,850)
Revenue from contracts with customers	<u>3,219,982</u>	<u>-</u>
<i>For the year ended 31 December 2023</i>		
Segment revenue	3,189,702	117,180
Less: rental income recognised under HKFRS 16	-	(117,180)
Revenue from contracts with customers	<u>3,189,702</u>	<u>-</u>

3. Revenue and Segment Information (Cont'd)

Segment information

The following is an analysis of the Group's revenue and results by reportable and operating segment.

	2024 HK\$'000	2023 HK\$'000
Segment revenue		
- Manufacturing and trading of garments	3,219,982	3,189,702
- Property investment and development	116,850	117,180
Revenue – external sales	<u>3,336,832</u>	<u>3,306,882</u>
Segment results		
- Manufacturing and trading of garments	144,460	162,492
- Property investment and development	19,046	23,915
	<u>163,506</u>	<u>186,407</u>
Change in fair value of derivative financial instruments	2,253	(12,027)
Change in fair value of investment properties	(7,359)	10,449
Unallocated corporate overhead and other expenses	<u>(45,628)</u>	<u>(42,584)</u>
Profit before taxation	<u>112,772</u>	<u>142,245</u>

Segment profit represents the profit earned by each segment without the allocation of change in fair value of derivative financial instruments and investment properties, certain portion of the central administration costs and other expenses. This is the measure reported to the Group's executive directors, being the chief operating decision maker ("CODM"), for the purposes of resources allocation and performance assessment. Furthermore, as the assets and liabilities for operating segments are not provided to the CODM for the purposes of resources allocation and performance assessment, no segment assets and liabilities is presented accordingly.

3. Revenue and Segment Information (Cont'd)

Other segment information

For the year ended 31 December 2024

	Manufacturing and trading of garments HK\$'000	Property investment and development HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment profit or loss:			
Depreciation of property, plant and equipment	53,041	7,025	60,066
Depreciation of right-of-use assets	5,655	157	5,812
Loss on disposal of property, plant and equipment, net	1,489	-	1,489
Impairment losses under expected credit loss model, net of reversal	(135)	-	(135)
Interest income	(12,880)	(97)	(12,977)
Finance costs	39,254	33,655	72,909
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:			
Fair value gain on derivative financial instruments			(2,253)
Decrease in fair value of investment properties			7,359

3. Revenue and Segment Information (Cont'd)

Other segment information (Cont'd)

For the year ended 31 December 2023

	Manufacturing and trading of garments <i>HK\$'000</i>	Property investment and development <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Amounts included in the measure of segment profit or loss:			
Depreciation of property, plant and equipment	59,559	6,934	66,493
Depreciation of right-of-use assets	5,806	196	6,002
Loss on disposal of property, plant and equipment, net	1,396	-	1,396
Impairment losses under expected credit loss model, net of reversal	(7,804)	-	(7,804)
Interest income	(24,362)	(59)	(24,421)
Finance costs	<u>39,767</u>	<u>40,939</u>	<u>80,706</u>
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:			
Fair value loss on derivative financial instruments			12,027
Increase in fair value of investment properties			<u>(10,449)</u>

3. Revenue and Segment Information (Cont'd)

Geographical information

The Group's operations are mainly located in China.

Information about the Group's revenue from continuing operations from external customers is presented based on the location of the customers. Information about the Group's non-current assets (excluding deferred tax assets and financial instruments) is presented based on the geographical location of the assets.

	Revenue		Non-current assets	
	2024	2023	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
China	1,934,500	1,945,008	3,989,530	3,959,354
USA	439,783	445,973	385	745
Europe	393,211	393,077	-	-
Others	569,338	522,824	4,635	4,967
	<u>3,336,832</u>	<u>3,306,882</u>	<u>3,994,550</u>	<u>3,965,066</u>

Information about major customer

During the years ended 31 December 2024 and 2023, there is no customer from manufacture and trading of garments segment nor property investment and development segment which contributed over 10% of the total revenue of the Group.

4. Other Gains and Losses, Net

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Change in fair value of derivative financial instruments	2,253	(12,027)
Change in fair value of other financial assets at FVTPL	437	253
Loss on disposal of property, plant and equipment, net	(1,489)	(1,396)
Net foreign exchange (losses) gains	(254)	12,914
(Decrease) Increase in fair value of investment properties	(7,359)	10,449
	<u>(6,412)</u>	<u>10,193</u>

5. Finance Costs

	2024 HK\$'000	2023 HK\$'000
Interests on:		
Bank borrowings and overdrafts	74,593	85,177
Leases liabilities	356	516
Borrowings on discounted bills	1,807	852
Total borrowing costs	76,756	86,545
Less: amounts capitalised in the cost of qualifying assets	(3,847)	(5,839)
	<u>72,909</u>	<u>80,706</u>

6. Income Tax Expenses

	2024 HK\$'000	2023 HK\$'000
Current tax charge:		
Hong Kong	6,679	16,279
Mainland China (Note)	13,531	13,941
	<u>20,210</u>	<u>30,220</u>
(Over) under provision in prior years:		
Hong Kong	(4,896)	(200)
Mainland China	(3,056)	(4,541)
Other jurisdictions	-	40
	<u>(7,952)</u>	<u>(4,701)</u>
Deferred taxation - current year	4,587	3,896
	<u>16,845</u>	<u>29,415</u>

Note: Amount includes withholding tax of HK\$11,002,000 (2023: HK\$11,324,000) during the year ended 31 December 2024.

7. Profit for the Year

Profit for the year has been arrived at after charging (crediting):

	2024 HK\$'000	2023 HK\$'000
Costs of inventories recognised as expenses (including allowance for inventory obsolescence of HK\$918,000 (2023: HK\$191,000))	2,535,506	2,461,803
Research expenses (included in cost of sales)	116,336	133,473
Depreciation of property, plant and equipment	60,066	66,493
Depreciation of right-of-use assets	5,812	6,002
Auditor's remuneration	3,300	3,300
Government grants (included in other income)	(109)	(641)
Bank interest income (included in other income)	<u>(12,977)</u>	<u>(24,421)</u>

8. Earnings Per Share

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

	2024 HK\$'000	2023 HK\$'000
Earnings for the purpose of basic and diluted earnings per share attributable to owners of the Company	91,681	113,662
	Number of shares '000	Number of shares '000
Number of ordinary shares for the purpose of basic and diluted earnings per share	305,616	305,616

The computation of diluted earnings per share for the years ended 31 December 2024 and 31 December 2023 does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price for shares.

9. Dividends

	2024 HK\$'000	2023 HK\$'000
Dividends recognised as distribution and paid during the year:		
Interim dividend – 3.5 HK cents per ordinary share for 2024 (2023: 3.5 HK cents per ordinary share for 2023)	10,696	10,696
Final dividend - 12 HK cents per ordinary share for 2023 (2023: 12 HK cents per ordinary share for 2022)	36,674	36,674
	47,370	47,370

The Board does not recommend the payment of any final dividend for the year ended 31 December 2024 (2023: 12 HK cents per ordinary share in an aggregate amount of HK\$36,674,000 was declared).

10. Trade Receivables

Trade receivables mainly comprise of receivable from sales of garments and renting of properties. Credit terms granted to the customers for garment trading are mainly range from 30 to 90 days. Rentals are payable by tenants upon presentation of demand notes. No credit period is granted to tenants.

The aged analysis of the Group's trade receivables net of allowance for credit losses is presented based on the invoice date at the end of the reporting period, which approximates the respective revenue recognition dates.

	2024 HK\$'000	2023 HK\$'000
Within 90 days	584,142	566,279
91 to 180 days	33,112	47,344
181 to 360 days	23,746	14,992
Over 360 days	6,083	4,674
	<u>647,083</u>	<u>633,289</u>

11. Trade Payables

The following is an aged analysis of the trade payables presented based on the invoice date at the end of the reporting period:

	2024 HK\$'000	2023 HK\$'000
Within 90 days	392,707	333,345
91 to 180 days	48,252	12,298
181 to 360 days	4,244	6,404
Over 360 days	12,563	25,625
	<u>457,766</u>	<u>377,672</u>
Accrued purchases	218,112	318,163
	<u>675,878</u>	<u>695,835</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2024, the global business environment evolved amid multiple challenges: intensifying geopolitical frictions, reconfiguring supply chain resilience, and rapidly changing consumer demand. These pose significant tests for the manufacturing industry. Despite an external environment filled with uncertainty, High Fashion adheres to a management philosophy that pursues both “stable growth” and “innovative breakthroughs” in parallel, consolidating its market position through strategic focus and operational excellence, while precisely seizing growth opportunities in a volatile landscape.

High Fashion centers its strategy on sustainable manufacturing and digital transformation, which serves as the driving force for business development. On one hand, we continue to invest in AI-related technologies to optimize production processes and deepen technological integration. Through intelligent scheduling and integrated supply chain resources, we have significantly enhanced the agility and cost efficiency of our global operations. We have also expanded our customer base in key markets such as Southeast Asia, reinforcing our brand influence.

On the other hand, we have integrated environmental practices deeply into our business model: ranging from R&D for eco-friendly materials and energy-saving process innovations to the establishment of circular manufacturing systems. This holistic approach to green supply chain management has not only earned us multiple international certifications and industry accolades but also strengthened our strategic partnerships with leading global brands, collectively driving industrial change toward sustainable fashion.

“WL District” Industrial Park which located in Hangzhou, serves as a strategic asset of High Fashion, continuing to bring multifaceted value. It not only contributed stable rental income but also became a key platform for technological innovation and cross-sector collaboration. This park has attracted over a hundred high-tech enterprises and top research institutions, forming an ecosystem that integrates research, industry, academics, and application. It creates marked synergy with High Fashion’s core manufacturing business. For example, joint laboratories within the industrial park accelerate the commercialization process of green materials, while digital pilot projects provided practical verification scenarios for intelligent manufacturing transformation, fully supporting the implementation of High Fashion's sustainability and digitalization strategies.

Looking ahead, we will continue to strengthen the industry impact of sustainable development, reinforce our global presence in emerging markets, and drive digital empowerment with innovative value creation. High Fashion will adhere to a management philosophy of balancing risks and opportunities, using dynamic resource allocation and flexible strategic adjustments to lead the industry amid transformation. We will deliver long-term value that transcends economic cycles to our shareholders, partners, and society, writing a new chapter of high-quality development.

FINANCIAL REVIEW

In 2024, High Fashion's revenue reached HK\$3,337 million (2023: HK\$3,307 million). Gross profit was HK\$645.7 million, with a gross margin of 19.3% (2023: HK\$692.2 million and 20.9%). The Group will keep striving to control costs and improve operating efficiency in order to reduce production costs. Net profit for 2024 was HK\$95.9 million (2023: HK\$112.8 million).

Geographically, the revenue from the China market in 2024 was HK\$1,935 million, represented for 58.0% of total revenue (2023: HK\$1,945 million, 58.8%). Sales to the United States and European countries amounted to HK\$833 million, representing 25.0% of total revenue (2023: HK\$839 million, 25.4%). High Fashion's export sales to other regions, mainly Southeast Asian countries reached HK\$569 million, accounting for 17.0% of total revenue (2023: HK\$523 million, 15.8%). Our market diversification strategy has proven effective, especially in Southeast Asia, where we see significant growth opportunities.

Other losses for the year in 2024 was HK\$6.4 million (2023: gains of HK\$10.2 million), which mainly included the fair value losses from investment properties of HK\$7.4 million (2023: gains of HK\$10.4 million).

In 2024, administrative expenses as a percentage of total revenue were 8.6% (2023: 9.0%), while selling and distribution expenses as a percentage of total revenue were 6.1% (2023: 6.7%).

Finance costs decreased from HK\$80.7 million in 2023 to HK\$72.9 million in 2024, primarily due to decreased interest expense on bank borrowings and overdrafts.

As of the end of the 2024 fiscal year, the basic earnings per share was HK\$0.30 (2023: HK\$0.37). Net asset value per share was HK\$10.11 (2023: HK\$10.12).

SEGMENT INFORMATION

The segment information for the year ended 31 December 2024 is as follows:

	Revenue		Contribution	
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
By principal activities:				
Manufacturing and trading of garments	3,219,982	3,189,702	144,460	162,492
Property investment and development	116,850	117,180	19,046	23,915
	3,336,832	3,306,882	163,506	186,407
By geographical segments:				
China	1,934,500	1,945,008	106,434	129,482
USA	439,783	445,973	22,450	22,575
Europe	393,211	393,077	17,981	17,103
Others	569,338	522,824	16,641	17,247
	3,336,832	3,306,882	163,506	186,407

Manufacturing and trading of garments

Revenue from manufacturing and trading of garments business in 2024 was HK\$3,220 million (2023: HK\$3,190 million). Profit in 2024 was HK\$144.5 million (2023: HK\$162.5 million).

High Fashion has integrated multiple sustainability elements into product development and production design, earning strong recognition from domestic and international customers. We continue to improve operating efficiency through process optimization and digital transformation, fostering a customer-centered value loop and enhancing overall customer value.

Property investment and development

Revenue from property investment and development business in 2024 was HK\$116.9 million (2023: HK\$117.2 million).

“WL District” in Hangzhou continued to optimize its portfolio of resident enterprises, attracting high-quality talent and capital into the park. This high-tech industrial platform strengthened our supply chain capabilities while providing stable income. High Fashion’s property investment and development portfolio creates high-value assets, bringing sustainable returns to High Fashion.

ENVIRONMENTAL, SOCIAL AND CORPORATE RESPONSIBILITY

In light of the heightened global concern about the significant impact of climate change on the environment and humanity, the Group continues to uphold its innovative development philosophy and fulfill its role as an industry model. We assist global fashion brands in their transformation and upgrading, actively establish strategic partnerships, and jointly create a closed-loop sustainable fashion cycle model. We are committed to fulfilling our environmental protection commitments through innovative recycling technologies and high-value product development, promoting the transformation and upgrading of the textile industry, and expanding into new markets. This aligns with the national initiative to promote green and low-carbon development, jointly creating a more sustainable world.

In developing green products, the Group combines unique environmental technologies and digital technologies to continuously promote product innovation and research, injecting innovative elements and technology into the supply chain. The Group is committed to incorporating green technologies into new products. For example, the INNOCELL® T2T circular recycled cellulose series not only reduces carbon emissions but also increases supply chain traceability, contributing to mitigating global climate warming. The Group's unremitting efforts have been widely recognized, winning the Annual Brand Award at the "Great National Brand" (「大國品牌」) National Brand Ceremony in 2024, the second prize of the China National Textile and Apparel Council's Science and Technology Progress Award, and being selected for the "National Green Factory" (「綠色工廠」) list, while continuously receiving bluesign® certification internationally.

The Group implements its corporate culture of "People-oriented and Joyful Mind" and "One Heart One Power" by actively fulfilling social responsibilities and promoting social inclusion. The Group holds various warming activities for employees with disabilities, conveying care and support from all levels of the Group and spreading understanding, friendliness, equality, and respect. To improve the health level of female employees, regular female care measures and health knowledge lectures are provided. Additionally, the Group organizes summer parent-child activities for employees to promote family harmony in society and regularly holds staff sports events to promote physical and mental well-being.

The Group has always adhered to upright and honest business ethics and adopts a zero-tolerance attitude toward any form of corruption and fraud. To consolidate a culture of integrity, we regularly organize integrity training for new employees and collaborate with external training institutions to conduct annual anti-corruption training for the board of directors and employees. We also regularly review the Group's "Code of Conduct of Integrity" and whistleblowing policies to update relevant measures. By requiring employees to declare conflicts of interest and promoting the Group's anti-corruption principles to suppliers, we continuously enhance stakeholders' awareness of anti-corruption. We have also established a comprehensive whistleblowing mechanism and grievance channels to ensure high transparency in the Group's operations. In terms of protecting customer rights, the Group strictly complies with privacy protection regulations and has established a comprehensive confidentiality system, including signing confidentiality agreements with stakeholders and strengthening intellectual property protection. We regularly provide relevant training for employees to ensure they fully understand and strictly implement the company's confidentiality measures.

LIQUIDITY AND FINANCIAL RESOURCES

High Fashion's total amount of cash and cash equivalent, short-term deposit and other financial assets at fair value through profit and loss as at 31 December 2024 was HK\$593.8 million (as at 31 December 2023: HK\$875.4 million).

Bank borrowings, mainly denominated in Hong Kong Dollar, have changed from HK\$1,642 million as at 31 December 2023 to HK\$1,600 million as at 31 December 2024. The bank borrowings were primarily allocated for properties construction, development projects and fixed assets investments to develop and upgrade manufacturing plants in Mainland China.

The gearing ratio of non-current liabilities to shareholders' funds was 40.2% as at 31 December 2024 (as at 31 December 2023: 36.9%). Current ratio is 1.2 (as at 31 December 2023: 1.1), revealing that the High Fashion maintains a solid capital base.

Net cash used in operating activities for the year 2024 was HK\$14.1 million, which was mainly due to the operating activities. High Fashion has sufficient banking facilities provided by its bankers together with stable income from the owned properties. The management is confident in maintaining healthy working capital and liquidity to meet operational needs and support future growth.

FOREIGN CURRENCY RISK EXPOSURE

Foreign currency risk exposure is primarily related to RMB and USD since a considerable portion of our operating expenses are denominated in RMB while sales are mainly denominated in USD. High Fashion complies with its policy to monitor foreign currency exchange risk. As HKD is pegged to the USD, High Fashion considers that its foreign currency risk in respect of USD is minimal. The management continues to take prudent measures to reduce risks associated with currency fluctuations.

CHARGES ON ASSETS

The Group pledged property, plant and equipment of HK\$33.1 million, investment properties of HK\$1,867.7 million, unlisted financial products of HK\$10.8 million and certain short-term deposits of HK\$152.7 million (as at 31 December 2023: HK\$34.5 million, HK\$1,862.6 million, HK\$160.1 million and HK\$97.8 million respectively) for bank borrowings.

CAPITAL EXPENDITURE

In 2024, High Fashion invested in enhancing manufacturing capabilities and environmental infrastructure. These strategic investments included advanced automation and intelligent manufacturing systems, eco-friendly facilities, digital transformation initiatives, and plant/equipment upgrades, totaling HK\$94.8 million (2023: HK\$81.6 million). During the reporting period, the Company also invested HK\$39.1 million (2023: HK\$190.2 million) in property development and construction projects. These investments align with our commitment to sustainable manufacturing and digital transformation, while boosting operational efficiency and market competitiveness.

CAPITAL COMMITMENTS

As of 31 December 2024, High Fashion's capital expenditure commitments for contracted but not provided property, plant and equipment acquisitions and construction works amounted to HK\$394.4 million (2023: HK\$375.7 million). These commitments are primarily related to ongoing digital transformation projects, sustainable manufacturing facility upgrades, "WL District" optimization measures, and environmental infrastructure.

CONTINGENT LIABILITIES

As of 31 December 2024, the Group had no material contingent liabilities.

HUMAN RESOURCES

As of 31 December 2024, High Fashion had approximately 5,000 employees (31 December 2023: about 5,000 employees). Management places high importance on employee training and development, providing both face to face and online programs to equip staff with the appropriate knowledge and skills. High Fashion evaluates its staff based on performance, experience, and industry practices. Additionally, we offer competitive compensation packages, including medical subsidies and retirement plan contributions, to reward employees for their contributions. Furthermore, eligible employees may also receive discretionary bonuses based on High Fashion's and individual performance.

ANNUAL GENERAL MEETING

The annual general meeting (“AGM”) of the Company will be held at 11/F, High Fashion Centre, 1-11 Kwai Hei Street, Kwai Chung, New Territories, Hong Kong on Tuesday, 10 June 2025 at 11:00 a.m. Notice of AGM will be published on the websites of the Company (www.highfashion.com.hk) and the Stock Exchange (www.hkexnews.hk) and despatched to shareholders of the Company in due course.

FINAL DIVIDEND

The Board does not recommend any payment of final dividend for the year ended 31 December 2024 (2023: 12 HK cents per ordinary share in an aggregate amount of HK\$36,674,000 was declared).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Friday, 6 June 2025 to Tuesday, 10 June 2025, both days inclusive, during which period no transfer of shares will be registered. In order to determine shareholders who are entitled to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by not later than 4:30 p.m. on Thursday, 5 June 2025.

CORPORATE GOVERNANCE

The Company has applied all the principles of, and complied throughout the year with, the applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the accounting period for the year ended 31 December 2024.

AUDIT COMMITTEE REVIEW

The Audit Committee of the Company was established in accordance with the requirements of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting, risk management and internal control systems as set out in the terms of reference of the Audit Committee.

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2024.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the year, the Company had not redeemed, and neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Company (www.highfashion.com.hk) and the Stock Exchange (www.hkexnews.hk).

The 2024 Annual Report will be published and despatched to the shareholders of the Company and available on the above websites by no later than 30 April 2025.

By Order of the Board
High Fashion International Limited
Lam Gee Yu, Will
Executive Director & Managing Director

Hong Kong, 31 March 2025

As at the date of this announcement, the Board comprises of (1) Executive Directors: Mr. Lam Foo Wah, Mr. Lam Gee Yu, Will and Mr. Lam Din Yu, Well; (2) Non-executive Director: Ms. Leung Wing Man, Mabel; and (3) Independent Non-executive Directors: Mr. Chung Kwok Pan, Mr. Tong Hee Keung, Samuel, Mr. Lau Yip Shing and Mr. Wong Chun Sek, Edmund.