EEKA

2024 Annual Report

EEKA FASHION
赢家時尚

EEKA Fashion Holdings Limited
贏家時尚控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3709)

MISSION

Combining the fashion aesthetics,
savoring the exquisite life.

VISION

To become a globally
renowned Chinese
affordable luxury
brand management group.

VALUE

Excellence, openness,
innovation, responsibility.

CONTENTS

CORPORATE PROFILE

ABOUT EEKA FASHION

We are one of the leading and fast-growing affordable luxury fashion group in the People's Republic of China (the "PRC"). We have a unique brand culture concept, advanced research and development design center, sound marketing service system, efficient logistics and distribution and network management system. As at 31 December 2024, our brand portfolio comprises eight brands: our own brands – (i) Koradior (ii) La Koradior (iii) ELSEWHERE and (iv) FUUNNY FEELLN, and acquired brands – (i) CADIDL (ii) NAERSI (iii) NAERSILING and (iv) NEXY.CO.

Our business was established in 2007 by Mr. Jin Ming, our chief executive officer, chairman and executive director. Our "Koradior" brand is positioned to offer our customers romance and feminine designs. "La Koradior" brand was launched in September 2012 which is positioned to offer perceptual, elegant and romantic designs. "ELSEWHERE" brand was launched in September 2014, which is positioned to offer nature, chill and premium aesthetic designs. We launched a new brand named "FUUNNY FEELLN" (referred to as "FF" brand) in January 2019, which is positioned to promote freedom and unrestraint, to achieve a youthful and unique women's lifestyle.

Shenzhen Mondial Industrial Co., Limited ("Mondial") became our wholly-owned subsidiary after the acquisition of 65% and 35% of its equity interest by the Group in July 2016 and November 2021 respectively, and with it the "CADIDL" brand, which is positioned to offer simple, elegant and quality clothing for urban women. We acquired Keen Reach Holdings Limited ("Keen Reach") in July 2019, which has three self-owned brands in the PRC, namely "NAERSI", "NEXY.CO" and "NAERSILING", all targeting affluent ladies between the ages of 30 and 45. "NAERSI" creates high-end clothing for professional women with both fashion and quality, highlighting the elegant spirit of "ease and comfort". "NEXY.CO" is dedicated to urban, chic women with a sophisticated, charismatic and refined image. "NAERSILING" embodies a free and artistic brand style, both business-like and unrestrained dress code.

Over the years, we have attached great importance to the brand's international influence, our brands have been invited to Milan Fashion Week and New York Fashion Week to showcase the charm of Chinese brands. We always emphasise that the brand is the root and creativity is the soul to customer lifestyle research, with brand culture as the foundation based on customer needs and the "Combining the fashion aesthetics, savoring the exquisite life" mission, focusing on product innovation and development and brand communication promotion, and continuing to lead womenswear fashion and life culture.

We have been selling our products through the third-party e-commerce platform Tmall since 2011 in our flagship store and authorised merchant VIP.com. We launched the EEKA Fashion Mall based on WeChat ecological social e-commerce platform on 13 January 2020. EEKA Fashion Mall has opened up sharing mechanisms such as inventory, membership, marketing resources and other key elements to achieve a comprehensive upgrade of customer consumption experience. We also actively developed private domain malls, with specific focus on the Douyin live streaming sales model. In 2021, we fully expanded our presence on Douyin platforms. Additionally, we will explore emerging e-commerce channels, such as WeChat Video Channel and cross-border platforms like Shopee and Lazada, to expand our international presence and enhance brand visibility globally.

Our products, which include dresses, skirts, trousers, shirts, knitwear, vests, jackets, overcoats, scarves and accessories, are sold across a nationwide sales network, majority of which consist of self-operated retail stores, covering 31 cities of provinces, autonomous regions and municipalities in the PRC.

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. JIN Ming (Chairman and Chief Executive Officer)
Ms. HE Hongmei
Mr. JIN Rui

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. ZHOU Xiaoyu
Mr. ZHONG Ming
Mr. ZHANG Guodong

REGISTERED OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

26/F, B Block, Bay Area Fashion Center
85 Terra 4th Road, Futian District
Shenzhen, Guangdong Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 812, 8th Floor, Tower 1, The Gateway,
Harbour City, No.25 Canton Road,
Tsim Sha Tsui, Kowloon, Hong Kong

COMPANY SECRETARY

Ms. WONG Wai Kiu (FCCA, FCG, HKFCG(PE), HKCGI Cert: ESG)

JOINT COMPANY SECRETARY

Mr. LEUNG Ka Wai

AUTHORISED REPRESENTATIVES

Mr. JIN Ming
Mr. LEUNG Ka Wai

AUDIT COMMITTEE

Mr. ZHANG Guodong (Chairman)
Mr. ZHOU Xiaoyu
Mr. ZHONG Ming

AUDITOR

Ernst & Young
Certified Public Accountants

REMUNERATION COMMITTEE

Mr. ZHOU Xiaoyu (Chairman)
Mr. ZHANG Guodong
Mr. JIN Ming

NOMINATION COMMITTEE

Mr. JIN Ming (Chairman)
Mr. ZHOU Xiaoyu
Mr. ZHANG Guodong
Ms. HE Hongmei (appointed with effect from 25 March 2025)
Mr. Zhong Ming (appointed with effect from 25 March 2025)

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited

Pingan Bank
Shenzhen branch, Jinsha sub-branch

China Merchants Bank
Shenzhen branch, Tairan Jingu sub-branch

COMPANY WEBSITE

www.eekagroup.com

STOCK CODE

3709

2024
HONORS AND AWARDS

1

The 7th New Fortune "Best IR Hong Kong Stock Company"

2

2024 Hong Kong Listed Companies Development Summit and 11th "Top 100 Hong Kong Stocks" Sub-list "Top 50 Hong Kong Stocks Connect", "Top 50 Small and Medium Enterprises", "Consumer Innovation Pioneer Enterprise Award"

3

2024 First Greater Bay Area Listed Companies Summit "2024 ESG100 Green Advancement Award - Corporate Governance Award"

4

2024 Bay Area Fashion Awards "Industry Merit Award"

EEKA FASHION GROUP

5

The 9th ZhiTong Finance Listed Companies Selection "Best Small and Medium Market Value Company"

6

The 8th China Excellent IR Selection "The Best ESG Award" and "Best Digital Investor Relations Award"

7

Comein Finance 4th Annual 2024 Listed Companies Selection · Annual Investment Data List "Best Communication Interaction"

8

China Chain-Store & Franchise Association, CCFA "2023 China Fashion Retail and Fashion Consumption TOP100" Honor Title

BRANDS UNDER THE EEKA FASHION GROUP

9 NAERSI was awarded the titles of "Shenzhen Well-Known Brand" and "Bay Area Well-Known Brand" at the 8th Shenzhen (Bay Area) International Brand Week.

10 Shenzhen Koradior and Shenzhen Aoruina were listed in the "2023 Guangdong Chain TOP100".

11 Shenzhen Koradior and Shenzhen Naersi were listed among the top 100 enterprises in the Chinese apparel industry for "Operating Income", "Total Profit", and "Operating Income Profit Margin" in 2023.

12 La Kordi was listed among the top 100 enterprises in the Chinese apparel industry for "Total Profit" in 2023.

13 Shenzhen Naersi and La Kordi were listed in the "2024 Shenzhen Top 500 Enterprises List" and "Top 100 List of Operational Efficiency".

JIN MING, CHAIRMAN OF EEKA FASHION GROUP

14 Gelonghui "Golden Award" and "Annual Outstanding Leader"

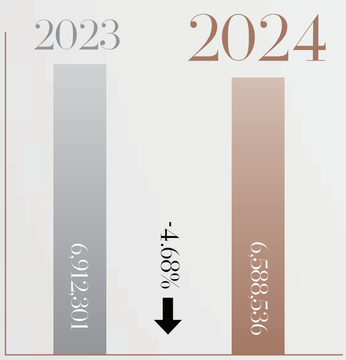
INVESTOR RELATIONS TEAM

Comein Finance "3rd the Best IR Team in Hong Kong"
15

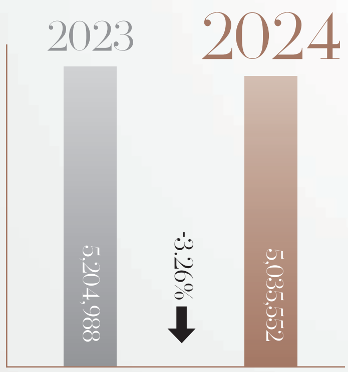
16 8th China Excellent IR Selection "The Best Leader Award", "35 UNDER 35"

FINANCIAL HIGHLIGHTS

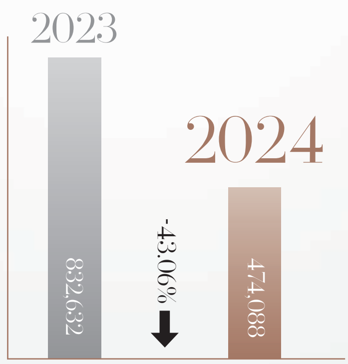
REVENUE
RMB'000



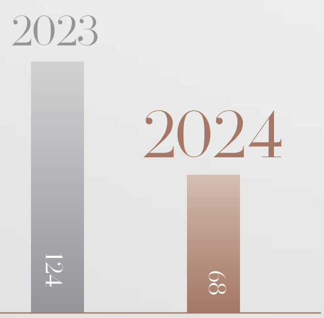
GROSS PROFIT
RMB'000



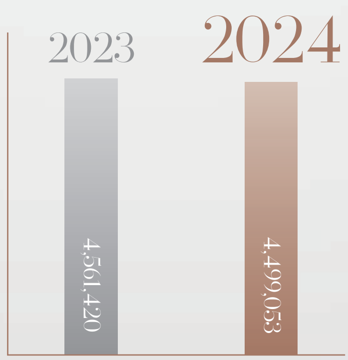
NET PROFIT
RMB'000



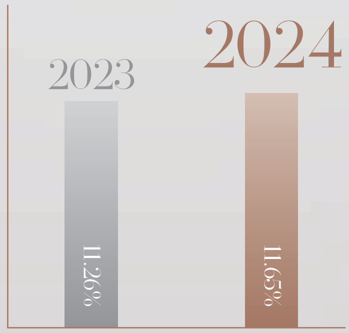
EARNINGS PER SHARE - BASIC
RMB Cents



NET ASSETS
RMB'000



GEARING RATIO
(%)



	Year ended 31 December		
	2024	2023	Increase/(Decrease)
	RMB'000	RMB'000	%
Revenue	**6,588,536**	6,912,301	(4.68)%
Gross profit	**5,035,552**	5,204,988	(3.26)%
Net Profit	**474,088**	832,632	(43.06)%
Net cash flows from operating activities	**996,243**	1,569,207	(36.51)%
Earnings per share[1]			
– Basic (RMB cents)	**68**	124	
– Diluted (RMB cents)	**68**	122	
Profitability Ratio (%)			
Gross margin	**76.43%**	75.30%	1.13% point
Net margin	**7.20%**	12.05%	(4.85)% point
Dividend per share (HK cents)			
– Ordinary final	**38**	70	

	At 31 December	
	2024	2023
Liquidity Ratio		
Current ratio[2] (times)	**1.90**	1.78
Trade and bills receivables turnover days[3]	**39.68**	31.41
Trade and bills payables turnover days[4]	**84.36**	93.61
Inventory turnover days[5]	**320.20**	232.65
Capital Ratio		
Gearing ratio[6]	**11.65%**	11.26%
Interest coverage ratio[7] (times)	**11.13**	21.41

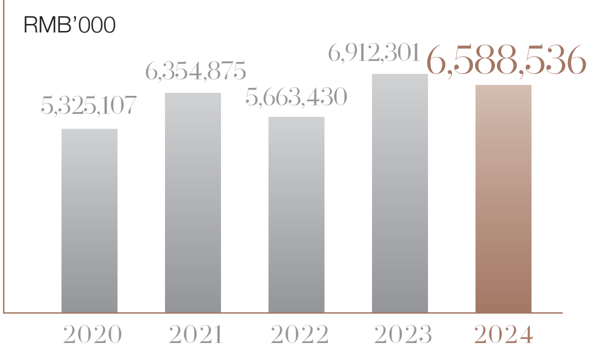
Key ratios:

1. Basic earnings per share = Profit attributable to equity shareholders of the Company/Weighted average number of ordinary shares (the weighted average number of shares in 2024 was 685,852,612 versus 677,427,339 in 2023)
2. Current ratio = Current assets/Current liabilities
3. Trade and bills receivables turnover days = Average of opening and closing balances on trade and bills receivables/Revenue x 365 days
4. Trade and bills payables turnover days = Average of opening and closing balances on trade and bills payables/Cost of sales x 365 days
5. Inventory turnover days = Average of opening and closing balances on inventory/Cost of sales x 365 days
6. Gearing ratio = Total bank and other borrowings/Total equity x 100%
7. Interest coverage ratio = Profit before interest and tax/Interest expenses

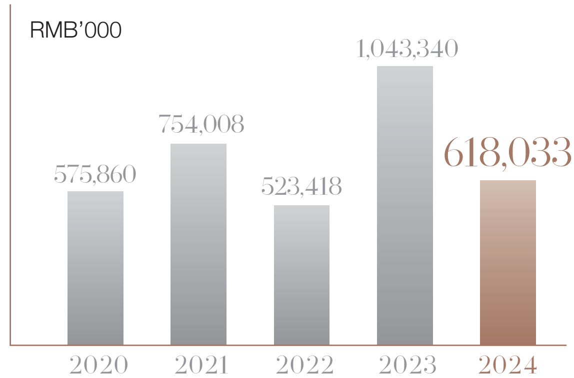
FINANCIAL SUMMARY

	Year ended/as at 31 December				
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Operating results					
Revenue	**6,588,536**	6,912,301	5,663,430	6,354,875	5,325,107
Gross profit	**5,035,552**	5,204,988	4,254,420	4,737,986	3,910,252
Profit from operations	**618,033**	1,043,340	523,418	754,008	575,860
Profit attributable to shareholders	**468,504**	838,170	382,427	564,018	452,838
Assets and liabilities					
Non-current assets	**3,487,559**	3,480,144	3,623,133	3,615,899	3,335,842
Current assets	**3,371,719**	3,549,656	2,634,550	2,616,095	2,409,520
Current liabilities	**1,773,856**	1,989,273	1,648,876	1,634,022	1,688,065
Net current assets	**1,597,863**	1,560,383	985,674	982,073	721,455
Total assets less current liabilities	**5,085,422**	5,040,527	4,608,807	4,597,972	4,057,297
Non-current liabilities	**586,369**	479,107	621,307	664,494	579,222
Shareholders' equity	**4,508, 956**	4,576,907	3,997,449	3,939,477	3,455,988
Basic earnings per share (RMB cents)	**68**	124	57	84	67
Diluted earnings per share (RMB cents)	**68**	122	56	81	66
Shareholders' equity per share (RMB)	**6.40**	6.50	5.68	5.60	5.04
	HK cents	HK cents	HK cents	HK cents	HK cents
Dividend per share					
– Ordinary final	**38**	70	40	48	38
– Special interim	**–**	–	–	–	16
Total	**38**	70	40	48	54

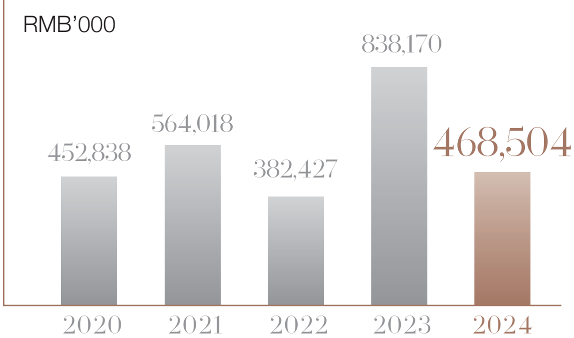
REVENUE



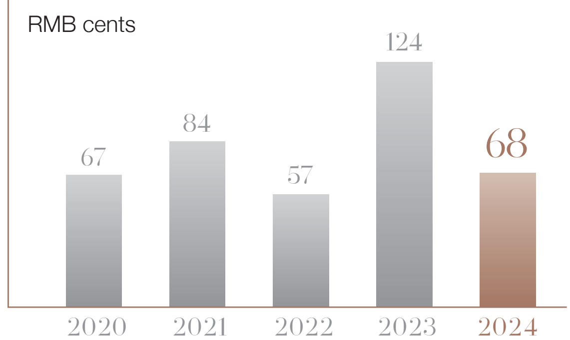
PROFIT FROM OPERATIONS



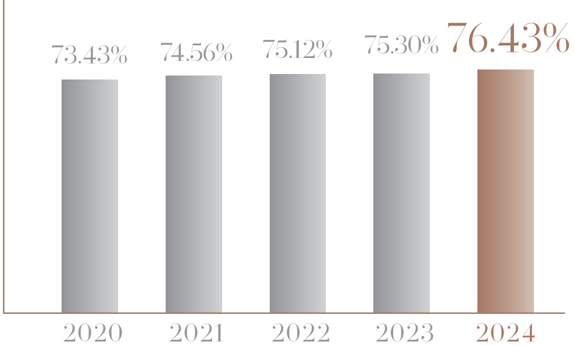
PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS



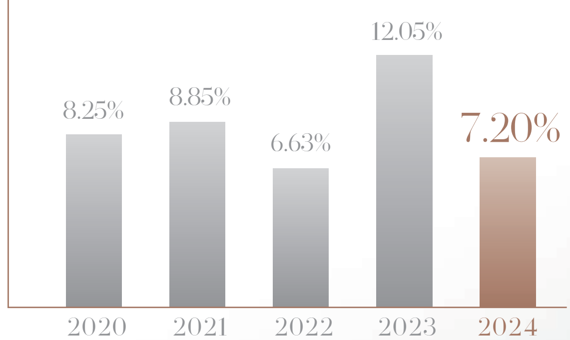
BASIC EARNINGS PER SHARE



GROSS PROFIT MARGIN



NET PROFIT MARGIN



2024 MILESTONE

EEKA Fashion's eight major brands release spring collections, kicking off the new spring chapter.

EEKA Fashion's eight major brands successively release spring collections, showcasing the brands' unique style and elegance.

NEXY.CO 2024 Autumn/Winter New Product Launch Show at Milan Fashion Week

On 23 February 2024, NEXY.CO unveiled its 2024 autumn/winter collection "Mulan Greenland" at Milan Fashion Week. The grand show, inspired by the brand's flower "Magnolia," featured the brand color "NEXY.CO Green" as the main color scheme and kicked off at the Palazzo Reale.

JANUARY

FEBRUARY

La Koradior 2024 Autumn/Winter Launch Show at Paris Fashion Week

On 26 February 2024, La Koradior unveiled its 2024 autumn/winter collection showcase "Butterflies in the Orchid" at the Palais Brongniart in Paris, France, interpreting a luxurious and artistic fusion of the East and West.

NAERSI Spring/Summer 2024 Haute Couture Show

It was held at the Shaanxi Guild Hall, a 360-year old historical cultural heritage museum. The renowned actress Huang Yi was invited to shoot promotional videos, ID films, and lead the runway show. In addition, they combined the show with a themed exhibition of the "Elegant Workshop" spring/summer collection, themed salons, a limited-time experience center, and intangible cultural heritage product appreciation events at their stores, as well as extensive online media exposure.

MARCH

JULY

NEXY.CO's 15th anniversary brand ceremony and themed show "Mulan Greenland" took place.

The 5th "7.18 Brand Day" of NEXY.CO coincided with the brand's 15th anniversary. The 15th anniversary Mulan Greenland show was held at the Art Cube of China Resources Tower in Shenzhen, with brand ambassadors Yuan Quan, renowned actress Myolie Wu and Miss World Zhang Zilin in attendance.

AUGUST

ELSEWHERE officially announced Karena, Lam Ka Yan as their brand ambassador.

Karena, Lam Ka Yan, who embodies a dual identity as an artist and a celebrity, is always an artist of life. This time, she builds a connection with the core spirit of ELSEWHERE through the theme "The First Smile of Autumn," conveying a positive, bright, and relaxed attitude towards life as an artist of life.

JUNE

EEKA Fashion celebrates 10th Anniversary of Listing

On 21 June 2024, the Group held the 'EEKA Fashion 10th Anniversary Celebration' at the Four Seasons Hotel in Central, Hong Kong. The event, themed 'B10SSOMING: A Decade of Splendor, Blooming Brilliance,' featured live runway shows by international supermodels showcasing the distinctive styles of its 8 brands.

APRIL

Koradior's 417 Brand Day 'Kora Rose Wonderland'

The new product launch show took place on 19 April 2024 at Shanghai's Yongfu 52. Actress Sun Yi appeared at the event wearing the 2024 Spring/Summer series K Dress. The event was themed "Kora Rose Wonderland", highlighted the brand's flower, the rose; its symbol, the linear rose; the brand color, rose red; and the core product category, dresses.

MAY

NAERSI's No Age Pavilion Column

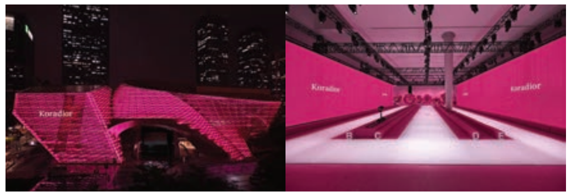
It teamed up with the fashion media 'MODE Magazine' to create the 2024 special edition of the No Age Pavilion titled 'Me and Us'.

SEPTEMBER

La Koradior unveiled its 2025 Spring/Summer Haute Couture collection in Paris.

La Koradior presented the collection at the Centre Culturel de Chine à Paris, drawing inspiration from the collaborative work of Chinese illustrator Cheng Peng, titled “Floral Butterfly Orchid.” The brand flower butterfly orchid motif stood out in three-dimensional, embroidered, and hollow forms. The overall design incorporated La Koradior’s classic cape silhouette, reinterpreting it with a modern twist.

OCTOBER



Koradior unveiled its 2025 Spring/Summer Fashion Show at the Shenzhen Fashion Week, marking its debut in Shenzhen.

The fashion show took place at the Museum of Contemporary Art & Planning Exhibition (MOCAPE), Shenzhen and was a collaborative effort with Italian master Franceso Scognamiglio. The show was themed “La Septieme Rose”, showcasing the brand’s essence and DNA.

NOVEMBER

EEKA Fashion - The 8th season of “My Story with Customers”

In the previous seasons, this series successfully narrated authentic stories between hundreds of customers and the brand. The theme for this season is “Embarking on Warmth.” In comparison to previous seasons, the 8th season has boldly innovated its format. Alongside the traditional interview segments, the show has introduced interactive segments, encouraging viewers to share their stories on social media platforms.

DECEMBER

EEKA Fashion (3709.HK) won multiple awards, showcasing the capital market’s recognition of the company.

EEKA Fashion was honored with several prestigious awards, including the 9th “ZhiTong Finance Best Small and Medium Market Value Company” award, the 8th China Excellence IR Selection “Best ESG Award” and “Best Digital Investor Relations Award”, the 4th “Comein Finance 2024 Listed Company Selection · Best Communication and Interaction” award, the 2024 “Bay Area Fashion Awards Industry Merit Award,” and the “2024 ESG100 Green Advancement Award - Corporate Governance Award,” among others.

CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT

Dear shareholders of EEKA Fashion Holdings Limited,

On behalf of the board of directors (the "Board") of EEKA Fashion Holdings Limited (the "Company" or "EEKA Fashion"), I am pleased to present the results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2024.

In 2024, we have maintained our strategic focus and demonstrated remarkable resilience amid fierce market competition. In terms of brand building, we have deeply explored the core values of our brand and consistently advanced integrated marketing efforts. Our participation in international fashion events such as Milan Fashion Week, Paris Fashion Week, and Shenzhen Fashion Week has reinforced our global presence. The 15th-anniversary runway show of NEXY.CO received overwhelming praise, while the 10th-anniversary showcase featuring eight brands delivered a spectacular fashion feast. Collaborations with top-tier fashion IPs such as Popeye and VOGUE have further enhanced our brand awareness and reputation. In product development, we have increased investment in research and development, optimising our "Excellence Product System" by integrating premium fabrics with cutting-edge fashion design. This approach gradually enhances product value and fosters stronger consumer recognition. In channel expansion, we have refined our offline strategy, continually optimising store layouts, expanding in prime commercial districts, and increasing the average store size to provide a superior shopping experience for consumers.

We sincerely appreciate the dedication of our employees and the trust of our partners. Thanks to your support, the Company has navigated through adversity with resilience. Despite the challenges of the year, our strong operational capabilities have ensured stable revenue. Our revenue held firm, declining only by 5% year-on-year to reach RMB6.59 billion, significantly outperforming the industry average. However, due to increased investments, net profit declined by 43.06%, reaching RMB0.47 billion. Store efficiency also remained robust, with the average direct-store efficiency declining at a slower rate than revenue, reaching RMB3.58 million per store. Large stores over 200 square meters experienced a net increase, growing to 423 stores. Meanwhile, the e-commerce channel continued its strong performance, growing 16.57% year-on-year. This operational resilience has laid a solid foundation for our future growth.

As we step into 2025, we embrace the ever-changing landscape without fear or hesitation. With unwavering confidence, we continue to follow our established strategic path, striving to become a globally renowned Chinese affordable luxury brand management group. Guided by our philosophy of "multi-brand, omni-channel, platform-based, and vertically integrated" development, we remain committed to long-term investment and steady growth. Our key objectives for 2025 include achieving high-quality growth, ensuring profit growth outpaces revenue growth, and successfully meeting our annual financial targets. In brand development, we will continue to build a structured affordable luxury brand portfolio, optimise our integrated marketing system, and enhance brand influence through strong heritage and premium product quality. In product innovation, we will refine our product development methodology, leveraging scientific advancements to empower product innovation and using forward-thinking concepts to drive product superiority. In channel expansion, we will accelerate our expansion into shopping mall channels, strengthen strategic partnerships with leading commercial operators, and fully implement the "bigger and better stores" strategy. In operational excellence, we will focus on full-scale digitalisation and intelligent transformation, leveraging advanced technology to optimise supply chain management, product management, store operations, and inventory control.

The year 2025 also marks the 30th anniversary of our Company. Turning thirty is not just a reflection of our rich history; it is also the prelude to an ambitious new journey. Three decades ago, we were a small team with just a few dozen employees and a modest revenue of a few million yuan, relatively unknown in the industry. Over the past thirty years, we have weathered numerous challenges, overcome obstacles and forging ahead with resilience. Through our steady and outstanding performance, we have proven our strength and potential to the market. Today, our business has expanded significantly, with over 100 commercial partnerships with shopping malls, more than 1,000 stores nationwide, a workforce of over 10,000 employees, and a loyal customer base of over 3.89 million members. Since our public listing, revenue has grown at a compound annual rate of 20%, net profit has achieved a compound annual growth rate of 14%, and cumulative dividends of HKD2.36 billion have been distributed.

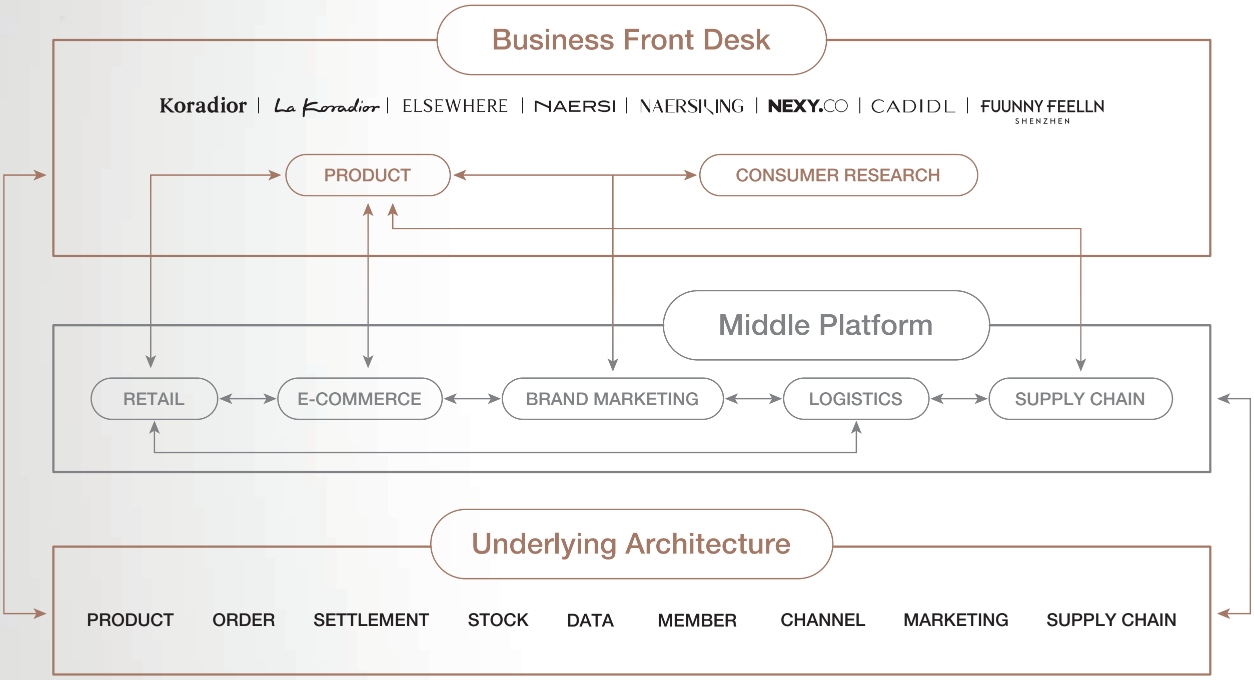
As the saying goes, "Only through relentless refinement does gold emerge from the sand." We firmly believe that only through perseverance can we achieve excellence. Only companies with strong competitive capabilities can remain resilient and thrive. As a leading force in Chinese affordable luxury fashion industry, we are confident that we will reach new heights, elevating our multi-brand portfolio to global recognition. We are fully prepared in terms of brand, product, channels, operations, organisation, and talent to embark on the next thirty years of success. We extend our sincere gratitude to all our shareholders for your continued trust and support, and we look forward to the day when we can share the fragrant blossoms of success together.

Last but not least, I would like to take this opportunity on behalf of the Board to offer my heartfelt thanks to all shareholders, customer, business partners and our staff for their committed support and trust.

By order of the Board
Jin Ming
Chairman and CEO

Hong Kong, 25 March 2025

OUR BUSINESS MODEL



Over the years, the Group has focused on the coordinated development of multiple brands, adopted a platform-based organisational structure, efficiently managed multi-brand operations, empowered the development of multiple brands with a strong middle platform, and gave full play to the positioning advantages of different brands. The highly digitised data center enables all business segments to improve efficiency, and the Group is committed to becoming a globally renowned Chinese affordable luxury brand management group.

Over the past 30 years, the Group has focused on the Direct to Consumer (DTC) model and has accumulated a large number of methodologies in terminal direct retail management, and the direct sales model has made the Group's insight into consumer needs more sensitive and efficient. At the same time, in order to adapt to the changes in the consumption environment, we adopt the offline sales model of direct sales and distribution supplements, as well as the online sales model of multi-platform e-commerce operation, so that our products can fully reach the consumers.

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

In 2024, China's consumer market remained generally stable. According to data from the National Bureau of Statistics, the total retail sales of consumer goods for the year reached RMB48.8 trillion, setting a new record high with a year-on-year growth of 3.5%. However, due to deep adjustments in the real estate market and other factors, China's economic recovery remained sluggish, with continued weak consumer demand. The monthly year-on-year growth rate of total retail sales of consumer goods ranged between 2.0% and 5.5%, staying within the low single-digit range. Specifically, the retail sales of apparel, footwear, and textiles recorded negative year-on-year growth for seven months, with an annual increase of just 0.3%. The contribution of final consumption expenditure to economic growth stood at 44.5%, marking the lowest level since 2021. In the mid-to-high-end consumption sector, major international luxury groups experienced an overall decline in performance in China. Meanwhile, inflation remained low throughout the year, with the monthly year-on-year change in the national Consumer Price Index (CPI) fluctuating between -0.8% and 0.7%.

Amid economic downward pressure, the Chinese government intensified stimulus efforts throughout the year. Particularly since September, a series of policies, including reserve requirement ratio (RRR) cuts, interest rate reductions, and adjustments to existing mortgage rates, began to take effect, improving business sentiment. The stock market rebounded sharply, and the Manufacturing Purchasing Managers' Index (PMI) returned to the expansion zone in October after remaining below the threshold for five consecutive months. These economic stimulus measures gradually showed results, leading to a 4th quarter GDP growth of 5.4% year-on-year, which was 0.1, 0.7, and 0.8 percentage points higher than the growth rates in the first, second, and third quarters, respectively.

Expanding domestic demand and ensuring stable economic growth remained the top priorities of China's economic policy. The December 2024 meeting of the CPC Central Political Bureau introduced the concept of "extraordinary counter-cyclical adjustments" for the first time. The description of fiscal policy changed from "proactive fiscal policy" in previous years to "more proactive fiscal policy", while the description of monetary policy shifted from "prudent" to "moderately accommodative" – the first time such change was introduced after 2011. Additionally, the meeting explicitly stated the need to "stabilise the real estate and stock markets". The Central Economic Work Conference also prioritised "boosting consumption" as the first of nine key economic tasks for 2025, a ranking only previously seen in 2022, demonstrating the Chinese government's strong emphasis and determination in this area.

In January 2025, the National Development and Reform Commission (NDRC) and the Ministry of Finance issued a notice on "expanding large-scale equipment upgrades and trade-in policies for consumer goods in 2025". For the first time, smartphones, tablets, smartwatches, and smart bands were included in the consumption subsidy program. With further intensified stimulus measures and accelerated policy implementation, consumer demand is expected to be significantly unleashed, and the overall growth rate of the consumer market is expected to rebound notably in the coming year.

In 2024, consumer preferences continued to shift towards rational spending. Consumers increasingly sought "value for money" in basic daily necessities, while also expressing strong demand for emotional satisfaction through consumption. According to Roland Berger's "2024 Asia Consumer Study", food, non-alcoholic beverages, and household goods were the top consumer concerns across Asia, while Chinese consumers showed the highest interest in apparel and footwear. Meanwhile, the continued growth and intergenerational transfer of high-net-worth family wealth in China are expected to further expand the mid-to-high-end consumption segment. Combined with China's steady economic recovery, the domestic mid-to-high-end women's fashion market still holds significant growth potential.

Challenges and Opportunities in 2025

In 2025, China's biggest economic challenges will continue to be weak domestic market confidence and insufficient effective demand. Additionally, uncertainties and risks such as U.S. tariff increases on Chinese goods and geopolitical tensions will also pose challenges.

During this period of economic downturn and market volatility, local mid-to-high-end women's fashion brands – especially leading companies with established advantages – will be better positioned to earn consumer trust, seize market opportunities, and achieve greater growth potential by focusing on consumer-centric strategies, deep product development, refined operations, and value-driven branding.

FINANCIAL REVIEWS

Revenue

The principal activities of the Group are design, retail and wholesale of womenswear in the PRC. The Group's revenue is generated primarily from (a) retail sales to end customers in its self-operated retail stores; (b) sales on third party e-commerce platforms; (c) wholesales to its distributors, who in turn sell the products to end consumers through the retail stores operated by them; and (d) other sales which were mainly derived from staff sales or direct sales through promotional activities outside the Group's retail stores. Revenue represents the sales value of goods sold, excluding VAT and other sales taxes, less sales returns and trading discounts. Total revenue decreased from RMB6,912.30 million for the year ended 31 December 2023 to RMB6,588.54 million for the year ended 31 December 2024, representing a decrease of 4.68% or RMB323.76 million. Sales generated by the Group's self-operated retail stores accounted for about 78.50% and 80.43% of the Group's total revenue in 2024 and 2023 respectively. The decrease in total revenue is primarily attributable to the drop of product sales across various retail channels as stated above, the vigorous product improvement and optimisation of the operations of the Group.

Revenue analysis by sales channels

Sales channel	**2024**		2023		**Increase/(decrease)**	
	RMB'000	**%**	RMB'000	%	RMB'000	%
Self-operated retail stores	**5,171,947**	**78.50%**	5,559,614	80.43%	(387,667)	(6.97)%
Wholesales to distributors	**287,266**	**4.36%**	383,903	5.55%	(96,637)	(25.17)%
E-commerce	**1,129,323**	**17.14%**	968,784	14.02%	160,539	16.57%
Total	**6,588,536**	**100%**	6,912,301	100%	(323,765)	(4.68)%

FINANCIAL REVIEWS *(Continued)*

Revenue *(Continued)*

Revenue of retail stores analysis

The Group has always placed a strong focus on establishing self-operated retail stores. For the year ended 31 December 2024, 1,444 self-operated retail stores (Koradior: 485, La Koradior: 46, ELSEWHERE: 119, CADIDL: 125, FUUNNY FEELLN: 35, NAERSI: 350, NEXY.CO: 201 and NAERSILING: 83) generated revenue of RMB5,171.95 million in aggregate, representing a decrease of 6.97% as compared to the year ended 31 December 2023 under our brands. The decrease in direct revenue is mainly attributed to the existing stores sales drop.

As at 31 December 2024, there were 395 retail stores operated by distributors under eight brands (Koradior: 191, La Koradior 1, ELSEWHERE: 28, CADIDL: 19, FUUNNY FEELLN: 34, NAERSI: 86, NEXY.CO: 34 and NAERSILING: 2) and the revenue of retail stores operated by distributors amounted to RMB287.27 million, representing a decrease of 25.17% as compared to the year ended 31 December 2023 due to low market confidence and insufficient consumer demand.

Revenue of e-commerce analysis

The Group makes use of third-party e-commerce platforms and own e-commerce platform as one of its sales channels. E-commerce revenues for the year of 2024 amounted to RMB1,129.32 million, representing an increase of 16.57% or RMB160.54 million as compared to the year ended 31 December 2023, primarily due to an increase in sales of the Group's products through online retail stores, which was driven by an increase in expenditure on advertising and promotion through e-commerce platforms and search engines in the PRC as well as the Group's effort in focusing on the transformation of consumer's online consumption and shopping habits and expanding the e-commerce team. With specific focus placed on the Douyin live streaming sales model, the sales achieved via the Douyin channel have grown rapidly.

The total e-commerce revenue from Tmall increased by 1.19% from RMB244.62 million for the year ended 31 December 2023 to RMB247.54 million (representing 21.92% of the total e-commerce revenue) for the year ended 31 December 2024. The total e-commerce revenue from VIP.com increased by 11.56% from RMB440.40 million for the year ended 31 December 2023 to RMB491.31 million (representing 43.50% of the total e-commerce revenue) for the year ended 31 December 2024. The total e-commence revenue from EEKA Fashion Mall increased by 37.41% from RMB71.21 million for the year ended 31 December 2023 to RMB97.85 million (representing 8.66% of the total e-commerce revenue) for the year ended 31 December 2024. The total e-commence revenue from Douyin increased by 8.90% from RMB187.32 million for the year ended 31 December 2023 to RMB204.00 million (representing 18.06% of the total e-commerce revenue) for the year ended 31 December 2024. The total e-commence revenue from WeChat Video Channel increased by 519.60% from RMB10.00 million for the year ended 31 December 2023 to RMB61.96 million (representing 5.49% of the total e-commerce revenue) for the year ended 31 December 2024. The other e-commerce revenues amounted to RMB26.66 million (representing 2.37% of the total e-commerce revenue) for the year ended 31 December 2024.

FINANCIAL REVIEWS *(Continued)*

Revenue *(Continued)*

Revenue of retail stores analysis by geographical regions (Excluding e-commerce)

The following table sets out the breakdown of the Group's revenue generated from its self-operated retail stores and wholesales to distributors by geographical regions for the years ended 31 December 2024 and 2023, respectively:

	Year ended 31 December			
Region	**2024**		2023	
	RMB million	**%**	RMB million	%
Central PRC[1]	**538.20**	**9.86%**	593.17	9.98%
Eastern PRC[2]	**1,772.12**	**32.46%**	1,943.67	32.70%
North Eastern PRC[3]	**361.05**	**6.61%**	371.42	6.25%
North Western PRC[4]	**422.41**	**7.74%**	514.57	8.66%
Northern PRC[5]	**694.64**	**12.72%**	714.67	12.02%
South Western PRC[6]	**958.05**	**17.55%**	1,050.69	17.68%
Southern PRC[7]	**712.74**	**13.06%**	755.33	12.71%
Total	**5,459.21**	**100%**	5,943.52	100%

Notes:

1 Central PRC includes Henan, Hubei and Hunan.

2 Eastern PRC includes Shandong, Jiangsu, Zhejiang, Anhui, Shanghai, Jiangxi and Fujian.

3 North Eastern PRC includes Jilin, Heilongjiang and Liaoning.

4 North Western PRC includes Shaanxi, Ningxia, Qinghai, Gansu and Xinjiang.

5 Northern PRC includes Tianjin, Beijing, Inner Mongolia, Hebei and Shanxi.

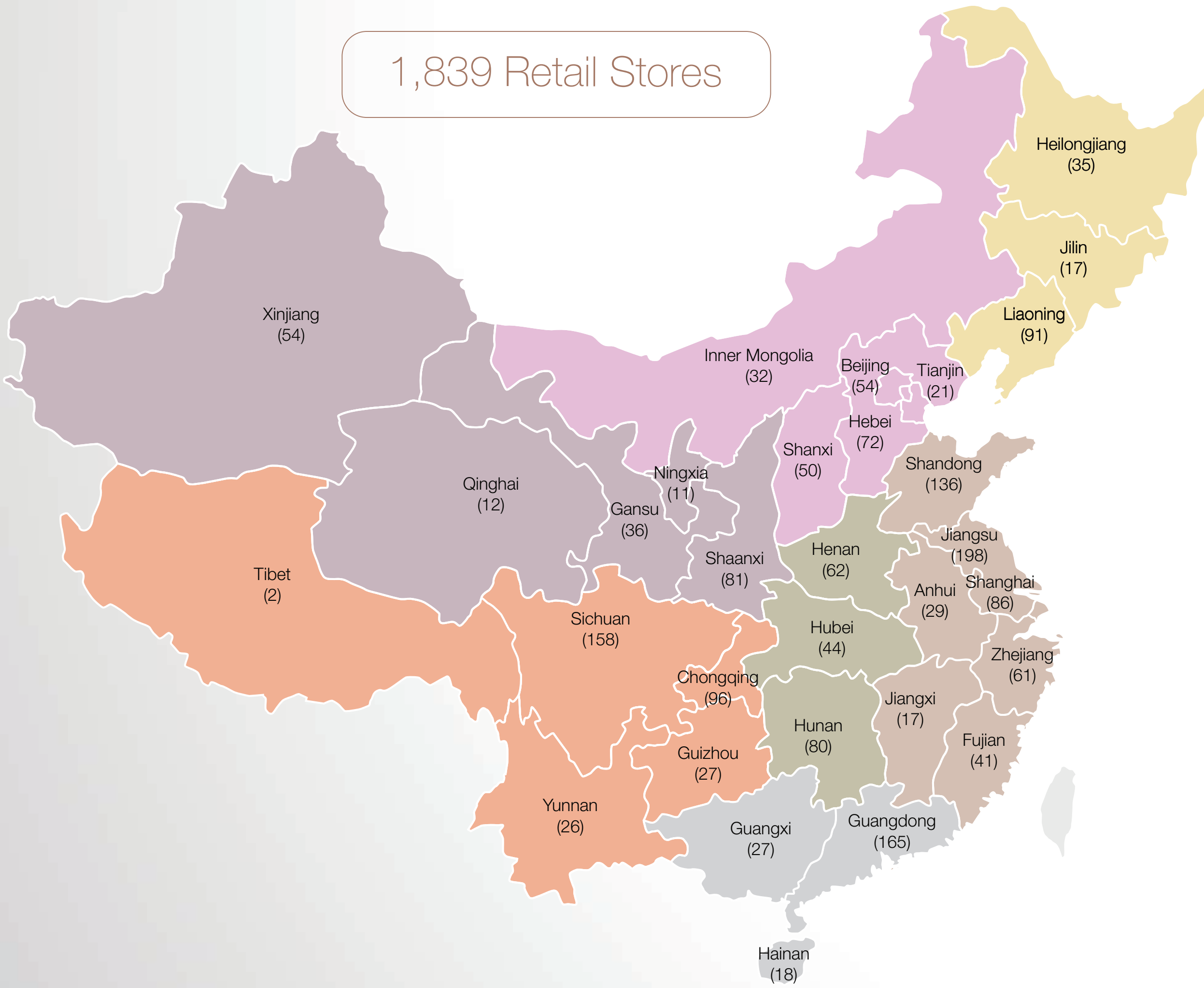
6 South Western PRC includes Guizhou, Chongqing, Yunnan, Tibet and Sichuan.

7 Southern PRC includes Guangxi, Hainan and Guangdong.

FINANCIAL REVIEWS *(Continued)*

Breakdown of retail stores by geographical regions

During the year ended 31 December 2024, the revenue of retail stores generated from Eastern PRC and South Western PRC contributed to more than half of the total revenue of self-operated retail stores and wholesales to distributors.



FINANCIAL REVIEWS *(Continued)*

Breakdown of retail stores by geographical regions *(Continued)*

Breakdown of retail stores by geographical regions

During 2024, the Group opened 197 new retail stores (of which 117 are self-operated) and closed 322 retail stores (of which 198 are self-operated), representing a net decrease of 125 retail stores. The following table sets out the number of retail stores in the Group's sales network by geographical regions in the PRC as at 31 December 2024, including both self-operated retail stores and retail stores operated by distributors:

	Number of retail stores			
Region	**As at 1 January 2024**	**Opened during the year**	**Closed during the year**	**As at 31 December 2024**
Central PRC[1]	204	14	(32)	186
Eastern PRC[2]	626	66	(124)	568
North Eastern PRC[3]	135	29	(21)	143
North Western PRC[4]	218	21	(45)	194
Northern PRC[5]	244	23	(38)	229
South Western PRC[6]	315	19	(25)	309
Southern PRC[7]	222	25	(37)	210
Total	1,964	197	(322)	1,839

Notes:

1 Central PRC includes Henan, Hubei and Hunan.

2 Eastern PRC includes Shandong, Jiangsu, Zhejiang, Anhui, Shanghai, Jiangxi and Fujian.

3 North Eastern PRC includes Jilin, Heilongjiang and Liaoning.

4 North Western PRC includes Shaanxi, Ningxia, Qinghai, Gansu and Xinjiang.

5 Northern PRC includes Tianjin, Beijing, Inner Mongolia, Hebei and Shanxi.

6 South Western PRC includes Guizhou, Chongqing, Yunnan, Tibet and Sichuan.

7 Southern PRC includes Guangxi, Hainan and Guangdong.

As at 31 December 2024, there were 1,839 retail stores, covering 31 cities of provinces, autonomous regions, municipalities of which 1,444 were operated by the Group, 395 were operated by the Group's distributors. Out of the 1,444 self-operated retail stores, there were 902 retail stores in department stores, 215 retail stores in shopping malls, 271 retail stores in outlets, 40 retail stores on street levels and 16 retail stores in airports.

FINANCIAL REVIEWS *(Continued)*

Breakdown of retail stores by geographical regions *(Continued)*

Breakdown of retail stores by brands

Brand	Number of retail stores As at 1 January 2024	As at 31 December 2024
Koradior	714	676
La Koradior	46	47
ELSEWHERE	172	147
CADIDL *(note 1)*	161	144
FUUNNY FEELLN	91	69
NAERSI *(note 2)*	454	436
NAERSILING *(note 2)*	95	85
NEXY.CO *(note 2)*	231	235
Total	1,964	1,839

Revenue analysis by brands

Brand	2024		2023		Increase/(decrease)	
	RMB'000	%	RMB'000	%	RMB'000	%
Koradior	2,156,066	32.73%	2,387,053	34.54%	(230,987)	(9.68)%
La Koradior	508,909	7.72%	461,676	6.68%	47,233	10.23%
ELSEWHERE	477,982	7.25%	531,576	7.69%	(53,594)	(10.08)%
CADIDL *(note 1)*	397,552	6.03%	430,272	6.22%	(32,720)	(7.60)%
FUUNNY FEELLN	165,849	2.52%	135,685	1.96%	30,164	22.23%
NAERSI *(note 2)*	1,437,027	21.81%	1,464,413	21.19%	(27,386)	(1.87)%
NAERSILING *(note 2)*	433,340	6.58%	497,790	7.20%	(64,450)	(12.95)%
NEXY.CO *(note 2)*	1,011,811	15.36%	1,003,836	14.52%	7,975	0.79%
Total	6,588,536	100%	6,912,301	100%	(323,765)	(4.68)%

Note 1: The Group acquired 65% and 35% of the equity interest of Mondial on 13 July 2016 and 10 November 2021 respectively which has a self owned brand "CADIDL". Mondial is an insignificant subsidiary of the Company within the meaning of the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Note 2: The Group acquired 100% of the equity interest of Keen Reach which has self-owned brands "NAERSI", "NEXY.CO" and "NAERSILING" on 3 July 2019.

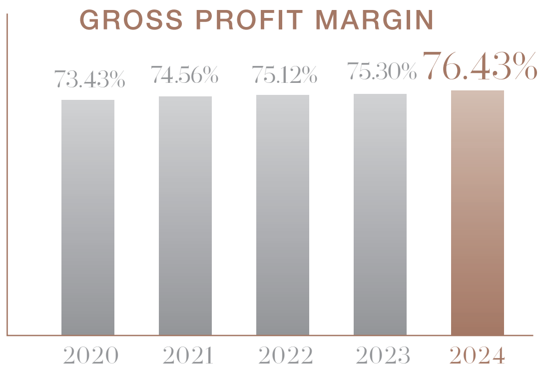
FINANCIAL REVIEWS *(Continued)*

Cost of sales

Cost of sales decreased from RMB1,707.31 million during the year ended 31 December 2023 to RMB1,552.98 million for the year ended 31 December 2024, representing a decrease of 9.04% or RMB154.33 million, mainly due to decrease in the Group's revenue.

Gross profit and gross margin

Gross profit decreased from RMB5,204.99 million for the year ended 31 December 2023 to RMB5,035.55 million for the year ended 31 December 2024, representing a decrease of 3.26% or RMB169.44 million. The Group's overall gross profit margin slightly increased from 75.30% for 2023 to 76.43% for 2024.



Gross Profit and Gross Profit Margin analysis by sales channels

Sales channel	2024		2023		Increase in
	Gross Profit (RMB'000)	Gross Profit Margin (%)	Gross Profit (RMB'000)	Gross Profit Margin (%)	Gross Profit Margin (% point)
Self-operated retail stores	4,149,340	80.23%	4,383,968	78.85%	1.38
Wholesales to distributors	204,203	71.08%	271,644	70.76%	0.32
E-commerce	682,009	60.39%	549,376	56.71%	3.68
Total	5,035,552	76.43%	5,204,988	75.30%	1.13

FINANCIAL REVIEWS *(Continued)*

Gross profit and gross margin *(Continued)*

Gross Profit and Gross Profit Margin analysis by brands

Brand	2024		2023		Increase in
	Gross Profit (RMB'000)	Gross Profit Margin (%)	Gross Profit (RMB'000)	Gross Profit Margin (%)	Gross Profit Margin (% point)
Koradior	1,658,375	76.92%	1,834,412	76.85%	0.07
La Koradior	414,564	81.46%	375,145	81.26%	0.20
ELSEWHERE	343,918	71.95%	381,108	71.69%	0.26
CADIDL *(note 1)*	294,979	74.20%	299,283	69.56%	4.64
FUUNNY FEELLN	107,856	65.03%	87,707	64.64%	0.39
NAERSI *(note 2)*	1,097,594	76.38%	1,087,567	74.27%	2.11
NAERSILING *(note 2)*	339,825	78.42%	376,110	75.56%	2.86
NEXY.CO *(note 2)*	778,441	76.94%	763,656	76.07%	0.87
Total	5,035,552	76.43%	5,204,988	75.30%	1.13

Note 1: The Group acquired 65% and 35% of the equity interest of Mondial on 13 July 2016 and 10 November 2021 respectively which has a self owned brand "CADIDL". Mondial is an insignificant subsidiary of the Company within the meaning of the Listing Rules.

Note 2: The Group acquired 100% of the equity interest of Keen Reach which has self-owned brands "NAERSI", "NEXY.CO" and "NAERSILING" on 3 July 2019.

FINANCIAL REVIEWS *(Continued)*

Other income and gains

Other income and gains, comprising mainly government grants, rental income, investment gain, exchange gain and interest income, decreased by 31.26% from RMB237.08 million for the year ended 31 December 2023 to RMB162.96 million for the year ended 31 December 2024. The decrease was mainly attributed to recognition of fair value gain in investment in 2023, and a reduction in foreign exchange gain.

Selling and distribution expenses

Selling and distribution expenses increased by 2.81% from RMB3,778.11 million for the year ended 31 December 2023 to RMB3,884.32 million for the year ended 31 December 2024, primarily due to the increase in store upgrades and advertising marketing promotions expenses.

Administrative expenses

Administrative expenses increased by 11.45% from RMB608.74 million for the year ended 31 December 2023 to RMB678.42 million for the year ended 31 December 2024 primarily due to the increase in share award expense.

Other expenses

Other expenses increased by 135.44% from RMB7.11 million for the year ended 31 December 2023 to RMB16.74 million for the year ended 31 December 2024. The increase is mainly attributed to increase in fair values loss on financial assets at fair value through profit or loss.

Finance costs

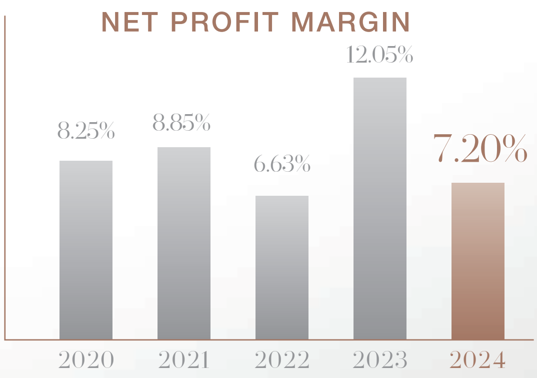
Finance costs increased by 13.89% from RMB48.74 million for the year ended 31 December 2023 to RMB55.51 million for the year ended 31 December 2024. It was mainly attributed to the increase in net borrowings.

Income tax expenses

Income tax expenses decreased by 45.40% from RMB161.97 million for the year ended 31 December 2023 to RMB88.44 million for the year ended 31 December 2024. It was mainly attributed to the decrease in operating profit.

Net profit and net profit margin

As a result of the foregoing factors, the net profit attributable to owners of the parent was RMB468.50 million for the year ended 31 December 2024 as compared to RMB838.17 million for the year ended 31 December 2023, representing a decrease of 44.10% or RMB369.67 million. Net profit margins were 7.20% and 12.05% for the years ended 31 December 2024 and 2023 respectively.



FINANCIAL REVIEWS *(Continued)*

Capital structure

The Group requires working capital to support its design and development, retail and other business operations. As at 31 December 2024, the Group's total current assets were RMB3,371.72 million (31 December 2023: RMB3,549.66 million) and total current liabilities were RMB1,773.86 million (31 December 2023: RMB1,989.27 million). The current ratio as at 31 December 2024 was 1.90 (31 December 2023: 1.78).

As at 31 December 2024, the total sum of the Group's interest-bearing bank borrowings amounted to RMB524,068,000 (31 December 2023: RMB513,779,000). The increase in net borrowing was mainly attributed to the Group's production and operation activities and repayment of matured liabilities. The Group's borrowings were denominated in RMB.

Financial position, liquidity and gearing ratio

As at 31 December 2024, the Group's cash and cash equivalents were RMB363.93 million (31 December 2023: RMB440.76 million), denominated as to 96.96% in RMB, 2.31% in Hong Kong dollar, 0.19% in Euro and 0.54% in JPY. The net cash inflow from operating activities generated was RMB996.24 million for the year ended 31 December 2024, down 36.51% from RMB1,569.21 million for the year ended 31 December 2023.

As at 31 December 2024, the gearing ratio (i.e. outstanding bank loans divided by total equity) was 11.65% (31 December 2023: 11.26%).

Exposures to fluctuation in foreign exchange

The Group is exposed to currency risk attributable to receivables, payables and cash balances that are denominated in foreign currencies, i.e. currencies other than the functional currency of relevant subsidiaries. The management actively monitors foreign exchange rate fluctuations to ensure that its net exposure is kept at an acceptable level. The Group mainly operates its business in the PRC with most of the transactions settled by RMB. Hence, the Board considers that the risk exposure to foreign exchange rate fluctuation is not significant and no financial instrument of hedging was employed to hedge against the currency risks.

Contingent liabilities

As at 31 December 2024, the Group had no significant contingent liabilities (31 December 2023: Nil).

Charges on assets

As at 31 December 2024, there were no charges on the assets and undertakings of the Group (31 December 2023: buildings with carrying value of RMB86.01 million were pledged to banks in respect of the banking facilities granted to the Group).

FINANCIAL REVIEWS *(Continued)*

Treasury policies

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on risk management and transactions that are directly related to the underlying business of the Group.

Material acquisition and disposal

The Group had no material acquisition or disposal of any subsidiaries, associates or joint ventures during the year ended 31 December 2024.

Significant investment

As at 31 December 2024, the Group had no significant investment with a value of 5% or more of the Group's total assets.

Equity fund raising

There was no equity fund raising activity by the Company for the year ended 31 December 2024, nor was there any unutilised proceeds brought forward from any issue of equity securities made in previous financial years.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEWS

The Group owns and manages eight brands to meet various dressing needs of its customers including: our own brands – (i) Koradior (ii) La Koradior, (iii) ELSEWHERE and (iv) FUUNNY FEELLN, and acquired brands – (i) CADIDL (ii) NAERSI (iii) NAERSILING and (iv) NEXY.CO.

1. EEKA Brands

The Group's dual main brands Koradior and NAERSI with sales revenue of more than RMB3.59 billion for the year ended 31 December 2024 are among the top 10 brands in the industry in China. Sales revenue from ELSEWHERE, La Koradior, NAERSILING, NEXY.CO, CADIDL sales are generally between RMB400–1,100 million, and the Company launched FUUNNY FEELLN in 2019, which aims at a wider population and meets more diverse needs. As a brand cluster enterprise, the Company's group operation is outstanding, and it has built an endogenous and diversified affordable luxury brand matrix.

The Group has always adopted direct sales strategy which has the largest number of self-operated retail stores in the industry, and the broad retail network enables the Group to have stronger bargaining power and significant scale effects. In a competitive market at a time of deepening uncertainty, self-operated channels will play a pivotal role in the steady and sustained growth of the Group's performance. At the same time, the self-operated retail stores layout also allows brands to fully contact customers, understand the market, meet the demand, and deal with uncertain risks.

Koradior

Koradior is a brand that focuses on "romantic and feminine" style, providing customers with high-quality clothing characterised by rose patterns and lace, featuring tailoring and exquisite craftsmanship. Its core product category is "dresses", and it advocates for an aesthetic lifestyle of "leisure and elegance (閑情雅質)". The classic K Dress embodies Koradior's unique style with its classic X silhouette, romantic V-neck, delicate seven-button design, and 120º fan-shaped skirt, which strengthens the brand's identity and captures the hearts of customers.

Koradior was established in 2007 and won the "China Fashion Brand Annual Award – Style Award" in 2014. In 2016, the brand invited Miranda Kerr to be its spokesperson and participated in Milan Fashion Week. At the official show at the Palazzo Reale di Milano, the "Melody of South China（韻律南國）" style was presented, showcasing their commitment to overseas spokesperson strategy for nine consecutive years. This deepened the brand's "romantic" image in the minds of consumers and continued to enhance its brand power.

In the current fiscal year, in terms of brand development, Koradior continued its collaboration with Hollywood international superstar Lily Collins to interpret the Koradior-style romance and strengthen integrated brand marketing. The focus in the first half of the year was on the brand's core DNA craftsmanship, the "Pearl and diamond craftsmanship," and the DNA element, the "Linear rose".

Simultaneously, they engaged in storytelling packaging, revolving around the product's multiple promotions both online and offline. Offline, they increased the display of related products in storefronts. Online, they utilised various media for promotion and publicity to further enhance brand influence. In April, they hosted the 417 Brand Day event and new product launch show themed "Kora Rose Wonderland（玫瑰之境）", reinforcing the brand's imprint. They narrated dress stories through the brand's flower, merging product and sales to convey value. In October, the 2025 spring/summer fashion show was held, making its debut at Shenzhen Fashion Week. Through the collaboration between Shenzhen Fashion Week and VOGUE media IP (Intellectual Property), it attracted people, momentum, and attention, creating a powerful and widely-discussed topic, resulting in online exposure far exceeding the target.

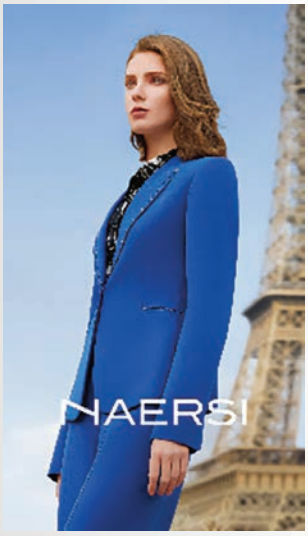
Under the reform of the excellent product system, Koradior has continued to enhance product categories, optimise the product golden triangle structure, strengthen inter-category synergy, resulting in a significant increase in the product bundling rate. The cost-performance ratio of products is further improved.

In terms of channel development, Koradior has focused on expanding, repositioning, renovating, and opening new stores to increase the average store size. The brand's identity is prominently displayed throughout the stores, deepening consumer recognition. Additionally, multiple flagship and boutique stores, continuing to focus on and deepen the high-end market, advancing the upgrade of offline channels, and adding 7 new stores in the upscale shopping district of MixC City. As of 31 December 2024, Koradior has established a total of 676 stores in China.

BUSINESS REVIEWS *(Continued)*

1. EEKA Brands *(Continued)*

NAERSI



NAERSI is a fashion brand with a brand style of "urban elegance" and a focus on dressing working women. Through minimalist designs, three-dimensional tailoring, inherited craftsmanship, and high-quality fabrics, NAERSI creates sophisticated ready-to-wear garments that combine fashion and quality for urban women, embodying an elegant spirit of "ease and elegance" for modern women. The core product categories are "outerwear" and "pants", and the brand's iconic "True-self Suit（真我套裝）", which has been passed down for 27 years, featuring detailed designs such as a bow tie collar, girly shoulder, princess waistline, fishtail hem, and the NAERSI oblique pattern. This suit has gained recognition and popularity among working women in China and has stood the test of time.

NAERSI was established in 1995 and implemented a spokesperson strategy in 2000, with Chinese actress Qu Ying（瞿穎）serving as the brand image spokesperson. In 2014, the brand was recognised as a "China Well Known Brand", and in 2015, it was awarded the title of "Influential Advanced Brand". In 2017, NAERSI made its debut at the New York International Fashion Week, presenting the show "Power and Beauty（力與美）" and becoming the first Chinese brand to host a show at the American Museum of Natural History, further enhancing its brand strength. In 2020, NAERSI introduced its brand color, "25º Blue（25º 藍）", becoming a pioneer within the Group.

In the current fiscal year, NAERSI focused on its products to create a "High Efficiency Wardrobe（高能衣櫥）" thematic approach. This initiative combined fabric craftsmanship, occasion styling, pattern narratives, and other elements to dissect the product's value. The emphasis was placed on the brand's signature craftsmanship such as "Exquisite Thread Traces（臻工線跡）", "Exquisite Artistic Hemming（臻藝褶裥）", and "Artisanal Stitching（匠藝線跡）".

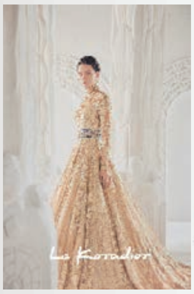
Through the "Suit Festival – Elegant Workshop Spring/Summer Haute Couture Fashion Show," they specially invited renowned actress Huang Yi to shoot promotional films, ID videos, and lead the runway shows. By leveraging thematic series like "The Beginning of Elegance," themed exhibitions, store intangible cultural heritage appreciation events, media promotions, crossbrand collaborations, and magazine partnerships, they achieved an overall exposure of nearly 100 million impressions. This comprehensive approach aimed to further capture consumers' minds regarding the product, brand DNA, and brand stories.

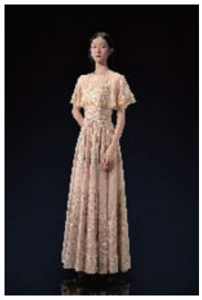
In terms of channel expansion, NAERSI has been actively enhancing its offline retail presence by upgrading store images and designs, increasing store sizes, and introducing flagship and boutique stores. They have also launched various offline activities such as roadshows, themed pop-up stores, and interactive promotions to engage consumers in different settings. This holistic approach aims to elevate the overall consumer experience, deepen consumer awareness of the brand's style and philosophy, and drive sales growth through offline channels. As of 31 December 2024, NAERSI has a total of 436 stores operating in China.

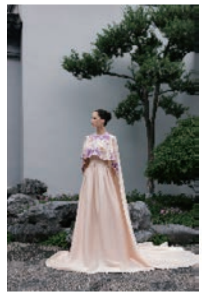
BUSINESS REVIEWS *(Continued)*

1. EEKA Brands *(Continued)*

La Koradior








La Koradior is a brand with a style characterised as "sensual, luxurious, and romantic." Their core product category is "evening dresses," providing luxurious and noble attire for "new noble ladies" for occasions such as banquets and business events through exquisite fabrics, intricate craftsmanship, and three-dimensional tailoring. As an affordable luxury brand, La Koradior has created multiple sets of high-end couture dresses for exhibitions. For example, the "Golden Trace" million-dollar dress that took 9,820 hours to create made its debut at the Beijing GUARDIAN FINE ART Art Week, becoming the first high-end dress from China to be showcased at a top art exhibition. The "Gilded Illusion（鎏金華彩）" couture cape dress participated in Singapore Culture Gala "Shangyuan Hui（上元匯）" event, and the "Purple Orchid Embroidery（紫蘭花繢）" couture dress toured the "Salon International du Patrimoine Culturel" at the Louvre Museum in Paris, France, establishing the brand's position in the affordable luxury market.

La Koradior was established in 2012 and participated in Milan Fashion Week as the only officially invited Chinese brand in 2015, showcasing a grand show under the theme of "China Image（中國映像）". In 2019, they collaborated with renowned Chinese fashion designer Peng Jing to create the "Golden Trace (金色軌跡)" million-dollar dress, which was presented at the Beijing GUARDIAN FINE ART Art Week. In 2022, they held a closing show at China Fashion Week with the theme of "La-China Arts（民藝復興）", establishing themselves as a high-end couture brand in China and even the world. In 2024, the 2024 autumn/winter high-end ready-to-wear collection show "Butterflies in the Orchid（蝶入蘭間）" made its appearance at Paris Fashion Week, showcasing a blend of Eastern and Western luxury artistry.

La Koradior actively worked towards enhancing its brand strength and shaping a brand image of affordable luxury. During Paris Fashion Week, they presented their autumn/winter high-end ready-to-wear collection show "Butterflies in the Orchid", which received high praise from the fashion industry both domestically and internationally. It collaborated with the renowned world jewelry workshop, Maison Lemaire, and the creative director Eric Charles-Donatien, to integrate French embroidery craftsmanship and Lunéville's unique hook needle technique, showcasing the brand's high-end embroidery aesthetics and enhancing its international image. La Koradior successively held the "Butterflies in the Orchid" 2024 autumn/winter Paris high-end ready-to-wear fashion show in Beijing and the "Purple Feather Butterfly Orchid（紫羽蝶蘭）" Haute Couture embroidery fashion show in Shanghai. The brand extensively utilised their brand DNA elements, including the Butterfly Orchid, La-purple, cape dresses, and bellflower skirts during those significant events. The brand creates a brand identity and enhances brand strength through their DNA elements employed across various offline channels such as store displays, PR exhibitions, offline activities, trade shows, as well as online promotional campaigns.

In terms of channel layout, La Koradior has taken measures to enhance the quality of its offline stores by closing low-quality outlets, expanding and renovating locations, and establishing boutique flagship stores. They have been consistently implementing a fully direct-operated model, with the average store size of new outlets significantly increased compared to previous standards, leading to notable improvements in store efficiency. By organising themed offline exhibitions, in-store events, and strengthening interactions with consumers, La Koradior aims to build a "top-tier brand" by delivering "top-tier service" and "top-tier quality." As of 31 December 2024, La Koradior has a total of 47 stores operating in China.

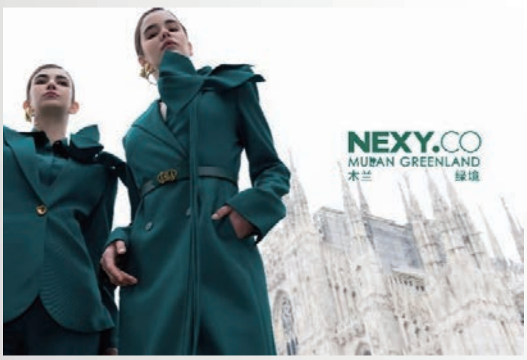
BUSINESS REVIEWS *(Continued)*

1. EEKA Brands *(Continued)*

NEXY.CO

NEXY.CO is a brand with the style of "intellectual, simple, and wisdom beauty." It provides multi-occasion clothing primarily for urban women in the fashion workplace. The brand slogan is "showing charm with wisdom." Its core product category is "suits," with the classic "π Suit" and "94050 overcoat" becoming enduring favorites among consumers and standout items for NEXY.CO.

NEXY.CO was established in 2009. In 2014, the first flagship store worth 10 million of dollars was born. In 2015, the classic 94050 overcoat was introduced. In 2017, as the only Chinese brand officially invited, NEXY.CO showcased an Asian show at Milan Fashion Week, collaborating with supermodel Karlie Kloss to interpret intelligent fashion under the theme of "The Spirit of Future (憶未來)". In 2021, NEXY.CO partnered with WWF (World Wildlife Fund) and OPF (One Planet Foundation) twice to launch the "Green Planet (綠色星球)" and "Nature Guardians (奈護自然)" public welfare and environmental protection series, advocating for nature conservation, harmonious coexistence, and sustainable fashion. They combined art, environmental protection, and fashion to promote the brand's sustainable beauty. In 2022, NEXY.CO invited actress Yuan Quan as the brand image spokesperson, showcasing the intelligent and beautiful power of Chinese women and promoting the image of "CO Lady (蔻Lady)", representing both inner and outer beauty. NEXY.CO unveiled its 2024 autumn/winter collection "Mulan Greenland (木蘭綠境)" at Milan Fashion Week. The grand show, inspired by the brand's flower "Magnolia," featured the brand color "NEXY.CO Green" as the main color scheme and kicked off at the Palazzo Reale, showcases the brand's intelligence and beauty, and continues to increase the brand influence.



In the current fiscal year, NEXY.CO celebrated its 15th anniversary, which is a significant milestone for the brand. Following its appearance at Milan Fashion Week in February, the brand has been focused on strengthening brand awareness and enhancing its international influence. Teaming up with Wonderland, they collaborated with 13 female photographers and 2 supermodels to create 15 photography works and 15 co-branded T-shirts. They held an offline Mulan Vision 15th anniversary co-branded series exhibition to showcase the brand's color "NEXY.CO Green" and brand flower "Magnolia". The event featured the special appearance of brand ambassador, Yuan Quan. On Brand Day 718, NEXY.CO celebrated its 15th anniversary brand ceremony along with the theme show "Mulan Greenland (木蘭綠境)". Brand ambassador Yuan Quan led the Greenland-themed event, with renowned actresses Myolie Wu (胡杏兒) and Miss World Zhang Zilin (張梓琳) gracing the stage to explore the allure of the Mulan. Famous actors Hai Qing (海清), Wu Jinyan (吳謹言), Samantha Ko (高海寧), and Gao Lu (高露) interpreted the Mulan series, highlighting the brand's "intelligent beauty" posture.

NEXY.CO continues to actively promote the reform of its outstanding product system, providing consumers with multi-scenario apparel focused on the workplace but not limited to it, catering to diverse consumer needs. Simultaneously, they are reinforcing the exposure of their classic pieces. They not only collaborated deeply with the magazine "ELLE" on overseas editorial shoots but also invited international supermodel Wang Quyou (汪曲攸) to interpret the classic "π Suit". Additionally, through the "Ingenuity Museum (匠心博物館)" column, they dissect high-quality fabrics and intricate craftsmanship, showcasing high-value clothing to consumers and embodying a sense of luxury associated with the brand. Furthermore, NEXY.CO has engaged in a cross-disciplinary collaboration with the new media digital artist Luo Bi (羅比) to highlight the brand's intellectual beauty characteristics, aiming to enhance brand relevance and increase brand engagement.

In terms of channel layout, NEXY.CO continues to implement the Group's "channel upgrade" strategy, focusing on "improving store quality and efficiency." They are actively conducting offline roadshows and pop-up stores, with an increase in the average store size. Additionally, significant improvements in product quality and brand strength have helped to maintain confidence in NEXY.CO's future development even in the absence of significant improvements in the market environment and a continuous increase in the number of dealer stores. As of 31 December 2024, NEXY.CO has a total of 235 stores operating in China.

BUSINESS REVIEWS *(Continued)*

1. EEKA Brands *(Continued)*

ELSEWHERE

ELSEWHERE has a brand style that emphasises "nature, chill, premium", advocating that "Life is ELSEWHERE（生活在別處）". Their core product category is "knitwear," weaving a poetic life for urban women with relaxed yet refined tailoring and exquisite knitting craftsmanship. The brand aims to convey the core spirit of modern urban women – a sense of ease, freedom, and enjoyment. Furthermore, ELSEWHERE strengthens its connection with nature and sustainability through various initiatives, attracting the attention of their core customer base, the "Artist of Life（生活藝術家）", who are interested in living a sustainable lifestyle and care about environmental conservation.

ELSEWHERE was established in 2014. In 2016, it participated in Shenzhen Fashion Week, and in 2020, it held a major show at Shanghai Fashion Week. In 2021, it was listed on the "SUSTAIN100 2021 – Re-cycle & Green Design Initiative List" by the Green Fashion Alliance (GFA). In the same year, ELSEWHERE invited Tang Yixin（唐藝昕）as its first brand spokesperson to promote the brand's values of "From the heart of solitude（從心悠享）" and further establish its brand image.

In the current fiscal year, as part of their promotional efforts, ELSEWHERE held the 2024 Spring/Summer fashion show titled "Poetic Picture Scroll（詩逸畫卷）", tracing the story of the knitwear landscape painting, analysing the brand's story, and continuing to narrate the brand's narrative of "Poetry and the beyond（詩和遠方）". This approach aimed to shape the brand's high-end literary style, reinforce its brand DNA, and simultaneously it held offline roadshows, generating high exposure for the overall event and expanding the brand's reach.

ELSEWHERE invited Karena Lam（林嘉欣）as their new brand ambassador, further interpreting the brand's nature, chill and premium brand tone. The 920 Knit Art Festival has gained more exposure, with online exposure data increasing by over 100%. Maintaining visual consistency between online and offline platforms in storefronts, image displays, and designated points, ELSEWHERE presented its key selling items in a relaxing and artistic living setting. Additionally, craft stories featuring a group of Key Opinion Leaders (KOLs) and a column dedicated to "Artist of Life "column, conveying the brand's value proposition of "Life is ELSEWHERE".

In terms of channel layout, ELSEWHERE has further optimised the offline store image by enhancing the quality of their physical stores, with an increase in the average area of these stores. The stores have adopted a new image that comprehensively showcases the brand's identity, culture, and style, aiming to enhance the brand's influence. As of 31 December 2024, ELSEWHERE has a total of 147 stores operating in China.

BUSINESS REVIEWS *(Continued)*

1. EEKA Brands *(Continued)*

NAERSILING

NAERSILING, with a brand style of "freedom and art," provides fashionable and unconstrained luxury fashion for urban celebrities and business elites. Their classic piece, the "724 Silk Positioning Printed Blazer（724真絲定位印花單西）" offers consumers a more comfortable and inclusive wearing experience by adding a small H-shaped silhouette with an increased circumference of 7cm. The core product categories are "suits" and "dresses," focusing on workplace and social scenarios.

NAERSILING was established in 2009 and participated in Shenzhen Fashion Week consecutively in 2015 and 2016. In 2018, they showcased their collection "FUTURE REVELATION（未來啟示）" as the grand finale at New York Fashion Week for the spring/summer season. They also participated in Shanghai Fashion Week in 2020 and received the Brand Award at the 2020 China International Fashion Week. In 2021, the brand underwent an image upgrade by adjusting its logo to more accurately convey the brand's style and philosophy.

In the current fiscal year，NAERSILING focused on brand storytelling around the brand color "Freedom Red" and the brand flower "Tulip". They launched a special feature called the "L Art Museum（靈感藝術館）", emphasising the brand's craftsmanship. Through videos, they analysed the brand's fabrics and craftsmanship. Additionally, they conducted offline activities such as the "NAERSILING TULIP Garden（NAERSILING TULIP 奇跡花園）" themed exhibition and invested in airport advertising at Shenzhen Airport. They focused on interpreting product floral patterns and stories around core product categories through online channels. By showcasing their key selling items through the "Basic Wardrobe（基礎衣櫥）" feature and creating popular products, NAERSILING combined marketing promotion with products, highlighting the brand's signature cuts: "Tulip Collar," "Tulip Lace," "Tulip Waist," and iconic irregular design elements, comprehensively integrating the brand's DNA.

In terms of channel layout, NAERSILING has been actively promoting the strategy of "adjusting store quality and improving store efficiency," aiming to increase the size of their offline self-operated stores. By utilising concepts such as concept stores, boutiques, themed exhibitions, and other high-quality offline channels, NAERSILING directly engages with consumers to enhance their shopping experience. On the e-commerce platform, specifically on Tmall, the brand has implemented a "conversion price" strategy, driving rapid growth on the Tmall channel and overall e-commerce business. As of 31 December 2024, NAERSILING has a total of 85 stores operating in China.

BUSINESS REVIEWS *(Continued)*

1. EEKA Brands *(Continued)*

CADIDL

CADIDL was established in 1996 and was acquired by the Group in 2016. With a brand style of "Minimalistic, Elegant, and Superb," CADIDL provides different suits for various occasions for "Wisdom Elegant COO（智雅COO）". The core product category is "suits," and over the past twenty years, CADIDL has always developed suit sets with the craftsmanship of "sculpting artworks." Inspired by of "CALLA LILY", CADIDL created the classic "No. 96 suit set" featuring the unique of "CALLA LILY". Through meticulous craftsmanship with "143 exquisite core techniques" and the use of the exclusive "anti-wrinkle needle method," the suit set presents a silhouette with a "golden 3cm" and a "standard body length of 65cm," providing consumers with excellent quality suit sets.

In the current fiscal year, CADIDL focused on brand's signature dual colors "Cardi Grey" and "First Sight Pink," as well as their core product categories such as "suit sets", the classic "No. 96 Suit Set," and the new classic "Elegant 12H Suit Skirt" for thematic promotions. This strategy aimed to strengthen the brand's identity. CADIDL continued to build on the success of the "Wisdom and Elegance Suit Festival（智雅套裝節）", with the latest event themed "WOMEN IN SUITS." They produced a feature titled "The Birth of a Suit（套裝的誕生）", highlighting the design intricacies and tailoring craftsmanship behind the classic 96 Suit Set and the Elegant 12H Suit Skirt, showcasing the pinnacle quality of the brand's suit sets.

Furthermore, in collaboration with T Magazine China（風尚志）, they photographed "Incredible Women（了不起的她們）", a portrait of 96 diverse individuals embodying wisdom and elegance, with a strong focus on classic and new classic LOOKs. This initiative aimed to establish a brand image of wisdom and elegance. The 96 Brand Day showcased classic and new classic sets. It promoted product value through PR exhibitions, new product launch events, guest appearances, and invited VIC (very important customers) to watch the fashion shows. By focusing on the preferences of core customers, the event reinforced the brand's DNA with a spotlight on core product categories, thereby closing the loop from enhancing brand visibility to driving product sales.

In terms of channel layout, CADIDL has been actively implementing a strategy focused on large stores, utilising the new 6.0 image design to integrate the brand's DNA and enhance the physical store image. Additionally, they have been organising themed exhibitions, pop-up events, and other offline activities to improve the overall consumer shopping experience. As of 31 December 2024, CADIDL has a total of 144 stores operating in China.

FUUNNY FEELLN

FUUNNY FEELLN was established in 2019 and is based in Shenzhen. It adopts a style of "modern, independent, freedom, and dreams" to create the cool and classic FF image, featuring a collared short jacket (SMART LOOK) paired with jeans. It is a midrange designer brand. In 2023, FUUNNY FEELLN invited Jin Chen（金晨）as the brand spokesperson to further enhance the brand image.

In the current fiscal year, FUUNNY FEELLN emphasising the core product category of "short jackets" and the core craftsmanship of "contrast edging technique." They aimed to create iconic products for the brand. Collaborating with the well-known IP "Popeye the Sailor (大力水手)", they integrated the lifestyle of cool and bold girls, using "showing off arm muscles" as their marketing topics. Through group portrayals, they narrated cool stories of discipline and self-realisation.

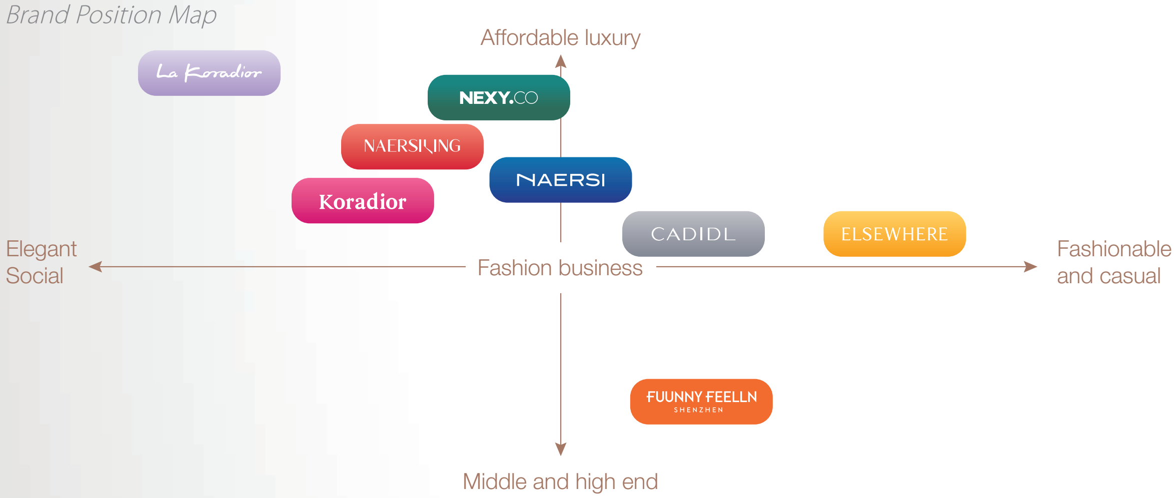
Further shaping the brand symbol "Miao Xiao Fu（喵小弗）" and integrating the brand DNA "cat pattern" into their products. During the brand day event, with the theme "As if a cat（仿佛是貓）" and using "Orange City Cat Travel（橙市貓旅）" as a marketing point, leveraging live endorsements from spokespersons and interpretation by KOLs, tell the brand story of the cool and stylish girl attitude.

In terms of channel layout, FUUNNY FEELLN has actively worked on improving the quality of their offline direct operations by introducing a new terminal image version 2.0. It has presented the brand style and spirit to consumers through physical installations in offline stores, aiming to enhance the effectiveness of self-operated stores. On e-commerce platforms, FUUNNY FEELLN has effectively promoted brand culture and values across multiple online broadcasting platforms, increasing brand exposure and actively driving strong growth in their e-commerce business. As of 31 December 2024, FUUNNY FEELLN has a total of 69 stores operating in China. The distribution percentage has increased, providing a significant opportunity for expanding stores.

BUSINESS REVIEWS *(Continued)*

1. EEKA Brands *(Continued)*

Brand Position Map



BUSINESS REVIEWS *(Continued)*

2. Design, research and development

The Group understands the need and preference of the customers, through the establishment of the bottom consumer database with comprehensive analysis and modeling to guide the development of evaluation and return orders. Big data and omni-channel provide comprehensive support on the design end. In the early stage of design, information of each brand and member is shared through omni-channels, design research and development directions are compiled based on data after accurate figures; after entering the market, the direction is adjusted based on omni-channel feedback. With a focus on the analysis of products with a small but high production and sales in the early stage, scientific return, as a subordinate potential product, cultivates it into a future best-selling product.

The total number of SKC*(note)* reached 5,894 in 2024, representing a decrease of 7.40% from a total of 6,365 SKC in 2023 mainly due to the upgrade of the Company's excellent product system, increased investment in research and development in the creation of main sales models, and the product development of the main line and sub-line brands has been merged. As such, customers can obtain better product experience. The Group's research and design team members slightly increased to 569 as at 31 December 2024 from 562 as at 31 December 2023.

The Group engages well-known designers from both overseas and locally in China as the brand creative directors for "Koradior", "La Koradior", "ELSEWHERE", "FUUNNY FEELLN", "NAERSI", "NEXY.CO", "NAERSILING" and "CADIDL". Research and development expenses were RMB181.58 million, representing 2.76% of the Group's total revenue for the year ended 31 December 2024, as compared to RMB183.13 million, representing 2.65% of the Group's total revenue for the year ended 31 December 2023. The research and development of products not only earned customer's satisfaction but were also highly recognised by government departments. During the year, the Group released over 300 series of creative design including Koradior "Kora Rose Wonderland（玫瑰之境）", La Koradior "Butterfly in the Orchid（蝶入蘭間）", ELSEWHERE "Poetic Picture Scroll（詩逸畫春）", FUUNNY FEELLN "Highlight Attitude（高光態度）", NAERSI "Elegance meets with Blue Sail（雅遇帆藍）", NEXY.CO "Mulan Vision（木蘭視界）", NAERSILING "TULIP Miracle Garden（TULIP奇跡花園）" and CADIDL "Classic of Wisdom and Elegance（智雅經典）" series.

Note: Stock keeping color (SKC) refers to when a batch of products in addition to the size of the same style, then different colors will be attributed to different stock keeping color (SKC).

BUSINESS REVIEWS *(Continued)*

3. Marketing and promotion

The Group continues to improve its brands influence, including through airport advertising which is one of the most effective ways to promote brands. The Group has placed advertisements at Shenzhen Bao'an International Airport and Shanghai Hongqiao International Airport presently. The Group also placed advertisements in selected top nationwide circulated fashion/lifestyle magazines and publications, such as "Madame Figaro", "ELLE", "ELLE Arabic", "VOGUE", "Harper's BAZAAR", "T Magazine China", "WONDERLAND", "OK!Magazine", etc. The influence of the Company's brands has continuously improved. The Group engages spokesperson for brands including Lily Collins for Koradior, Yolanda, Yuan Quan for NEXY.CO and Gina, Jin Chen for FUUNNY FEELLN, and brand ambassador Karena, Lam Ka Yan for ELSEWHERE. To promote the diversification of online marketing channels, the Group uses short videos, WeChat mini programs, WeChat circle of friend advertising, WeChat service account article promotion, e-commerce live broadcast and other online marketing methods to reach customers and promote marketing. In addition, the Group has continued to make marketing investment on Douyin platform in 2024. For the year ended 31 December 2024, the brand and marketing promotion expenses (excluding sales promotion expenses) were RMB262.59 million which accounted for 3.99% of the Group's total revenue, representing an increase of RMB64.17 million or 32.34% as compared to RMB198.42 million in 2023 primarily due to the increase in promotion expenses for new spokesperson and existing brands.

4. Human resources

As at 31 December 2024, the Group had a total of 10,313 employees in Mainland China and Hong Kong. The following table sets forth a breakdown of the Group's employees' allocation by departments as at 31 December 2024 and 31 December 2023 respectively:

	2024 Number of employees	2023 Number of employees
Management, administration and finance	**258**	259
Product design and research and development	**569**	562
Sales and marketing (including dispatched labor employee in 2024: 6,032)	**9,115**	9,140
Procurement, logistics and quality control	**371**	374
Total	**10,313**	10,335

The Group has implemented various programs for staff training and development, focusing on the training of sales and marketing skills. The Group provides competitive salary and welfare package for its staff. For the year ended 31 December 2024, the total salary and welfare expenses were RMB1,406.55 million, representing 21.35% of the Group's total revenue and a decrease of RMB7.18 million or 0.51% as compared to RMB1,413.73 million, representing 20.45% of the Group's total revenue for the year ended 31 December 2023.

The Company has two share award schemes, adopted in December 2019 (which has been terminated) and April 2024 respectively, in place for selected participants as incentive and reward for their contribution to the Group. A mandatory provident fund scheme and local retirement benefit schemes are also in effect. The Group encourages employees to seek training to strengthen their work skills and for personal development. The Group also provides workshops for staffs at different levels to enhance their knowledge of work safety and to build team spirit. Staffs are rewarded based on performance of the Group as well as on individual performance and contribution.

BUSINESS REVIEWS *(Continued)*

5. Outlook

In terms of the external environment, China's economy remained stable with progress in 2024. Looking ahead to 2025, under the "extraordinary counter-cyclical adjustments" of a more proactive fiscal policy and a moderately loose monetary policy, the real estate market is expected to bottom out and stabilise, consumer confidence will significantly recover, and the retail market will continue to grow steadily in both volume and quality.

In terms of internal operation, in 2025, the Group will continue to be guided by its vision of "becoming a globally renowned Chinese affordable luxury brand management group" and driven by its mission to "combining the fashion aesthetics, savoring the exquisite life." It will adhere to the development strategy of "multi-brand, omni-channel, platform-based, and integrated upstream and downstream operations," with a strong focus on reinforcing the dual drivers of product and brand development.

(1) Increasingly Clear Differentiation Strategy in the Brand Matrix, Driving Multi-Brand Synergy and Growth

In 2024, the Group conducted in-depth research and adjustments on the style positioning, product strategy, and market strategy of its eight brands, leading to a clearer roadmap for differentiated brand development. While maintaining their existing styles and core scenarios, each brand will further refine its positioning in 2025: Koradior will extend into the "elegant social" scene, NEXY.CO will be supported in becoming a leading player in China's affordable luxury women's fashion market, La Koradior will gradually expand its business to include jewelry and accessories, CADIDL will extend into the "business travel" scenario, and FUUNNY FEEELLN will maintain its core focus on "casual commuting" while gradually incorporating elements of "outdoor/sportswear."

At the same time, the Group will implement a differentiated pricing strategy and continue to expand its price range. By enriching brand styling scenarios and broadening price segments, the Company aims to attract a wider customer base and further increase market share.

In 2025, the Group's capability for multi-brand coordinated development will be further enhanced. The synergy among brands will generate a multiplier effect, leading to even more significant growth.

(2) Commitment to Long-Term Brand Development, Strengthening Brand Value System

Building strong brand influence is neither an overnight achievement nor a one-time effort. We are committed to long-term investment in brand development, continuously solidifying our brand value system and enriching our brand DNA assets. In 2025, we will establish a more scientific and efficient integrated brand marketing system, enhancing synergy across product development, brand promotion, and terminal marketing. First, brand promotion will be closely linked to category-specific product development, ensuring that "product" elements remain a focal point in brand campaigns while highlighting core brand categories. Second, across online and offline multi-channel platforms – through brand endorsements, IP collaborations, advertisements, editorial placements, fashion shows, and retail store imagery – we will consistently deliver a unified brand image and story to customers. Third, the Group's planning and strategy department will lead the establishment of specialised resource libraries for creative planning, digital art, animated illustrations, and graphic design, further empowering brand promotion efforts.

BUSINESS REVIEWS *(Continued)*

5. Outlook *(Continued)*

(2) Commitment to Long-Term Brand Development, Strengthening Brand Value System (Continued)

In 2025, for offline promotions, we will launch a specialised campaign to enhance the nationwide flagship store matrix within key commercial systems, such as the MixC（萬象城）network. At the same time, we will continue implementing our regular fashion show strategy: Koradior will host its 2025 Autumn/Winter fashion show, NAERSI will participate in the Beijing International Film Festival and celebrate its 30th anniversary show, La Koradior will take the stage at the Sino-French International Fashion Week in Paris, and NEXY.CO will also appear at Milan Fashion Week.

For online promotions, we will strengthen our marketing efforts on Xiaohongshu（小紅書）, focusing on deepening Koradior's collaboration with the platform. By leveraging Xiaohongshu's content-driven engagement and influencer marketing, we aim to drive traffic and enhance brand storytelling, effectively reinforcing brand value.

(3) Strengthening the Excellence Product System and Enhancing the "Value-for-Price" Advantage

The Group has always prioritised creating high-quality products as a core focus. Since introducing the Excellence Product System in 2021, we have adopted a more scientific approach to product development, optimised product structures, and continuously enhanced our ability to create outstanding products.

In 2025, we will further strengthen our Excellence Product System by enhancing consumer research capabilities to gain deeper insights into customer lifestyles and fashion preferences, optimising the "Golden Triangle" product system to refine brand product structures and boost market competitiveness, deepening category-specific R&D to establish leadership in niche markets, and advancing the matrix organisational structure of brand business units to improve synergy and efficiency in product development. Simultaneously, to enhance our value-for-price advantage, we will continue upgrading product materials, increasing the use of premium fabrics, and refining craftsmanship and production techniques to elevate product quality, sophistication, and design. These initiatives will ensure that our products meet evolving consumer expectations while reinforcing the Group's position as a leader in high-quality fashion.

BUSINESS REVIEWS *(Continued)*

5. Outlook *(Continued)*

(4) Enhancing Offline Channel Efficiency and Strengthening Differentiated Online Expansion

In 2024, the Group actively implemented the "Store Optimisation and Efficiency Improvement" strategy, reducing the total number of directly operated stores while increasing the average store size. Moving into 2025, we will continue this approach with a strong commitment to the "Opening Larger, High-Quality Stores" strategy. Our store expansion will focus on enhancing store quality and maximising sales efficiency per square meter, ensuring that both directly operated and franchise channels align with our long-term growth objectives. We will continue to focus on high-tier markets, establishing flagship stores in prime locations of top-tier cities to reinforce our premium brand image while implementing a single-brand, single-region market penetration strategy. Additionally, we will develop high-performing benchmark stores with larger footprints and higher sales output, leveraging their momentum to expand into lower-tier markets. While maintaining our competitive edge in mid-to-high-end department stores, we will strategically expand our presence in shopping malls and optimise our outlet channel strategy. Furthermore, we will drive stable growth in the franchise business, fostering long-term partnerships with top regional distributors to increase market share and strengthen our distribution network.

In 2025, the Group will continue implementing a differentiated strategy across public and private domain e-commerce channels. Tmall and JD.com will focus on quality enhancement, leveraging a dual-store model (flagship and full-price stores) to serve diverse customer segments while steadily growing market share. The Douyin (TikTok China) channel will expand under a "full-price + discount" store matrix, optimising live-stream marketing to enhance platform penetration, while VIP.com will remain dedicated to inventory clearance. At the same time, we will refine private domain operations, strengthening traffic acquisition, retention, and conversion strategies to boost engagement and loyalty. Additionally, we will explore emerging e-commerce channels, such as WeChat Video Channel and cross-border platforms like Shopee and Lazada, to expand our international presence and enhance brand visibility globally.

(5) Uphold the "Quality First" Strategy, Advancing the Vertical Specialisation and Precision Optimisation of the Supply Chain

Following three years of consolidation, our core fabric suppliers have been effectively streamlined, achieving stability in supplier numbers. Moving forward, we will strengthen partnerships with key suppliers in core categories to enhance efficiency and precision in resource allocation. In upstream development and procurement, we will reinforce centralised management of raw materials and implement full lifecycle risk control. Additionally, we will deepen engagement with upstream raw material sources, focusing on material upgrades, traceability, and technological advancements to enhance quality while supporting brand storytelling.

In terms of production, we will persist with a category-focused, centralised, and specialised approach, prioritising OEM partnerships while driving the transition from ODM (Original Design Manufacturing) to FOB (Free on Board) to ensure greater control over raw materials and supply chain stability. In logistics and warehousing, we will implement professionalised and centralised management, establishing integrated logistics networks in key metropolitan clusters and launching Regional Distribution Centers (RDCs) to reduce inefficiencies and optimise warehouse structures, ultimately lowering costs and improving operational efficiency. Additionally, we will enhance merchandise operations, further developing an omni-channel inventory-sharing mechanism, strengthening product allocation, and ensuring faster circulation to continuously improve overall operational efficiency.

RISK MANAGEMENT

The Group is devoted to establishing risk management systems that it considers appropriate to manage risks in its business operations, and the Group is dedicated to monitoring these systems for effectiveness and modifying them as necessary as business grows to maintain effectiveness.

ENVIRONMENTAL AND SAFETY MEASURES

The Group is subject to the PRC environmental laws and regulations, which include the environmental protection law of the PRC, law of the PRC on the prevention and control of water pollution, law of the PRC on the prevention and control of atmospheric pollution, law of the PRC on the prevention and control of pollution from environmental noise and law of the PRC on the prevention and control of environmental pollution by solid waste. These laws and regulations govern a broad range of environmental matters, including air pollution, noise emissions and water and waste discharge.

The Group does not own or operate any manufacturing facilities. The Group believes (i) its internal guidelines and policies are adequate to comply with all applicable PRC environmental laws and regulations and (ii) its annual cost of compliance with applicable rules and regulations during the period under review and the cost of compliance going forward is expected to be immaterial. The Group's business operation only discharges domestic wastewater and generates garbage as it outsources all of its production to its OEM contractors.

A WIN-WIN SITUATION FOR THE COMPANY’S DEVELOPMENT AND SHAREHOLDERS’ INTERESTS

EEKA Fashion’s investor relations team actively establishes a timely, efficient and accurate communication mechanism with the Company’s shareholders, institutional investors, various market participants, etc., and strives to achieve a win-win situation between the Company’s development and shareholders’ interests, and achieves financial performance that surpasses its peers, maintains stable profitability, gives shareholders more returns, and maintains an average dividend payout ratio of 50% in the past five years. The Group has always valued its shareholders and hoped that they can enjoy the result of EEKA Fashion’s growth together. At the same time, the Company also actively publishes monthly investor briefings through official websites and other channels, created enterprise accounts and Q&A channels on stock trading platforms such as Futu and Royal Flush, webcasts performance conferences, and participates in online and offline investor meetings, actively reaching out to various types of investors, preparing and timely transmitting the Company’s business development, future strategy and other company dynamics to investors, and enhancing investors’ understanding and recognition of the Company.

Shareholding Structure

Through Stock Connects: Shanghai-Hong Kong, Shenzhen-Hong Kong
Total Shares Held: 29,530,500 Shares

Number of analysts covered by the Company: 11
Number of investor strategy meetings: 19
Number of reverse roadshows: 4
Results Announcement: 3

Number of investor meetings: 31
Including: Virtual (1), Shanghai (6), Beijing (6), Shenzhen (8), Hong Kong (10)

Share Information

Listing Day: 27 June 2014
Board lot size: 500 Shares
Numbers of shares outstanding: 704,050,195 shares (As at 31 December 2024)

Stock Codes

Hong Kong Stock Exchange: 3709
Reuters: 3709.HK
Bloomberg: 3709:HK

Dividends

HK cents	2020	2021	2022	2023	**2024**
Final dividend	38	48	40	70	**38***
Special dividend	16	–	–	–	**–**

* The 2024 dividend is subject to AGM’s approval.

INVESTORS INFORMATION

Important Dates

25 March 2025	Annual results announcement
3 to 6 June 2025	Book closure period for annual general meeting
6 June 2025	Annual general meeting
13 to 17 June 2025	Book closure period for 2024 final dividend
17 June 2025	Record date of 2024 final dividend
On or about 30 June 2025	Payment date of 2024 final dividend
31 December 2024	Financial year end date of 2024

Investor Relations Contacts

If you have any inquiries, please contact:

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EXECUTIVE DIRECTORS

Mr. JIN Ming（金明）, aged 54, is the founder and chief executive officer of our Group. He is also the chairman of our Board and was appointed as a Director on 23 March 2012 and re-designated as an executive Director on 5 March 2014. Mr. Jin has over 20 years of experience in the ladies-wear fashion and retail industry and is primarily responsible for our overall corporate strategies, planning and business development. In May 2001, Mr. Jin started working at Shenzhen Yingjia Fashion Co, Ltd ("Yingjia Fashion"), our largest OEM contractors, as a marketing manager, in which he has gained extensive management experience in the ladies fashion and retail industry. He was then responsible for retail channels' development and maintenance. In January 2003, he became the general manager of marketing of Yingjia Fashion and was put in charge of brand promotion, the development and maintenance of sales channel and retail activities. In March 2007, he was appointed as chairman of the board of our Group. Mr. Jin graduated from University of Science and Technology of China（中國科學技術大學）with a Bachelor Degree of Arts in English for Science and Technology*（科技英語）in Anhui Province in July 1992 and completed his Executive Master of Business Administration from China Europe International Business Schoo（中歐國際工商學院）in Shanghai in October 2013. Mr. Jin is also the director of Koradior Investments Limited, one of our controlling shareholders and the brother of Mr. Jin Rui.

Ms. HE Hongmei（賀紅梅）, aged 52, was appointed as one of our executive Directors on 5 March 2014. Ms. He is mainly responsible for overseeing the whole business unit, overall business planning and strategy execution. Ms. He joined our Group in March 2007 and has over 20 years' experience in the ladies-wear industry, including sales, business operation and procurement. Ms. He studied in Business and Enterprise Management*（商業企業管理）in Huangshi Finance and Trade School*（黃石市財貿學校大冶中等專業學校）in Huangshi, Hubei Province from September 1995 to July 1997. Before she joined Yingjia Fashion in 2001, she worked in Hubei Daye Textile Company*（湖北省大冶市紡織品公司）for nearly 6 years. In May 2001, Ms. He joined the customer service team of Yingjia Fashion and was promoted as the regional head in July 2002. Since March 2007, she started working for Shenzhen Koradior Fashion Ltd ("Shenzhen Koradior") which is an indirect wholly-owned subsidiary of our Company as the director of brand business department and became the general manager of Shenzhen Koradior in January 2009.

Mr. JIN Rui（金瑞）, aged 48, was appointed as an executive Director on 23 August 2019 and is currently a director of Keen Reach Holdings Limited and its subsidiary, Extra Wisdom Limited. He is the brother of Mr. Jin Ming, the chairman, chief executive officer and an executive Director of the Group. Mr. Jin has over 20 years of experience in the finance, investment and capital markets industries, and he is primarily responsible for the overall corporate investment strategy direction, planning and managing the development of the group in the capital market. From 1998 to 2000, Mr. Jin worked as a stock analyst in Minsheng Securities Co., Ltd. He was responsible for stocks and capital market trading. From 2004 to 2005, he worked as a financial reporter in the 21st Century Business Herald. He conducted interviews and reported on the news, including the listing of Ping An Insurance and equity aspects of listed companies. From 2005 to 2014, he acted as an investment legal consultant for Shenzhen Yingjia Fashion Co., Ltd., the largest OEM of the Group, providing professional advice on finance, investment and law. Since 2014, he has served as a director of Keen Reach Holdings Limited and a subsidiary of Extra Wisdom Limited, being responsible for their overall corporate investment strategy of its Hong Kong and domestic subsidiaries, planning and managing the development of the company in capital markets, participating in acquisitions, and day-to-day operations management.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. ZHOU Xiaoyu（周曉宇）, aged 56, was appointed as an independent non-executive Director on 30 June 2016 and was graduated from Xian Electronic Technology University*（西安電子科技大學）with a bachelor's degree of electronic engineering in 1990 and from China Europe International Business School*（中歐工商學院）with a degree of executive master of business administration in 2013. From 1990 to 1997, Mr. Zhou worked as an engineer and economist at China Electronics Corporation*（中國電子信息產業集團公司). From 1997 to 2000, he was a business manager in China Electronics Industry (Shenzhen) Corporation*（中國電子工業深圳總公司). Mr. Zhou was the founder of Shenzhen Diwei Video Technology Company Limited*（深圳市迪威視訊技術有限公司) and was the managing director during 2000 to 2004. In 2001, Mr. Zhou founded Shenzhen Sanghaitong Investment Company Limited（深圳桑海通投資有限公司） and was the managing director. In 2005, Mr. Zhou founded Shenzhen Binghong Investment Company Limited*（深圳市秉宏投資有限公司） and was the managing director. Mr. Zhou has been appointed as an executive director of Forgame Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 00484), with effect from 2 August 2024.

Mr. ZHONG Ming（鍾鳴）, aged 55, was appointed as an independent non-executive Director on 6 June 2014. He graduated from University of Science and Technology of China（中國科學技術大學）with a Bachelor Degree of Science in Biology in Anhui Province in July 1992 and completed his Executive Master of Business Administration from China Europe International Business Schoo（中歐國際工商學院）in Shanghai in September 2007. From July 1992 to January 2002, Mr. Zhong worked for Procter & Gamble (Guangzhou) Limited*（廣州寶潔有限公司）as a brand manager. Then he joined Wall's (China) Co, Ltd. Shanghai Branch（和路雪（中國）有限公司上海分公司）as vice president of marketing from August 2003 to June 2006. He was employed by Reckitt Benckiser Household Products (China) Co., Ltd（利潔時家化（中國）有限公司）as marketing director from June 2006 to June 2008. From June 2012 to November 2013, Mr. Zhong worked as the senior vice president of operation of TPG Huhua (Shanghai) Equity Investment Management Enterprise (Limited Partnership). From March 2014 to June 2016, Mr. Zhong worked as the general manager of China for Luxottica (Shanghai) Trading Co., Limited. From July 2016 to 2019, Mr. Zhong worked as the senior vice president of Philips and the president of Greater China Health Division of Philip (China) Investment Co., Ltd. From 2021 to October 2022, Mr. Zhong worked as T3 Go Vice President of Nanjing Leading Technology Co., Ltd. Mr. Zhong is currently a consultant of Hurun Report and an empowering partner of PGA Capital.

Mr. ZHANG Guodong（張國東）, aged 47, was appointed as an independent non-executive Director on 17 July 2017. He holds a bachelor's degree in finance-related subjects, a master's degree in accountancy from the Chinese University of Hong Kong and an executive master's degree in business administration from Cheung Kong Graduate School of Business in Beijing, China. Mr. Zhang is a Certified Public Accountants and Certified Tax Agents in the People's Republic of China, Certified Public Accountants in Australia. From the year of 2000 to 2002, Mr. Zhang worked as a project manager in BDO International Reanda Certified Public Accountants*（德豪國際利安達信隆會計師事務所）in Beijing and Zhuhai, and was principally involved in audit work in relation to public initial offering and audit, consulting and tax planning work in relation to listed companies. From the year of 2002 to 2004, Mr. Zhang worked as a department manager in an accounting firm named BDO International Shenzhen Dahua Tiancheng*（德豪國際深圳大華天誠會計師事務所）and was principally involved in audit work in relation to public initial offering and audit, consulting and tax planning work in relation to listed companies. From the year of 2004 to 2008, Mr. Zhang worked as the chief financial officer at Dason Trading (Shanghai) Co., Limited*（大辛貿易（上海）有限公司）. From the year of 2009 to 2018, Mr. Zhang was an executive director in Ping An Securities Group (Holdings) Limited (formerly known as Madex International (Holdings) Limited), a company listed on the Main Board of the Stock Exchange (stock code: 00231). Mr. Zhang has more than 7 years of experience in managing listed companies and is familiar with the daily operation, mergers and acquisitions of listed companies. Mr. Zhang is currently mainly engaged in private equity fund investment.

SENIOR MANAGEMENT

Mr. GUO Zhongqiao（郭忠橋）, aged 45, is the sales director of our Group. Mr. Guo joined our Group in November 2011 and oversees the sales and operation of our Group. Mr. Guo has over 11 years of experience in sales and distribution in fashion industry. Prior to joining our Group, Mr. Guo has been the region manager and director of self-operated distribution of Yingjia Fashion from July 2005 to October 2011. He was a manager of the Northern region for the marketing department of Shenzhen Taiming Fashion Limited*（深圳市臺茗服飾有限公司）from February 2004 to June 2005. He obtained an Adult Education Graduation Certificate in Computer and Information Management*（電腦與信息管理）from Jiangxi Economic Administration Cadres College*（江西經濟管理幹部學院）in Nanchang, Jiangxi Province in July 1999.

Ms. YI Jieping（義潔萍）, aged 51, is the Group's brand director. Ms. Yi joined our Group in April 2006 and is responsible for the overall brand management and operations. Ms. Yi has over 15 years of experience in brand management and operations. Ms. Yi served as the director of human resources department (held the role of Shenzhen Regional Manager for approximately one year in 2008), director of the operations management department, assistant general manager, director and general manager of the NEXY.CO brand division department. Prior to joining the Group in 2003, Ms. Yi served as supervisor of human resources department of CRRC Taiyuan Co., Ltd.*（中車太原機車車輛有限公司）. Ms. Yi obtained a Bachelor's degree in Welding Technology and Equipment from Dalian Jiaotong University*（大連交通大學）in June 1995 and a Master's degree in Management Science and Engineering from Zhejiang University*（浙江大学）in December 2009.

Mr. Wu Qingye（吳慶業）, aged 49, is the Group's operations director, responsible for the annual business plan development, overall management and system process management, and supply chain system construction. Mr. Wu has over 20 years of overall business management experience. He joined the Group in 2009 and has served as director of purchasing department, director of operation management department, general manager of brand division and general manager of investment and asset management department. Prior to joining the Group, Mr. Wu served as chief application consultant of Kingdee Group*（金蝶集團）chief products and operating officer of Huijie Group*（匯潔集團）. He received a Bachelor's degree in Technical Economics from Chongqing University*（重慶大學）in July 1999 and an MBA from Shanghai University *（上海財經大學）of Finance and Economics in 2005.

Ms. ZHU Chaochao（祝超超）, aged 35, is the Group's chief financial officer, primarily responsible for the overall financial management and operation of our Group. Ms. Zhu joined our Group as a chief financial officer assistant in June 2015. From October 2012 to April 2015, Ms. Zhu was a senior auditor in an accounting firm named Ernst & Young Hua Ming LLP Shenzhen Branch（安永華明會計事務所）and was principally involved in audit work in relation to initial public offering and audit in relation to listed companies. She obtained her Bachelor of Finance management from Guangdong University of Foreign Studies（廣東外語外貿大學）in July 2012. She became a qualified member of The Chinese Institute of Certified Public Accountants in 2014.

COMPANY SECRETARY

Ms. WONG Wai Kiu (黃煒喬), aged 44, is the company secretary of our Company. Ms. Wong has acted as finance manager of the Company since July 2014. From September 2005 to January 2012 she worked as senior accountant of Kam Hing International Holdings Ltd (stock code: 2307). She is a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Chartered Governance Institute and the Chartered Governance Institute of the United Kingdom. Ms. Wong obtained a Bachelor Degree of Applied Accounting from Oxford Brookes University in the United Kingdom, Master Degree of Science in Professional Accountancy from University of London, Master Degree of Arts in Fine Arts from the Chinese University of Hong Kong and Master Degree of Corporate Governance from The Hong Kong Polytechnic University. She has extensive experience in company secretary, financial accounting and corporate governance compliance for listed company.

JOINT COMPANY SECRETARY

Mr. LEUNG Ka Wai (梁嘉偉), aged 54, is the joint company secretary and one of the authorised representatives of our Company since 2014, primarily responsible for company secretarial affairs of our Company. Mr. Leung is a member of the Hong Kong Institute of Certified Public Accountants. He was also admitted as a solicitor in Hong Kong in 2000 and is a partner in CLKW LAWYERS LLP.

The English names of companies incorporated in the PRC marked with "*" are translations of their Chinese names and are included for identification purposes only.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance practices and the implementation of effective corporate governance commitments. The Company has adopted and met the relevant code provisions set out in the Corporate Governance Code (the "CG Code") based on the principles set out in Part 2 of Appendix C1 to the Listing Rules during the year ended 31 December 2024 except for code provision C.2.1 of the CG Code which requires that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. Mr. Jin Ming currently performs these two roles in the Company. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired considering the background and experience of the Directors and the number of independent non-executive Directors on the Board and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company as and when appropriate and suitable by taking into account the circumstances of the Group as a whole.

In order to comply with the new Board diversity requirement under the CG Code effective on 1 July 2025 while remaining in compliance with the requirement that the Nomination Committee shall comprise a majority of independent non-executive Directors, Ms. He Hongmei, an executive Director, and Mr. Zhong Ming, an independent non-executive Director, have been appointed as members of the Nomination Committee with effect from 25 March 2025. By our implementation of changes ahead of the regulatory requirements, the Company has demonstrated our commitment to governance excellence and shareholders' value.

THE BOARD OF DIRECTORS

The Board is responsible for formulating the overall strategy of the Group and reviewing the operations and financial performance of the Group, while the day-to-day operation of the Group's business is delegated to the management. The chairman is responsible for the management and leadership of the Board to ensure that adequate, complete and reliable information is provided to all Directors in a timely manner.

Board composition

The Board now comprises six Directors including three executive Directors, and three independent non-executive Directors. The composition of the Board and representation on Board committees are set out below:

Title	Name	Position	Gender	Age	Length of services
Executive Directors:	Mr. Jin Ming	Chairman of the Board Chief Executive Officer Chairman of Nomination Committee Member of Remuneration Committee	Male	54	18 years
	Ms. He Hongmei	Member of Nomination Committee	Female	52	18 years
	Mr. Jin Rui		Male	48	6 years
Independent Non-Executive Directors:	Mr. Zhang Guodong	Chairman of Audit Committee Member of Remuneration Committee Member of Nomination Committee	Male	47	7 years
	Mr. Zhou Xiaoyu	Chairman of Remuneration Committee Member of Audit Committee Member of Nomination Committee	Male	56	9 years
	Mr. Zhong Ming	Member of Audit Committee Member of Nomination Committee	Male	55	11 years

THE BOARD OF DIRECTORS *(Continued)*

Board composition *(Continued)*

Our Directors are experienced in a range of corporate and industry expertise such as accounting, finance and business and operation management. The diversity of the Directors' experience provides useful exchange of ideas and views to ensure that decisions are made with a balanced judgement. Save as disclosed in the biographies of the Directors as set out on pages 53 to 54 of this annual report, there is no financial, business, family or other material or relevant relationship among Directors.

The Board has established three sub-committees of the Board, namely the Audit Committee, Remuneration Committee and Nomination Committee. The chairman of Remuneration Committee and Audit Committee are independent non-executive directors. Written terms of reference of each of these sub-committees are available on the websites of the Company and the Stock Exchange.

As disclosed in the section headed "ESG-Related Matters", the Board has also resolved to establish the ESG Committee for the management of the Group's ESG-related matters.

Board meetings

The Board discusses the overall strategy as well as the operational and financial performance of the Company. Other Board meetings are held when necessary. Such Board meetings involve the active participation, either in person or through other electronic means of communication, of a majority of Directors. The table below sets out the attendance of all Directors at the Board meetings and general meeting held during the year ended 31 December 2024:

	Regular Board Meetings	Annual general meeting held on 7 June 2024	Extraordinary general meeting held on 13 December 2024
Executive Directors:			
Mr. JIN Ming (Chairman and Chief Executive Officer)	5/5	1/1	1/1
Ms. HE Hongmei	5/5	1/1	1/1
Mr. JIN Rui	5/5	1/1	1/1
Independent Non-executive Directors:			
Mr. ZHANG Guodong	5/5	1/1	1/1
Mr. ZHOU Xiaoyu	5/5	1/1	1/1
Mr. ZHONG Ming	5/5	1/1	1/1

There are three independent non-executive Directors who represent more than one-third of the Board, and Mr. Zhang Guodong has the appropriate professional qualifications as required by Rule 3.10(2) of the Listing Rules.

THE BOARD OF DIRECTORS *(Continued)*

Board meetings *(Continued)*

Notices are given to all Directors at least 14 days prior to regular Board meeting, and due and proper notices are given to all Directors in advance for attending other Board meetings. Meeting agendas and other relevant information are provided to the Directors in advance of Board meetings. All Directors are consulted to include additional matters in the agenda for Board meetings.

Directors have access to the advisory and secretarial services, at the Company's expenses, of the company secretary with a view to ensure that Board procedures, and all applicable rules and regulations, are followed.

Both draft and final versions of the Board meetings minutes are sent to all Directors for their comment and records. Minutes of Board meetings are recorded in sufficient details for the matters considered by the Board and the decisions reached, including any concerns raised by the Directors, and such minutes are kept by the company secretary and such minutes are open for inspection at any reasonable time on reasonable prior notice by any Director.

Compliance with the Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors, the Company has confirmed with all Directors that they have complied with the required standard set out in the Model Code and its code of conduct regarding any Director's securities transactions during the year ended 31 December 2024.

Confirmation of independence

Each of the independent non-executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent in accordance with the guidelines set out in Rule 3.13 of the Listing Rules. The Board is of the opinion that Mr. Zhong Ming maintains his independence even though he has served the Board for more than ten years since June 2014, and believes that his valuable knowledge and experience continue to generate significant contribution to the Board, the Company and the Shareholders as a whole.

Appointment, re-election and removal

Each of the executive Directors has entered into a service contract for a fixed term of three years, and each of the independent non-executive Directors has entered into a letter of appointment with the Company for a specific term of two years, subject to normal rotation in accordance with the articles of association of the Company (the "Articles of Association").

THE BOARD OF DIRECTORS *(Continued)*

Directors' training

During the year ended 31 December 2024, the Directors were provided with monthly updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties. In addition, all Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company updates the Directors on the latest development regarding the Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices. During the year, the Company has organised seminars for all the Directors namely Mr. Jin Ming, Ms. He Hongmei, Mr. Jin Rui, Mr. Zhou Xiaoyu and Mr. Zhong Ming. The training covered topics including ""Ethics Legacy" - Ethical and Governance Roles of Directors and Senior Management of Publicly Listed Companies" by the Hong Kong Business Ethics Development Centre of Independent Commission Against Corruption. All Directors namely Mr. Jin Ming, Ms. He Hongmei, Mr. Jin Rui, Mr. Zhang Guodong, Mr. Zhou Xiaoyu and Mr. Zhong Ming were able to strengthen further their knowledge of the Ethical roles of the company board and fiduciary duties of directors, Guardian roles of professionals, Conflict of interest and other related crimes and Internal control and risk management, further strengthening their integrity governance which will help consolidate market integrity and public confidence in the financial system, and enhance the overall competitiveness of listed companies.

All Directors have provided the Company with their respective training records in compliance with Code Provision C.1.4 of the CG Code.

THE AUDIT COMMITTEE

The Company has complied with Rule 3.21 of the Listing Rules for the establishment of an audit committee. The Audit Committee currently consists of three independent non-executive Directors, namely Mr. Zhang Guodong (as chairman), Mr. Zhou Xiaoyu and Mr. Zhong Ming. Mr. Zhang Guodong possesses the appropriate professional qualification. The primary duties of the Audit Committee are to maintain relationship with our auditors, review our financial information and oversee our financial reporting system, internal control and risk management systems and procedures and the internal audit department of the Group and their effectiveness. The terms of reference of the Audit Committee have been revised in January 2017 and in April 2022 to specifically include, among other matters, the review of the risk management system, the anti-bribery, anti-corruption and whistle-blowing policies as required by the CG Code.

For the year ended 31 December 2024, three meetings of the Audit Committee were held to review and discuss with the management of the Company and the external auditors the accounting principles and practices adopted by the Group, as well as internal control, risk management and other financial reporting matters. The attendance records of individual committee members are set out below:

Mr. ZHANG Guodong *(Chairman)*	3/3
Mr. ZHOU Xiaoyu	3/3
Mr. ZHONG Ming	3/3

THE REMUNERATION COMMITTEE

The Company has complied with Rule 3.25 of the Listing Rules to set up the Remuneration Committee. In accordance with its terms of reference which have been revised in April 2022 and December 2022, the primary function of the Remuneration Committee is to consult the Chairman of the Board and/or the chief executive officer about the remuneration for other executive Directors, to make recommendations to our Board on our Company's policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy, and to review and approve matters relating to share schemes under Chapter 17 of the Listing Rules. The Remuneration Committee currently consists of one executive Director, namely Mr. Jin Ming, and two independent non-executive Directors, namely Mr. Zhou Xiaoyu (Chairman) and Mr. Zhang Guodong.

Details of remuneration of our Directors are set out in note 8 to the financial statements.

For the year ended 31 December 2024, one meeting of the Remuneration Committee was held to, amongst others, review and approve the remuneration packages of the Directors and senior management of the Company. Save for the termination of the 2019 Share Award Scheme and the related arrangements, and the adoption of the 2024 Share Award Scheme, no material matters relating to share schemes under Chapter 17 of the Listing Rules were required to be reviewed or approved by the Remuneration Committee during the year. The attendance records of individual committee members are as follows:

Mr. ZHOU Xiaoyu *(Chairman)*	1/1
Mr. ZHANG Guodong	1/1
Mr. JIN Ming	1/1

THE NOMINATION COMMITTEE

The Company has complied with Rule 3.27A of the Listing Rules to set up the nomination committee. In accordance with its terms of reference, which have been revised in April 2022 the primary duties of the Nomination Committee are to, among other matters, make recommendations to our Board on the appointment or re-appointment of Directors, assess the independence of independent non-executive Directors and review on an annual basis the mechanism for performance evaluation of the Board and Board Committees. The Company adopted a board diversity policy in March 2015 which set out the objective and strategies to achieve diversity on the Board, taking into consideration a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service etc. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service etc. The final decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee currently consists of two executive Directors, namely Mr. Jin Ming (as chairman) and Ms. He Hongmei (appointed with effect from 25 March 2025), and three independent non-executive Directors, namely Mr. Zhou Xiaoyu, Mr. Zhang Guodong and Mr. Zhong Ming (appointed with effect from 25 March 2025).

THE NOMINATION COMMITTEE *(Continued)*

For the year ended 31 December 2024, one meeting of the Nomination Committee was held to, review the structure and composition of the Board, and assess the independence of independent non-executive Directors. The attendance records of individual committee members are as follows:

Mr. JIN Ming *(Chairman)*	1/1
Mr. ZHOU Xiaoyu	1/1
Mr. ZHANG Guodong	1/1

BOARD DIVERSITY

Pursuant to Rule 13.92 of the Listing Rules, the Company has adopted a board diversity policy which consists of the following main aspects:

a. Board composition to be reviewed in terms of the size of the Board, the number of executive directors in relation to the Board overall,

b. Board effectiveness which requires members to have diverse skills, knowledge and experiences that combine to provide different perspectives and effective board dynamics, and

c. Nominations and appointments to be carried out in view of maintaining an appropriate mix of required skills, experience, expertise and diversity on the Board.

The Nomination Committee is responsible for reviewing the policy on board diversity and any measurable objectives for its implementation and the progress on achieving the objectives. The Board has adopted measurable objectives to implement the board diversity policy as follows:

- There is at least one female member in the Board;

- At least one financial expert in the Board shall have the professional qualifications and experience in finance and audit recognised by the regulatory authorities;

- The number of non-executive Directors (including independent non-executive Directors) in the Board shall account for more than half of the Board members, and the number of independent non-executive Directors shall account for one-third of the Board members; and

- The age composition of Directors is reasonable. Among the existing six Directors, two are at the age of 31-50 and four are at the age of 51-70.

The Board will review such objectives from time to time to ensure their appropriateness.

Currently, our Board has one (1) female Director out of six (6) Directors, representing a ratio of 16.7% female Director to 83.3% male Directors. The Nomination Committee and the Board recognises the importance and benefits of gender diversity at the Board level, and shall strive to take initiatives to identify more female candidate(s) to further enhance gender diversity at the Board level. During the year, the Board composition has met all of the above measurable objectives. As such, the Nomination Committee considered that the Board is sufficiently diverse and the Board has not set any further measurable objectives.

DIRECTOR NOMINATION POLICY

The policy on nomination of Directors of the Company is in place and updated from time to time, setting out the procedures, process and criteria for identifying and recommending candidates for election to the Board.

The responsibilities and authority for selection and appointment of Directors is delegated to the Nomination Committee but the ultimate responsibility for selection and appointment of Directors of the Company rests with the entire Board. In evaluating and selecting any candidate for directorship, among other things, the following criteria will be considered:

- Character and integrity.
- Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the board diversity policy that are relevant to the Company's business and corporate strategy.
- Any measurable objectives adopted for achieving diversity on the Board.
- Requirement for the Board to have independent directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules.
- Any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity.
- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company.
- Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of directors and succession planning.

The Nomination Committee and/or the Board will evaluate the candidates based on the criteria as set out above to determine whether such candidates are qualified for directorship. The Nomination Committee will also consider recommendations for candidates made by shareholders of the Company.

Regular reviews will be conducted by the Nomination Committee on the structure, size and composition of the Board and the policy on nomination of Directors of the Company and where appropriate, the Nomination Committee will make recommendations on changes to the Board to complement the Company's corporate strategy and business needs. The Nomination Committee has formulated and will review on an annual basis the mechanisms for the performance evaluation of the Board and Board committees (in particular, whether independent views are available to the Board), evaluate the performance of the Board and Board committees following such mechanisms, review the feedback in respect of the role and effectiveness of the Board and Board committees arising from the evaluation of the Board and/or any Board committees and make recommendations for any changes. The evaluation concluded that the Board operates effectively throughout this year.

MECHANISM TO ENSURE INDEPENDENT VIEWS FROM DIRECTORS

To ensure independent views and input from any Director, the following mechanism is established by the Board:

1. Independence Assessment

Each of the independent non-executive Directors shall provide a written annual confirmation of independence to the Company on their compliance with the independence requirements as set out under Rule 3.13 of the Listing Rules. The Nomination Committee shall assess the independence of independent non-executive Directors upon appointment and annually to ensure they can continually exercise independent judgement.

2. Composition of Board

Currently, 50% of the Board members are executive Directors while 50% of the Board members are independent non-executive Directors, which exceeds the requirement of the Listing Rules that at least one-third of the Board are independent non-executive Directors.

3. Board Proceedings and Decision Making

At least 14 days' formal notice of regular Board and Board Committee Meetings will be given to all Directors, and all Directors are invited to include any matters for discussion in the agenda. By at least three business days in advance of every regular Board and Board Committee Meeting, Directors are provided with the meeting agenda and the relevant board papers containing complete, adequate and timely information to enable full deliberation on the issues to be considered at the respective meetings.

All Directors are required to declare their direct/indirect interests, if any, in any business proposals to be considered at the meetings and, where appropriate, they are required to abstain from voting on any Board resolution concerned.

Independent non-executive Directors should attend all regular meetings of the Board and Board Committees on which they serve. They should also attend general meetings of the Company to acquire understanding of the views of the shareholders.

4. Remuneration of Independent non-executive Directors

Independent non-executive Directors receive fixed fee(s) for their role as members of the Board and Board Committees and no equity-based or incentive based compensation program is granted to independent non-executive Directors as this may lead to bias in their decision-making and compromise their objectivity and independence.

5. Access to Professional Advice and Up-to-date Information

The Company Secretary provided induction pack and orientation program for all new recruits to the Board. Such program would familiarise the newly appointed Director with the nature of the business, the corporation's strategy, the internal control and corporate governance practices and policies, and directors' duties and responsibilities. Subsequent information packages are regularly provided to the Directors to keep them abreast of their responsibilities and infuse them with new knowledge relevant to the Group's current business and operating environment.

To facilitate proper discharge of Directors' duties and responsibilities, all Directors (including independent non-executive Directors) are entitled to seek advice from the Company Secretary as well as from independent professional advisers at the expense of the Company.

MECHANISM TO ENSURE INDEPENDENT VIEWS FROM DIRECTORS *(Continued)*

6. Independent Views and Inputs Treasured and Valued

During the Board and Board Committee meetings, the independent non-executive Directors are encouraged to express freely their independent views and inputs in an open and candid manner. The Chairman also encourages questions and challenges from Directors, in particular independent non-executive Directors and their comments and concerns are closely followed up by the management.

In addition to Board meetings, the Chairman schedules a meeting annually with independent non-executive Directors without the presence of other Directors to discuss the affairs of the Group.

The Company Secretary is required to prepare minutes that record not only the decision reached but any concerns raised or dissenting views expressed by Directors. Draft versions of the minutes are circulated to all Directors for their comment and confirmation before it is finalised for records. Minutes of all Board and Board Committee Meetings are available for Directors' inspection.

The implementation and effectiveness of the above mechanisms have been reviewed by the Board on an annual basis and the Board believe these measures would allow Directors to contribute effectively and independent views and input are available to the Boards and Board Committees.

WORKFORCE DIVERSITY

The importance of gender diversity at the Board level is extended throughout the Group's workforce. We believe a diverse workforce and an inclusive culture supports high performance and the Company's ability to operate effectively in the communities in which it operates.

As at 31 December 2024, we had female employees accounting for approximately 91% of the overall workforce (including senior management), and 50% of senior management positions (as disclosed in the section headed "Directors and Senior Management Profile" in this annual report) filled by women. The Company will adhere to the principle of gender diversity at all employee levels and will appropriately consider increasing the proportion of female members in future elections, hirings and promotions.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The remuneration of directors is determined by reference to their respective duties and responsibilities in the Company, their respective experience, prevailing market conditions and applicable regulatory requirements. The Company also adopted share award schemes in December 2019 (which has been terminated) and April 2024 for the purpose of providing long term incentives to eligible participants, including Directors (details of such share award scheme are set out on pages 81 to 84 of this annual report).

The remuneration of the directors and members of the senior management by band for the year ended 31 December 2024 is set out below:

Remuneration bands	**Number of persons**
RMB1,000,001 to RMB2,000,000	1
RMB2,000,001 to RMB3,000,000	1
RMB3,000,001 to RMB4,000,000	2
RMB4,000,001 to RMB5,000,000	2
RMB5,000,001 to RMB6,000,000	1

Further particulars regarding Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to the Listing Rules are set out in notes 8 and 9 to the financial statements.

AUDITOR'S REMUNERATION

During the year, the fee payable to Ernst & Young in respect of its audit services provided to the Group was RMB1.8 millions.

There was no disagreement between the Board and the Audit Committee on the selection and appointment of the external auditor.

FINANCIAL REPORTING, INTERNAL CONTROL AND RISK MANAGEMENT

Financial reporting

The Board acknowledges its responsibility to prepare the Company's accounts which give a true and fair view of the Group's state of affairs, results and cash flows for the year and in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board, and the disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules. The Company has selected appropriate accounting policies and has applied them consistently based on prudent and reasonable judgments and estimates. The Board considers that the Group has adequate resources to continue in business for the foreseeable future and is not aware of any material uncertainties relating to events or conditions that may affect the business of the Company or cast doubts on its ability to continue as going concern.

The responsibilities of Ernst & Young, the Company's external auditor, with respect to financial reporting are set out in the section headed "Independent Auditor's Report" in this annual report.

Internal control and risk management

The Board recognises its responsibility to ensure the Company maintains sound and effective internal control and risk management systems and oversees such systems on an ongoing basis. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The key elements of the risk management and internal control systems of the Company include the assessment and evaluation of risks, the development and continuous updating of responsive procedures, and the ongoing testing of internal control procedures to ensure their effectiveness. Reviews of the effectiveness of the internal control and risk management systems of the Group are conducted on an annual basis.

The Group has established a whistleblowing policy as an open channel which enables employees and major stakeholders to raise concerns, in confidence without fear of retribution, about any suspect misconduct or malpractice within the Group.

The Group has also established an anti-corruption and anti-bribery code of conduct to promote and support anti-corruption laws and regulations.

The Group has an independent internal audit department. The independent internal audit department is primarily responsible for carrying out review of the internal control system and risk management process. This is part of the on-going process to ensure that the effectiveness of material controls is monitored.

The Board, as supported by the Audit Committee as well as the management's reporting and the internal audit department's findings, has reviewed the effectiveness of the Group's internal control and risk management systems for the year ended 31 December 2024, which covers financial, operational, compliance procedural and risk management functions and have considered the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function. The Group believes that good corporate governance practices are very important for maintaining and promoting investor confidence and for the sustainable growth of the Group. The Group has therefore made continued efforts to uplift its quality of corporate governance. It has established a highly effective system of internal control and risk management and adopted a series of measures to ensure their safety and effectiveness. Control procedures have also been implemented to ensure that unauthorised access and use of inside information are strictly prohibited. As a result, the Group is able to safeguard its assets and protect the interests of its Shareholders. The Board is of the view that the systems of internal control and risk management are effective and adequate and there are no irregularities or improprieties identified.

CORPORATE PURPOSE, STRATEGY AND CORPORATE CULTURE

The Board defines the purpose, values and strategy of the Company and considers that the Company's corporate culture is aligned. The Group is committed to investing in the women clothing industry, creating value for consumers, and to delivering attractive and sustainable returns to the Shareholders. Despite the ever-changing operating environment, the Group places strong emphasis on workplace safety, employee relations and the efficient use of materials, energy and resources, promoting a culture of ethical conduct and integrity. A healthy corporate culture is important to good corporate governance which is crucial for achieving sustainable long-term success of the Group.

ESG-RELATED MATTERS

The Company adheres to improving internal sustainability governance, strengthening the management and control of corporate development's impact on the environment and society, and creating value for our stakeholders. To better manage the Group's ESG-related matters, the Board has resolved to establish the ESG Committee, comprising Mr. Zhang Guodong as the chairman and Mr. Jin Ming and Mr. Jin Rui as members, to formulate ESG strategies and provide guidance on ESG-related matters. The Board has overall responsibility for the Company's ESG strategy and reporting, and oversees the overall ESG governance of the Company with the support of the ESG Committee. In particular, the Board as supported by the ESG Committee conducts a regular review of the Group's ESG-related matters and considered, among others, (i) the adequacy of resource, staff qualification and experience, training programmes and budget of those relating to Group's ESG performance and reporting; (ii) the changes, since the last annual review, in the nature and extent of significant ESG risks (if any); and (iii) the scope and quality of management's ongoing monitoring of ESG risks. For further details, please refer to the Company's Environmental, Social and Governance Report on page 92 to 160 of this annual report.

COMPANY SECRETARY

Ms. Wong Wai Kiu is the company secretary of our Company primarily responsible for company secretarial affairs, financial reporting advices and investor relations of our Group. She reports to the Chairman and/or the Chief Executive Officer. She plays a key role in the formulation of appropriate Board procedures to meet business needs of the Company and the compliance with all applicable laws and rules. Ms. Wong is a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Chartered Governance Institute and the Chartered Governance Institute of the United Kingdom.

JOINT COMPANY SECRETARY

Mr. Leung Ka Wai is the joint company secretary and one of the authorised representatives of our Company, primarily responsible for company secretarial affairs of our Company. Mr. Leung is a member of the Hong Kong Institute of Certified Public Accountants. He was also admitted as a solicitor in Hong Kong in 2000 and is a partner in CLKW LAWYERS LLP.

The Company confirms that Mr. Leung Ka Wai and Ms. Wong Wai Kiu have attended no less than 15 hours of relevant professional training during 2024.

Minutes of all meetings of the Board and Board committees are kept by the company secretary, and are available for inspection by the Directors upon request.

CONSTITUTIONAL DOCUMENTS

The Company has adopted the amended and restated memorandum and articles of association upon approval by the Shareholders on the annual general meeting of the Company on 8 June 2023. A consolidated version of the amended and restated memorandum and articles of association is available on the websites of the Company and the Stock Exchange.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company believes in engaging in regular, effective and fair communication with shareholders and is committed to conveying important and relevant information to its Shareholders on a timely basis.

The Company is mindful to ensure that information is made publicly available on a timely basis. A Shareholders' communication policy was adopted by the Company to maintain an on-going dialogue with the Shareholders and encourage them to communicate actively with the Company. The Board will review the policy on a regular basis to ensure its effectiveness.

Disclosure of information is made by way of publishing announcements, notices, circulars and financial reports through the website of the Stock Exchange, as well as the website of the Company and press releases and general meetings.

In addition, the Company meets with research analysts and the press on a regular basis, attends major investors' conferences and participates in international non-deal roadshow in order to maintain a continuing communication with the institutional analysts, investors and financial media.

During the year, over 61 investor relations activities were conducted including face to face meetings, investor group calls, one-on-one calls and teleconferences. The Company has actively participated in face to face meetings, held visit tours and result press to increase effective communication. Effective communication was achieved between the investment community and the Company as the Company promptly, transparently, and effectively communicated the Company's operational and financial performance in different countries during the year under review.

The Company has reviewed the implementation and effectiveness of the Shareholders' communication policy and considered the policy to be effective for the year ended 31 December 2024 after reviewing the Shareholder and investor communication activities conducted during the year under review.

SHAREHOLDERS' RIGHTS

In accordance with Article 58 of the Articles of Association of the Company, one or more Shareholders of the Company holding as at the date of deposit of the requisition not less than one-tenth of the voting rights of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitioner(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Directors shall be reimbursed to the requisitioner(s) by the Company.

Shareholders may by ordinary resolution elect any person to be a Director of the Company. If a shareholder wishes to nominate a person to be elected as a Director, the following documents shall have been lodged at the head office of the Company and the office of Hong Kong branch share registrar of the Company: (i) his/her notice of intention to propose a resolution at the general meeting; (ii) a notice executed by the nominated candidate of his/her willingness to be elected as a director and consent of publication of his/her personal information together with his/her full name and biographical details as required by Rule 13.51(2) of the Listing Rules; and (iii) the contact details, within the period commencing on the day after the dispatch of the notice of the general meeting appointed for such election and ending on the date falling seven days prior to the date of such general meeting.

Shareholders should direct their questions about their shareholdings to the Company's Hong Kong branch share registrar: Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

Other enquiries or comments raised by any Shareholder can be mailed to the Board at the Company's principal place of business in Hong Kong at Suite 812, 8th Floor, Tower 1, The Gateway, Harbour City, No.25 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong, through the Company's official website (www.eekagroup.com), or sent through fax number at (852) 2325 5685, or through the Company's hotline at (852) 2325 5292.

The Directors are pleased to present the annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL PLACE OF BUSINESS

EEKA Fashion Holdings Limited (the "Company", together with its subsidiaries, the "Group") was incorporated in Hong Kong and has its registered office at Conyers Trust Company (Cayman) Limited, Cricked Square, Hutchins Drive P.O Box 2681 Grand Cayman KY1-1111, Cayman Islands and principal place of business in Hong Kong at Suite 812, 8th Floor, Tower 1, The Gateway, Harbour City, No.25 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

PRINCIPAL ACTIVITIES

The Group is made up of leading and fast growing high-end ladies-wear companies in the People's Republic of China (the "PRC"). The principal activities and other particulars of the subsidiaries of the Company are set out in note 1 to the financial statements.

BUSINESS REVIEW

The Group's dual main brands Koradior and NAERSI with sales revenue of more than RMB3.59 billion for the year ended 31 December 2024 are among the top 10 brands in the industry in China. Sales revenue from ELSEWHERE, La Koradior, NAERSILING, NEXY.CO, CADIDL sales are generally between RMB400–1,100 million, and the Company launched FUUNNY FEELLN in 2019, which aims at a wider population and meets more diverse needs. As a brand cluster enterprise, the Company's group operation is outstanding, and it has built an endogenous and diversified affordable luxury brand matrix.

The Group has always adopted direct sales strategy and it has the largest number of self-operated retail stores in the industry, and the broad retail network enables the Group to have stronger bargaining power and significant scale effects. In a competitive market at a time of deepening uncertainty, self-operated channels will play a pivotal role in the steady and sustained growth of the Group's performance. At the same time, the self-operated retail stores layout also allows brands to fully contact customers, understand the market, meet the demand, and deal with uncertain risks.

Details of business review and prospect of the Company are disclosed in the section headed "Management Discussion and Analysis" on pages 17 to 50 of this annual report. Details of the financial key performance indicators are set out in the section headed "Financial Highlights" on pages 6 to 7 of this annual report. There have been no significant events affecting the Group which have occurred since the financial year end.

PRINCIPAL RISKS AND UNCERTAINTIES

A number of factors may affect the results and business operations of the Group, some of which are inherent to the fashion business and some are from external sources. Major risks faced by the Group are summarised below.

(a) Fashion risk

The fashion industry is highly susceptible to changes in fashion trends and fluctuations in consumer tastes and preferences. In order to achieve continued and sustainable success in our business, we must be able to anticipate, identify and respond promptly to such changes. We believe that our success depends on our ability to anticipate, identify and interpret the habits and tastes of, and trends among, our targeted customers and to offer products that appeal to their preferences. If we fail to anticipate accurately and respond to the shifts in consumer preferences, or fail to introduce new and improved products to satisfy those preferences in a timely manner or adjust our product mix accordingly, we may experience lower sales volumes, lower selling prices and lower profit margins. As such, our financial results may be adversely affected. On the other hand, if we fail to anticipate the increase in consumer demand for our ladies-wear products, we may experience inventory shortages and loss of sales opportunities, which may also materially and adversely affect our image.

(b) Intense competition

The womenswear industry in the PRC is characterised by intense competition from both international and domestic brands. We generally face competition from brands with similar brand positioning based on brand recognition, design, product mix, quality, price, customer service and breadth of retail network, among other factors. Our rapid growth may also attract attention and concerns from our competitors and new market players to adopt similar brand positioning as ours with their brands.

There is no assurance that we will be able to compete effectively against competitors who may have greater financial resources, greater scales of production, superior technology, better brand recognition and a wider, more diverse and established sales network. In order to maintain our market share and remain competitive, we may have to provide more sales incentives to our staff and distributors, and increase capital expenditures, which may in turn negatively affect our profit margins and our results of operations.

(c) Macroeconomic environment

Macroeconomic changes may result in changes in the business environment. Womenswear products may be considered as discretionary items for customers. Slower consumer spending may result in reduced demand for our products, leading to higher inventories, lower revenue and margin. It is therefore important that the Group is aware of any such changes of economic environment and adjusts its store opening plan, buying volume and business plan under different market conditions accordingly.

PRINCIPAL RISKS AND UNCERTAINTIES *(Continued)*

(d) Supply chain

We engage independent third-party manufacturers to produce our fabrics and raw materials, all accessory products and certain apparel products. Any disruption in the supply of fabrics, raw materials and products from suppliers may cause problems in our supply chain. We do not have long-term contracts with any of our suppliers and we may need to compete with other companies for fabrics, raw materials and other products. Nevertheless, we have developed long-standing and good relationships with a number of our vendors so as to minimise the impact from any supply disruptions and ensure we can locate alternative suppliers of comparable quality at a reasonable price at all times. For the year ended 31 December 2024, 30.41% (2023: 30.67%) of our products were produced by our top five suppliers.

(e) Credit Risk

We sold substantially all our products directly to end-consumers through our self-operated retail stores in shopping malls and department stores in the PRC. Proceeds from the sales made in these leased retail stores are mainly collected by the department stores and the shopping malls on our behalf, and then we issue invoices and offer from 30 to 60 days. However, there is no assurance that we will be able to fully recover our receivables from our shopping malls and department stores, or that they will be settled on a timely basis.

(f) Weather

Extreme changes in weather patterns could also affect consumers' purchasing behaviour, which may lead to fluctuations in our sales revenue. For example, extended periods of unseasonably warm weather during the winter season or cool weather during the summer season could render a portion of our inventory incompatible with such unseasonable weather conditions. These extreme or unseasonable weather conditions could have a material adverse effect on our results of operations.

(g) Information system

We are dependent on information technology systems and networks, including the internet and third-party hosted services across many of our operating activities, including sales and distribution, ordering and purchases, inventory management in all retail outlets, e-commerce business, customer relationship management, digital marketing and financial reporting. Any material disruption or slowdown of our IT systems, including a disruption or slowdown caused by our failure to successfully upgrade our systems, system failures, viruses or cyber-attacks could cause a loss of data or operation interruption.

Therefore, we invest continuously in our IT, SRM supply chain, DRP marketing, CRM member management and POS retails systems in order to keep up with the technology security and availability and integrity of critical operation data.

KEY RELATIONSHIPS

(a) Employees

Employees are one of the greatest assets of the Group and the Group regards the personal development of its employees as highly important. The Group wants to continue to be an attractive employer to committed employees. The Group strives to motivate its employees with a clear career path and opportunities for advancement and improvement of their skills.

The Group provides induction and on-the-job training and development opportunities to its employees. The training programs cover areas such as managerial skills, sales and production, quality control, sales fairs planning and training of other areas relevant to the industry.

In addition, the Group offers competitive remuneration packages to its employees. The Group has also adopted share option and share award scheme to recognise and reward the contribution of the employees to the growth and development of the Group.

(b) Suppliers

We have developed long-standing and good relationships with our vendors and taken great care to ensure that they can share our commitment to product quality. We carefully select OEM contractors and raw material suppliers, we require them to satisfy certain assessment criteria including track record, experience, financial strength, reputation, ability to produce high-quality products and quality control effectiveness.

(c) Customers

Our customers consist of end customers and distributor customers that purchase products from us and sell to end customers. We are committed to offer high-end stylish and smart-casual ladies-wear apparel fashion with our eight brands to our customers. We maintain our VIP database and have ongoing communications with our customers through various channels like the Company's website, public platform, direct mail, marketing materials and social media. We also provide training to our sales personnel to provide quality and value-added customer services at retail channels.

ENVIRONMENTAL POLICY AND PERFORMANCE

The Group is committed to supporting environmental sustainability. Our commitment to protect the environment is well reflected by our continuous efforts in promoting green measures and awareness in our daily business operations. Our Group encourages environmental protection and promotes awareness towards environmental protection to the employees. Our Group adheres to the principle of recycling and waste reduction.

It implements green office practices such as double-sided printing and copying, setting up recycling bins, promoting the use of recycled paper, introducing the e-employee handbook, e-payment procedure and reducing energy consumption by switching off idle lightings and electrical appliance. Our Group will review its environmental practices from time to time and implement further eco-friendly measures and practices in the operation of our Group's businesses such as using LED light system in our stores and made with more eco-friendly or recyclable packaging materials to enhance environmental sustainability.

REGULATORY COMPLIANCE

As disclosed in the prospectus of the Company dated 17 June 2014, the Company's business is subject to various laws and regulations such as: The Administrative Measures for Fair Transactions between Retailers and Suppliers《零售商供應商公平交易管理辦法》(which provides the code of business conduct, collection of charges, payment of purchases, return policies and punishments between retailers and suppliers during the transactions), The Measures for Administration on Sales Promotion Acts of Retailers《零售商促銷行為管理辦法》(which provides the standards and requirements of retailers' sales promotion and advertisement); and The Administrative Measures for Online Trading (which are applicable to all behaviours in relation to online product trading and relevant services). During the year ended 31 December 2024, there was no incidence of non-compliance with the relevant laws and regulations that have a significant impact on the Group's business.

RELATED PARTY TRANSACTIONS

Significant related party transactions entered into by the Group during the year ended 31 December 2024 are set out in note 33 to the consolidated financial statements. The transactions with related parties described at paragraph (a) of the said note constitute continuing connected transactions within the meaning of the Listing Rules and compliance with the disclosure requirements were made in accordance with Chapter 14A of the Listing Rules.

MAJOR CUSTOMERS AND SUPPLIERS

The customers consist of end customers and distributor customers that purchase products from the Group and sell to end customers. Aggregate sales to the Group's largest and five largest customers accounted for less than 30% of the Group's total revenue and neither a single customer accounted for more than 10% of the Group's revenue for the years ended 31 December 2023 and 2024.

The suppliers of the Group consist of OEM contractors and raw material suppliers. Aggregate purchases from the Group's largest and five largest suppliers accounted for 18.74% (2023: 17.36%) and 30.41% (2023: 30.67%), respectively, of the Group's total purchases from suppliers for the year ended 31 December 2024. The largest OEM contractor, Shenzhen Yingjia Fashion Ltd ("Yingjia Fashion"), is a connected person owned as to 53% and 47% by Ms. Chen Lingmei and Mr. Jingquan respectively, who are the parents of Mr. Jin Ming, one of our executive Directors, and all other OEM contractors are independent third parties. The VAT-inclusive processing fees incurred to Yingjia Fashion for the years ended 31 December 2023 and 2024 amounted to RMB349.62 million and RMB405.14 million, respectively, representing 22.83% and 24.19% of total purchase of outsourced products and sub-contracting fees during the same periods, respectively.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the latest five financial years is set out on pages 8 to 9 of the annual report. This summary does not form part of the audited consolidated financial statements.

FINANCIAL STATEMENTS

The profit of the Group for the year ended 31 December 2024 and the state of the Company's and the Group's affairs as at that date are set out in the consolidated financial statements on pages 167 to 254 of the annual report.

DIVIDEND POLICY

The policy on payment of dividend of the Company is in place to set out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profits as dividends to the shareholders of the Company. The declaration and payment of dividends of the Company shall be determined at the discretion of the Board and subject to all applicable laws and regulations in the Cayman Islands and Hong Kong and the Articles of Association of the Company. The policy shall be reviewed periodically and the Board will make any necessary amendments as appropriate from time to time.

When considering the declaration and payment of dividends, the Board shall take into account, among others (i) the overall results of operation of the Group, (ii) the financial position of the Group, (iii) the capital requirements of the Group, and (iv) the interests of the shareholders of the Company.

The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate. Any final dividend for a financial year will be subject to shareholders' approval.

DIVIDENDS

The Board proposed to declare a final dividend of HK38 cents per share for the year ended 31 December 2024 out of the share premium account of the Company (2023: final dividend HK70 cents) to those shareholders whose names appeared on the register of members of the Company as at the close of business on 17 June 2025. Subject to the approval of shareholders of the Company at the forthcoming annual general meeting ("AGM"), the final dividend will be paid in cash on or before 30 June 2025. The Board is satisfied that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately after the date on which the final dividend is paid.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year ended 31 December 2024 are set out in note 13 to the consolidated financial statements.

SHARE CAPITAL

As at 31 December 2024, the total issued share capital of the Company was 704,050,195 ordinary shares.

RESERVES

Details of movements in reserves of the Company and the Group are set out in note 31 to the consolidated financial statements and in the consolidated statement of changes in equity respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company's reserves available for distribution, calculated in accordance with the Companies Act (Revised), Cap. 22 of the Cayman Islands, amounted to approximately RMB613.29 million.

RETIREMENT BENEFIT SCHEME

Details of the retirement benefit schemes of the Group and the employer's costs charged to the consolidated statement of profit or loss and other comprehensive income for the year are set out in notes 6 and 8 to the financial statements.

SUBSIDIARIES

Details of the subsidiaries of the Company are set out in note 1 to the financial statements.

CAPITAL EXPENDITURE

During the year, the Group's total capital expenditure amounted to approximately RMB156.94 million (2023: RMB110.95 million) which was mainly attributed to the store decoration and purchase of office, furniture and equipment for each retail store capitalised under leasehold improvements and furniture, fixtures and equipment.

The details of the properties, plant and equipment of the Group are set out in note 13 to the financial statements.

BORROWINGS

Particulars of borrowings of the Group as at the balance sheet date are set out in note 27 to the financial statements.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors of the Company who hold office during the year and up to the date of this report are:

Executive Directors
Mr. JIN Ming (Chairman and Chief Executive Officer) (appointed on 23 March 2012)
Ms. HE Hongmei (appointed on 3 March 2014)
Mr. JIN Rui (appointed on 23 August 2019)

Independent Non-executive Directors
Mr. ZHONG Ming (appointed on 6 June 2014)
Mr. ZHOU Xiaoyu (appointed on 30 June 2016)
Mr. ZHANG Guodong (appointed on 17 July 2017)

Each of the executive Directors of the Company has entered into a service contract with the Company for a term of three years and each of the independent non-executive Directors of the Company has entered into a letter of appointment with the Company for a specific term of two years, subject to his retirement and re-election at annual general meeting in accordance with the Company's Articles of Association. None of the Directors proposed for re-election at the forthcoming annual general meeting of the Company has an unexpired service agreement which is not determinable by the Company within one year without payment of compensation (other than statutory compensation). The details of the remuneration of each of the Directors are set out in note 8 to the consolidated financial statements.

The Company has received annual confirmation on independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules and all of them are considered to be independent.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the related paragraph headed "Connected transactions" below and the related party transactions in note 33 to the financial statements, there was no transaction, arrangement or contract of significance to which the Company or its holding company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, either directly or indirectly, subsisting at the end of the year or at any time during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed in the paragraph headed "Directors 'and chief executive's interest in securities" and in the paragraph headed "Share award schemes" below, at no time during the year were rights to acquire benefits by means of the acquisition of shares in the Company granted to any Director, or their respective spouse or minor children, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and senior management of the Group are disclosed in the section headed "Directors and Senior Management Profile" on pages 53 to 56 of this annual report.

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST IN SECURITIES

As at 31 December 2024, the following Directors or the chief executive of the Company had or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code:

Name of Director	Nature of interest	No. of Shares/ underlying shares held	Position	Approximate percentage of issued share capital
Mr. Jin Ming	Founder of a discretionary trust (note 1)	250,715,000	Long	35.61%
Ms. He Hongmei	Beneficial owner (note 2)	666,074	Long	0.09%
Mr. Jin Rui	Founder of a discretionary trust (note 3)	198,713,195	Long	28.22%

Notes:

1. These shares are held by Koradior Investments Limited, which is wholly-owned by Mayberry Marketing Limited, the entire issued share capital of which is in turn wholly-owned by BOS Trustee Limited as trustee of the Fiona Trust. The Fiona Trust is a discretionary trust set up by Mr. Jin Ming as settlor. The beneficiaries of Fiona Trust are Mr. Jin Ming, his spouse and his children. Mr. Jin Ming as founder of Fiona Trust is taken to be interested in the Shares held by Koradior Investments Limited by virtue of Part XV of the SFO.

2. These represent the underlying awarded shares of the share awards granted to Ms. He Hongmei.

3. These shares are held by Apex Noble Holdings Limited, which is wholly-owned by Heritage Holdings Limited, the entire issued share capital of which is in turn wholly-owned by BOS Trustee Limited as trustee of the Jin's Heritage Trust. The Jin's Heritage Trust is a discretionary trust set up by Mr. Jin Rui as settlor. The beneficiaries of the Jin's Heritage Trust are Mr. Jin Rui, his spouse and his children. Mr. Jin Rui as founder of the Jin's Heritage Trust is taken to be interested in the Shares held by Apex Noble Holdings Limited by virtue of Part XV of the SFO.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITION IN SHARE AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the Directors and the chief executive of the Company, as at 31 December 2024, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Capacity	Number of Shares held	Position	Approximate percentage of issued share capital
Koradior Investments Limited (note 1)	Beneficial owner	250,715,000	Long	35.61%
Mayberry Marketing Limited (note 1)	Interest in a controlled corporation	250,715,000	Long	35.61%
Apex Noble Holdings Limited (note 2)	Beneficial owner	198,713,195	Long	28.22%
Heritage Holdings Limited (note 2)	Interest in a controlled corporation	198,713,195	Long	28.22%
BOS Trustee Limited (note 3)	Trustee	449,428,195	Long	63.83%
CA Indosuez (Switzerland) SA, Hong Kong Branch	Depositary	59,560,000	Long	8.46%

Notes:

1. The entire issued share capital of Koradior Investments Limited is wholly-owned by Mayberry Marketing Limited, the entire issued share capital of which is in turn wholly-owned by BOS Trustee Limited as trustee of the Fiona Trust. The Fiona Trust is a discretionary trust set up by Mr. Jin Ming as settlor. The beneficiaries of Fiona Trust are Mr. Jin Ming, his spouse and his children. Mr. Jin Ming as founder of Fiona Trust is taken to be interested in the Shares held by Koradior Investments Limited by virtue of Part XV of the SFO.

2. The entire issued share capital of Apex Noble Holdings Limited is wholly-owned by Heritage Holdings Limited, the entire issued share capital of which is in turn wholly-owned by BOS Trustee Limited as trustee of the Jin's Heritage Trust. The Jin's Heritage Trust is a discretionary trust set up by Mr. Jin Rui as settlor. The beneficiaries of Jin's Heritage Trust are Mr. Jin Rui, his spouse and his children. Mr. Jin Rui as founder of Jin's Heritage Trust is taken to be interested in the Shares held by Apex Noble Holdings Limited by virtue of Part XV of the SFO.

3. BOS Trustee Limited is the trustee of: (i) Fiona Trust, which was established by Mr. Jin Ming as settlor in favour of the beneficiaries of Fiona Trust, held 100% of the issued share capital of Mayberry Marketing Limited, which in turn held 100% of the issued share capital of Koradior Investments Limited; and (ii) Jin's Heritage Trust, which was established by Mr. Jin Rui as settlor in favour of the beneficiaries of Jin's Heritage Trust, held 100% of the issued share capital of Heritage Holdings Limited, which in turn held 100% of the issued share capital of Apex Noble Holdings Limited.

Save as disclosed above, as at 31 December 2024, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

The Company adopted a Share Option Scheme (the "Scheme") pursuant to the resolutions of the shareholders of the Company passed on 6 June 2014:

1. The purpose of the Scheme is to provide participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and its shares for the benefit of our Company and its shareholders as a whole. The Scheme, which is valid for 10 years from 6 June 2014, will provide our Company with a flexible means of either retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to participants.

2. The participants include any directors (including executive Directors, non-executive Directors and independent nonexecutive Directors) and full-time employees of any member of the Group and any advisors, consultants, distributors, contractors, contract manufacturers, suppliers, agents, customers, business partners, joint venture business partners, service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group.

3. Unless otherwise approved by shareholders in general meeting, the total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Scheme to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company from time to time.

4. An option may be exercised in whole or in part in accordance with the terms of the Scheme at any time during a period to be notified by the Directors to each grantee, subject to acceptance of the grantee and the payment of HK$1.00 by the grantees upon acceptance of an option. The period for exercise may commence on the date upon which the offer for grant of options is made ("Offer Date") but shall expire on the day immediately preceding the tenth anniversary of the Offer Date.

5. The Shares which may be issued upon exercise of all options to be granted under the Scheme and other share option schemes of our Company shall not exceed 10% of the aggregate of the Shares in issue on the date the Shares commence trading on the Stock Exchange and any Shares which may be allotted and issued by our Company pursuant to the over-allotment option (the "Scheme Mandate Limit"). Options lapsed in accordance with the terms of the Scheme shall not be counted for the purpose of calculating the Scheme Mandate Limit.

6. The subscription price for shares under the Scheme, subject to any adjustment stipulated therein, shall be a price determined by the Directors, but shall be at least the highest of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations on the Offer Date; (ii) the average closing price of shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the Offer Date; and (iii) the nominal value of the Shares.

As at 9 July 2022, all share options granted under the Scheme have lapsed.

The Scheme has expired on 5 June 2024. No share option was granted, vested, cancelled or lapsed during the year ended 31 December 2024 and there was no share option outstanding under the Scheme at the beginning and at the end of the financial year.

The number of options available for grant under the Scheme Mandate Limit at the beginning and the end of the financial year is 40,500,000 and 0 respectively. The total number of Shares available for issue under the Scheme (including options granted but not yet exercised and options available for issue) is 0 Shares due to the expiry of the Scheme.

SHARE AWARD SCHEMES

2019 Share Award Scheme

The Company has adopted a share award scheme (the "2019 Share Award Scheme") on 2 December 2019:

1. The purpose of the 2019 Share Award Scheme is to recognise and motivate the contribution of the eligible participants, to provide incentives and help the Company in retaining its existing participants and recruiting additional participants and to provide them with a direct economic interest incentives in attaining the long-term business objectives of the Company. The 2019 Share Award Scheme was adopted by the Board on 2 December 2019 and shall be valid until the 10th anniversary of the adoption date.

2. The participants include any employee (excluding any excluded grantee (Note)), director, officer, of any member of the Group or any affiliate, any consultant or advisor of any member of the Group, or any trustee of a trust established for the benefit of any employee of any member of the Group, or any director or officer (which is of management level) of any supplier of any member of the Group (excluding any excluded grantee (Note)). No amount is payable by the grantees on acceptance of the awards.

3. The Board shall not make any further award of awarded Shares which will result in the number of Shares awarded by the Board under the 2019 Share Award Scheme exceeding 10% of the issued share capital of the Company as at the adoption date (the "2019 Share Award Scheme Limit").

4. The maximum number of Shares which may be awarded to a selected grantee under the 2019 Share Award Scheme shall not exceed 1% of the issued share capital of the Company as at the adoption date.

5. Subject to the terms and conditions of the 2019 Share Award Scheme and the fulfilment of all vesting conditions (if any) on such selected grantee as specified in the 2019 Share Award Scheme and the relevant vesting notice, the respective awarded Shares held by the trustee of the 2019 Share Award Scheme on behalf of the selected grantee shall vest in such selected grantee in accordance with the vesting schedule as set out in the vesting notice, provided that the selected grantee remains at all times after the grant of the award and on the relevant vesting date(s) a grantee. The trustee shall purchase the Shares on open market at the prevailing market price.

Note: Excluded grantee refers to (i) at the time of the proposed grant of an award, any employee whose service in the Group does not exceed 1 year from the expiry date of his probationary period as stated in his employment contract with the Group, or (ii) any employee or non-employee who is resident in a place where the award of the awarded Shares and/or the vesting and transfer of the awarded Shares pursuant to the terms of the Scheme is not permitted under the laws and regulations of such place or where in the view of the Board or the trustees (as the case may be), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such employee or non-employee.

During the year ended 31 December 2022, the trustee had purchased an aggregate of 10,960,000 Shares on open market to hold on trust for the selected persons pursuant to the terms and conditions of the rules of the 2019 Share Award Scheme and the trust deed.

The awarded shares granted above shall be satisfied first by the trust shares contributed by Koradior Investments Limited to the 2019 Share Award Scheme and then by Shares to be purchased by the trustee from the open market pursuant to the 2019 Share Award Scheme, at the expense of the Company.

SHARE AWARD SCHEMES *(Continued)*

2019 Share Award Scheme *(Continued)*

The 2019 Share Award Scheme was adopted by the Board on 2 December 2019 and shall be valid until the 10th anniversary of the adoption date. During the year ended 31 December 2020, the Company has granted an aggregate of 40,973,000 awarded Shares pursuant to the 2019 Share Award Scheme to certain grantees including directors, senior management and employees of the Group. The awarded Shares shall, subject to fulfilment of vesting conditions, be vested in five equal tranches annually.

On 15 May 2020, the first tranche totalling 8,058,200 awarded Shares have vested and 136,400 awarded Shares have been forfeited, and 1,017,000 awarded Shares being forfeited on 31 December 2020.

On 15 May 2021, the second tranche totalling 7,918,200 awarded Shares have vested and 22,150 awarded Shares have been forfeited, and 752,850 awarded Shares being forfeited on 31 December 2021.

On 15 May 2022, the third tranche totalling 7,507,160 awarded Shares have vested and 182,240 awarded Shares have been forfeited, and 1,307,600 awarded Shares being forfeited on 31 December 2022.

On 30 August 2023, the fourth tranche totalling 7,154,000 awarded Shares have vested and 509,600 awarded Shares have been forfeited, and 625,800 awarded Shares being forfeited on 31 December 2023.

On 15 May 2024, the fifth tranche totalling 14,531,500 awarded Shares have vested and 894,300 awarded Shares have been forfeited. The awarded Shares vested during the Reporting Period were purchased at purchase price of HK$10.62 per Share and the weighted average closing price of the Shares immediately before the date on which the awarded Shares were vested was HK$12.18 per Share.

On 4 July 2022, the Board resolved to grant an aggregate of 7,495,500 awarded Shares pursuant to the 2019 Share Award Scheme to certain selected grantees. The awarded Shares totalling 7,386,500 have vested and 109,000 awarded Shares have been forfeited on 15 August 2022.

On 15 December 2023, the Board resolved to grant an aggregate of 9,644,000 awarded Shares pursuant to the 2019 Share Award Scheme to certain selected grantees. The awarded Shares have vested to the selected grantees on 15 May 2024.

The Group recognised an awarded share expense of HK$109,368,000 (equivalent to RMB99,481,000) during the year.

The 2019 Share Award Scheme has been terminated and no further award can be granted thereunder, and the Board has resolved to transfer the remaining shares held in trust under the 2019 Share Award Scheme for use under the 2024 Share Award Scheme. The total number of Shares available for issue under the 2019 Share Award Scheme (including awards granted but not yet vested and awards available for issue) is 0, as all awards granted have either been vested or forfeited and the 2019 Share Award Scheme has been terminated.

SHARE AWARD SCHEMES *(Continued)*

2024 Share Award Scheme

The Company has adopted a new share award scheme ("2024 Share Award Scheme", together with the 2019 Share Award Scheme, the "Share Award Schemes") on 10 April 2024 to continue recognising the efforts of selected participants. Summary of principal terms of the 2024 Share Award Scheme is set out below:

1. The purposes of the 2024 Share Award Scheme are to recognise the contributions by certain participants and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. The 2024 Share Award Scheme was adopted by the Board on 10 April 2024 and shall be valid until the 10th anniversary of the adoption date.

2. The participants include: (i) any directors or employees of any member of the Group or any affiliate; (ii) any persons who provide services to any members of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, provided any such person is not a connected person of the Group; and (iii) such other person as permitted under the Listing Rules from time to time, whom the Board considers, in its sole and absolute discretion, may contribute or have contributed to the Group, but excluding any excluded participant (Note). No amount is payable by the Participants on acceptance of the awards.

3. The Board shall not make any further grant of award such that the total number of Shares granted under the 2024 Share Award Scheme and any other schemes of the Company will exceed 10% of the total number of issued Shares as of the adoption date (i.e. 70,405,019 Shares).

4. The maximum number of Shares which may be awarded to a selected participant under the 2024 Share Award Scheme shall not exceed 1% of the issued share capital of the Company in any 12-month period.

5. Subject to the terms and conditions of the rules of the 2024 Share Award Scheme and the fulfillment of all vesting conditions to the vesting of the awarded Shares on such selected participant as specified in the 2024 Share Award Scheme and the relevant grant instrument, the awarded Shares held by the trustee of the 2024 Share Award Scheme on behalf of the selected participant shall vest in such selected participant in accordance with the applicable vesting schedule, and the trustee shall cause the awarded Shares to be transferred to such selected participant in accordance with the terms of rules of the 2024 Share Award Scheme.

Note: Excluded participants refers to (i) at the time of the proposed grant of an Award, any employee whose service in the Group does not exceed 1 year from the expiry date of his probationary period as stated in his employment contract with the Group, or (ii) any participant who is resident in a place where the award of the awarded Shares and/or the vesting and transfer of the awarded Shares pursuant to the terms of the 2024 Share Award Scheme is not permitted under the laws and regulations of such place or where in the view of the Board or the trustees (as the case may be), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such participant.

SHARE AWARD SCHEMES *(Continued)*

2024 Share Award Scheme *(Continued)*

The awarded Shares granted shall be satisfied first by the Shares purchased by the trustee from the open market pursuant to the 2024 Share Award Scheme, at the expense of the Company. During the year ended 31 December 2024, the Company instructed the trustee to purchase from the market a total of about 15.70 million Shares for awards to the relevant grantees. The total costs (excluding related transaction costs) involved was about HK$143.37 million.

On 22 April 2024, the Company has granted an aggregate of 9,415,000 awarded Shares pursuant to the 2024 Share Award Scheme to certain grantees including directors, senior management and employees, and such 9,415,000 awarded Shares were cancelled during the year ended 31 December 2024 because non-market performance conditions have not been met.

The fair value of the awarded Shares granted during the year was approximately HK$110,908,000 (equivalent to approximately RMB93,340,000), which is determined based on the closing price of the Shares at the date of grant. The fair value of the awards are calculated in accordance with the accounting policy and standard adopted for preparing the Company's financial statements.

The total number of shares available for issue under the 2024 Share Award Scheme (including awards granted but not yet vested and awards available for issue) is 60,990,019 Shares, representing 8.66% of the issued share capital of the Company as at the date of this report.

The following table shows the details of the Company's share awards granted under the Share Award Schemes during the year:

		Number of share awards						
Name or category of grantee	**Date of grant**	**At 1 January 2024**	**Granted during the year**	**Vested during the year**	**Cancelled/ Lapsed during the year**	**At 31 December 2024**	**Vesting period**	**Closing price per share immediately before the date of grant (HK$)**
Director								
Ms. He Hongmei	14 April 2020	175,600	–	175,600	–	–	15/5/2020 (note 1)	7.58
	15 December 2023	324,800	–	324,800	–	–	15/5/2024	14.40
	22 April 2024	–	120,000	–	120,000	–	15/5/2025	11.78
The five highest paid individuals (excluding Director)	14 April 2020	251,500	–	251,500	–	–	15/5/2020 (note 1)	7.58
	15 December 2023	823,100	–	823,100	–	–	15/5/2024	14.40
	22 April 2024	–	780,000	–	780,000	–	15/5/2025	11.78
Other employees	14 April 2020	5,354,700	–	5,338,900	15,800	–	15/5/2020 (note 1)	7.58
	15 December 2023	8,496,000	–	7,617,000	878,500	–	15/5/2024	14.40
	22 April 2024	–	8,515,000	–	8,515,000	–	15/5/2025	11.78
Total		15,425,800	9,415,000	14,531,500	10,309,300	–		

note 1: The awarded shares shall be subject to fulfilment of vesting conditions and be vested to the selected grantees in five equal tranches annually from 15 May 2020.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors had any interest in any competing business with the Company or any of its subsidiaries during the financial year.

DEED OF NON-COMPETITION

As disclosed in the Prospectus, each of Mr. Jin Ming and Koradior Investments Limited (together as the "Controlling Shareholders") had entered into a deed of non-competition dated 16 June 2014 (the "Deed of Non-Competition") in favor of the Company (for itself and as trustee for the benefit of each of the members of our Group from time to time) that, among other matters, (i) he/it shall not, and shall use his/its best endeavours to procure each of their respective associates not carry on or be engaged in, invest in, participate or attempt to participate in, render any services to, provide any financial support to or otherwise be concerned with or interested in, directly or indirectly, whether as a director or a shareholder (other than being a director or a shareholder of our Group), partner, agent or otherwise, in the design, promotion, marketing, sales and distribution of ladies-wear in the PRC as engaged in by our Company or in any other business that may compete, directly or indirectly with such business (the "Restricted Activity"); and (ii) if the Controlling Shareholders or their associates are given any business opportunity relating to the Restricted Activity (the "Competing New Business Opportunity"), he/it shall, and shall use his/its best endeavours to procure that his/its associates (other than the Group) inform the Company of any such Competing New Business Opportunity in writing and shall use his/its best endeavours to assist the Company in obtaining such Competing New Business Opportunity on the same or more favourable terms.

In order to ensure each of the Controlling Shareholders has complied with the Deed of Non-Competition, the following actions have been taken:

(1) the Company has enquired the Controlling Shareholders, from time to time, on whether he/it or any of his/its associates has engaged in any Restricted Activity or is given any Competing New Business Opportunity;

(2) the Company has required each of the Controlling Shareholders to give confirmation to the Company on an annual basis as to whether he/it and his/its associates have complied with the Deed of Non-Competition;

(3) each of the Controlling Shareholders has provided to the Company such written confirmation in respect of the compliance with the Deed of Non-Competition by his/it and his/its associates for the year ended 31 December 2024; and

(4) the independent non-executive directors of the Company have reviewed the status of compliance by the Controlling Shareholders with the undertakings in the Deed of Non-Competition during the year ended 31 December 2024 and confirmed that, so far as they can ascertain, each of the Controlling Shareholders has complied with the Deed of Non-Competition.

The Company is not aware of any other matters regarding the compliance of the Deed of Non-Competition that are required to be brought to the attention of the shareholders of the Company, and there has not been any change in terms of the Deed of Non-Competition for the year ended 31 December 2024.

CONNECTED TRANSACTIONS

The Group had entered into a number of transactions with connected persons of the Company within the meanings of the Listing Rules.

Mr. Jin Ming ("Mr. Jin") is our chief executive officer, chairman and executive Director and is therefore a connected person of our Company under Rule 14A.07(1) of the Listing Rules. Mr. Wang Sumin ("Mr. Wang") is the brother-in-law of Mr. Jin, and thus Mr. Wang is an associate of Mr. Jin and a connected person of our Company under the Listing Rules. Shenzhen Yingjia Fashion Ltd ("Yingjia Fashion") is 53.00% owned by Ms. Chen Lingmei who is the mother of Mr. Jin. Accordingly, Yingjia Fashion (including its subsidiaries) is a connected person of our Company under Rule 14A.12(2)(b) of the Listing Rules.

EXEMPTED CONNECTED TRANSACTION

(A) Set out below are the details of the exempted connected transaction entered into between our connected person and a member of our Group. Pursuant to Rule 14.07 of the Listing Rules, the applicable percentage ratios (other than the profits ratio) of the following exempted connected transaction are less than 5.00% and the annual consideration is less than HK$3,000,000. By virtue of Rule 14A.76(1) of the Listing Rules, it was exempted from the reporting, announcement requirements and the independent shareholders' approval requirements.

Lease of office from Mr. Wang

On 1 March 2014, Shenzhen Koradior entered into a lease agreement with Mr. Wang, pursuant to which Shenzhen Koradior leased an office located at 8/F, Zone B, Shum Yip Terra's Hongsong Building, Terra 6th Road North, Futian, Shenzhen, the PRC, with a total floor area of approximately 426 sq.m., from Mr. Wang at RMB51,173 per month. The annual rental will not be more than HK$999,999 if converted into Hong Kong dollars. The lease agreement had been renewed for a term up to 31 December 2023. On 20 December 2022, Shenzhen Naersi entered into a lease agreement with Mr. Wang for the lease of the above office at RMB63,966 per month and the term commenced from 1 January 2023 to 31 December 2023. On 19 December 2023, Shenzhen Naersi entered into a lease agreement with Mr. Wang for the lease of the above office at RMB63,966 per month and the term commenced from 1 January 2024 to 31 December 2025. The lessor and the lessee mutually agree to terminate the lease agreement, with the termination taking effect on 30 June 2024.

By entering into the above lease agreement, our Group is able to continue to lease the office to conduct its business operations without the need to find and relocate to alternative offices.

Our Directors consider that the leases stated above are in our Group's ordinary and usual course of business, on normal commercial terms, and their terms are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

NON-EXEMPT CONTINUING CONNECTED TRANSACTION

(B) Processing Agreement with Yingjia Fashion Group

(i) Background

Since our Group does not have any in-house production facilities, Shenzhen Koradior has outsourced the production of our products to third party OEM contractors, including Yingjia Fashion, since the commencement of our business in 2007. Since 2017, Yingjia Fashion has delegated and centralised the processing and manufacturing services to be provided by its subsidiaries, as our Company believed such strategy would allow us to reduce investment in fixed assets and generate higher returns on our assets.

NON-EXEMPT CONTINUING CONNECTED TRANSACTION *(Continued)*

(B) Processing Agreement with Yingjia Fashion Group *(Continued)*

(ii) Services

On 15 March 2014, Shenzhen Koradior entered into a processing agreement with Yingjia Fashion (the "2014 Processing Agreement"), as supplemented on 9 June 2014, pursuant to which Yingjia Fashion agreed to provide certain processing and manufacturing services to Shenzhen Koradior, including but not limited to manufacturing products according to (i) the manufacturing standards and processing techniques stipulated by Shenzhen Koradior or (ii) standard samples provided and confirmed by the design team of Shenzhen Koradior. The 2014 Processing Agreement is for a term from 15 March 2014 to 31 December 2016 and was renewed on 23 November 2016 for a term of three years commencing from 1 January 2017 to 31 December 2019 (the "2016 Processing Agreement").

On 26 May 2017, Shenzhen Koradior and Yingjia Fashion (Ganzhou) Co., Ltd. ("Ganzhou Yingjia"), a wholly-owned subsidiary of Yingjia Fashion, entered into a new processing agreement (the "2017 Processing Agreement") to renew the 2016 Processing Agreement in order to revise the annual caps for the provision of processing and manufacturing services by Ganzhou Yingjia to the Group for the three years commencing from 1 January 2017 up to and including 31 December 2019.

On 30 November 2018, Shenzhen Koradior, Ganzhou Yingjia and Shenzhen Ifashion Cloud Technology Co., Ltd. ("Shenzhen Ifashion" together with Ganzhou Yingjia, "Yingjia Fashion Group"), a wholly-owned subsidiary of Yingjia Fashion, entered into a new processing agreement (the "2018 Processing Agreement") to renew the 2017 Processing Agreement in order to revise the annual caps for the provision of processing and manufacturing services by Yingjia Fashion Group to the Group for the three years commencing from 1 January 2018 up to and including 31 December 2020.

On 28 June 2019, Shenzhen Koradior, Shenzhen Naersi, Ganzhou Yingjia and Shenzhen Ifashion entered into a new processing agreement (the "2019 Processing Agreement") to renew the 2018 Processing Agreement in order to revise the annual caps for the provision of processing and manufacturing services by Yingjia Fashion Group to the Group for the three years commencing from 1 January 2019 up to and including 31 December 2022.

On 27 April 2022, Shenzhen Koradior, Shenzhen Naersi, La Kordi, Shenzhen Mondial and Shenzhen Fangfu, Ganzhou Yingjia and Shenzhen Ifashion entered into a new processing agreement (the "2022 Processing Agreement") to renew the 2019 Processing Agreement in order to revise the annual caps for the provision of processing and manufacturing services by Yingjia Fashion Group to the Group for the three years commencing from 1 January 2022 up to and including 31 December 2024.

On 26 November 2024, Shenzhen Koradior, Shenzhen Naersi, La Kordi, Shenzhen Mondial and Shenzhen Fangfu, Ganzhou Yingjia and Shenzhen Ifashion entered into a new processing agreement (the "2024 Processing Agreement") to renew the 2022 Processing Agreement in order to revise the annual caps for the provision of processing and manufacturing services by Yingjia Fashion Group to the Group for the three years commencing from 1 January 2025 up to and including 31 December 2027.

NON-EXEMPT CONTINUING CONNECTED TRANSACTION *(Continued)*

(B) Processing Agreement with Yingjia Fashion Group *(Continued)*

(iii) Internal control procedures

To ensure future transactions with Yingjia Fashion Group are on normal commercial terms, we have adopted the following internal control procedures:

(i) we will develop our own estimate of processing fee based on factors mentioned above and obtain fee quotations from independent comparable OEM contractors for products which require processing services in similar quantities to determine if the price and terms offered by Yingjia Fashion Group are fair and reasonable and comparable to those offered by independent comparable OEM contractors;

(ii) we will select the successful OEM contractor for individual transaction based on objective standards such as publicly available raw material prices, the scale and reputation of the relevant OEM contractor, price and quality of processing services and products, and product delivery time and services;

(iii) regular reports regarding our Group's purchase and other relevant information will be provided to the independent non-executive Directors who will conduct semi-annual review of the purchase terms (including whether these are based on factors mentioned above) and the fairness of our Group's basis of selecting its OEM contractors; and

(iv) we will review and conduct sample checking regularly on the tag price of products in order to maintain the accurate tag price in the system.

Our Directors believe that the above measures will ensure that our Group's transactions with Yingjia Fashion Group are and will be conducted on normal commercial terms and the terms are not and will not be prejudicial to the interests of our Company and our minority Shareholders.

(iv) Reasons for and benefit of entering into the Processing Agreement

(i) the continuing focus on the production strategy of the Group of production through the Group's own raw material procurement with processing arrangement through OEM contractors rather than through purchase of finished products manufactured by OEM contractors, benefiting the Group by enhancing the overall profit margin;

(ii) the brands of the Group have achieved favourable results and the anticipated consistent performance and growth; and

(iii) given the long-term cooperation with Ganzhou Yingjia and Shenzhen Ifashion and their proven quality of services, the Group considers the processing agreement with them can provide a stable supply of quality services and respond to the increasing customer requirement for improved quality.

NON-EXEMPT CONTINUING CONNECTED TRANSACTION *(Continued)*

(B) Processing Agreement with Yingjia Fashion Group *(Continued)*

(v) Transaction amounts

For the year ended 31 December 2024, the VAT-inclusive processing fees incurred to Ganzhou Yingjia and/or Shenzhen Ifashion amounted to approximately RMB405.14 million and accounted for approximately 24.19% of our total purchase of outsourced products and subcontracting fees during the same periods, which is within the maximum annual amount of RMB432.00 million.

(vi) Annual caps

The maximum amount of VAT-inclusive processing fees under the 2022 New Agreement shall not exceed the cap of RMB300.00 million, RMB360.00 million and RMB432.00 million respectively for each of the three years ending 31 December 2022, 2023 and 2024.

In arriving at the above annual caps, our Directors have considered, among others, (i) historical processing fees Shenzhen Koradior paid to Yingjia Fashion Group in the past; (ii) the estimated market demand from customers for products of the Group; and (iii) the estimated size of production to be outsourced to Ganzhou Yingjia and Shenzhen Ifashion for processing and manufacturing.

Our Directors are of the view that (i) the 2022 Processing Agreement has been entered into in the ordinary and usual course of business of our Group, is on normal commercial terms and the terms of the 2022 Processing Agreement are fair and reasonable and are in the interests of our Company and our Shareholders as a whole; and (ii) the revised annual caps set for the 2022 Processing Agreement are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

As all the applicable percentage ratios (other than the profit ratio) in respect of the 2022 Processing Agreement are more than 0.1% and more than 5%, the 2022 Processing Agreement was subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. The 2022 Processing Agreement has been approved pursuant to the ordinary resolution of shareholders passed at the Extraordinary General Meeting held on 20 June 2022.

The independent non-executive Directors have reviewed and confirmed that the above non-exempt continuing connected transactions have been entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms or better; and

(iii) in accordance with the 2022 Processing Agreement governing it on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

NON-EXEMPT CONTINUING CONNECTED TRANSACTION *(Continued)*

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued their unqualified letter containing the auditor's findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 86 to 90 of the annual report in accordance with, and confirmed to the Board the matters set out in, Rule 14A.56 of the Listing Rules.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Pursuant to the rules of the 2024 Share Award Scheme, the Company instructed the trustee to purchase from the market a total of about 15.7 million shares for awards to the relevant grantees during the year ended 31 December 2024. The total costs (excluding related transaction costs) involved was about HK$143.37 million. Save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including the sale of treasury shares) during the year ended 31 December 2024. As at 31 December 2024, there were no treasury shares (as defined under the Listing Rules) held by the Company.

MANAGEMENT CONTRACTS

No contract, other than directors' service contracts and employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business was entered into or existed during 2024.

PERMITTED INDEMNITY PROVISION

Subject to the applicable laws, every Director and other officers of the Company shall be entitled to be indemnified by the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur in the execution and discharge of his or her duties or in relation thereto pursuant to the Company's Articles of Association. Such provisions were in force during the course of the financial year ended 31 December 2024 and remained in force as of the date of this report.

PRE-EMPTIVE RIGHTS

There is no provision for the pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

TAX RELIEF

The Company is not aware of any relief from taxation available to shareholders by reason of their holding of the Company's shares.

CORPORATE GOVERNANCE REPORT

Details of the Group's corporate governance practices can be found in the Corporate Governance Report contained on pages 57 to 70 in this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information available to the Company, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

CLOSURE OF THE REGISTER OF MEMBERS

To determine the eligibility of the shareholders of the Company to attend the AGM, the register of members will be closed from Tuesday, 3 June 2025 to Friday, 6 June 2025, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 2 June 2025.

To determine the eligibility of the shareholders of the Company to receive the proposed final dividend, the register of members will be closed from Friday, 13 June 2025 to Tuesday, 17 June 2025, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to receive the proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 12 June 2025.

AUDIT COMMITTEE

The Company set up an audit committee (the "Audit Committee") on 6 June 2014 for the purpose of reviewing and providing supervision on the financial reporting process, internal control system and risk management of the Group.

The Audit Committee comprises the three independent non-executive Directors with Mr. Zhang Guodong acting as chairman.

The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2024. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Group with external auditor.

AUDITORS

The consolidated financial statements for the year ended 31 December 2024 have been audited by Ernst & Young, who shall retire and being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Ernst & Young as auditor of the Company is to be proposed at the forthcoming annual general meeting.

On Behalf of the Board

Jin Ming
Chairman and Chief Executive Officer

25 March 2025

2024 HIGHLIGHTS

PRODUCT

100%
key raw material traceability by 2027 committed

70%
certified viscose sourced

EEKA EXTRA-LIFE
launched

Below 1%
dead stock maintained

PLANET

↓6%
non-hazardous waste intensity[1]

500 tonnes
paper boxes diverted from landfill

↓3.75
tonnes of non-woven bags[1]

ZERO
plastic bags used across all retail stores

PEOPLE

88%+
female representation in senior management

250,000+
total training hours

200+
employees supported with financial assistance through EEKA Charity Fund

100%
major suppliers communicated our ESG expectations

COMMUNITIES

8,000+
lives positively impacted

7
community initiatives launched and supported

RMB2.24 MILLION
donated to charitable causes

Community initiatives reached
10 provinces across China

1 Compared to FY2023.

AWARDS AND RECOGNITION

01 ABOUT THIS REPORT

Reporting Purpose, Period and Scope

EEKA Fashion Holdings Limited ("EEKA Fashion", "EEKA" or the "Company", together with its subsidiaries are collectively referred to as the "Group" or "We") is pleased to present its Environmental, Social, and Governance ("ESG") Report (this "Report"). This Report outlines our management approach to sustainability, including strategies, policies and performance. Unless otherwise specified, the Report covers the core business operations of our retail business under our house brands, which account for approximately 100% of the Group's total revenue for the period from 1 January 2024 to 31 December 2024 (the "Reporting Period").

Reporting Standards and Principles

The Report has been prepared in accordance with the disclosure requirements of the Environmental, Social and Governance Reporting Code (the "ESG Reporting Code") as set out in Appendix C2 to the Rules Governing the Listing of Securities (the "Listing Rules") issued by The Stock Exchange of Hong Kong Limited (the "HKEx"). The Report adheres to the reporting principles below, as stipulated in the ESG Reporting Code:

Principles	The Group's Responses
Materiality When the ESG issues covered in this Report have a material impact on investors and other stakeholders, the Group should provide relevant disclosures.	We maintain effective communication with our stakeholders through various channels and identify material ESG issues that are relevant and important to both the Group and our stakeholders.
Quantitative The Report should disclose KPIs. Targets should be set to reduce impacts. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts and given comparative data where appropriate.	The Report discloses its environmental and social KPIs in a quantitative and comparative manner, with descriptions where appropriate.
Balance The Report should impartially present the performance and challenges faced by the Group, avoiding any potential influence on the reader's decision-making or judgment through biased choices, omissions or reporting formats.	We disclose our environmental and social impacts and performance in a balanced manner, covering our achievements, challenges and room for improvement in relation to material issues, as well as reporting comprehensive KPIs and data.
Consistency The Group shall prepare the Report with consistent methodologies to allow for meaningful comparisons of ESG data over time.	Unless otherwise specified, we adopt consistent methodologies for the calculation of KPIs and conduct appropriate comparisons in the Report.

01 ABOUT THIS REPORT *(Continued)*

Access to the Report

As part of the Group's annual report, this Report has been prepared in both English and Chinese. It is available on the website of the HKEx, as well as the official website of the Group. The English version shall prevail in case of discrepancies between the English and Chinese versions.

Your Feedback

Your feedback on our sustainability performance and reporting is key to our continual improvement on sustainable development. You can contact us by email at ir@eekagroup.com.

02 ABOUT EEKA FASHION

Founded in 2007 and listed on the HKEx in 2014, EEKA Fashion stands as a distinguished house of eight refined brands – Koradior, La Koradior, ELSEWHERE, FUUNNY FEELLN, CADIDL, NAERSI, NAERSILING and NEXY.CO – each embodying the essence of affordable luxury. Rooted in a commitment to excellence, we place innovation and responsibility at the core of our strategy, enabling our house brands to refine their exquisite craftsmanship while shaping the future of luxury in a sustainable and conscientious manner. We capture these beliefs in our mission: "Combining the fashion aesthetics, savoring the exquisite life".

With a celebrated presence at Milan, New York, and Paris Fashion Weeks, EEKA Fashion continues to shape the narrative of contemporary elegance, redefining fashion aesthetics and the art of exquisite living on the world stage.

EEKA FASHION

~31
Cities of provinces, autonomous regions and municipalities of operation

1,800+
Retail stores

1,400+
Self-operated by EEKA Fashion

8
Houses of fashion brands

10,000+
Employees

VISION

To become a globally renowned Chinese affordable luxury brand management group

MISSION

Combining the fashion aesthetics, savoring the exquisite life

VALUE

Excellence
Openness
Innovation
Responsibility

02 ABOUT EEKA FASHION *(Continued)*

The EEKA Fashion Brand Portfolio

EEKA Fashion is a leading and thriving luxury group in the premium and high-end fashion sector, with a distinguished portfolio of eight brands celebrated for excellence and exquisite craftsmanship. Beyond the word of fashion, EEKA Fashion advances social responsibility through its charitable foundations.

BUSINESSES

FOUNDATION

赢家公益基金会
EEKA FOUNDATION

花样女子学堂
BLOOM WOMEN TRAINING CENTER

暖童之家
NUAN TONG ZHI JIA

花样E+衣

一对一助学

青竹计划
QING ZHU JI HUA

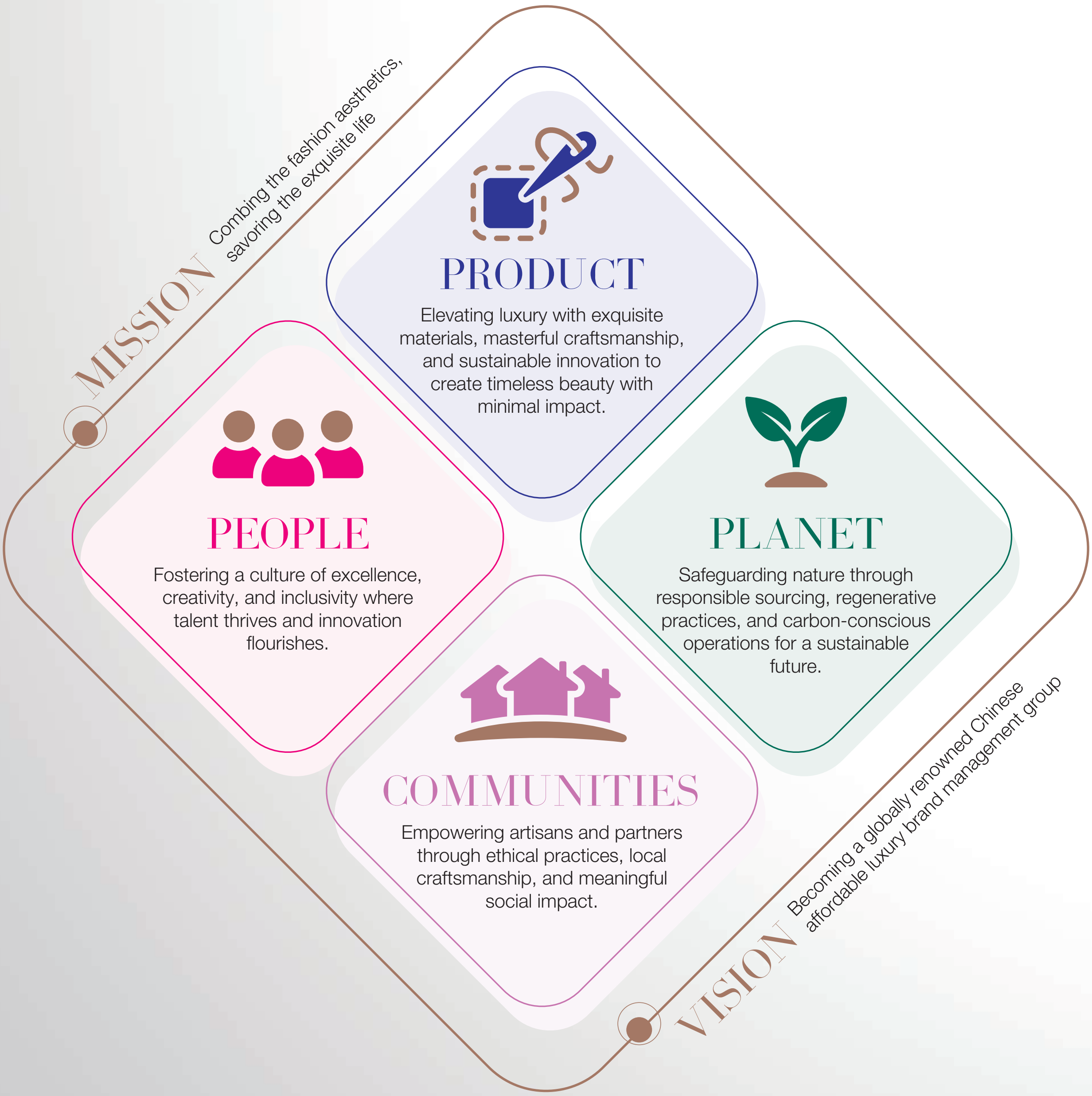
CARE
赢家时尚·关爱空间

03 APPROACH TO SUSTAINABILITY

Sustainable Luxury Vision 2030

This year marks a defining moment in EEKA Fashion's journey as we proudly unveil Sustainable Luxury Vision 2030 ("SLV2030"), a bold new chapter that reimagines the future of luxury through the lens of sustainability.

Redefining luxury for a sustainable future, the newly unveiled SLV2030 embodies our commitment to excellence with responsibility. As sustainability becomes integral to corporate leadership, SLV2030 drives our transformation, focusing on the ESG priorities that matter most. Rooted in four pillars – Product, Planet, People, and Communities – our strategy upholds the essence of luxury while shaping a more responsible and enduring future.



03 APPROACH TO SUSTAINABILITY *(Continued)*

UN Sustainable Development Goals

The Group supports the United Nations Sustainable Development Goals ("SDGs"), aligning our commitment with SLV2030 and key focus areas. The SDGs are more than a framework; they are a global call to action – to reduce inequality, create a better world for future generations, and ensure that all people can live in peace and prosperity by 2030. Guided by our industry expertise and business strengths, we prioritise the goals most impactful to our stakeholders, driving meaningful and lasting change.

EEKA Fashion's Contribution to the UN SDGs across our Product, Planet, People and Communities Pillars

03 APPROACH TO SUSTAINABILITY *(Continued)*

SLV2030 Progress

PRODUCT

Focus Area	Commitments	2024 Progress/Outcomes		SDG Alignment
Traceability	Advance end-to-end traceability to ensure responsible sourcing and transparency	• Committed to achieving 100% mapping and traceability of key raw materials by 2027	◐	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
		• Established EEKA's first traceability and mapping timeline and framework	●	
		• Implemented a comprehensive supply chain mapping initiative to drive transparency	●	
		• Launched our first traceability program	●	
		• Expanded the supply chain and sustainability hub	●	
Material Sourcing and Craftmanship	Elevate sourcing standards by prioritising responsibly sourced materials and artisanal craftsmanship	• Launched the Responsible Sourcing Database to enhance material traceability	●	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
		• Introduced the Fabric Lab to showcase material origin and sustainability	●	
		• Integrated environmentally preferred materials into our collections	●	
Design and Innovation	Scale circularity and eco-design with timeless aesthetics	• Introduced EEKA360, a program integrating sustainability throughout the product lifecycle	●	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
		• Rolled out EEKA Extra-Life circular services to extend product life	●	
		• Elevated circular design by embedding longevity, recyclability, and responsible materials into collections	●	
		• Launched a fabric waste recycling program in partnership with manufacturers	●	
		• Continued to introduce timeless pieces crafted for longevity	●	
		• Introducing EEKA's Care Guide to refine garment longevity	●	
Quality and Safety	Champion the highest standards of product quality and safety	• Achieved zero product recall due to safety and health reasons	●	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
		• Continued to introduce a diversified style of design	●	

● Completed ◐ On-track

03 APPROACH TO SUSTAINABILITY *(Continued)*

SLV2030 Progress *(Continued)*

PLANET

Focus Area	Commitments	2024 Progress/Outcomes		SDG Alignment
Climate Resilience	Act on climate change and transition to a low-carbon future	• Enhanced our climate-related risk management framework	●	13 CLIMATE ACTION
Resource Efficiency	Scale decarbonisation through energy efficiency and circular systems	• Prevented the use of over 500 tonnes of paper boxes by adopting circular turnover boxes • Enhanced Environmental Policy	● ●	7 AFFORDABLE AND CLEAN ENERGY 6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 14 LIFE BELOW WATER
Advancing Circularity	Promote eco-design and circularity in the fashion universe	• Introduced Green Renovation Principle to provide guidance on renovation of retails stores and offices	●	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS
Nature and Biodiversity	Protect and restore ecosystems to preserve natural balance and resilience	• Established EEKA's first nature and biodiversity conservation framework • Rolling out nature and biodiversity impact assessment mapping	● ◐	3 GOOD HEALTH AND WELL-BEING 15 LIFE ON LAND

● Completed ◐ On-track

03 APPROACH TO SUSTAINABILITY *(Continued)*

SLV2030 Progress *(Continued)*

PEOPLE

Focus Area	Commitments	2024 Progress/Outcomes	SDG Alignment
Employee Well-being	Enhance employee health and well-being	• Introduced a series of mental wellness activities, including singing bowl therapy and forest bathing • Continuing to provide financial assistance to employees during challenging times • Providing financial assistance for employees to purchase homes and vehicles	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH
Human Capital Development	Invest in world-class talent development, continuous learning, and leadership excellence	• Expanding EEKA University's training topics to include ESG-related issues • Successfully hosted EEKA Fashion Open Day to recruit young talents	8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
Supply Chain Well-being	Ensure ethical labor practices and fair treatment across the supply chain	• Enhanced our Supplier Code of Conduct to include more social standards • Strengthened the supplier management system by expanding the new supplier selection criteria and supplier evaluation process • Rolling out ESG training programs for major suppliers	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS
Ethical Business	Uphold the highest standards of integrity, governance, and corporate ethics	• Enhanced our Professional Incorruptible Code • Established an independent 24-hour whistleblowing hotline • Maintained the highest standard of integrity throughout our operations	8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Data Privacy and Cybersecurity	Safeguard customer data with robust cybersecurity measures and strict compliance	• Strengthened the information security management system • Established a comprehensive governance structure to oversee data privacy and cybersecurity	

Completed On-track

03 APPROACH TO SUSTAINABILITY *(Continued)*

SLV2030 Progress *(Continued)*

COMMUNITIES

Focus Area	Commitments	2024 Progress/Outcomes	SDG Alignment
Arts, Culture and Heritage	Champion artistic expression and cultural preservation	• Providing training to women artisans from ethnic minorities, preserving traditional craftsmanship • Opened EEKA Art Garden, a cultural space lending fashion and art, featuring installation art and brand synergy with Koradior and NAERSI	4 QUALITY EDUCATION; 8 DECENT WORK AND ECONOMIC GROWTH; 11 SUSTAINABLE CITIES AND COMMUNITIES
Women's Empowerment	Advance opportunities for women through leadership and education	• "Blooming Voices"（花開有聲）interview series continues to highlight the stories of women in philanthropy	5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 17 PARTNERSHIPS FOR THE GOALS
Support for Social Inclusion	Foster an inclusive society by supporting underrepresented communities	• Launched the "Kaleidoscope Mentally Disabled Art Troupe"（萬花筒心智障礙青年藝術團）, empowering individuals through artistic expression • Provided charity music classes and creative art sessions • Performed at charity events and debuted an original art exhibition	5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES; 11 SUSTAINABLE CITIES AND COMMUNITIES
Children and Youth's Education and Development	Empower future generations through education and skills training	• "Nuan Tong Zhi Jia"（暖童之家）established a total of 14 centers across Jiangxi, Zhejiang, Guizhou, and Tibet • "Bloom E+ Clothes"（花樣E+衣）donated sportswear sharing pack to over 3,300 students • "One-to-One Tutoring"（一對一助學）subsidised 143 students from underprivileged areas of central and western China • "Dream Growth Plan"（青竹計劃）continues to provide support to outstanding high school students from rural area	1 NO POVERTY; 2 ZERO HUNGER; 4 QUALITY EDUCATION; 8 DECENT WORK AND ECONOMIC GROWTH

Completed　On-track

03 APPROACH TO SUSTAINABILITY *(Continued)*

ESG Governance and Board's Oversight

The Board (the "Board") of Directors (the "Directors") of the Company has the overall responsibility for our ESG strategy and reporting, ensuring accountability for environmental and social issues across our operations through a robust governance framework.

ESG Governance Structure

OVERSIGHT STRUCTURE

ESG COMMITTEE

Comprised of executive directors and non-executive director at EEKA Fashion, meets annually to provide oversight on ESG issues, including but not limited to our ESG management approach, strategy, initiatives, risks and ESG-related goals and targets.

ESG MANAGEMENT GROUP

Comprised of senior leaders and cross-functional members from major business functions at EEKA Fashion, meets quarterly and is responsible for evaluating ESG objectives and performance, reporting annually to the Board and CEO, and monitoring progress across working groups. It also evaluates, prioritises, and manages ESG-related risks, including climate and supply chain risks, ensuring effective control measures are in place.

ESG-RELATED WORKING GROUPS AND BUSINESS UNITS

Comprised of cross-company teams, including Global Sustainability, Equality & Belonging, Product Marketing, Human Resources, Supply Chain Strategy, Government Affairs, Legal, and EEKA Foundation engage on ESG topics, meets quarterly and is responsible for execute ESG initiatives, establish systems and risk management frameworks, and drive progress toward sustainability goals in an orderly and effective manner.

03 APPROACH TO SUSTAINABILITY *(Continued)*

ESG-related Risk Assessment

At EEKA Fashion, we are committed to upholding the highest standards of sustainability and governance. To safeguard our operations and long-term success, we proactively identify and assess both existing and emerging ESG risks that could impact on our business and strategic objectives. Through rigorous evaluation and continuous monitoring, we strengthen our resilience and ensure sustainable value creation.

- The ESG Management Group identifies material ESG risks, including climate and supply chain risks, under the Board's oversight.
- Risks are assessed through market analysis, regulatory updates, and internal reviews.

- We evaluate the impact and likelihood of key ESG risks.
- ESG and corporate governance risks are monitored via investor reports and internal assessments.

- Risks are prioritised based on impact and likelihood.

- The Board delegates ESG risk oversight to the ESG Committee.
- Risk mitigation measures and internal controls are implemented across business units.
- The Board receives regular ESG training to stay ahead of regulatory changes.

03 APPROACH TO SUSTAINABILITY *(Continued)*

Stakeholder Engagement

True leadership begins with meaningful dialogue. EEKA Fashion's success as a globally renowned Chinese affordable luxury brand management group, celebrated for its exceptional design and fabric quality, is built on enduring relationships with our stakeholders.

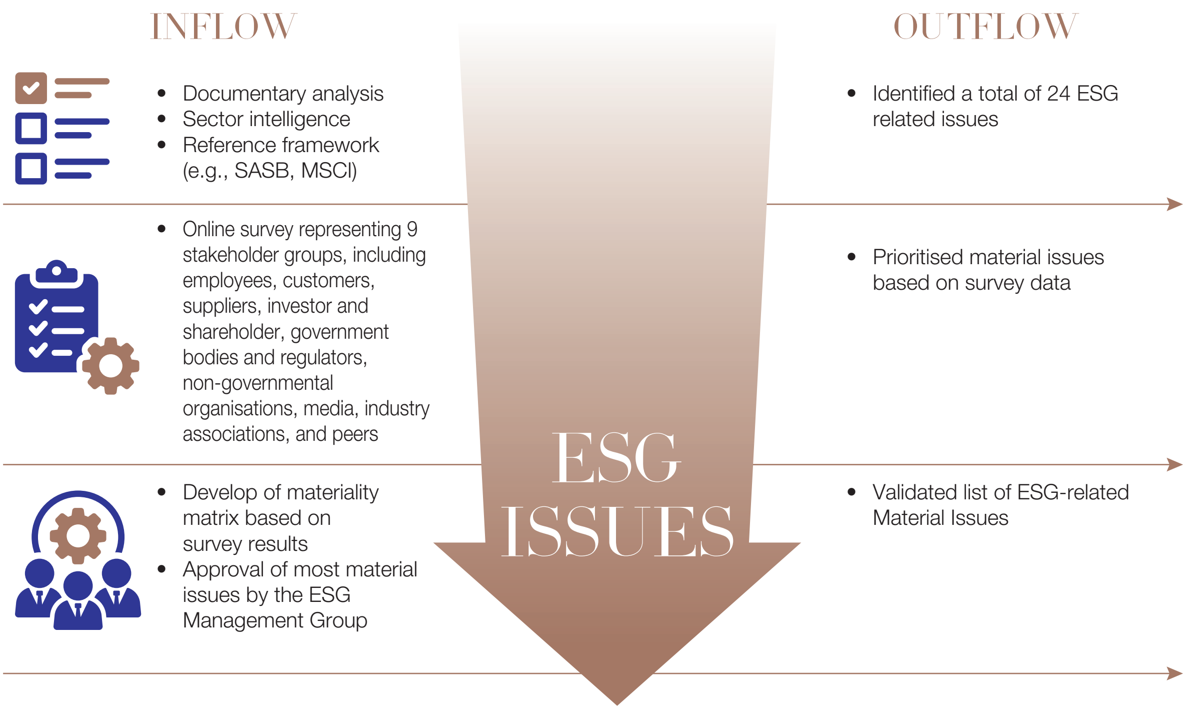
Stakeholders	Expectations and Concerns	Communication Channels
Employees	• Compensation and benefits • Training and development • Performance reviews	• Regular meetings • Training sessions • Workplace safety and protection • Team-building activities
Customers	• High quality products and services • Protection of customer rights	• Customer satisfaction surveys • Face-to-face meetings • On-site visits • After-sales services
Suppliers	• Fair and open procurement • Win-win cooperation • Payment schedule and supply stability	• Open tendering • Supplier satisfactory assessment • Face-to-face meetings • On-site visits
Shareholders & Investors	• Return on investments • Corporate governance • Business compliance	• Regular reports and announcements • General meetings • Company's official website
Government & Regulatory Authorities	• Compliance with laws and regulations • Business sustainability	• Compliance supervision • Routine reports
Media & Communities	• Community involvement • Business compliance • Environmental awareness	• Media conferences • Responses to enquiries • Public welfare activities • Company's official website

03 APPROACH TO SUSTAINABILITY *(Continued)*

Stakeholder Engagement *(Continued)*

Materiality Assessment

We conducted an ESG materiality assessment to identify the issues most critical to our stakeholders and where EEKA Fashion can drive the greatest impact. Insights were gathered through online stakeholder surveys, evaluating key operational, environmental, and social influences on our business.



03 APPROACH TO SUSTAINABILITY *(Continued)*

Stakeholder Engagement *(Continued)*

Materiality Matrix

A materiality matrix was used to show the importance of 24 ESG-related material issues to stakeholders and to business. The most material issues are listed in Tier 1 of the matrix, the less material issues are listed in Tier 3. During the Reporting Period, a total of 13 issues in Tier 1 of the matrix were regarded as the most material issues and will be highlighted in this Report.

03 APPROACH TO SUSTAINABILITY *(Continued)*

Stakeholder Engagement *(Continued)*

List of ESG-related Material Issues

Materiality	Issues	Strategic Category	Corresponding Chapter
Tier 1: Most Material Issues	3. Energy Efficiency and Greenhouse Gas Emissions	Planet	Resource Efficiency
	5. Packaging Material Consumption	Planet	Resource Efficiency
	9. Occupational Health and Safety	People	Employee Well-being
	11. Employment Compliance	People	People
	12. Data Protection and Cybersecurity	People	Data Privacy and Cybersecurity
	13. Anti-Corruption	People	Ethical Business
	18. Intellectual Property Protection	Product	Quality and Safety
	19. Product Lifecycle	Product	Product
	20. Process and Product Innovation	Product	Design and Innovation
	21. Product Quality and Safety	Product	Quality and Safety
	22. Customer Service	Product	Quality and Safety
	23. Responsible Marketing and Advertising	Product	Quality and Safety
	24. Community Investment	Communities	Communities
Tier 2: Material Issues	7. Employee Benefits	People	Employee Well-being
	8. Equal Opportunities, Diversity, and Inclusion	People	Diversity, Equity and Inclusion
	10. Employee Development and Training	People	Human Capital Development
Tier 3: Less Material Issues	1. Air Emissions	Planet	Resource Efficiency
	2. Waste Management	Planet	Resource Efficiency
	4. Water Efficiency and Conservation	Planet	Resource Efficiency
	6. Climate Change Resilience and Adaptation	Planet	Climate Resilience
	14. Social Risks in the Supply Chain	People	Supply Chain Well-being
	15. Environmental Risks in the Supply Chain	People	Supply Chain Well-being
	16. Transparency and Stability of Raw Materials	Product	Traceability; Material Sourcing and Craftmanship
	17. Sustainable Materials and Green Procurement	Product	Supply Chain Well-being

04 PRODUCT

Our journey is anchored in our dedication to creating timeless pieces – luxury that lasts. Each piece is designed to stand the test of time, combining the highest levels of craftmanship with the finest materials while embracing circularity and eco-design, as well as addressing environmental impacts our customers have come to expect.

As part of our commitment to crafting products with premium quality and purpose, we scaled up our efforts during the Reporting Period with the first launch of EEKA360 – a program designed with a focus on sustainability and the full product lifecycle across all house brands. Through this initiative, we aim to enhance the sustainability performance of our business at every stage of a product's journey, from initial design concepts and material sourcing to manufacturing, transport and logistics, sales and customer experience, as well as end-of-life:

04 PRODUCT *(Continued)*

Traceability

We are on a journey towards greater traceability and transparency. As we begin to unveil each step of our supply chain, we gain deeper insight into the origins of our materials, the processes behind their creation, as well as the environmental and social footprint they have along the way.

With this in mind, we have set an ambitious target: to achieve 100% mapping and traceability of all key raw materials by 2027. This milestone reflects our dedication to a more transparent and responsible supply chain, ensuring that every fiber and material upholds the highest standards of integrity, sustainability and craftsmanship.

EEKA Traceability and Mapping Timeline

The following timeline reflects our commitment and progress towards our target, while also demonstrating our strategic approach to leveraging supply chain mapping and traceability. These initiatives enable us to identify and manage risks along our supply chains and advance our responsible sourcing program.

2024

Baseline & Strategy
Categorisation of key raw material for traceability and mapping pilot program including wool, fibers, cotton, down, cashmere, silk, hardware

2025

Transition & Innovation (1st stage)
Tier A* key raw material traceability program
100% Tier A supply chain mapping

2026

Transition & Innovation (2nd stage)
Tier B* key raw material traceability program
100% Tier B supply chain mapping

2027

Scaling & Transparency
Tier C* key raw material traceability program
100% Tier C supply chain mapping

Full Integration & Accountability
Ongoing implementation of supply chain and traceability program

2027

Bringing this vision to life requires decisive action. During the Reporting Period, we initiated a comprehensive supply chain mapping initiative, refining our oversight and strengthening our ability to trace materials back to their source. In close collaboration with our suppliers, we launched our first traceability program, reinforcing our dedication to sourcing materials responsibly.

* Tier A, B and C suppliers refer to most important, important and general suppliers.

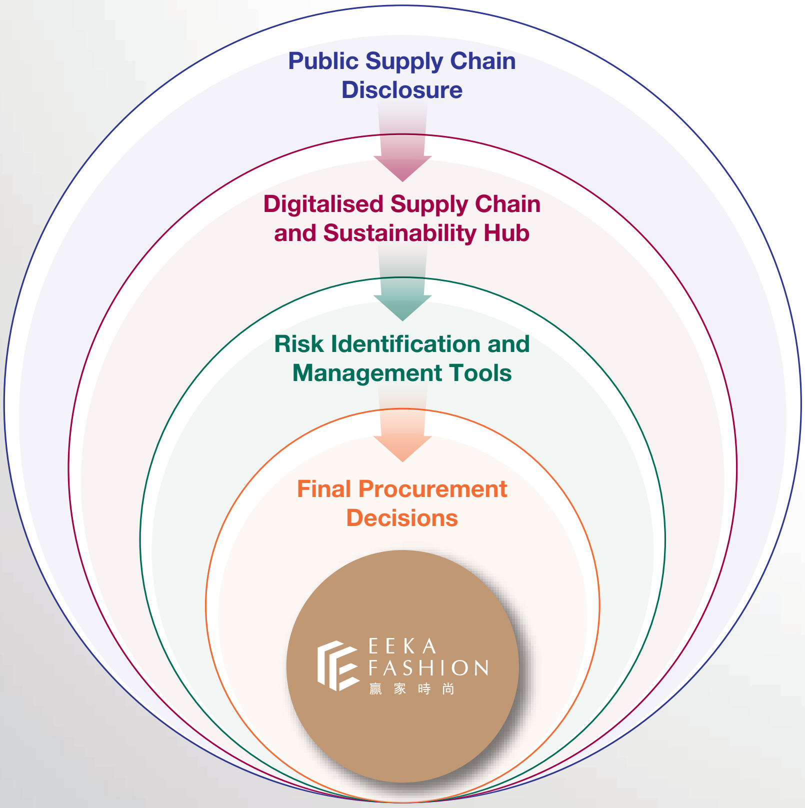
04 PRODUCT *(Continued)*

Traceability *(Continued)*

EEKA's Mapping and Traceability Program Framework

Our efforts are as follows:

Component 01: Public Supply Chain Disclosure	Our Tier A suppliers' data are publicly disclosed by geographical location on an annual basis to promote greater supply chain disclosure and accountability.
Component 02: Digitalised Supply Chain and Sustainability Hub	We have expanded our Supply Chain and Sustainability Hub, completing the onboarding of our Tier A and Tier B suppliers to strengthen traceability and oversight. To further advance our responsible sourcing efforts, we continue to evaluate and implement new technologies, enhancing our data infrastructure to support sustainable decision-making and accountability across our supply chain.
Component 03: Risk Identification and Management Tools	After identifying where fibers, materials, and products are produced or processed, it's essential to assess the implications. EEKA Fashion addresses this at both the regional and factory levels using various tools, including on-site assessments. Additionally, we utilises our own database to evaluate water stress and risk in their operations and supply chain.
Component 04: Final Procurement Decisions	Mapping EEKA's value chain identifies opportunities for impact management, supplier engagement, and strategic investments. Data-driven insights strengthen decisions and customer relationships. We prioritise tracing raw material origins and supplier collaboration to enhance transparency and responsible sourcing, aligning with consumer demands and regulations for a sustainable, responsible business model.



04 PRODUCT *(Continued)*

Traceability *(Continued)*

EEKA Traceability and Mapping Progress

Sustainable Material Type	Mapped Progress (Traceable Origins)
Silk	40%
RENEW	100%
Down feather	100%
Wool	80%

Material Sourcing and Craftmanship

We firmly believe that sustainable luxury begins with the thoughtful selection of materials that minimise environmental impact while maintaining the highest quality and craftsmanship. Our materials have achieved the following sustainable material certifications:

Building on this foundation, our collections showcase how thoughtfully sourced materials and exceptional craftsmanship come together to create pieces that embody both timeless elegance and sustainability.

Sustainable Fibers

The cellulosic fibers we use come from sustainable sources, including Forest Stewardship Council (FSC) and OEKO-TEX® certified materials, as well as recycled fibers certified by the Global Recycled Standard (GRS) and Recycled Claim Standard (RCS). In partnership with Lenzing, we incorporate TENCEL™ Modal, TENCEL™ Lyocell, and carbon-zero TENCEL™ fibers into our products. These fibers are sourced from responsibly managed forests and produced through a low-impact manufacturing process that significantly reduces chemical, water, and energy usage.

Wool

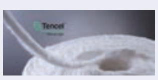
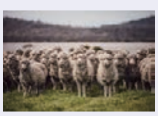
Recycled Polyester

Viscose Fabric

Silk

04 PRODUCT *(Continued)*

EEKA Fabric Lab

FSC-certified Viscose Fiber	Textiles made from forest-based materials (such as rayon, viscose, modal or lyocell) are increasingly used in the fashion industry. Cellulose fibers produced from well-managed forests are **more environmentally friendly** than synthetic fibers (such as nylon or polyester) and even better than natural fibers such as cotton.
GRS-certified Viscose Fiber	The Global Recycled Standard (GRS) A voluntary standard verifying recycled material content in products. It covers the entire supply chain, ensuring traceability, social and environmental compliance, chemical safety, and proper labeling. GRS applies to products with at least **20%** recycled material and requires third-party certification for content, chain of custody, and sustainable practices.
OEKO-certified Viscose Fiber	OEKO-TEX certification, particularly the STANDARD 100 label, is a globally recognised standard for testing and certifying textiles and leather products for harmful substances. It ensures that products are free from over **300** regulated chemicals, including carcinogens, allergens, and heavy metals, making them safe for human use and environmentally responsible.
RCS-certified Viscose Fiber	The Recycled Claim Standard (RCS) is a global certification developed by Textile Exchange to verify and trace recycled content in products, including viscose fibers. For RCS certification, a product must contain at least **5%** recycled material, with stringent documentation and auditing requirements across the supply chain to ensure transparency from raw material sourcing to final production.
 **Lyocell**	Lyocell fibers from Lenzing are derived from the renewable raw material wood and produced in a closed-loop process, which transforms wood pulp into cellulosic fibers with high resource efficiency and low ecological impact. This solvent-spinning process recycles process water and reuses the solvent at a recovery rate of more than **99.8%**. Lenzing's lyocell fibers show around 50% lower greenhouse gas emissions than generic lyocell.
 **TENCEL™ Modal**	Sourced from natural wood and produced by an Austria-based manufacturer Lenzing, TENCEL™ Modal offers an exquisitely soft, skin-friendly touch with lasting durability, while producing around **80%** fewer greenhouse gas in production than generic modal fibers.
 **Australian Wool**	We prioritise traceable wool, combining timeless elegance with responsible sourcing and a commitment to animal welfare.

04 PRODUCT *(Continued)*

Accelerating Responsible Sourcing Commitment

During the Reporting Period, we took decisive action in our supply chain in line with our commitment to advance product transparency and traceability, while ensuring every product we create upholds the highest standards of environmental and ethical excellence. In addition to in-depth training to our teams and suppliers, below is a selection of our traceability pilots and initiatives:

- **Launched the Responsible Sourcing Database:** A milestone in our sustainability journey, this database serves as a comprehensive resource for tracking material certifications and enhancing supply chain visibility. It empowers our teams to make informed sourcing decisions for environmentally preferred materials, ensuring that each material aligns with recognised environmental and ethical standards.

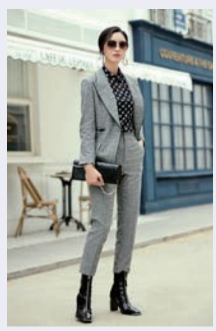
- **Exploring the Launch of the Fabric Lab in 2025:** Designed to enhance transparency and traceability, the Fabric Lab will offer customers deeper insight into the environmental and social impact of the materials behind every piece. With this initiative, we invite our customers to trace the journey of our fabrics and appreciate the thoughtful craftsmanship that defines our house of fashion brands.

NEXY.CO x WWF – The "Green Planet" Collection

In a harmonious blend of fashion and environmental consciousness, NEXY.CO partnered with WWF and the One Planet Foundation to launch the "Green Planet" collection. This series not only celebrates simplicity design but also embodies a deeper purpose – raising awareness for improving Amur tiger's natural habitat and biodiversity. Each piece reflects a commitment to preserving the planet while offering a timeless expression of style.

NAERSI's Color-Spun Wool Suit – A New Chapter in Eco-Luxury

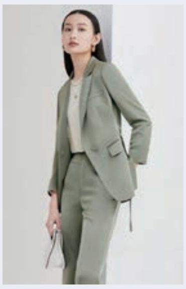
NAERSI introduced a color-spun wool suit crafted from fine color-spun yarn and Italian yeast, redefining modern tailoring with sustainability at its core. Free from traditional dyes, this suit is both pollution-free and energy-efficient, preserving natural resources without compromising on luxury or elegance.



04 PRODUCT *(Continued)*

NAERSILING's Water Lily Green Suit – Sustainable Elegance Redefined

The NAERSILING brand unveiled the Water Lily Green Suit, made from environmentally friendly, single-sided tangled satin triacetate fabric. This luxurious fabric is traceable and produced through sustainable processes, offering not only exceptional comfort but also a refined sense of quality and sophistication.



Koradior x Naia™ – Innovation Meets Sustainability

In collaboration with Naia™, Koradior presents a collection made from a unique blend of 60% sustainably sourced wood pulp and 40% recycled materials, to promote responsible sourcing. This partnership brings together cutting-edge fiber technology and luxury craftsmanship, resulting in pieces that embody both modern elegance and a forward-thinking approach to sustainability.

Design and Innovation

At EEKA Fashion, every creation begins with a story – one that blends both innovative design and the art of craftsmanship with a deep respect for the planet. We believe that true luxury is not only defined by timeless style and exceptional craftsmanship but also by the careful choices we make in how our products are created, used, and preserved.

To further our commitment to sustainability, we have implemented a design and innovation strategy that applies to all products, aiming to minimise environmental impact at every stage of their lifecycle. This includes thoughtful selection of raw materials, optimising manufacturing processes, and extending product life. We also monitor and report on our progress while exploring participation in industry initiatives to further enhance our eco-design efforts.

Our design and innovation strategy is centered on three focus areas:

04 PRODUCT *(Continued)*

1 Design for Circularity

We integrate circular principles from the very beginning, ensuring that every design minimises waste and maximises resources without compromising on luxury.

Fabric waste recycling program

- Launched in collaboration with manufacturers to increase textile offcut recycling and repurposing.

Eco-design for circularity

- Minimise textile waste through optimised pattern layouts and fabric cutting designs.
- Incorporate modular designs with detachable components, we extend the product lifecycle through easy reparability.

Sustainable materials and processes

- Design with environmentally preferred materials through the lens of eco-design and circularity, with internal eco-design guidelines in place, seeking to minimise environmental impact across product life cycle.

Eco-design awareness

- We believe in empowering our teams and suppliers with knowledge, which is why we provide eco-design training to ensure sustainability is embedded at every level.

2 Design for Circularity

We craft products to stand the test of time, both in design and durability, ensuring they remain treasured for years to come.

Fashion for good:

- Our designs are made to transcend trends, focusing on enduring elegance that aligns with sustainability and timelessness.

Lower-impact products and materials:

- We select high-quality, durable materials to ensure that each piece remains timeless, offering lasting beauty and wear.

04 PRODUCT *(Continued)*

3 Extend Product Use

Our creations are designed to live beyond a single season, with services and expertise that help customers extend the life of their cherished pieces.

EEKA Extra-Life circular services

- We have elevated the EEKA Extra-Life program, offering after-sale expert repair and maintenance services tailored to extend the life of our timeless creations. All repairs are completed by internal repair teams at our repair hub(s) who have been trained to align with our quality standards. We are also actively evaluating the expansion of repair options to ensure that every product fulfils its potential for the longest life possible.

After-sale care

- We have introduced EEKA's Care Guide, a curated collection of care instructions and tailored maintenance advice for wool, leather, acetate and silk, to further elevate the life of our cherished pieces.

Repair and upcycling expertise

- We work to enhance employee capabilities in repair and upcycling to restore and rejuvenate products through training programmes, giving them a second life while maintaining their craftsmanship and sustainability.

Customer education

- Customers are educated on environmental impact and product care through in-store experiences and social media outreach.

EEKA Extra-Life by the Numbers in FY2024

04 PRODUCT *(Continued)*

Quality and Safety

Excellence is not just an aspiration – it is the foundation of our brand. From the precision of our craftsmanship to the seamless experience we offer our customers, we uphold the highest standards of quality, safety, and integrity across every touchpoint. Our dedication to exceptional product standards is driven by a meticulous quality inspection process, ensuring that each piece reflects the artistry and refinement our clientele expect.

Beyond the tangible attributes of our products, we are equally committed to fostering an elevated customer experience, one that embodies sophistication, responsiveness, and personalised service. Our approach extends to safeguarding intellectual property, reinforcing ethical marketing, and adhering to transparent labelling practices. By upholding these principles, we continue to set benchmarks in the affordable luxury space, where heritage meets innovation and quality is uncompromised. The Group fully complies with all applicable laws and regulations related to health and safety, intellectual property, advertising customer privacy and labelling[2] in the regions where we operate.

Product Quality

Every piece we create undergoes a rigorous inspection process to uphold our uncompromising standards of craftsmanship, durability, and aesthetic excellence. From the selection of raw materials to the final garment inspection, our meticulous quality control framework ensures that we deliver garments that exemplify precision, elegance, and longevity.

We implement a whole-process management approach, embedding quality assurance at every stage of production.

1. **Supplier Procurement**
   - Require FOB/ODM suppliers to source raw materials from designated suppliers aligned with our design and specifications.
   - Define and contractually mandate quality control standards, ensuring fabrics meet or exceed national benchmarks.
2. **Fabric Development**
   - Conduct rigorous testing on bursting strength, pilling, slippage, colour fastness, shrinkage, and other critical physical properties.
3. **Pre-Mass Production Testing**
   - Evaluate fabric durability through multiple washing cycles, simulating real-life wear conditions.
   - Use craft samples to assess deformation risks under consumer usage patterns.
4. **Post-Mass Production Inspection**
   - Perform detailed quality checks on bow samples to validate appearance, texture, and colour consistency.

2 Please refer to the "Significant Laws and Regulations" section for the list of environmental laws and regulations significant to our business operations.

04 PRODUCT *(Continued)*

Quality and Safety *(Continued)*

Product Quality (Continued)

5. **Third-Party Fabric Testing**

   - Engage independent laboratories to test fabric content, colour fastness, and the presence of restricted substances (e.g., formaldehyde, azo dyes, pH levels, and odour).

6. **Warehouse Quality Control**

   - Provide technical and quality risk guidance at early, middle, and late stages of the production line.
   - Conduct QC inspections on all finished goods before shipment.
   - Execute on-site audits of raw materials, semi-finished products, and components in production.

7. **Final Garment Inspection**

   - Appoint professional third-party agencies to verify finished products against national and industry standards.
   - Subject OEM supplier shipments to stringent internal and external inspections before dispatch.

Product Recall

EEKA Fashion has established a comprehensive Product Recall Management System to uphold product quality and safeguard consumer rights. In alignment with national regulations and industry best practices, our recall procedures are as follows:

1. **Defect Identification:** Conducted through market research, customer feedback, and internal testing.
2. **Assessment & Decision-making:** A dedicated recall evaluation team assesses the severity and scope of the defect.
3. **Recall Plan Development:** Defining recall steps, communication strategies, timeline, and resource allocation.
4. **Recall Execution:** Immediate cessation of sales, product withdrawal announcements, and logistical coordination for returns.
5. **Post-recall Actions:** Products are repaired, replaced, or disposed of, followed by a comprehensive review for continuous improvement.

During the Reporting Period, we did not recall any sold or shipped products for safety and health reasons.

04 PRODUCT *(Continued)*

Quality and Safety *(Continued)*

Customer Experience

Customer experience is at the heart of our brand philosophy, embodying sophistication, exclusivity, and meticulous attention to detail. We are dedicated to cultivating a seamless and immersive journey, ensuring that every interaction reflects the elegance and refinement that define our brands. Through a deep understanding of our clientele's evolving desires, we craft an experience that is both distinctive and deeply personal, reinforcing our commitment to excellence at every touchpoint.

Through our customer engagement program, we ensure every interactions embodies the essence of modern luxury. Our approach includes:

- **Personalised Engagement:** True luxury lies in attention to detail. We provide bespoke updates on our latest collections, tailored recommendations, and exclusive previews. Our sales associates personally share product care guides with customers to ensure the longevity of their garments, complemented by an online version for easy access.

- **Customer Interviews:** Our valued customers are invited to share their preferences, expectations, and insights on our brands, this ensures our creations continue to reflect the evolving aspirations of our customers.

- **AI-driven Engagement:** Leveraging AI-powered analytics, we anticipate customer desires, curate tailored experiences, and foster lasting relationships.

04 PRODUCT *(Continued)*

Quality and Safety *(Continued)*

Customer Experience (Continued)

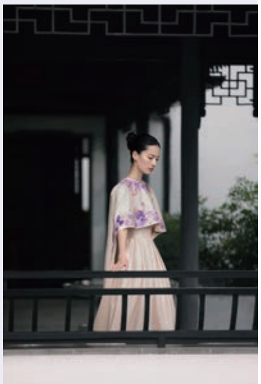
Diversity in Design: A Celebration of Individuality

We embrace diversity in design, curating collections that seamlessly blend timeless elegance with modern versatility. Beyond classic silhouettes, we offer an expansive range of styles, ensuring that every woman finds pieces that reflect her unique identity. From sophisticated dresses to impeccably tailored separates and contemporary essentials, our collections celebrate self-expression and inclusivity.

Tailor-made Elegance: A Bespoke Experience

Through our bespoke tailoring service, we offer clients a refined experience where craftsmanship meets individuality.

With precision and artistry, our master tailors meticulously crafted each alteration, preserving the original integrity of the design while achieving a flawless, personalised fit. From subtle sleeve refinement to precise waist sculpting and custom-length adjustments, each modification was executed with the utmost care.



Complaint Handling

We are dedicated to protecting our brand integrity and ensuring customer satisfaction through a transparent, efficient, and customer-focused complaint handling process. Guided by our Complaint Handling Policy, we address product quality concerns promptly while fostering trust and continuous improvement. Quality-related issues are met with repairs, replacements, or refunds, while non-quality concerns are addressed with care, focusing on education and prevention.

Immediate Response and Frontline Empowerment

Store associates are trained to resolve complaints on-site where possible, offering timely solutions, such as repaired or gestures of goodwill to ensure customer satisfaction.

Escalation and Expert Evaluation

If issues exceed store-level authority, they are swiftly escalated to our Quality Assurance team for assessment. Within three working days, customers receive an informed resolution.

Regularly Review of Complaints Mechanism

We conduct monthly complaint analyses to identify trends, address recurring issues, and refine our product and service standards. During the Reporting Period, we received 9 material complaints regarding the quality of goods or services we provide.

04 PRODUCT *(Continued)*

Quality and Safety *(Continued)*

Intellectual Property

Creativity, innovation, and craftsmanship drive our commitment to delivering exceptional products, and we recognise that intellectual property ("IP") is crucial to preserving this value.

We secure our own IP while respecting third-party right. Before using any IP for business purposes, we confirm ownership or obtain the necessary authorised. We also offer IP-focused training to raise awareness and ensure compliance with relevant laws and best practices.

EEKA Fashion holding
over **198** registered patents
over **430** registered trademarks
over **720** registered copyrights

Product Advertising and Labelling

We prioritise transparency and integrity in our marketing, advertising, and labelling practices, ensuring all communications reflect our commitment to quality and help customers make informed decisions.

To comply with consumer protection regulations, we have established an internal framework that keeps us updated on legal requirements and industry best practices. We focus on ensuring marketing claims are truthful, backed by evidence, and avoid misleading environmental claims, and committed to improving systems for verifying claims and ensuring clear product descriptions, including safety, origin, content, and disposal information.

05 PLANET

We recognise that sustainability is woven into the very fabric of our business. Our commitment to environmental responsibility extends beyond compliance – it's about redefining fashion's impact on the planet.

From embracing climate resilience to optimising resource efficiency and safeguarding biodiversity, we are actively shaping a future where luxury and sustainability go hand in hand. Through innovation, collaboration, and responsible stewardship, we strive to minimise our footprint while maximising positive change. Additionally, we fully comply with all applicable environmental laws and regulations[3] in the regions where we operate.

Climate Resilience

The fashion industry is increasingly exposed to the challenges of climate change, from extreme weather events disrupting supply chains to shifting climate patterns affecting raw materials availability. As global temperatures rise, we must proactively adapt to climate-related risks while contributing to the transition toward a low-carbon economy.

In response to global climate crisis, the Paris Agreement aims to limit global warming to well below 2 °C above pre-industrial levels, with efforts to keep it below 1.5 °C. However, 2024 marked a critical turning point, becoming the warmest year on record at approximately 1.55 °C above pre-industrial levels. This makes it the first full calendar year to surpass the 1.5 °C threshold, underscoring the urgency for decisive climate action. Governments, industries, and businesses worldwide are accelerating their decarbonisation efforts in response to this growing climate emergency. China, as the world's second-largest economy, has set ambitious climate targets under its Dual Carbon strategy: peaking carbon emissions by 2030 and achieving carbon neutrality by 2060.

As a responsible fashion company, EEKA Fashion is committed to aligning with China's climate goals. In 2021, our fashion brands Koradior and NEXY.CO are one of the first brands to join the Chinese Fashion Brands Climate Innovation Carbon Neutral Acceleration Plan (the "30-60 Net Zero Accelerating Plan"). Besides, all of our eight brands have joined the Smart Coalition for Sustainability initiated by Women's Wear Daily, a fashion industry trade journal. Building on this foundation, we target to reduce our greenhouse gas ("GHG") emissions and focus on integrating climate considerations into our operations and supply chain to drive long-term emissions reductions.

3 Please refer to the "Significant Laws and Regulations" section for the list of environmental laws and regulations significant to our business operations.

05 PLANET *(Continued)*

Climate Resilience *(Continued)*

We recognise that climate change presents both risks and opportunities for our business. EEKA Fashion has taken critical steps to identify key climate-related risks that could impact our operations and supply chain.

Climate-related risk	Impact	Our Response
Physical risk		
Acute risk	• Extreme weather events, such as typhoons, floods, and heatwaves, may disrupt supplier operations, leading to production delays and supply chain interruptions • Severe weather conditions could damage physical store locations, impacting business continuity and increasing operational costs • Disruptions in logistics and transportation networks may result in delayed product deliveries and inventory shortages. Since we operates on a seasonal cycle, seasonal sales performance could be significantly impacted if suppliers fail to deliver on time	• Implementing contingency planning for supply chain disruptions, including diversifying sourcing regions and securing alternative suppliers • Enhancing store resilience by evaluating and reinforcing infrastructure in high-risk areas • Leveraging our RFID-enabled warehouse system to track inventory levels in real time, allowing for better forecast and agile inventory management to mitigate potential seasonal disruptions caused by extreme weather
Chronic risk	• Rising temperatures and shifting climate patterns may affect raw material availability, particularly for natural fibers such as cotton, wool, and silk • Increased energy consumption for cooling systems in stores and warehouses could lead to higher operational costs	• Exploring sustainable material alternatives and engaging suppliers in climate adaptation strategies • Implementing energy efficiency measures in stores and warehouses to mitigate rising cooling demands

05 PLANET *(Continued)*

Climate Resilience *(Continued)*

Climate-related risk	Impact	Our Response
Transition risk		
Policy and legal risk	• Stricter government regulations on carbon emissions, energy efficiency, and environmental compliance may increase operational costs • China's evolving carbon trading market may increase costs for companies exceeding emissions limit, impacting long-term operating expenses • HKEx's enhanced climate reporting requirements from 2025 will demand greater transparency, requiring additional compliance efforts	• Aligning with China's Dual Carbon goals and integrate climate considerations into corporate strategy • Strengthening supplier engagement to manage potential carbon cost implications • Monitoring regulatory developments to ensure proactive compliance
Market risk	• Climate change and regulatory pressures are driving shifts in supply and demand for sustainable materials, leading to rising costs for key raw materials like organic wool and silk • Increased competition for certified and responsibly sourced materials may result in supply constraints and higher procurement expenses • Extreme weather events disrupting agricultural production, further driving up raw material prices	• Expanding partnerships with sustainable suppliers to secure stable sourcing • Exploring alternative and innovative materials to reduce reliance on high-cost resources • Strengthening supplier risk assessments to mitigate climate-related supply disruptions

05 PLANET *(Continued)*

Resource Efficiency

Efficient resource management is fundamental to reducing environmental impact and enhancing long-term business resilience. As a fashion company, EEKA Fashion recognises the importance of minimising waste, optimising energy and water use, and sourcing materials responsibly. In 2024, we launched our Environmental Policy, providing clear guidance on responsible consumption, emissions reduction, and sustainable operational practices.

Energy management

Energy is at the core of our operational efficiency and environmental responsibility. We closely monitor the energy usage of our facilities, including retail stores, offices, logistics centre, as well as the energy consumption from combustion engine vehicles. We are committed to elevating energy performance and aligning with the highest sustainability standards in the fashion industry.

- **RFID-enabled warehouse system:** Enhancing logistics centre efficiency, reducing unnecessary energy consumption by optimising inventory flows;
- **LED lighting system:** Creating elegant, inviting retail spaces while minimising our carbon footprint;
- **Power management:** Ensuring that all non-essential electrical equipment is switched off when not in use;
- **Temperature control:** Maintaining a stable indoor temperature of 25 ºC with minimised door and window openings while air conditioning is in operation; and
- **Lighting efficiency:** Encouraging a lights-off policy in meeting rooms and other shared spaces when unoccupied.

Water Stewardship

Water is an essential resource, vital to both our operations and the world at large. While our business model does not heavily rely on water usage, we recognise the importance of responsible water management across all areas of our operations. Water used in our business operations is sourced from municipal water supply, hence we did not experience any issues in sourcing water that was fit for purpose during the Reporting Period.

Within our control, we promote water conservation by providing training to employees, encouraging practices such as ensuring faucets are fully turned off when not in use. Outside our direct operations, we hold our suppliers accountable through our Supplier Code of Conduct, which sets clear expectations for compliance with all applicable laws and regulations and water conservation.

05 PLANET *(Continued)*

Resource Efficiency *(Continued)*

Waste Management

EEKA Fashion is dedicated to minimising waste generation and optimising resource use throughout our operations. Our approach emphasises waste avoidance, material recovery, and sustainable disposal practices to reduce environmental impact. Non-hazardous waste from our retail activities primarily includes shopping bags, gift boxes, packaging materials, paper cups, and paper, which we aim to manage responsibly.

We have strictly required the reduction of the use of plastic bags across all operations and introduced various waste-reduction initiatives within our offices:

- Encouraging employees to bring their own lunchboxes by providing steamers, microwaves, refrigerators, and communal spaces;
- Offering reusable utensils to reduce single-use products; and
- Implementing a comprehensive recycling program for all disposable consumables in both offices and retail stores.

Circular Turnover Boxes

We have replaced single-use paper boxes with circular turnover boxes across our logistics operations. This change has **prevented the use of over 500 tonnes of paper boxes** in 2024, significantly cutting down on paper waste.

05 PLANET *(Continued)*

Advancing Circularity

We are committed to fostering a circular economy where resources are used efficiently and waste is minimised. Through two key initiatives, we are actively advancing circularity within our operations and influencing positive change across our value chain.

Green Renovation

We take a holistic approach to creating sustainable in-store experiences. During the Reporting Period, we introduced the Green Renovation Principle to guide our green renovation efforts. This principle ensures that all store renovations are carried out with eco-friendly materials and energy-efficient systems.

- Environmentally friendly base materials for structural elements, ensuring durability with minimal environmental impact;
- Artificial marble and stone-look tiles that emulate the beauty of natural materials while using fewer resources; and
- The use of natural diatomaceous earth for store walls, offering a sustainable alternative to traditional wall finishes.

Additionally, we have partnered with lighting suppliers to implement a "trade-in" program, exchanging older lighting systems for newer, more energy-efficient solutions.

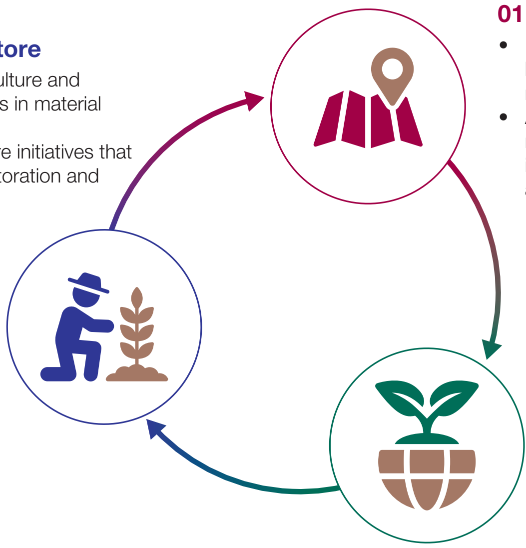
05 PLANET *(Continued)*

Nature and Biodiversity

We understand that our business is deeply connected to the natural world – from the raw materials that shape our designs to the ecosystems that sustain our planet. We recognise that our choices impact biodiversity, water resources, and land health. As stewards of responsible fashion, we are committed to minimising our footprint on natural resources by promoting initiatives in the ecosystems in which we operate.

03 Regenerate and Restore

- Focus on regenerative agriculture and biodiversity-positive practices in material sourcing
- Lay the groundwork for future initiatives that contribute to ecosystem restoration and conservation



01 Measure and Map

- Understand our impact by mapping key raw materials and sourcing regions to identify biodiversity risks
- Assess dependencies on natural resources and establish traceability in our supply chain to inform future actions

02 Avoid and Minimise

- Prioritise responsible sourcing to reduce negative impacts on ecosystems, including efforts to phase out materials linked to deforestation or habitat destruction
- Explore ways to reduce reliance on virgin raw materials by considering recycled and lower-impact alternatives

We are in the early stages of exploring our approach to nature and biodiversity. In 2024, we integrated more sustainable materials into our products offering to reduce environmental impact and support biodiversity conservation. Further, we initiated the traceability program for key raw materials in 2024 to ensure a transparent and responsible supply chain. For more information, please read the Traceability section.

- **Organic silk:** Over 40% is sourced from eco-friendly sericulture practices that minimise habitat destruction and promote soil health.

- **Wool:** Over 80% of wool is Australian wool, procured from responsibly managed farms that prioritise animal welfare and land conservation.

- **Viscose:** Over 70% sourced from FSC, GRS, OEKO, and RCS-certified suppliers, ensures traceability and mitigates the risks of deforestation.

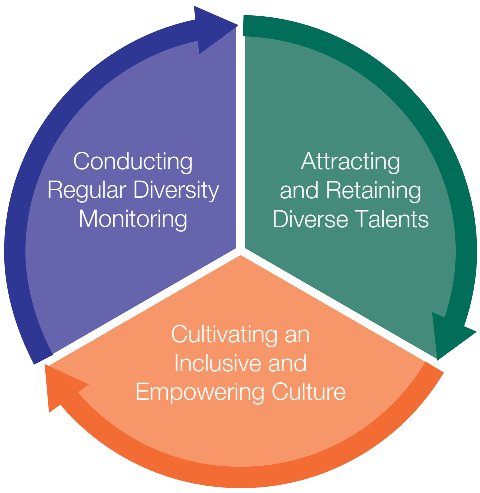
Looking ahead, EEKA Fashion is committed to further strengthening its approach to biodiversity and sustainability. We aim to expand our use of regenerative practices agriculture techniques and collaborate with industry groups to develop and scale innovations in sustainable materials.

06 PEOPLE

The Group strictly abide by laws and regulations related to employment in our business operations[4]. We have established a comprehensive set of policies addressing key areas such as compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. During the Reporting Period, we were not aware of any material non-compliance of laws and regulations relating to employment.

Diversity, Equity and Inclusion

Going beyond our responsibility to foster a respectful workplace, EEKA Fashion believes that diversity, equity, and inclusion are key drivers of creativity, innovation, and business success. Acknowledging that diverse perspectives strengthen our ability to address global challenges, we strive to create an environment where all employees feel valued, empowered, and supported. To uphold these principles, we regularly monitor diversity metrics and conduct diversity audits when necessary. Our commitment extends beyond compliance, as we actively promote equity and inclusion across all aspects of our operations, from recruitment and development to compensation and leadership opportunities. We hire diverse talents through various recruiting channels, including online recruitment, job fairs, head-hunters, and internal referrals. By embracing diversity in all its forms (gender, ethnicity, culture, age, ability, religion, or other individual characteristics), we aim to cultivate a workplace that reflects the richness of the communities we serve and supports sustainable growth for our organisation. As at the end of the Reporting Period, we had female employees accounting for approximately 91% of the overall workforce (including senior management).



The Board is responsible for the oversight of diversity and inclusion initiatives. Our mentorship program plays a key role in advancing diversity and cultivating an inclusive workplace. All new employees are supported by a designated mentor, guiding them through their onboarding journey and helping them integrate into our culture. By offering tailored coaching and fostering a sense of belonging, the program helps employees from diverse backgrounds thrive. Additionally, we ensure inclusive practices and procedures are upheld across EEKA Fashion, where we exercise fairness and ensure that people with disabilities are equally considered. We also make reasonable adjustments for people with disabilities, including flexible working arrangements.

4 Please refer to the "Significance Laws and Regulations" section for a list of employment and anti-corruption-related laws and regulations significant to the Group's business operations.

06 PEOPLE *(Continued)*

Diversity, Equity and Inclusion *(Continued)*

Human Rights and Equal Opportunities

We respect internationally recognised human rights in line with the principles and guidance contained in the United Nations Guiding on Business and Human Rights. Our Human Rights and Equal Opportunities Policy, is informed by the International Bill of Human Rights and by the International Labour Organisation's Declaration of Fundamental Principles and Rights at Work. The policy is approved by the Board and sets out the expectations for which our operations and supply chain should operate. To ensure effective implementation, we are committed to communicating this policy to all personnel and external stakeholders through training, engagement, and publicly accessible resources. Additionally, we integrate human rights due diligence into our risk assessment processes, identifying and addressing potential human rights impacts across our business and supply chain. The policy encompasses diversity and inclusion practices, labour standards, freedom of association, health and safety, and employment conditions. In case of any human rights-or equal opportunities-related issues, all employees and stakeholders may report to our management through various channels.

We strictly prohibit any child labour or forced labour, the Human Resource Department adheres to a strict recruitment policy, ensuring that all employees are hired only after verifying their identity documents to eliminate the risk of child labour. Additionally, a confirmation of the employment contract is obtained to ensure there is no forced labour, with all procedures reviewed and approved by the Internal Audit Department. Upon identifying instances of child labour or forced labour, we promptly terminate the employment relationship and, if deemed necessary, report the matter to the relevant government authorities. Furthermore, we are committed to providing appropriate remedies to address and correct any negative impacts caused, including support measures for affected individuals.

Employee Well-being

The well-being of our employees remains a top priority at EEKA Fashion. We recognise that a thriving workforce is key to our success, and we are dedicated to fostering an environment that supports employees' physical, mental, and emotional health. Our approach to well-being is holistic, encompassing comprehensive benefits, opportunities for personal and professional growth, and a culture of inclusion and respect. To better understand the needs and perspectives of our workforce, we regularly conduct employee satisfaction surveys. These surveys enable us to gather feedback and insights that allow us to refine our management practices and policies, ensuring we provide an even better work atmosphere that fosters trust, growth, and mutual respect.

06 PEOPLE *(Continued)*

Employee Well-being *(Continued)*

Care for Employees

EEKA Fashion goes beyond compliance to ensure our employees feel valued and supported, offering a wide range of benefits that enhance their personal and professional lives. We regularly review the compensation and benefits packages to ensure continuous improvement and stay competitive in the industry. Our high-quality benefits packages are outlined below:

- **Family Connection Initiative:** Reimbursement for a round-trip ticket to home and complimentary accommodations offered to parents visiting the workplace;
- **Home & Mobility Support Program:** Financial assistance to purchase a home and vehicle;
- **Team Bonding Adventures:** Company-sponsored team trips foster collaboration and relaxation;
- **Celebration Moments Program:** Curated gifts during birthdays and holidays;
- **Lifestyle & Wellness Clubs:** Work-life balance is enhanced through eight employee clubs covering basketball, badminton, football, yoga, dance, crafts, swimming, and outdoor activities;
- **Staff Sales:** Enable employees to access selected products at preferential rates; and
- **Long Service Awards Program:** Gold bar and medals to celebrate seniority.

Mental Wellness

We recognise the importance of mental wellness as a key component of employee well-being. We are committed to creating a supportive work environment where employees feel valued, balanced, and empowered to thrive both personally and professionally. Through tailored programs and initiatives, we actively promote mental health awareness and provide resources to help employees manage stress, build resilience, and maintain a healthy state of mind.

Singing Bowl Therapy

To support mental wellness, EEKA Charity Fund (赢家爱心基金) introduced singing bowl therapy sessions for employees. This mindfulness-based activity use sound and vibrations from Tibetan singing bowls to promote relaxation reduce stress, and restore inner balance. The sessions provide employees with a calming experience to recharge and enhance their overall mental wellness.

06 PEOPLE *(Continued)*

Employee Well-being *(Continued)*

Physical Well-being

As part of our commitment to employee's physical well-being, we provide free body checks to help them understand their health status. If an employee's health assessment indicates that they are no longer suited for their current role, the Company will proactively reassign them to a position that aligns with their health needs. During the Reporting Period, we have also organised wellness initiatives, such as the Chinese medicine consultation and massage therapy sessions to promote relaxation, alleviate discomfort, and support overall health.

EEKA Charity Fund

EEKA Charity Fund（赢家爱心基金）is established to provide financial assistance to our employees during challenging times, particularly in the face of serious illness. Beyond supporting our employees directly, the fund also extends its reach to assist their families, reflecting our holistic approach to employee well-being.

Supported 200+ employees in 2024

Furthermore, we have established a comprehensive safety policy and emergency plan to ensure the safety of our employees and facilities in scenarios such as fire, explosion, or poisoning. This includes equipping our premises with fire extinguishers, ventilation systems, and emergency signage, as well as implementing electrical safety measures like leakage protection devices and professional maintenance of circuits. In addition, common office areas are outfitted with fire safety equipment and evacuation tools to facilitate quick and safe responses. These measures are reinforced through regular safety inspections and training, ensuring our employees are prepared for any unforeseen events.

Women's Empowerment

With the majority of our workforce comprising women, empowering and supporting them is a key priority for EEKA Fashion. Recognising the invaluable contributions of women across all levels of the Group, we actively support their growth and advancement through targeted initiatives and family-friendly policies.

Our efforts include the introduction of women- and family-friendly measures to support our female employees during different life stages. These include:

- A "Return-to-Work" program for pregnant employees, offering flexible work arrangements to ease their transition back to the workplace;
- Extended maternity leave to support employee's health and well-being during this crucial period; and
- Dedicated facilities in employee dormitories, such as maternity rooms and family visitation rooms, to provide a supportive living environment.

06 PEOPLE *(Continued)*

Employee Well-being *(Continued)*

Family-friendly Workplace

We understand the significance of a family-friendly workplace in supporting employees to balance their personal and professional lives. Our office is equipped with dedicated facilities such as a nursing room and a steriliser for breastfeeding equipment, ensuring a comfortable and supportive environment for working parents.

Mother's Day Family Photoshoot

To celebrate Mother's Day, we organised a special family photoshoot activity for employees from all of our eight brands, participants created a series of heartwarming family portraits infused with floral elements from the brand. The campaign, titled "*In the Name of Flowers, Protecting Mothers*", used floriography to showcase diverse forms of motherhood while reinforcing our cultural ethos: "You protect EEKA, We protect you".

06 PEOPLE *(Continued)*

Human Capital Development

People are our most valuable asset. We believe that continuous growth and development equips our people to adapt to evolving demands and increases resilience in their roles. Our Training Management System provides a structured framework for both internal and external training initiatives, ensuring that our employees have access to high-quality learning opportunities that enhance their skills and competencies. Since joining the Group, employees undergo intensive training to cultivate their expertise. In 2024, our new employees each received an average of over 20 hours of training, reflecting our dedication to excellence.

To support our employees in staying ahead in a rapidly evolving industry, EEKA Fashion actively collaborates with leading external training institutions, industry experts, and professional organisations. These partnerships enable us to offer specialised training programs tailored to different job functions and career stages. Key aspects of our external training approach include:

Collaboration with External Training Providers	We partner with accredited training institutions and professional organisations to offer employees industry-specific courses, workshops, and seminars.
Targeted Skill Development	External training programs are designed to address specific skills gaps and business requirements. Employees may attend courses on leadership, expertise, compliance, and other relevant topics.
Training Sponsorship and Support	Based on business needs and employee performance, we provide financial support for external training participation. Eligible employees may apply for sponsored training programs to further their professional qualifications.
Evaluation and Application of Learning	To ensure the effectiveness of external training, employees are encouraged to share key takeaways with their teams and apply newly acquired knowledge to their roles. Follow-up assessments may be conducted to measure training outcomes.

EEKA University

To drive talent development and ensure alignment with our strategic objectives, we have launched the EEKA University. This initiative is designed to nurture key talent, strengthen professional expertise, and distill the knowledge accumulated through years of successful management practices.

We are committed to building a stable and professional team of internal lecturers who play a pivotal role in identifying, refining, and sharing insights from EEKA's management practices and expertise in specialised fields. These lecturers are not only knowledge carriers but also cultural ambassadors, spreading EEKA's core values. They are tasked with creating, maintaining, and upgrading training courses that cater to the organisation's evolving needs. To ensure high standards, lecturers undergo a rigorous selection process, including interviews, assessments, and certifications, which is complemented by structured development programs aimed at enhancing their instructional and professional skills.

EEKA University fosters a culture of continuous improvement by encouraging lecturers to refine their abilities through regular evaluations, peer learning, and participation in specialised workshops. Outstanding lecturers are recognised for their contributions through awards, certifications, and exclusive development opportunities, reinforcing their commitment and dedication. We plan to expand our training topics next year to include more ESG-related issues, such as diversity, eco-design, sustainable fabrics and greenwashing, to further embed these critical concepts into our organisational culture.

06 PEOPLE *(Continued)*

Human Capital Development *(Continued)*

Employee Performance and Satisfaction

The Group has established a structured and objective performance appraisal system to help ensure all employees receive monthly feedback and a year-end performance review. This system is designed to align individual performance with the Company's strategic objectives by evaluating key metrics from four perspectives: financial outcomes, customer satisfaction, internal business processes, and personal development. Our appraisal framework not only facilitates career growth but also serves as a foundation for equitable promotions and rewards. We are committed to upholding the principle of gender pay equality, ensuring that remuneration and performance evaluations are conducted fairly and transparently. By leveraging our appraisal and compensation structure as a motivational tool, we continuously attract, develop, and retain high-caliber talent from both within and outside the Group.

We regularly conduct employee surveys to gauge sentiment and gather valuable feedback, enabling us to refine our management practices, enhance workplace policies, and foster a more supportive and engaging work environment. In 2024, we expanded the scope of our survey to include employees' perspectives on our ESG performance, ensuring their voices contribute to shaping our sustainability initiatives and corporate responsibility efforts.

Nurturing Young Talents

We believe that talent can be found in a wide variety of locations. We want to diversify where we find our talent, as well as how we hire our people. As part of this ambition, we have enhanced our early careers talent acquisition programs, including our internship program and graduate program. We understand the challenges young talent may face as they start their careers, and we are committed to supporting their journey with a wide range of benefits, including:

- Reimbursement for travel expenses;
- Complimentary shuttle services; and
- Free accommodations.

EEKA Fashion Open Day

EEKA Fashion hosted 50 participants for an Open Day. The program welcomed undergraduates from various universities and young talents for a day of immersive learning at the edge of fashion.

- Exclusive brand model photoshoot
- Hands-on design workshop
- In-depth fashion industry insights session

06 PEOPLE *(Continued)*

Human Capital Development *(Continued)*

Nurturing Young Talents (Continued)

Shaping the Future of Fashion and Business

In June 2024 we partnered with the University of Hong Kong Institute of China Business to host a prestigious exchange meeting dedicated to envisioning the future of fashion and business. The event fostered dynamic discussions, the sharing of EEKA Fashion's digitalisation, and visiting the clothing production process, all aimed at driving innovation and shaping the evolution of the fashion industry.

Supply Chain Well-being

Our commitment to supporting the well-being of people extends beyond our organisation to those across our value chain, respecting and upholding human rights, combating modern slavery, and enhancing transparency throughout our supply chain. We prioritise maintaining long-term and close relationships with our suppliers and working partners. Given our reliance on OEM contractors for product manufacturing, we have implemented a stringent procurement mechanism. We are dedicated to sourcing products and services in a manner that aligns with ethical and sustainable practices. We collaborate exclusively with suppliers who uphold high standards in environmental protection, anti-corruption, fair employment practices, and intellectual property rights.

Supplier Code of Conduct

Our Supplier Code of Conduct (the "Supplier CoC") outlines the minimum standards and practices required of our suppliers, ensuring their operations align with our values and ethical commitments. The Supplier CoC covers legal and regulatory compliance, labour practices, health and safety, environmental protection, business integrity, and other critical areas. Specifically, it requires suppliers to address key issues such as:

- Compliance with maximum working hours and the provision of acceptable living conditions;
- Prohibition of child labour, forced labour, corporal punishment, and any form of discrimination;
- Assurance of fair labour practices, including the payment of minimum living wages and adherence to freedom of association and collective bargaining rights; and
- Maintenance of a safe and healthy working environment, including measures to prevent accidents and ensure proper training.

06 PEOPLE *(Continued)*

Supply Chain Well-being *(Continued)*

Supply Chain Management

The Board is responsible for the oversight of supply chain management. During the Reporting Period, we enhanced our supplier chain management to ensure alignment with our values and sustainability goals.

New Supplier Selection

Criteria Expansion
Beyond price, quality, and delivery, we prioritise environmental compliance, fair labour practices, business ethics, and occupational health and safety.

Shared Commitment
Partnering with suppliers who align with our ethical and sustainable standards strengthens supply chain resilience.

Supplier Evaluation

Performance Monitoring

- Regular site visits
- ESG indicators
- Compliance monitoring
- External audits when necessary

Proactive Risk Management
Suppliers are encouraged to submit risk assessment and control plans related to environmental, health and safety, etc.

Tier B Suppliers Oversight
When applicable, monitoring practices extend to tier B suppliers, ensuring consistent alignment across the supply chain.

Supply Chain Engagement

Corrective Action Plans
Collaboration to address non-compliance, with a reasonable timeframe for improvements.

Accountability
Non-compliant suppliers failing to meet standards are removed from the approved list.

Training Programs
Annual supplier training to enhance ESG practices, focusing on labour rights, sustainable fashion, and animal rights.

06 PEOPLE *(Continued)*

Supply Chain Well-being *(Continued)*

Supply Chain Management (Continued)

Our suppliers undergo third-party audits to ensure compliance with our ethical and sustainability standards, which evaluate key areas including labour practices, environmental impact, animal welfare, occupational health and safety. Our suppliers have received the following third-party audits:

Ethical Business

The Group is committed to engaging with our people, customers and suppliers not only in accordance with legislation but also ethically and with independence and integrity. We strictly adhere to laws and regulations pertaining to the prevention of bribery, extortion, fraud, and money laundering[5].

The Board and senior management are responsible for overseeing the Group's corporate governance. We maintain a zero-tolerance stance towards any form of bribery and corruption. Our Professional Incorruptible Code serves as a comprehensive guide to ensure all employees uphold the highest ethical standards in all business dealings. This code outlines acceptable behaviors, defines key risks, and emphasises our commitment to ethical business practices. All of our directors and employees are expected to conduct themselves in accordance with the highest ethical standards at all time, including but not limited to:

- Not permitted to offer or accept advantages for the purpose of influencing business decisions, to make any form of payment to officials;
- Not permitted to grant, guarantee or accept loans from any person or organisation with whom we have business dealings;
- Avoid any conflict of interest and declare to the Human Resources Department.

5 Please refer to the "Significant Laws and Regulations" section for a list of anti-corruption laws and regulations significant to the Group's business operations.

06 PEOPLE *(Continued)*

Ethical Business *(Continued)*

To ensure alignment with these principles, we provide anti-corruption training to all employees and directors, emphasising the principles outlined in the Professional Incorruptible Code. This training equips employees with the knowledge and tools to recognise and address potential ethical risks effectively. Additionally, all suppliers are required to sign an integrity agreement, affirming their commitment to ethical business practices.

During the Reporting Period, there was no concluded legal cases regarding corrupt practices brought against the Group or its employees.

Whistleblowing Mechanism

Our Whistleblowing Policy outlines our approach to whistleblowing, including ensuring protection for whistleblowers from any form of retaliation or disadvantage. We proactively communicate the policy to employees during onboarding and is made available in the local language to ensure accessibility for all employees. Third parties, such as service providers, distributors, suppliers, customers, are also encouraged to raise their concerns via our whistleblowing channels.

Employees who wish to report concerns can contact either their immediate supervisor, Human Resources Department, or Audit Department. Investigation is conducted by the dedicated person, and all complaints are handled promptly and fairly. Report can also be made through various channels, including email, Wechat, letter, or an independent 24-hour hotline service. While we encourage whistleblowers to provide their contact information to facilitate follow-up, we fully understand and support anonymous reporting to promote openness and ease of use. Additionally, we ensure that all information reported is treated with strict confidentiality, except in cases where disclosure is legally required. During the Reporting Period, we did not receive any whistleblowing reports. Nonetheless, we remain committed to the fair treatment of any individual who submits a genuine and appropriate report.

Data Privacy and Cybersecurity

Safeguarding our information systems and the confidential data entrusted to us by our stakeholders is a top priority for EEKA Fashion. We have developed and implemented a cybersecurity incident management policy that outlines clear procedures, steps, and responsibilities for addressing cyber threats and incidents. This policy is regularly updated to ensure the effectiveness of cybersecurity measures. To uphold our commitment to robust security, we will consider conducting regular testing of the incident management plan to assess its effectiveness. Additionally, we strengthen our information security management systems, alongside privacy impact assessments, risk assessments (such as privacy impact assessments (PIAs) and data protection impact assessments (DPIAs)), audits, and operational reviews when necessary.

To ensure a swift and effective response to data breaches, the Group has established a disaster recovery plan, with the Information Management Center responsible for identifying potential data leaks, assessing their impact, and implementing remedial actions. Furthermore, affected individuals are notified within a reasonable timeframe and provided with specific recommendations to mitigate potential risks. We also conduct regular data privacy and cybersecurity training sessions to enhance the Board's and employees' awareness and reinforce a culture of security.

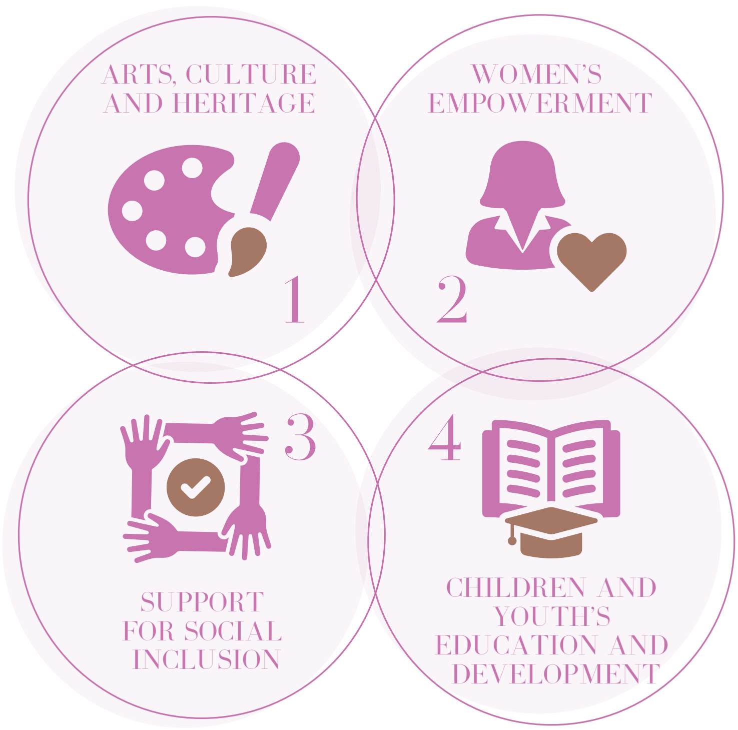
The Board provides oversight of the Group's data privacy and cybersecurity strategies through the Information Management Center, which is responsible for identifying, monitoring, mitigating, and managing data privacy and cybersecurity risks. The Information Management Center reports regularly to the Board, ensuring transparency and accountability. Additionally, it collaborates closely with relevant business units to seamlessly integrate data privacy and cybersecurity practices into daily operations.

07 COMMUNITIES

EEKA Fashion has always been committed to support local communities and engage in an open and collaborative dialogue with charitable organisations. An active support that stems from the awareness that a company can only thrive by being in harmony with and fully respecting the community.

Over the years, EEKA Fashion has been promoting initiatives and sponsoring projects in support of local communities and charitable organisations. During the Reporting Period, we donated over RMB2.24 million to charitable causes and positively impacted the lives of over 8,000 individuals. Established in 2012, EEKA Fashion Foundation is a non-public offering foundation focusing on: support for social inclusion, women's empowerment, environmental conservation, children and youth's education and development, and arts and culture.

Facilitating volunteering and fundraising opportunities for our colleagues allows us to positively impact their well-being while supporting the communities where we operate. Our people can volunteer their time to causes which are particularly meaningful to them or aligned to our communities strategy.



07 COMMUNITIES *(Continued)*

Arts, Culture and Heritage

At the intersection of cultural preservation and women's empowerment, the "Bloom Women Training Center"(花樣女子學堂) initiative continues to make a lasting impact. This initiative supports women artisans from ethnic minority communities by enhancing their craftsmanship, driving economic independence, and strengthening social empowerment.

花样女子学堂 BLOOM WOMEN TRAINING CENTER

By integrating traditional handicrafts with rural revitalisation strategies, the initiative helps preserve China's intangible cultural heritage. Operating under a "Foundation + Training Center" model, it connects expert mentors with local artisans to explore innovative applications for traditional craftsmanship. Now in its second phase, the 2024 program collaborates with City, focusing on traditional handicraft training for the Lhoba ethnic group. Expert instructors from the School of Fashion and Art Design at Xi'an Polytechnic University provided professional mentorship, with two successful training sessions further refining participants' skills and creative expression.

ELSEWHERE Art Museum Exhibition

We proudly present the ELSEWHERE Art Museum Exhibition, creating a space where nature and culture harmoniously converge. Inspired by the concept of "Poetic Picture Scroll"(詩逸畫卷), the museum's architectural design draws from traditional landscape paintings, unfolding like a serene scroll along the picturesque riverside.

The exhibition blends ELSEWHERE's artistic vision with its brand essence, incorporating signature elements such as the brand's iconic ELSEWHERE Yellow and the delicate Daisy, the brand's floral symbol. This curated experience offers a unique dialogue between art and craftsmanship, showcasing the convergence of creativity and knitwear artistry – an embodiment of ELSEWHERE 's literary and aesthetic spirit.

07 COMMUNITIES *(Continued)*

Arts, Culture and Heritage *(Continued)*

NEXY.CO Year of Loong Intangible Cultural Heritage Paper-cutting Art Exhibition

NEXY.CO proudly presented the Year of Loong Intangible Cultural Heritage Paper-cutting Art Exhibition, blending traditional artistry with modern creativity. Collaborating with renowned paper-cutting artisan Liang Qiaoyan, the exhibition reimagined cultural boundaries through intricate designs inspired by the "Loong" zodiac.

The exhibition featured exclusive art pieces imbued with festive charm through the iconic Chinese red hue. Each creation combined delicate patterns and embroidery techniques, offering a contemporary expression of heritage. It also celebrated the richness of Chinese intangible cultural heritage by merging traditional paper-cutting artistry with modern fashion aesthetics.

EEKA Art Garden

Opened in August 2024, the EEKA Art Garden is a vibrant celebration of creativity, blending fashion with artistic expression. Showcasing captivating installation art, it serves as a dynamic cultural space where innovation and aesthetics converge. Like twin flowers in bloom, Koradior and NAERSI add to its artistic charm, making it a radiant tribute to the boundless allure of art.

07 COMMUNITIES *(Continued)*

Women's Empowerment

Women play a crucial role in shaping and driving positive change in the philanthropic sector. To honor their contributions and amplify their voices, the "Blooming Voices" (花開有聲) interview series was launched as a dedicated platform to highlight the inspiring journeys of women in philanthropy. Developed by EEKA Fashion Foundation, it showcases the stories of female changemakers, offering a glimpse into their motivations, challenges, and impact. Through these in-depth conversations, the series seeks to not only celebrate their efforts but also inspire more women to engage in social causes and leadership roles.

In 2024, the project continued to shed light on the vital contributions of women in the nonprofit sector. A total of four in-depth interviews were conducted, providing a platform for these women to share their insights and experiences. Given that women make up approximately 70% of the workforce in philanthropy, yet their stories often go untold, this initiative plays a crucial role in ensuring their voices are heard and recognised.

Support for Social Inclusion

The "Kaleidoscope Mentally Disabled Art Troupe" (萬花筒心智障礙青年藝術團) was launched to empower youth with intellectual disabilities in discovering their artistic and musical potential. Fully funded by the EEKA Fashion Foundation and executed in collaboration with the Shenzhen Futian Zifeiyu Special Children's Rehabilitation Center (深圳市福田區紫飛語特殊兒童康復中心), the initiative aims to foster social inclusion and personal development through creative expression. By establishing both a music ensemble and an art studio, the project provides structured learning and engagement opportunities, enabling participants to develop their talents while gaining confidence and a sense of belonging in society.

In 2024,

21	**3**	**35**
Public Charity Classes	Community Performances	Creative Art Sessions

First performance of Kaleidoscope Mentally Disabled Art Troupe

07 COMMUNITIES *(Continued)*

Children and Youth's Education and Development

Nuan Tong Zhi Jia

The "Nuan Tong Zhi Jia"（暖童之家）initiative is dedicated to supporting left-behind children in rural areas by establishing interactive learning spaces that integrate reading, studying, and recreational activities. More than just a physical space, the project serves as a platform to bring together social resources and community support, providing rural children with companionship, knowledge, and new perspectives for growth.

In 2024, the initiative has expanded significantly, with a total of 14 centers established across Jiangxi, Zhejiang, Guizhou, and Tibet. In March, a newly built center was inaugurated at Guanling First Primary School in Guizhou（貴州省關嶺自治縣關索街道第一小學）, and construction has been completed for two additional centers.

As of 2024

Total Benefited Rural Children
>3,400

Total Books Supplied
>48,000

Bloom E+ Clothes

Launched in 2023, the "Bloom E+ Clothes"（花樣E+衣）initiative aims to support rural primary school students by providing sportswear and essential athletic equipment through specially designed sharing packs. The name "E+ Clothes" reflects the program's core values – Education, Exercise, and EEKA – symbolising a commitment to fostering holistic development in children. By equipping students with proper sports attire, the initiative encourages physical activity, enhances overall well-being, and strengthens learning motivation. Additionally, the project raises public awareness of rural children's needs, inspiring collective social action and support.

As of 2024

Total Benefited School
26

Total Sharing Packs Donated
>3,300

In 2024, the initiative expanded its impact with a range of activities and donations. In April, the sportswear design competition concluded successfully, resulting in over 70 creative entries. In June, we have conducted an on-site donation event in Ningxia, hosting a sports day at Xintai Primary School in Wuzhong City's Hongsi Fort District. During the Reporting Period, over 1,900 students across 18 rural schools in Gansu and Ningxia have received new sportswear and equipment.

07 COMMUNITIES *(Continued)*

Children and Youth's Education and Development *(Continued)*

One-to-One Tutoring

The "One-to-One Tutoring"（一對一助學）initiative is a nationwide scholarship program aimed at supporting primary and middle school students from single-parent families, orphans, and those with family members suffering from severe illnesses or disabilities – primarily in underprivileged areas of central and western China. The program operates on an academic-year basis, pairing students in need with sponsors who provide financial assistance to ensure access to education and improved learning opportunities. Each September, at the start of the new school year, the foundation facilitates annual funding disbursements and updates student records regarding academic progress and transitions.

As of 2024

Total Subsidised Students	Total Subsidies Expenditure
>500	**>¥3,100,000**

During the Reporting Period, financial aid totalling RMB242,600 was disbursed to 143 students, including 13 new recipients. Through these efforts, the initiative continues to provide much-needed educational support, helping disadvantaged students build a brighter future.

Dream Growth Plan

As rural left-behind children grow older, they face increasing challenges from personal, family, and societal pressures. Recognising these complexities through its long-term "One-to-One Tutoring" program, EEKA Fashion Foundation launched the "Dream Growth Plan"（青竹計劃）in 2023. This three-year program provides financial aid and personal development support to outstanding yet underprivileged rural high school students. Beyond economic assistance, the initiative fosters self-awareness, confidence, and personal growth to help students navigate their academic journeys and future aspirations.

As of 2024

Total Subsidised Students	Total Subsidies Expenditure
20	**>¥90,000**

In 2024, we conducted an on-campus team-building and follow-up visit with students and teachers of the program. To further enrich students' learning experiences, a summer study tour is carried out, featuring university campus visits and corporate site tours.

07 COMMUNITIES *(Continued)*

Children and Youth's Education and Development *(Continued)*

Vcare Space

With a focus of supporting children with critical illness, we launched the Vcare Space (Vcare 關愛空間) in 2024 to enhance the quality of life for pediatric patients and create a supportive medical environment. Located at the Shenzhen Children's Hospital Longhua campus, the space provides hospitalised children with enrichment activities to ease treatment-related stress while offering emotional and social support to their families. Our employees actively participate as volunteers, fostering deeper engagement with the community and reinforces our long-term commitment to child welfare.

As of 2024

Visiting Patient Families	Bedside Accompaniment Services
183 times	**4 times**

APPENDIX

Performance KPI Data Summary[6 7 8]

Indicator	Unit	2024	2023
GHG Emissions[9]			
Total GHG emissions (Scopes 1 and 2)	t-CO_2e	31,221.98	29,339.40[10]
– Direct GHG emissions (Scope 1)	t-CO_2e	452.53	–
– Indirect GHG emissions (Scope 2)	t-CO_2e	30,769.45	29,339.40[10]
Total GHG (Scopes 1 and 2) intensity – per revenue	t-CO_2e/million RMB	4.74	4.24
Air Emissions			
Nitrogen oxides (NO_x)	kg	563.54	–
Sulphur oxides (SO_x)	kg	2.50	–
Particulate matter (PM)	kg	52.66	–
Energy Consumption			
Total electricity consumption	MWh	53,952.00	51,445.56[10]
– Headquarter	MWh	2,477.12	2,643.99
– Logistics centre	MWh	952.60	796.22
– Hong Kong office	MWh	6.92	6.45
– Retail stores	MWh	50,515.37	47,998.89[10]
Unleaded petrol consumption	MWh	1,549.66	–
Total energy consumption	MWh	55,501.66	51,445.56[10]
Total energy consumption intensity – per revenue	MWh/million RMB	8.42	7.44
Water			
Total water consumption	m^3	36,227.23	33,171.23
– Headquarter	m^3	27,104	28,239
– Logistics Centre	m^3	9,122	4,931
– Hong Kong Office	m^3	1.23	1.23
Total water consumption intensity – per revenue	m^3/million RMB	5.50	4.80
Packaging Materials			
Packaging materials consumed	Tonnes	1,638.36	1,367.08
Packaging materials consumed intensity – per revenue	Tonnes	0.25	0.20
Non-hazardous Waste			
Non-hazardous waste generated	Tonnes	4.87	5.44
Non-hazardous waste generated intensity – per revenue	kg/million RMB	0.74	0.79

6 The environmental key performance indicators ("KPIs") cover the Group's headquarters, business place in Hong Kong, logistics centre and retail stores in Mainland China. Due to the nature of our business, the Group does not generate hazardous waste.

7 Totals may not be the exact sum of numbers shown here due to rounding.

8 In 2024, we enhanced our data collection processes for company vehicles, leading to a more comprehensive reporting of Scope 1 emissions and air emissions.

9 In accordance with The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition) published by World Business Council for Sustainable Development and World Resources Institute, Scope 1 direct emissions are resulted from operations that are owned or controlled by the Group, while Scope 2 indirect emissions are resulted from the generation of purchased or acquired electricity, heating, cooling and steam consumed within the Group.

10 The figure has been adjusted to reflect the actual situation.

APPENDIX *(Continued)*

Performance KPI Data Summary *(Continued)*

Indicator	Unit	2024	2023
Workforce			
Total workforce	Number of People	**10,313**	10,335
By Gender			
Male	Number of People	**883**	799
Female		**9,430**	9,536
By Employee Category			
Senior management	Number of People	**863**	765
Middle management		**1,634**	1,813
General employees		**7,816**	7,757
By Age Group			
18-27	Number of People	**850**	853
28-37		**5,013**	5,496
38-47		**4,079**	3,662
48-57		**359**	306
58 or above		**12**	18
By Geographical Region			
Mainland China	Number of People	**10,307**	10,329
Hong Kong		**6**	6
Employee Turnover			
Total turnover rate	%	**26**	27
By Gender			
Male	%	**17**	27
Female		**27**	27
By Age Group			
18-27	%	**42**	48
28-37		**29**	29
38-47		**19**	21
48-57		**13**	17
58 or above		**17**	14
By Geographical Region			
Mainland China	%	**26**	27
Hong Kong		**0**	0

APPENDIX *(Continued)*

Performance KPI Data Summary *(Continued)*

Indicator	Unit	2024	2023
Health and Safety			
Work-related injuries	Case(s)	6	5
Lost days due to work injury (including rest days)	Day(s)	82	50
Work-related fatality	Number	0	0
Employee Training[11]			
Percentage of Employees Trained			
Total	%	80	75
By Gender			
Male	%	7	6
Female		93	94
By Employee Category			
Senior management		9	6
Middle management	%	17	17
General employees		74	77
Average Training Hours			
Total	Hour(s)	25.10	24.39
By Gender			
Male	Hour(s)	10.02	8.29
Female		26.52	25.73
By Employee Category			
Senior management		39.70	28.18
Middle management	Hour(s)	28.36	25.78
General staff		22.81	23.69
Supply Chain			
Number of suppliers by geographical region			
Mainland China	Number of Supplier	448	517
Italy		0	1
Portugal		1	1
Japan		3	1
Community Investment			
Donations	RMB	2,239,198	22,115,871

[11] The calculation of employee training data includes the relevant training data of employees who left the Group during the respective year, reflecting the resources invested in training by the Group.

APPENDIX *(Continued)*

Significant Laws and Regulations

ESG Aspect	Significant Laws and Regulations
Aspect A1: Emissions	• Environmental Protection Law of the PRC • Air Pollution Control Ordinance (Cap. 311) • Waste Disposal Ordinance (Cap. 354) • Water Pollution Control Ordinance (Cap. 358) • Ozone Layer Protection Ordinance (Cap. 403) • Dumping at Sea Ordinance (Cap. 466) • Environmental Impact Assessment Ordinance (Cap. 499) • Hazardous Chemicals Control Ordinance (Cap. 595) • Product Eco-responsibility Ordinance (Cap. 603)
Aspect B1: Employment Aspect B4: Labour Standards	• Labor Law of the PRC • Labor Contract Law of the PRC • Social Insurance Law of the PRC • Labour Relations Ordinance (Cap. 55) • Employment Ordinance (Cap. 57) • Employees' Compensation Ordinance (Cap. 282) • Trade Unions Ordinance (Cap. 332) • Sex Discrimination Ordinance (Cap. 480) • Mandatory Provident Fund Schemes Ordinance (Cap. 485) • Disability Discrimination Ordinance (Cap. 487) • Family Status Discrimination Ordinance (Cap. 527) • Race Discrimination Ordinance (Cap. 602) • Minimum Wage Ordinance (Cap. 608) • Employment of Children Regulations (Cap. 57B) • Employment of Young Persons (Industry) Regulations (Cap. 57C)
Aspect B2: Health and Safety	• Fire Protection Law of the PRC • Labour Contract Law of the PRC • Occupational Safety and Health Ordinance (Cap. 509) • Fire Safety (Buildings) Ordinance (Cap. 572)

APPENDIX *(Continued)*

Significant Laws and Regulations *(Continued)*

ESG Aspect	Significant Laws and Regulations
Aspect B6: Product Responsibility	• Regulations of the PRC on the Protecting the Safety of Computer Information Systems • Measures for the Administration of Communication Network Security Protection • Civil Code of the PRC • Personal Information Protection Law of the PRC • Copyright Law of the PRC • Advertisements Law of the PRC • Product Quality Law of the PRC • Sale of Goods Ordinance (Cap. 26) • Telecommunications Ordinance (Cap. 106) • Trade Descriptions Ordinance (Cap. 362) • Supply of Services (Implied Terms) Ordinance (Cap. 457) • Personal Data (Privacy) Ordinance (Cap. 486) • Patents Ordinance (Cap. 514) • Registered Designs Ordinance (Cap. 522) • Copyright Ordinance (Cap. 528) • Prevention of Copyright Piracy Ordinance (Cap. 544) • Trade Marks Ordinance (Cap. 559) • Broadcasting Ordinance (Cap. 562) • Unsolicited Electronic Messages Ordinance (Cap.593)
Aspect B7: Anti-corruption	• Anti-Unfair Competition Law of the PRC • Criminal Law of the PRC • Prevention of Bribery Ordinance (Cap. 201) • Theft Ordinance (Cap. 210) • Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615)

APPENDIX *(Continued)*

HKEX ESG Reporting Guide Index

Subject Areas, aspects, general disclosure and key performance indicators ("KPIs")		Section	Page Number
A. Environmental			
Aspect A1: Emissions			
General Disclosure	Information on:	Planet	P. 125
	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.	Significant Laws and Regulations	P. 153
KPI A1.1	The types of emissions and respective emissions data.	Performance KPI Data Summary	P. 150
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance KPI Data Summary	P. 150
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Due to our business nature, hazardous waste is not a material topic to the Group	N/A
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance KPI Data Summary	P. 150
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Resource Efficiency	P. 128
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Resource Efficiency	P. 128

APPENDIX *(Continued)*

HKEX ESG Reporting Guide Index *(Continued)*

Subject Areas, aspects, general disclosure and key performance indicators ("KPIs")		Section	Page Number
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Resource Efficiency	P. 128
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance KPI Data Summary	P. 150
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance KPI Data Summary	P. 150
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Resource Efficiency	P. 128
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Resource Efficiency	P. 128
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Performance KPI Data Summary	P. 150
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Nature and Biodiversity	P. 131
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Nature and Biodiversity	P. 131
Aspect A4: Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Resilience	P. 125
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Resilience	P. 125

APPENDIX *(Continued)*

HKEX ESG Reporting Guide Index *(Continued)*

Subject Areas, aspects, general disclosure and key performance indicators ("KPIs")		Section	Page Number
B. Social			
Employment and Labour Practices			
Aspect B1: Employment			
General Disclosure	Information on:	People	P. 132
	(a) the policies; and	Significant Laws and Regulations	P. 153
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer		
	relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Performance KPI Data Summary	P. 150
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance KPI Data Summary	P. 150
Aspect B2: Health and Safety			
General Disclosure	Information on:	People	P. 132
	(a) the policies; and	Employee Well-being	P. 133
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	Significant Laws and Regulations	P. 153
	relating to providing a safe working environment and protecting employees from occupational hazards.		
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance KPI Data Summary	P. 150
KPI B2.2	Lost days due to work injury.	Performance KPI Data Summary	P. 150
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Employee Well-being	P. 133

APPENDIX *(Continued)*

HKEX ESG Reporting Guide Index *(Continued)*

Subject Areas, aspects, general disclosure and key performance indicators ("KPIs")		Section	Page Number
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Human Capital Development	P. 137
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance KPI Data Summary	P. 150
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance KPI Data Summary	P. 150
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Diversity, Equity and Inclusion Significant Laws and Regulations	P. 132 P. 153
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Diversity, Equity and Inclusion	P. 132
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Diversity, Equity and Inclusion	P. 132
Operating Practices			
Aspect B5：Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Well-being	P. 139
KPI B5.1	Number of suppliers by geographical region.	Performance KPI Data Summary	P. 150
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Well-being	P. 139

APPENDIX *(Continued)*

HKEX ESG Reporting Guide Index *(Continued)*

Subject Areas, aspects, general disclosure and key performance indicators ("KPIs")		Section	Page Number
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Well-being	P. 139
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Well-being	P. 139
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Significant Laws and Regulations	P. 110 P. 153
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality and Safety	P. 120
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Quality and Safety	P. 120
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Quality and Safety	P. 120
KPI B6.4	Description of quality assurance process and recall procedures.	Quality and Safety	P. 120
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Data Privacy and Cybersecurity	P. 142

APPENDIX *(Continued)*

HKEX ESG Reporting Guide Index *(Continued)*

Subject Areas, aspects, general disclosure and key performance indicators ("KPIs")		Section	Page Number
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Ethical Business Significant Laws and Regulations	P. 141 P. 153
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Ethical Business	P. 141
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Ethical Business	P. 141
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Ethical Business	P. 141
Community			
Aspect B8: Community Disclosure			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Communities	P. 143
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Communities	P. 143
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Communities	P. 143

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To the shareholders of EEKA FASHION HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of EEKA FASHION HOLDINGS LIMITED (the "Company") and its subsidiaries (the "Group") set out on pages 167 to 254, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters *(Continued)*

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill and other intangible assets with indefinite lives	
As at 31 December 2024, the Group recorded goodwill and other intangible assets with indefinite lives of RMB1,253,540,000 and RMB590,500,000, which represented 18% and 8% of the total assets of the Group, respectively. The Group performed impairment reviews of the goodwill and other intangible assets at the year ended 31 December 2024, based on a five-year cash flows forecast with key assumptions such as the growth and discount rate. Management made assumptions of the long-term growth rate and discount rate, and estimated future operating cash flows based on their forecast and the future development of the business, which involved significant judgement and estimations. Related changes in the estimations might have a significant impact on the consolidated financial statements. Details of the impairment test of goodwill and other intangible assets with indefinite lives are disclosed in notes 3 and 18 to the consolidated financial statements.	Our audit procedures to assess the impairment of goodwill and intangible assets with indefinite lives included the following: • evaluating the key assumptions used in cash flow forecasts, such as the sales growth and gross margin, through comparison with historical performance and the business development plan; • involving our internal valuation specialist in the assessment of the methodologies, discount rate and long-term growth rate used by management, as appropriate, to estimate the recoverable amounts of goodwill and other intangible assets with indefinite lives; • reviewing management's sensitivity analysis of impairment test, evaluating whether a reasonably possible change in assumptions could cause the carrying amount to exceed its recoverable amount; and • assessing the adequacy of the related disclosures in the consolidated financial statements.

Key audit matters *(Continued)*

Key audit matter	How our audit addressed the key audit matter
Valuation of inventories	
Sales of apparel and accessories in the fashion industry can be volatile with consumer demand changes according to current fashion trends. The Group typically sells or disposes of off-season inventories at a markdown from the original price to maintain the strength of the brands and make room for new season inventories in its retail stores. Accordingly, the actual future selling prices of some inventories may fall below their purchase costs. Management considers several factors to determine an appropriate level of inventory provisions, which include inventory ageing, the historical percentage of inventories sold at usual price levels and channels available for selling off-season inventories. We identified the valuation of inventories as a key audit matter because of the significant judgement exercised by management in determining an appropriate level of inventory provisions which involves estimating the amounts of inventories which will be unsold at the end of each season and the markdowns necessary to sell the off-season inventories through outlets and other channels in future years. Both of these factors can be inherently uncertain and could be subject to management bias. Details of the inventory provisions are disclosed in notes 3 and 6 to the consolidated financial statements.	Our audit procedures to assess the valuation of inventories included the following: • assessing whether the inventory provisions were calculated in a manner consistent with the Group's inventory provision policy by recalculating the inventory provisions based on the mechanisms and parameters in the Group's inventory provision policy and considering the application of the Group's inventory provision policy with reference to the requirements of the prevailing accounting standards; • assessing, on a sampling basis, whether items in the inventory ageing report were classified within the appropriate ageing category by comparing individual items with the underlying purchase documents; • testing, on a sampling basis, the net realisable value of finished goods based on the price and markdowns subsequent to the reporting date, assessing whether inventories were stated at the lower of cost and net realisable value; and • enquiring of the senior members of the sales team about any expected changes in plans for markdowns or disposals of off-season inventories and comparing their representations with actual sales transactions subsequent to the reporting date.

Other information included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Auditor's responsibilities for the audit of the consolidated financial statements *(Continued)*

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditor's responsibilities for the audit of the consolidated financial statements *(Continued)*

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Tjen, Michael.

Ernst & Young
Certified Public Accountants

Hong Kong

25 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
REVENUE	5	**6,588,536**	6,912,301
Cost of sales		**(1,552,984)**	(1,707,313)
Gross profit		**5,035,552**	5,204,988
Other income and gains	5	**162,960**	237,083
Selling and distribution expenses		**(3,884,321)**	(3,778,110)
Administrative expenses		**(678,421)**	(608,744)
Impairment losses on financial assets	6	**(998)**	(4,772)
Other expenses		**(16,739)**	(7,105)
Finance costs	7	**(55,505)**	(48,739)
PROFIT BEFORE TAX	6	**562,528**	994,601
Income tax expense	10	**(88,440)**	(161,969)
PROFIT FOR THE YEAR		**474,088**	832,632
Attributable to:			
Owners of the parent		**468,504**	838,170
Non-controlling interests		**5,584**	(5,538)
		474,088	832,632
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	12		
Basic			
– For profit for the year		**RMB68.3 cents**	RMB123.7 cents
Diluted			
– For profit for the year		**RMB68.3 cents**	RMB121.9 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
PROFIT FOR THE YEAR	**474,088**	832,632
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(26,876)**	(35,498)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(26,876)**	(35,498)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**–**	9,889
Income tax effect	**–**	(1,483)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**–**	8,406
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(26,876)**	(27,092)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**447,212**	805,540
Attributable to:		
Owners of the parent	**441,628**	811,078
Non-controlling interests	**5,584**	(5,538)
	447,212	805,540

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	**576,071**	661,486
Investment properties	14	**79,217**	–
Right-of-use assets	15	**829,764**	766,589
Goodwill	16	**1,253,540**	1,253,540
Other intangible assets	17	**610,623**	615,894
Investments in associates	19	**2,100**	1,800
Prepayments, other receivables and other assets	22	**33,922**	31,501
Financial assets at fair value through profit or loss	23	**45,667**	80,655
Deferred tax assets	28	**56,655**	68,679
Total non-current assets		**3,487,559**	3,480,144
CURRENT ASSETS			
Inventories	20	**1,572,275**	1,152,505
Trade and bills receivables	21	**715,210**	717,449
Prepayments, other receivables and other assets	22	**191,735**	208,688
Financial assets at fair value through profit or loss	23	**519,233**	909,633
Time deposits	24	**9,340**	120,625
Cash and cash equivalents	24	**363,926**	440,756
Total current assets		**3,371,719**	3,549,656
CURRENT LIABILITIES			
Trade and bills payables	25	**306,398**	411,505
Other payables and accruals	26	**388,518**	443,947
Interest-bearing bank borrowings	27	**524,068**	513,779
Lease liabilities	15	**457,147**	470,115
Tax payable		**97,725**	149,927
Total current liabilities		**1,773,856**	1,989,273
NET CURRENT ASSETS		**1,597,863**	1,560,383
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,085,422**	5,040,527

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT LIABILITIES			
Lease liabilities	15	335,511	282,197
Deferred government grants		77,025	12,671
Deferred tax liabilities	28	170,833	181,239
Other long-term liabilities		3,000	3,000
Total non-current liabilities		586,369	479,107
Net assets		4,499,053	4,561,420
EQUITY			
Equity attributable to owners of the parent			
Share capital	29	5,766	5,766
Shares held for share award schemes	30	(235,685)	(211,914)
Reserves	31	4,738,875	4,783,055
		4,508,956	4,576,907
Non-controlling interests		(9,903)	(15,487)
Total equity		4,499,053	4,561,420

Jin Ming	**He Hongmei**
Director	*Director*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2024

	Attributable to owners of the parent											
	Share capital RMB'000 (note 29)	Share premium RMB'000 (note 31)	Capital redemption reserve RMB'000 (note 31)	Capital reserve RMB'000 (note 31)	Awarded share reserve RMB'000 (note 30)	Statutory reserve RMB'000 (note 31)	Shares held for the share award schemes RMB'000 (note 30)	Exchange reserve RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2024	5,766	2,020,313	196	90,414	58,103	172,862	(211,914)	14,887	2,426,280	4,576,907	(15,487)	4,561,420
Profit for the year	–	–	–	–	–	–	–	–	468,504	468,504	5,584	474,088
Other comprehensive income for the year:	–	–	–	–	–							
Change in fair value of equity investments through other comprehensive income, net of tax	–	–	–	–	–	–	–	–	–	–	–	–
Exchange differences on translation of financial statements	–	–	–	–	–	–	–	(26,876)	–	(26,876)	–	(26,876)
Total comprehensive income for the year	–	–	–	–	–	–	–	(26,876)	468,504	441,628	5,584	447,212
Appropriation to statutory reserve	–	–	–	–	–	3,681	–	–	(3,681)	–	–	–
Repurchase shares under share award schemes	–	–	–	–	–	–	(131,385)	–	–	(131,385)	–	(131,385)
The share award schemes arrangements	–	–	–	–	99,481	–	–	–	–	99,481	–	99,481
Tax deductions for share-based payment transactions	–	–	–	–	(14,390)	–	–	–	–	(14,390)	–	(14,390)
Vesting of shares under the share award schemes	–	15,006	–	–	(143,194)	–	107,614	–	–	(20,574)	–	(20,574)
Transfer to retained earnings	–	–	–	–	–	–	–	–	–	–	–	–
Final 2023 dividend declared	–	–	–	–	–	–	–	–	(442,711)	(442,711)	–	(442,711)
At 31 December 2024	5,766	2,035,319	196	90,414	–	176,543	(235,685)	(11,989)	2,448,392	4,508,956	(9,903)	4,499,053

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2024

	Attributable to owners of the parent												
	Share capital RMB'000 (note 29)	Share premium RMB'000 (note 31)	Capital redemption reserve RMB'000 (note 31)	Capital reserve RMB'000 (note 31)	Awarded share reserve RMB'000 (note 30)	Statutory reserve RMB'000 (note 31)	Shares held for the Share Award Scheme RMB'000 (note 30)	Fair value reserve RMB'000	Exchange reserve RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2023	5,766	2,039,004	196	90,414	74,422	132,222	(264,416)	(3,552)	50,385	1,873,008	3,997,449	(9,949)	3,987,500
Profit for the year	–	–	–	–	–	–	–	–	–	838,170	838,170	(5,538)	832,632
Other comprehensive income for the year:													
Change in fair value of equity investments through other comprehensive income, net of tax	–	–	–	–	–	–	–	8,406	–	–	8,406	–	8,406
Exchange differences on translation of financial statements	–	–	–	–	–	–	–	–	(35,498)	–	(35,498)	–	(35,498)
Total comprehensive income for the year	–	–	–	–	–	–	–	8,406	(35,498)	838,170	811,078	(5,538)	805,540
Appropriation to statutory reserve	–	–	–	–	–	40,640	–	–	–	(40,640)	–	–	–
The Share Award Scheme arrangements	–	–	–	–	30,711	–	–	–	–	–	30,711	–	30,711
Tax deductions for share-based payment transactions	–	–	–	–	2,585	–	–	–	–	–	2,585	–	2,585
Vesting of shares under the Share Award Scheme	–	(18,691)	–	–	(49,615)	–	52,502	–	–	–	(15,804)	–	(15,804)
Transfer to retained earnings	–	–	–	–	–	–	–	(4,854)	–	4,854	–	–	–
Final 2022 dividend declared	–	–	–	–	–	–	–	–	–	(249,112)	(249,112)	–	(249,112)
At 31 December 2023	5,766	2,020,313	196	90,414	58,103	172,862	(211,914)	–	14,887	2,426,280	4,576,907	(15,487)	4,561,420

* These reserve accounts comprise the consolidated reserves of RMB4,738,875,000 (2023: RMB4,783,055,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**562,528**	994,601
Adjustments for:			
Finance costs	7	**55,505**	48,739
Bank interest income	5	**(7,782)**	(5,988)
Other interest income from financial assets at fair value through profit or loss	5	**(29,558)**	(22,935)
Fair value losses/(gain) from financial assets at fair value through profit or loss, net	6	**15,483**	(47,964)
Depreciation of property, plant and equipment	6	**161,351**	132,982
Depreciation of investment properties	14	**1,697**	–
Depreciation of right-of-use asset	15	**880,366**	836,134
Amortisation of intangible assets	6	**8,420**	8,477
Write-down of inventories to net realisable value	6	**5,799**	22,256
Impairment of trade receivables	6	**998**	4,772
Exchange gain, net	6	**(25,419)**	(42,906)
Equity-settled share-based share award expense	6	**99,481**	30,711
		1,728,869	1,958,879
Increase in inventories		**(425,567)**	(150,799)
Decrease /(increase) in trade and bills receivables		**1,241**	(249,988)
(Increase)/decrease in prepayments and other receivables		**(9,343)**	6,711
Decrease in trade and bills payables		**(105,107)**	(52,733)
(Decrease)/increase in other payables and accruals		**(46,189)**	145,728
Cash generated from operations		**1,143,904**	1,657,798
Income tax paid		**(147,661)**	(88,591)
Net cash flows from operating activities		**996,243**	1,569,207

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income received	5	4,200	2,740
Purchases of items of property, plant and equipment	13	(156,941)	(110,948)
Proceeds from disposal of items of property, plant and equipment		46	52
Additions to other intangible assets		(3,149)	(5,449)
Decrease in time deposits		111,285	61,540
Investment in an associate		(300)	(600)
Decrease/(increase) in financial assets at fair value		409,906	(419,563)
Interest received from investment in time deposits		3,581	3,248
Interest received from investments in financial assets at fair value through profit or loss		29,558	22,935
Net cash flows from/(used) in investing activities		398,186	(446,045)
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase of shares for the share award schemes		(131,385)	–
New bank loans		524,068	573,000
Repayment of bank loans		(513,779)	(490,729)
Principal portion of lease payments	15	(849,687)	(824,813)
Dividend paid		(442,701)	(249,105)
Interest paid		(20,787)	(14,640)
Net cash used in financing activities		(1,434,271)	(1,006,287)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(39,842)	116,875
Cash and cash equivalents at beginning of year		440,756	361,463
Effect of foreign exchange rate changes, net		(36,988)	(37,582)
CASH AND CASH EQUIVALENTS AT END OF YEAR	24	363,926	440,756

1. CORPORATE AND GROUP INFORMATION

EEKA FASHION HOLDINGS LIMITED (the "Company") was incorporated in the Cayman Islands on 23 March 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. The Company and its subsidiaries hereinafter are collectively referred to as the "Group". The Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on 27 June 2014.

The principal activity of the Company is investment holding. The Group is principally engaged in the design, promotion, marketing and sale of self-owned branded ladies-wear in the People's Republic of China (the "PRC"). In the opinion of the directors, the ultimate holding company of the Company is BOS Trustee Limited.

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

			Percentage of ownership interest			
Name	Place of incorporation/ registration and business	Particulars of issued and paid-up capital	Group's effective interest	Held by the Company	Held by the subsidiaries	Principal activities
Fiona Kim Investments Limited ("Fiona Kim")	BVI	50,000 shares of US$1 each	100%	100%	–	Investment holding
La Kora International Limited ("La Kora International")	Hong Kong	HK$10,000	100%	–	100%	Brand promotion
Century Gold International Limited (創金國際有限公司)	Hong Kong	HK$1	100%	–	100%	Investment holding
Main Grand International Limited (萬安國際有限公司)	Hong Kong	HK$1	100%	–	100%	Investment holding
La Kordi Fashion (Shenzhen) Co., Ltd. *# (1) ("La Kordi Fashion") (拉珂帝服飾(深圳)有限公司)	PRC/Mainland China	HK$400,000,000	100%	–	100%	Trading of ladies-wear
Shenzhen Koradior*# (深圳市珂萊蒂爾服飾有限公司)	PRC/Mainland China	RMB15,000,000	100%	–	100%	Trading of ladies-wear
Dongfang Susu*# (1) (東方素素創意設計(深圳)有限公司)	PRC/Mainland China	HK$5,000,000	100%	–	100%	Fashion creation and design
Jianmo Idea *# (1) (簡默創意設計諮詢(深圳)有限公司)	PRC/Mainland China	HK$1,000,000	100%	–	100%	Fashion creation and design
Shenzhen Mondial *# (2) (深圳市蒙黛爾實業有限公司)	PRC/Mainland China	RMB30,000,000	100%	–	100%	Manufacture and trading of ladies-wear
Shenzhen De Kora Technology Development Limited*# (1) (深圳市迪珂萊科技開發有限公司)	PRC/Mainland China	HK$5,000,000	100%	–	100%	Trading of garments and software design
Shenzhen Jin Yuexin Investment and Development Company Limited*# ("Shenzhen Jin Yuexin") (深圳市金悦鑫投資發展有限公司)	PRC/Mainland China	RMB2,000,000	100%	–	100%	Investment holding
Shenzhen Naersi Fashion Co., Ltd. *# ("Naersi") (深圳市娜爾思時裝有限公司)	PRC/Mainland China	RMB30,000,000	100%	–	100%	Trading of ladies-wear

1. CORPORATE AND GROUP INFORMATION *(Continued)*

Information about subsidiaries *(Continued)*

Name	Place of incorporation/ registration and business	Particulars of issued and paid-up capital	Percentage of ownership interest: Group's effective interest	Held by the Company	Held by the subsidiaries	Principal activities
Aoruina Garments (Shenzhen) Co., Ltd.*# (1) ("Aoruina") (奧瑞納服裝(深圳)有限公司)	PRC/Mainland China	RMB16,372,680	100%	–	100%	Trading of ladies-wear
Extra Wisdom Ltd ("Extra Wisdom")	Hong Kong	HK$1,000	100%	–	100%	Investment holding
Keeh Reach Holdings Ltd ("Keeh Reach")	Hong Kong	HK$7,780	100%	100%	–	Investment holding
Shenzhen Haowei Flat Screen Display Materials Co., Ltd *# ("Haowei") (深圳市豪威平板顯示材料有限公司)	PRC/Mainland China	RMB30,000,000	100%	–	100%	Property leasing
Shenzhen Fangfu Fashion Co., Ltd. *# (3) ("Fangfu") (深圳市方弗時裝有限公司)	PRC/Mainland China	RMB96,850,000.00	83%	–	83%	Trading of ladies-wear
EEKA Fashion (Jiangshan) E-Commerce Co., Ltd. *# ("Jiangshan E-Commerce") (贏家時尚(江山)電子商務有限公司)	PRC/Mainland China	RMB5,000,000	100%	–	100%	E-Commerce
Shenzhen Qianhai Hengying Digital Technology Co., Ltd. *# ("Qianhai Hengying") (深圳市前海恒盈數智科技有限公司)	PRC/Mainland China	RMB100,000,000	100%	–	100%	Trading of garments and software design
Hainan Mosheng International Fashion Co., Ltd. *#("Hainan Mosheng") (海南省默生國際時尚有限公司)	PRC/Mainland China	RMB5,000,000	100%	–	100%	Trading of ladies-wear

* These entities are registered as limited liability companies under PRC law.

\# The English translation of the companies' names is for reference only. The official names of these companies are in Chinese.

Notes:

(1) These entities were established as wholly foreign-owned enterprises in the PRC.

(2) This entity was established as a Sino-foreign equity joint venture enterprise in the PRC.

(3) This entity was established as an equity joint venture enterprise in the PRC.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (which include all IFRS Accounting Standards, International Accounting Standards ("IAS") and Interpretations) issued by the International Accounting Standards Board (the "IASB"), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand 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 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 year 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 members 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. ACCOUNTING POLICIES *(Continued)*

2.2 Changes in Accounting Policies and Disclosures

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

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

The nature and the impact of the revised IFRS Accounting Standards that are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

2. ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not yet Effective IFRS Accounting Standards

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to IAS 21	*Lack of Exchangeability*[1]
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[2]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

2. ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not yet Effective IFRS Accounting Standards *(Continued)*

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19. Some of the Company's subsidiaries are considering the application of IFRS 19 in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

2. ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not yet Effective IFRS Accounting Standards *(Continued)*

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 *Financial Instruments:* The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies

Investments in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Business combinations and goodwill (Continued)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Fair value measurement

The Group measures its equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each year as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Related parties (Continued)

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of that asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Property, plant and equipment and depreciation (Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2% to 5%
Leasehold improvements	Over the lease terms
Motor vehicles	12% to 19%
Furniture, fixtures and equipment	10% to 32%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the period the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs.

Investment properties are accounted for using the cost model and stated in the statement of financial position at cost less accumulated depreciation and impairment loss. The cost of investment properties, less their estimated residual value and accumulated impairment loss, is depreciated using the straight-line method over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	4.75%

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition as cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Intangible assets (other than goodwill) (Continued)

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Software

The purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 3 to 5 years.

Trademarks

The trademarks with definite useful lives are stated at cost less any impairment losses and are amortised on the straight-line basis over its estimated useful life of 5 years or are classified as intangible assets with indefinite useful lives. The directors are of the opinion that the trademarks with indefinite useful lives will contribute cash flows for an indefinite period and the legal rights of the trademarks are capable of being renewed at minimal cost.

Customer relationships

Customer relationships are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful life of 10 years.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Leases (Continued)

Group as a lessee (Continued)

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	43 years
Retail stores	1 to 5 years
Buildings	2 to 5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Leases of low-value assets

The Group applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Leases (Continued)

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Subsequent measurement

Financial assets designated at fair value through other comprehensive income (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Investments and other financial assets (Continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Impairment of financial assets (Continued)

General approach (Continued)

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

For trade receivables that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables, interest-bearing bank borrowings and other long-term liabilities.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Financial liabilities (Continued)

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follow:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is currently an enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each year of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each year, taking into consideration interpretations and practices prevailing in the jurisdictions in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each year between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Income tax (Continued)

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each year and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of each year.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Revenue recognition (Continued)

Sale of goods

The Group operates a chain of retail stores and several online stores to sell ladies-wear. The Group also conducts wholesale to distributors. Revenue from the sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price need to be allocated. The Group operates a loyalty programme where customers accumulate points for purchases made which entitle them to discounts on future purchases. A contract liability for the award points is recognised at the time of the sale. Revenue is recognised when the points are redeemed or expired.

Other income

Rental income is recognised on a time proportion basis over the lease terms.

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Contract costs (Continued)

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Right-of-return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the goods to be returned, less any expected costs to recover the goods and any potential decreases in the value of the returned goods. The Group updates the measurement of the asset for any revisions to the expected level of returns, and any additional decreases in the value of the returned goods.

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Share-based payments

The Company operates the share award scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as in exchange for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date at which they are granted.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each year until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Share-based payments (Continued)

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding awarded shares through new issue of shares is reflected as additional share dilution in the computation of earnings per share.

Shares held for the Share Award Scheme

As disclosed in note 30 to the financial statements, the Group has engaged a trustee to administer the Share Award Scheme, where the trustee may purchase shares issued by the Company from the market as awards to the relevant participants. The consideration paid by the Company, including any directly attributable incremental costs, is presented as "shares held for the Share Award Scheme" and deducted from the Group's equity.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Other employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

There were no forfeited contributions utilised by the Group to reduce the existing level of contributions under the Group's MPF Scheme.

The employees of the Group's subsidiary which operates in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in note 11 to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material Accounting Policies *(Continued)*

Foreign currencies

The functional currency of the Company is HK$, while these financial statements are presented in RMB. The turnover of the Group is entirely contributed by the business in Mainland China and the presentation currency of RMB could provide users of the financial statements with more comparable information with other companies in similar industries. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the year. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain entities in the Group are currencies other than RMB. As at the end of the year, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the year and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of goodwill and other intangible assets with indefinite useful lives

The Group determines whether goodwill and other intangible assets with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill and other intangible assets with indefinite useful lives are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill and other intangible asset with indefinite useful lives at 31 December 2024 were RMB1,253,540,000 (2023: RMB1,253,540,000) and RMB590,500,000 (2023: RMB590,500,000), respectively. Further details are given in note 18.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Estimation uncertainty *(Continued)*

Write-down of inventories to net realisable value

A write-down of inventories to net realisable value is made based on the estimated net realisable value of the inventories. The assessment of the write-down required involves management's judgement and estimates on market conditions. Where the actual outcome or expectation in future is different from the original estimate, the differences will have an impact on the carrying amounts of inventories and the write-down of inventories in the period in which the estimate has been changed.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Estimation uncertainty *(Continued)*

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in note 28 to the financial statements.

Withholding tax arising from the distribution of dividends

The Group's determination, as to whether to accrue deferred tax liabilities in respect of withholding taxes arising from the distributions of dividends by certain PRC subsidiaries according to the relevant tax rules enacted in the jurisdictions, is subject to judgement on the plan of the distribution of dividends. Such judgement is made with reference to the Group's business plan and future cash requirements outside Mainland China.

Membership-based customer loyalty program

The Group offers a membership-based customer loyalty program, under which customers who joined the membership are able to accumulate reward points through purchases of goods and could redeem these reward points for vouchers entitling discount on a subsequent purchase. The Group accrues for contract liability as members accumulate points based on the estimated standalone selling price of the points expected to be redeemed. When members redeem awards, the accrued contract liability is reduced correspondingly.

4. OPERATING SEGMENT INFORMATION

Operating segments and the amounts of each segment item reported in the financial statements are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

The Group operates in a single business, which is the retailing and wholesale of ladies-wear in the People's Republic of China. Accordingly, no segmental analysis is presented.

Information about major customers

The Group's customer base is diversified and there was no single external customer from which the revenue amounted to 10% or more of the Group's total revenue during the years ended 31 December 2024 and 2023.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024 RMB'000	2023 RMB'000
Revenue from contracts with customers	**6,588,536**	6,912,301

(i) Disaggregated revenue information

For the year ended 31 December 2024

	Total RMB'000
Type of goods	
Sale of apparel and accessories	**6,588,536**
Geographical market	
Chinese Mainland	**6,588,536**
Timing of revenue recognition	
Goods transferred at a point in time	**6,588,536**

For the year ended 31 December 2023

	Total RMB'000
Type of goods	
Sale of apparel and accessories	6,912,301
Geographical market	
Chinese Mainland	6,912,301
Timing of revenue recognition	
Goods transferred at a point in time	6,912,301

5. REVENUE, OTHER INCOME AND GAINS *(Continued)*

(i) Disaggregated revenue information *(Continued)*

The following table shows the amounts of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period:

	2024 RMB'000	2023 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sales of apparel and accessories	**77,028**	64,020

(ii) Performance obligations

Information about the Group's performance obligation is summarised below:

Sale of apparel and accessories

The performance obligation is satisfied upon delivery of the apparel and accessories and payment is generally due within 60 days from delivery, except for third-party retailers, where payment in advance is normally required.

The Group has elected the practical expedient as described in IFRS 15.121(a) for not disclosing the remaining performance obligations for these types of contracts.

	2024 RMB'000	2023 RMB'000
Other income and gains		
Bank interest income	**4,200**	2,740
Subsidy income*	**65,753**	84,893
Other interest income from financial assets at fair value through profit or loss	**33,140**	26,183
Rental income	**12,543**	11,981
Exchange gain, net	**25,419**	42,906
Fair values gain, net	**–**	47,964
Others	**21,905**	20,416
Total	**162,960**	237,083

* Subsidy income represents various government grants received from the relevant government authorities to support the development of the Group in Mainland China. In the opinion of management, there are no unfulfilled conditions or contingencies relating to these grants.

6. PROFIT BEFORE TAX

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

	Notes	2024 RMB'000	2023 RMB'000
Cost of inventories sold		**1,552,984**	1,707,313
Depreciation of property, plant and equipment	13	**161,351**	132,982
Depreciation of investment property	14	**1,697**	–
Depreciation of right-of-use assets	15	**880,366**	836,134
Amortisation of other intangible assets	17	**8,420**	8,477
Advertising and promotion expenses		**262,589**	198,418
Research and development costs^:			
Current year expenditure		**181,581**	183,134
Lease payments not included in the measurement of lease liabilities		**689,658**	728,311
Auditor's remuneration		**1,800**	1,880
Employee benefit expense (including directors' remuneration (note 8) and outsourced labor costs):			
Wages and salaries		**1,310,775**	1,330,705
Pension scheme contributions (defined contribution scheme)**		**95,771**	83,023
Equity-settled share award expense		**99,481**	30,711
		1,506,027	1,444,439
Exchange gain, net#		**(25,419)**	(42,906)
Impairment of trade receivables	21	**998**	4,772
Write-down of inventories to net realisable value*		**5,799**	22,256
Fair values loss/(gain), net#:			
Financial assets at fair value through profit or loss		**15,483**	(47,964)

^ Research and development costs are included in "Administrative expenses" in the consolidated statement of profit or loss.

* Write-down of inventories to net realisable value is included in "Cost of sales" in the consolidated statement of profit or loss.

Exchange gains and fair values gain of financial assets at fair value through profit or loss are included in "Other income and gains" in the consolidated statement of profit or loss. Fair value losses is included in "Other expenses" in the consolidated statement of profit or loss.

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

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 RMB'000	2023 RMB'000
Interest on bank loans, overdrafts and other loans	**20,787**	14,640
Interest on lease liabilities	**34,718**	34,099
Total	**55,505**	48,739

8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2024 RMB'000	2023 RMB'000
Fees	**546**	540
Other emoluments:		
Salaries, allowances and benefits in kind	**5,635**	5,779
Equity-settled share award expense	**3,971**	1,141
Pension scheme contributions	**32**	32
Subtotal	**9,638**	6,952
Total	**10,184**	7,492

During the year, certain directors were granted share award, in respect of their services to the Group, under the Share Award Scheme of the Company, further details of which are set out in note 30 to the financial statements. The fair value of such award, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

8. DIRECTORS' REMUNERATION *(Continued)*

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2024 RMB'000	2023 RMB'000
Mr. Zhang Guodong	182	180
Mr. Zhong Ming	182	180
Mr. Zhou Xiaoyu	182	180
Total	546	540

There were no other emoluments payable to the independent non-executive directors during the year (2023: Nil).

(b) Executive directors, non-executive directors and the chief executive

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Pension scheme contributions RMB'000	Equity-settled share award expense RMB'000	Total remuneration RMB'000
2024					
Executive directors:					
Ms. He Hongmei	–	1,627	–	3,971	5,598
Mr. Jin Rui	–	985	16	–	1,001
Chief executive:					
Mr. Jin Ming	–	3,023	16	–	3,039
Total	–	5,635	32	3,971	9,638

8. DIRECTORS' REMUNERATION *(Continued)*

(b) Executive directors, non-executive directors and the chief executive *(Continued)*

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Pension scheme contributions RMB'000	Equity-settled share award expense RMB'000	Total remuneration RMB'000
2023					
Executive directors:					
Ms. He Hongmei	–	1,811	–	1,141	2,952
Mr. Jin Rui	–	937	16	–	953
Chief executive:					
Mr. Jin Ming	–	3,031	16	–	3,047
Total	–	5,779	32	1,141	6,952

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included a director and the chief executive (2023: a director and the chief executive), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining three (2023: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2024 RMB	2023 RMB
Salaries, allowances and benefits in kind	5,421	3,901
Equity-settled share award expense	7,585	1,570
Pension scheme contributions	84	80
Total	13,090	5,551

9. FIVE HIGHEST PAID EMPLOYEES *(Continued)*

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2024	2023
Nil to RMB1,000,000	**–**	–
RMB1,000,001 to RMB1,500,000	**–**	1
RMB1,500,001 to RMB2,000,000	**–**	–
RMB2,000,001 to RMB2,500,000	**–**	2
RMB2,500,001 to RMB3,000,000	**–**	–
RMB3,000,001 to RMB3,500,000	**–**	–
RMB3,500,001 to RMB4,000,000	**1**	–
RMB4,000,001 to RMB4,500,000	**–**	–
RMB4,500,001 to RMB5,000,000	**2**	–
Total	**3**	3

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The Company incorporated in the Cayman Islands is exempted from taxation.

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. And no provision for Hong Kong profits tax has been made as the Group had non-taxable profits derived from or earned in Hong Kong during the year of 2024 (2023: Nil).

In accordance with the relevant PRC income tax rules and regulations, the Group's subsidiaries registered in the PRC are subject to Corporate Income Tax ("CIT") at a statutory rate on their respective taxable income for the year ended 31 December 2024.

	2024	2023
	RMB'000	RMB'000
Current – Mainland China	**92,941**	152,796
Deferred (note 28)	**(4,501)**	9,173
Total tax charge for the year	**88,440**	161,969

10. INCOME TAX *(Continued)*

A reconciliation of the income tax expense applicable to profit before tax at the statutory tax rates for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled and operate to the tax expense at the effective tax rates are as follows:

	2024 RMB'000	2024 %	2023 RMB'000	2023 %
Profit before tax	**562,528**		994,601	
Tax at the statutory tax rate	**142,232**	**25.3**	227,677	22.9
Entities subject to a lower statutory tax rate*	**(40,695)**	**(7.1)**	(62,452)	(6.2)
Super-deduction of research and development costs	**(33,565)**	**(6.0)**	(32,178)	(3.2)
Tax losses utilised from previous periods	**(8,481)**	**(1.6)**	(6)	(0.1)
Income not subject to tax	**(3,110)**	**(0.6)**	(15,185)	(1.5)
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	**20,000**	**3.6**	30,000	3.0
Tax losses and temporary difference not recognised	**9,824**	**1.7**	12,395	1.2
Expensed not deductible for tax	**522**	**0.1**	1,504	0.2
Effect on deferred tax balances at 1 January resulting from a change in tax rate*	**2,381**	**0.4**	–	–
Adjustments in respect of current tax of previous periods	**(668)**	**(0.1)**	214	–
Tax charge at the effective rate	**88,440**	**15.7**	161,969	16.3

* Dongfang Susu Creativity and Design (Shenzhen) Co., Ltd. ("Dongfang Susu") and Jianmo Idea Design Consulting (Shenzhen) Co., Ltd. ("Jianmo") were entitled to a reduced CIT rate of 15% under the preferential tax policy of Shenzhen-Hong Kong Modern Service Industry Cooperation Zone.

Shenzhen Koradior Fashion Co., Ltd. ("Shenzhen Koradior") obtained an approval from Shenzhen Science and Technology Innovation Committee, Shenzhen Finance Bureau, Shenzhen Tax Service State Administration of Taxation in 2017 to be taxed as a High and New-Technology Enterprise, and the approval was renewed in 2022. Pursuant to the approval, Shenzhen Koradior was entitled to a preferential PRC CIT rate of 15% for a period of three years from December 2022 to December 2025.

Shenzhen Naersi Fashion Co., Ltd. ("Naersi") obtained an approval from Shenzhen Science and Technology Innovation Committee, Shenzhen Finance Bureau and Shenzhen Tax Service State Administration of Taxation in 2020 to be taxed as a High and New Technology Enterprise, and the approval was renewed in 2023. Pursuant to the approval, Naersi is entitled to a preferential PRC CIT rate of 15% for a period of three years from October 2023 to October 2026.

Shenzhen Mondial Industrial Co., Ltd. ("Mondial") obtained an approval from Shenzhen Science and Technology Innovation Committee, Shenzhen Finance Bureau and Shenzhen Tax Service State Administration of Taxation in 2024 to be taxed as a High and New Technology Enterprise. Pursuant to the approval, Mondial is entitled to a preferential PRC CIT rate of 15% for a period of three years from December 2024 to December 2027.

Shenzhen De Kora Technology Development Limited was a certified Software Enterprise by China Software Industry Association, and was entitled to an exemption from PRC CIT for two years commencing from 1 January 2020 to 31 December 2021 and thereafter is entitled to a 50% reduction in PRC corporate income tax for the subsequent three years from 1 January 2022 to 31 December 2024.

11. DIVIDENDS

	2024 RMB'000	2023 RMB'000
Final dividend	442,711	249,112
Proposed final – HK38 cents (2023: HK70 cents) per ordinary share	238,316	432,137
	681,027	681,249

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

12. EARNINGS PER SHARE

The calculation of the basic earnings per share amount for the year ended 31 December 2024 is based on the profit for the year attributable to ordinary equity holders of the parent of RMB468,504,000 (2023: RMB838,170,000), and the weighted average number of ordinary shares outstanding less shares held for the share award scheme of 685,852,612 shares (2023: 677,427,339 shares) outstanding during the year.

The calculation of the diluted earnings per share amounts is based on the profits for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

	2024 RMB'000	2023 RMB'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	468,504	838,170

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue less shares held for the share award scheme during the year used in the basic earnings per share calculation	685,852,612	677,427,339
Effect of dilution – weighted average number of ordinary shares:		
Awarded Shares	–	10,183,731
	685,852,612	687,611,070

13. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Leasehold improvements RMB'000	Motor vehicles RMB'000	Furniture, fixtures and equipment RMB'000	Total RMB'000
31 December 2024					
At 1 January 2024:					
Cost	676,228	561,444	20,525	36,211	1,294,408
Accumulated depreciation	(153,813)	(440,733)	(12,738)	(25,638)	(632,922)
Net carrying amount	522,415	120,711	7,787	10,573	661,486
At 1 January 2024, net of accumulated depreciation	522,415	120,711	7,787	10,573	661,486
Additions	–	150,867	–	6,075	156,942
Disposals	(92)	–	–	–	(92)
Transfer to investment properties	(80,914)	–	–	–	(80,914)
Depreciation provided during the year	(16,824)	(136,898)	(3,577)	(4,052)	(161,351)
At 31 December 2024 net of accumulated depreciation	424,585	134,680	4,210	12,596	576,071
At 31 December 2024:					
Cost	533,217	598,025	20,526	43,881	1,195,649
Accumulated depreciation	(108,632)	(463,345)	(16,316)	(31,285)	(619,578)
Net carrying amount	424,585	134,680	4,210	12,596	576,071

13. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Buildings RMB'000	Leasehold improvements RMB'000	Motor vehicles RMB'000	Furniture, fixtures and equipment RMB'000	Total RMB'000
31 December 2023					
At 1 January 2023:					
Cost	669,800	551,831	19,137	33,594	1,274,362
Accumulated depreciation	(134,728)	(423,410)	(9,043)	(22,727)	(589,908)
Net carrying amount	535,072	128,421	10,094	10,867	684,454
At 1 January 2023, net of accumulated depreciation	535,072	128,421	10,094	10,867	684,454
Additions	6,428	99,581	1,492	3,447	110,948
Disposals	–	–	(104)	(830)	(934)
Depreciation provided during the year	(19,085)	(107,291)	(3,695)	(2,911)	(132,982)
At 31 December 2023 net of accumulated depreciation	522,415	120,711	7,787	10,573	661,486
At 31 December 2023:					
Cost	676,228	561,444	20,525	36,211	1,294,408
Accumulated depreciation	(153,813)	(440,733)	(12,738)	(25,638)	(632,922)
Net carrying amount	522,415	120,711	7,787	10,573	661,486

14. INVESTMENT PROPERTIES

	2024 RMB'000
Cost at 1 January, net of accumulated depreciation	–
Transfer from property, plant and equipment	80,914
Depreciation provided during the year	(1,697)
At 31 December	79,217
At 31 December:	
Cost	142,919
Accumulated depreciation	(63,702)
Net carrying amount	79,217

The Group's investment properties are situated in the PRC and are leased to third parties under operating leases, further summary details of which are included in note 15 below.

The Group's investment properties were revalued on 31 December 2024 by Shenzhen Pengxin Asset Appraisal Land and Real Estate Appraisal Co., Ltd.（深圳市鵬信資產評估土地房地產估價有限公司）, an independent professionally qualified valuer, at RMB101,614,000 using the market approach on an existing use basis.

15. LEASES

The Group as a lessee

The Group has lease contracts for plant, property and retail stores used in its operations. Leases of plant and retail stores generally have lease terms between 1 and 5 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) *Right-of-use assets*

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land	**Retail stores**	**Buildings**	**Total**
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023	96,681	523,564	196,951	817,196
Additions	–	774,392	11,135	785,527
Depreciation charge	(2,458)	(783,722)	(49,954)	(836,134)
As at 31 December 2023 and 1 January 2024	94,223	514,234	158,132	766,589
Additions	–	845,681	97,860	943,541
Depreciation charge	(2,458)	(821,666)	(56,242)	(880,366)
As at 31 December 2024	91,765	538,249	199,750	829,764

(b) *Lease liabilities*

The carrying amount of lease liabilities and the movements during the year are as follows:

	2024	2023
	RMB'000	RMB'000
Carrying amount at 1 January	**752,312**	757,499
New leases	**855,315**	785,527
Accretion of interest recognised during the year	**34,718**	34,099
Payments	**(849,687)**	(824,813)
Carrying amount at 31 December	**792,658**	752,312
Analysed into:		
Current portion	**457,147**	470,115
Non-current portion	**335,511**	282,197

The maturity analysis of lease liabilities is disclosed in note 36 to the financial statements.

15. LEASES *(Continued)*

The Group as a lessee *(Continued)*

(c) *The amounts recognised in profit or loss in relation to leases are as follows:*

	2024 **RMB'000**	2023 RMB'000
Interest on lease liabilities	**34,718**	34,099
Depreciation charge of right-of-use assets	**880,366**	836,134
Variable lease payments not included in the measurement of lease liabilities (included in selling expense)	**689,658**	728,311
Total amount recognised in profit or loss	**1,604,742**	1,598,544

(d) *Extension options*

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and they are aligned with the Group's business needs. Set out below are the undiscounted future rental payments relating to periods following the exercise date of extension options that are included in the lease terms:

	2024 **RMB'000**	2023 RMB'000
Extension options expected to be exercised	**110,415**	171,093

(e) *Variable lease payments*

The Group leased a number of the retail stores and units in shopping malls which contain variable lease payment terms that are based on the Group's turnover generated from the retail stores. There are also minimum annual base rental arrangements for these leases. The amount of the variable lease payments recognised in profit or loss for the current year for these leases is RMB689,658,000.

(f) The total cash outflow for leases is disclosed in note 32(c) to the financial statements.

15. LEASES *(Continued)*

The Group as a lessor

The Group had acquired properties including three warehouse buildings and an integrated office building through acquisition of a subsidiary in prior year and leased a few units under operating lease arrangements. Besides, the Group leases its investment properties (note 14) consisting of ten properties under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB12,543,000 (2023: RMB11,981,000), details of which are included in note 5 to the financial statements.

At 31 December 2024, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2024 **RMB'000**	2023 RMB'000
Within one year	**15,334**	8,070
After one year but within two years	**14,139**	1,704
After two years	**10,805**	135
Total	**40,278**	9,909

16. GOODWILL

	2024 **RMB'000**	2023 RMB'000
Cost and net carrying amount at 1 January and 31 December	**1,253,540**	1,253,540

Impairment testing of goodwill

Details of the impairment testing of goodwill are set out in note 18 to these financial statements.

17. OTHER INTANGIBLE ASSETS

	Customer relationships RMB'000	Trademarks* RMB'000	Software RMB'000	Total RMB'000
31 December 2024				
Cost at 1 January 2024, net of accumulated amortisation	4,267	590,500	21,127	615,894
Additions	–	–	3,149	3,149
Amortisation provided during the year	(1,707)	–	(6,713)	(8,420)
At 31 December 2024	2,560	590,500	17,563	610,623
At 31 December 2024:				
Cost	17,068	606,836	44,661	668,565
Accumulated amortisation	(14,508)	(16,336)	(27,098)	(57,942)
Net carrying amount	2,560	590,500	17,563	610,623

	Customer relationships RMB'000	Trademarks* RMB'000	Software RMB'000	Total RMB'000
31 December 2023				
Cost at 1 January 2023, net of accumulated amortisation	5,974	590,500	22,448	618,922
Additions	–	–	5,449	5,449
Amortisation provided during the year	(1,707)	–	(6,770)	(8,477)
At 31 December 2023	4,267	590,500	21,127	615,894
At 31 December 2023:				
Cost	17,068	606,836	42,574	666,478
Accumulated amortisation	(12,801)	(16,336)	(21,447)	(50,584)
Net carrying amount	4,267	590,500	21,127	615,894

* Trademarks of "NAERSI", "NEXY.CO" and "NAERSILING" acquired from a subsidiary amounting to RMB590,500,000 are regarded as having indefinite useful lives as they are expected to generate net cash inflows to the Group indefinitely. As at 31 December 2024, these intangible assets with indefinite useful lives were tested for impairment (note 18).

18. IMPAIRMENT TESTING OF GOODWILL AND OTHER INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

Goodwill acquired through business combinations has been allocated to the following cash-generating units ("CGUs") for impairment testing:

	2024 RMB'000	2023 RMB'000
CADIDL brand CGU	21,681	21,681
NAERSI, NEXY.CO and NAERSILING brand CGU	1,231,859	1,231,859
	1,253,540	1,253,540

The respective carrying amounts of goodwill and other intangible assets with indefinite useful lives allocated to each of the above CGUs are set out below:

	2024		2023	
	Goodwill RMB'000	Other intangible assets with indefinite useful lives RMB'000	Goodwill RMB'000	Other intangible assets with indefinite useful lives RMB'000
CADIDL brand CGU	21,681	–	21,681	–
NAERSI, NEXY.CO and NAERSILING brand CGU	1,231,859	590,500	1,231,859	590,500
	1,253,540	590,500	1,253,540	590,500

The recoverable amount of each CGU has been determined based on a value-in-use calculation using cash flow projection based on financial budgets or forecasts approved by management covering a period of five years. The growth rates used to extrapolate the cash flows beyond the period are based on the estimated growth rate of each unit, taking into account the industry growth rate, past experience and its expectations for market development target of each CGU. The impairment assessment of goodwill and trademarks with indefinite lives allocated to NAERSI, NEXY.CO and NAERSILING brand CGU is based on a valuation by an independent professional valuer, Avista Group.

18. IMPAIRMENT TESTING OF GOODWILL AND OTHER INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES *(Continued)*

Assumptions were used in the value-in-use calculation of each CGU as at 31 December 2024 and 31 December 2023. The following describes each key assumption made by the management on cash flow projections to undertake impairment testing of goodwill and other intangible assets with indefinite useful lives:

		2024	2023
CADIDL brand CGU	Discount rate	**14%**	14%
	Budgeted gross margins	**70%-74%**	69%-73%
	Terminal growth rates	**2.0%**	2.3%
NAERSI, NEXY.CO and NAERSILING brand CGU	Discount rate	**15%**	15%
	Budgeted gross margins	**75%-76%**	74%-75%
	Terminal growth rates	**2.0%**	2.3%

Forecast sales amounts – The forecast sales amounts are based on the historical sales data and market outlook perceived by management.

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates – The discount rates used are after tax and reflect specific risks relating to the relevant CGUs.

The values assigned to the key assumptions on market development of the CGUs and discount rates are consistent with external information sources.

Judgement is required to determine key assumptions adopted in the cash flow projections and the changes to key assumptions can significantly affect these cash flow projections. Management has considered the above assumptions and valuation and has also taken into account the business plans going forward. Management believes that any reasonably possible change in the key assumptions on which the recoverable amounts are based would not cause the carrying amounts of goodwill and trademarks with indefinite lives to exceed their recoverable amounts, respectively. Actual results will be influenced by the prevailing economic conditions and potentially other unforeseen events or circumstances that could have a negative impact on future results.

19. INVESTMENTS IN ASSOCIATES

	2024 **RMB'000**	2023 RMB'000
Share of net assets	**2,100**	1,800

19. INVESTMENTS IN ASSOCIATES *(Continued)*

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2024 RMB'000	2023 RMB'000
Aggregate carrying amount of the Group's investments in the associates	**2,100**	1,800

20. INVENTORIES

	2024 RMB'000	2023 RMB'000
Raw materials	**160,427**	173,386
Work in progress	**9,875**	8,799
Finished goods	**1,401,973**	970,320
Total	**1,572,275**	1,152,505

21. TRADE AND BILLS RECEIVABLES

	2024 RMB'000	2023 RMB'000
Trade and bills receivables	**736,280**	739,456
Impairment	**(21,070)**	(22,007)
Total	**715,210**	717,449

Majority of the trade receivables are related to sales made through the Group's self-operated stores. The Group leased a number of retail stores within department stores and shopping malls in Mainland China. Proceeds from the Group's sales made in these leased retail stores are mainly collected by the department stores and the shopping malls on the Group's behalf. Following the completion of the reconciliation of the sales in the past months with the department stores and shopping malls, the Group then issues invoices, which generally fall within 30 days from the date of revenue recognition. Settlement in respect of these concession sales is made net of the lease rental payable to the department stores and the shopping malls and is generally expected within 60 days from the date of revenue recognition.

21. TRADE AND BILLS RECEIVABLES *(Continued)*

An ageing analysis of the trade receivables as at the end of the year, based on the revenue recognition date and net of loss allowance, is as follows:

	2024 **RMB'000**	2023 RMB'000
Trade receivables:		
Within 1 month	**452,002**	447,541
1 to 2 months	**173,540**	189,455
2 to 3 months	**53,063**	38,835
Over 3 months	**36,605**	41,618
Total	**715,210**	717,449

The movement in the loss allowance for impairment of trade receivables is as follows:

	2024 **RMB'000**	2023 RMB'000
At beginning of year	**22,007**	17,235
Impairment losses, net	**998**	4,772
Amount written off as uncollectible	**(1,935)**	–
At end of year	**21,070**	22,007

As at 31 December 2024, the allowance for credit losses is related to individually impaired receivables amounting to RMB21,070,000 (2023: RMB22,007,000). Management considers that such receivables are not recoverable since the customers are in severe financial liabilities. As a consequence, allowance for expected credit losses of RMB21,070,000 (2023: RMB22,007,000) has been recognised in respect of such receivables.

As at 31 December 2024, trade receivables that were not individually impaired related to a large number of independent customers including owners of department stores and shopping malls in Mainland China with no recent history of material defaults, and the probability of default, and the loss given default was estimated to be minimal.

As at 31 December 2024, the decrease in the loss allowance of RMB1,935,000 was due to the write-off of certain trade receivables.

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2024 RMB'000	2023 RMB'000
Current		
Prepayments	83,848	110,868
Deposits and other receivables	105,429	95,566
Right-of-return assets	2,433	2,043
Loans to employees	25	211
	191,735	208,688
Non-current		
Deposits and other receivables	32,615	29,504
Loans to employees	1,307	1,997
	33,922	31,501

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 RMB'000	2023 RMB'000
Financial assets at fair value through profit or loss		
– Non-current		
Wealth management products, at fair value	45,667	80,655
– Current		
Wealth management products, at fair value	516,371	897,274
Others	2,862	12,359
	519,233	909,633

The above wealth management products were issued by banks and trustees in Mainland China and Hong Kong. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

24. CASH AND CASH EQUIVALENTS AND TIME DEPOSITS

	2024 RMB'000	2023 RMB'000
Cash and bank balances	363,926	440,756
Time deposits:	9,340	120,625
	373,266	561,381
Less:		
Pledged time deposits with original maturity of more than three months when acquired	(9,340)	(120,625)
Cash and cash equivalents	363,926	440,756

The cash and bank balance were denominated in the following currencies:

	2024 RMB'000	2023 RMB'000
Cash and bank balances denominated in		
RMB	352,858	556,619
Hong Kong Dollar ("HK$")	17,728	4,173
EUR ("€")	683	576
US Dollar ("US$")	14	13
JPY	1,981	–
GBP	2	–
Cash and bank balances	373,266	561,381

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for more than three months depending on the immediate cash requirements of the Group, and earn interest at the respective time deposit rates. No time deposits were deposited as pledge as at 31 December 2024 (2023: RMB65,521,000) for bills payable (note 25). The pledged bank deposits will be released upon the settlement of relevant bills payable. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

25. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the year, based on the invoice date, is as follows:

	2024 RMB'000	2023 RMB'000
Trade payables:		
Within 1 month	**148,869**	172,432
1 to 2 months	**29,455**	2
Over 2 months	**74**	71
	178,398	172,505
Bills payables	**128,000**	239,000
	306,398	411,505

The trade payables are non-interest-bearing and are normally settled on terms of one month.

All bills payable have maturity dates within a year. As at 31 December 2024, bills payable amounting to RMB118,000,000 (2023: RMB138,500,000) were discounted by the bill holders.

26. OTHER PAYABLES AND ACCRUALS

	Notes	**2024 RMB'000**	2023 RMB'000
Contract liabilities	(a)	**58,764**	77,028
Refund liabilities		**7,598**	6,038
Tax payables other than current income tax liabilities		**110,479**	120,679
Salaries and welfare payables		**50,663**	124,457
Other payables	(b)	**160,538**	115,280
Dividend payables		**476**	465
		388,518	443,947

Notes:

(a) Details of contract liabilities are as follows:

	2024 RMB'000	2023 RMB'000
Short-term advances received from customers		
Sale of goods	**58,764**	77,028

(b) Other payables are non-interest-bearing and have an average term within a year.

27. INTEREST-BEARING BANK BORROWINGS

	2024			2023		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Bank loans – unsecured	2.40 to 4.90	2025	524,068	2.70 to 3.20	2024	473,000
Current portion of long term bank loans – secured			–	HIBOR+0.4	2024	40,779
Total – current			524,068			513,779
Analysed into:						
Bank loans repayable						
Within one year			524,068			513,779
In the second to fourth years, inclusive			–			–
Total			524,068			513,779

Notes:

(a) The Group's overdraft facilities amounted to RMB1,244,354,000 (2023: RMB1,044,102,000), of which RMB652,068,000 (2023: RMB672,779,000) had been utilised as at the end of the reporting period.

(b) Except for the HIBOR+0.4% secured bank loan which are denominated in Hong Kong dollars, all borrowings are in Renminbi ("RMB").

(c) Certain of the Group's bank loans amounting to RMB40,779,000 were secured by mortgages over the Group's buildings, which had a net carrying value at the end of the reporting period of approximately RMB86,006,000 and guaranteed by the Company at 31 December 2023, which was repaid during the year ended 31 December 2024.

(d) Certain of the Group's bank loans amounting to RMB524,068,000 (2023: RMB473,000,000) were guaranteed by the Company and certain subsidiaries of the Company.

28. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

	Impairment of assets RMB'000	Unrealised profits RMB'000	Contract liabilities RMB'000	Granted shares under the share award schemes RMB'000	Lease liabilities RMB'000	Deductible temporary differences RMB'000	Fair value adjustments of equity investments at fair value through other comprehensive income RMB'000	Total RMB'000
At 1 January 2023	26,087	345	8,857	15,835	113,625	6,472	627	171,848
Credited to the share award reserve during the year	–	–	–	(55)	–	–	–	(55)
Charged to other comprehensive income during the year	–	–	–	–	–	–	(627)	(627)
Credited/(charged) to the statement of profit or loss during the year (note 10)	5,023	(184)	(447)	(2,063)	(778)	(3,183)	–	(1,632)
At 31 December 2023 and 1 January 2024	31,110	161	8,410	13,717	112,847	3,289	–	169,534
Credited to the share award reserve during the year	–	–	–	(6,119)	–	–	–	(6,119)
Credited/(charged) to the statement of profit or loss during the year (note 10)	(401)	(161)	(1,123)	(7,598)	3,624	9,599	–	3,940
At 31 December 2024	30,709	–	7,287	–	116,471	12,888	–	167,355

28. DEFERRED TAX *(Continued)*

Deferred tax liabilities

	Fair value adjustment on other intangible assets arising from business combinations	Fair value adjustments of financial assets at fair value through profit or loss liabilities	Withholding taxes	Right-of-use assets	Taxable temporary differences	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	149,235	1,451	15,000	108,077	790	274,553
(Credited)/charged to the statement of profit or loss during the year (note 10)	(448)	178	15,000	(7,222)	33	7,541
At 31 December 2023 and 1 January 2024	148,787	1,629	30,000	100,855	823	282,094
(Credited)/charged to the statement of profit or loss during the year (note 10)	(435)	852	(10,000)	9,845	(823)	(561)
At 31 December 2024	148,352	2,481	20,000	110,700	–	281,533

The Group has aggregate tax losses arising in Hong Kong of RMB165,073,000 (2023: RMB121,200,000) that are available for offsetting against future taxable profits of the companies in which the losses arose. The Group has aggregate tax losses arising in Mainland China of RMB146,064,000 (2023: RMB175,844,000) that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as it is not probable that the foreseeable future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings generated from 1 January 2008. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008. In the current year, the Group accrued withholding tax of RMB20,000,000 (2023: RMB30,000,000) for those subsidiaries established in Mainland China.

28. DEFERRED TAX *(Continued)*

Deferred tax liabilities *(Continued)*

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2024 **RMB'000**	2023 RMB'000
Net deferred tax assets recognised in the consolidated statements of financial position	**56,655**	68,679
Net deferred tax liabilities recognised in the consolidated statements of financial position	**170,833**	181,239

29. SHARE CAPITAL

	2024	2023
Issued and fully paid:		
704,050,195 (31 December 2023: 704,050,195) ordinary shares of HK$0.01 each (HK$'000)	**7,041**	7,041
Equivalent to RMB'000	**5,766**	5,766

	Note	**Number of shares in issue**	**Share capital** RMB'000	**Share premium** RMB'000
At 1 January 2023		704,050,195	5,766	2,039,004
Vesting shares under the share award scheme	(a)	–	–	(18,691)
At 31 December 2023 and 1 January 2024		704,050,195	5,766	2,020,313
Vesting shares under the share award schemes	(a)	–	–	15,006
At 31 December 2024		704,050,195	5,766	2,035,319

29. SHARE CAPITAL *(Continued)*

(a) During the year ended 31 December 2024, an amount of RMB154,560,000 (2023: RMB49,615,000) was transferred from the share award reserve to share premium account and an amount of RMB139,554,000 (2023: RMB68,306,000) was transferred from the share premium account to shares held for the Share Award Schemes upon the vesting of the awarded shares.

(b) As at 31 December 2024, the total number of issued ordinary shares of the Company was 704,050,195 (2023: 704,050,195) shares which included 26,786,007 (2023: 22,812,010) shares held under the Share Award Scheme adopted by the Company (note 30).

30. SHARE AWARD SCHEMES

2019 Share Award Scheme

On 2 December 2019, the Board resolved to adopt a share award scheme (the "2019 Share Award Scheme") for the purpose of providing incentives in order to retain to the participants for the continual operation and development of the Group and to attract suitable personnel for further development of the Group, the Board may, from time to time, at its sole and absolute discretion grantees for participation in the 2019 Share Award Scheme as Selected Grantees ("Selected Grantees").

Participants of the 2019 Share Award Scheme cover any employee, director, officer, of any member of the Group or any affiliate and non-employees (i) any consultant or advisor of any member of the Group, or (ii) any trustee of a trust established (the "Trustee") for the benefit of any employee of any member of the Group, or (iii) any director or officer of any supplier of any member of the Group whom the Board in its sole discretion considers may contribute or have contributed to the Group. Awards may be satisfied by (i) transferred by Koradior Investments Limited, being an existing shareholder of the Company holding approximately 43.86% of the issued share capital of the Company as at the adoption date, to the Trustee for the purposes of the 2019 Share Award Scheme, and/or (ii) purchased by the Trustee on the market out of cash arranged to be paid by the Company out of the Company's funds to the Trustee, together with in each case any scrip Shares or bonus Shares (collectively the "Awarded Shares"), for the purposes of settlement of the Awarded Shares in both case the costs of which will be borne by the Company, and will be held on trust by the Trustee for the Selected Grantee until the end of each vesting period, subject to fulfilment of the vesting conditions.

Subject to the refreshment of the 2019 Share Award Scheme limit of shares, the Board shall not make any further award of the Awarded Shares which will result in: (i) the aggregate number of the Awarded Shares granted under the 2019 Share Award Scheme exceeding 10% of the issued share capital of the Company as at the adoption date (i.e. 68,505,019 shares); and (ii) the aggregate number of the Shares held by public shareholders of the Company falling below the minimum percentage as prescribed under the Listing Rules.

On 5 December 2019, the Company entered into a trust deed with CMB Wing Lung (Trustee) Limited thereby appointing it as the Trustee.

On 14 April 2020, the Board resolved to grant an aggregate of 40,973,000 Awarded Shares pursuant to the Share Award Scheme to certain Selected Grantees. The Awarded Shares shall, subject to fulfilment of vesting conditions, be vested to the Selected Grantees in five equal tranches annually.

30. SHARE AWARD SCHEMES *(Continued)*

On 15 May 2020, the first tranche totalling 8,058,200 Awarded Shares have vested and 136,400 Awarded Shares have been forfeited, and 1,017,000 Awarded Shares being forfeited on 31 December 2020.

On 15 May 2021, the second tranche totalling 7,918,200 Awarded Shares have vested and 22,150 Awarded Shares have been forfeited, and 752,850 Awarded Shares being forfeited on 31 December 2021.

On 15 May 2022, the third tranche totalling 7,507,160 Awarded Shares have vested and 182,240 Awarded Shares have been forfeited, and 1,307,600 Awarded Shares being forfeited on 31 December 2022.

On 30 August 2023, the fourth tranche totalling 7,154,000 Awarded Shares have vested and 509,600 Awarded Shares have been forfeited, and 625,800 Awarded Shares being forfeited on 31 December 2023.

On 15 May 2024, the fifth tranche totalling 5,766,000 Awarded Shares have vested and 15,800 Awarded Shares have been forfeited.

The Awarded Shares granted above shall be satisfied first by the trust shares contributed by Koradior Investments Limited to the 2019 Share Award Scheme and then by trust shares to be purchased by the Trustee from the open market pursuant to the 2019 Share Award Scheme, at the expense of the Company.

On 15 December 2023, the Board resolved to grant an aggregate of 9,644,000 Awarded Shares pursuant to the Share Award Scheme to certain Selected Grantees. The Awarded Shares have vested to the Selected Grantees on 15 May 2024, and the Group recognised an awarded share expense of HK$111,605,000 (equivalent to RMB101,516,000) during the year ended 31 December 2024.

The 2019 Share Award Scheme has been terminated and no further award can be granted thereunder.

2024 Share Award Scheme

On 10 April 2024, the Board resolved to adopt a new share award scheme (the "2024 Share Award Scheme", together with the 2019 Share Award Scheme, the "Share Award Schemes") for the purpose of recognising the contributions by certain participants and providing them with incentives in order to retain them for the continual operation and development of the Group and attracting suitable personnel for further development of the Group.

30. SHARE AWARD SCHEMES *(Continued)*

2024 Share Award Scheme *(Continued)*

Participants include: (i) any directors or employees of any member of the Group or any affiliate; (ii) any persons who provide services to any members of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, provided any such person is not a connected person of the Group; and (iii) such other person as permitted under the Listing Rules from time to time, whom the Board considers, in its sole and absolute discretion, may contribute or have contributed to the Group. Subject to the terms and conditions of the rules of the 2024 Share Award Scheme and the fulfillment of all vesting conditions to the vesting of the Awarded Shares on such selected participant as specified in the 2024 Share Award Scheme and the relevant grant instrument, the Awarded Shares held by the trustee of the 2024 Share Award Scheme on behalf of the selected participant shall vest in such selected participant in accordance with the applicable vesting schedule, and the trustee shall cause the Awarded Shares to be transferred to such selected participant in accordance with the terms of rules of the 2024 Share Award Scheme.

Subject to the refreshment of the scheme mandate limit of the 2024 Share Award Scheme, the Board shall not make any further grant of award such that the total number of Shares granted under the 2024 Share Award Scheme and any other schemes of the Company will exceed 10% of the total number of issued Shares as of the adoption date (i.e. 70,405,019 Shares).

On 22 April 2024, the Company has granted an aggregate of 9,415,000 awarded Shares pursuant to the 2024 Share Award Scheme to certain grantees including directors, senior management and employees, and such 9,415,000 awarded Shares have been forfeited during the year ended 31 December 2024 because non-market performance conditions have not been met.

The number of shares and vesting date of the Awarded Shares under the Share Award Schemes as at the end of 2024 are as follows:

	Number of Awarded Shares						
Date of grant	**As at 1 January 2024**	**Granted during the year**	**Vested during the year**	**Forfeited during the year**	**As at 31 December 2024**	**Fair value HK$ per share**	**Vesting date**
14 April 2020	5,781,800	–	(5,766,000)	(15,800)	–	7.58	15-May-24
15 December 2023	9,644,000	–	(8,765,500)	(878,500)	–	14.40	15-May-24
22 April 2024	–	9,415,000	–	(9,415,000)	–	11.78	15-May-25
Total	15,425,800	9,415,000	(14,531,500)	(10,309,300)	–		

The fair value of the Awarded Shares granted in 2020 was HK$275,861,000 (equivalent to RMB232,164,000), of which the Group reversed an awarded share expense of HK$2,237,000 (equivalent to RMB2,035,000) during the year ended 31 December 2024 (2023: HK$19,486,000, equivalent to RMB17,548,000).

30. SHARE AWARD SCHEMES *(Continued)*

The following Awarded Shares were outstanding during the year:

	Notes	Number of Awarded Shares 2024	2023
At 1 January			
Number of Awarded Shares held by the Trustee		**22,812,010**	28,584,381
Number of Awarded Shares granted but not vested		**15,425,800**	14,071,200
Maximum number of Awarded Shares available for grant*		**68,505,019**	68,505,019
At 31 December			
Number of Awarded Shares held by the Trustee		**26,786,007**	22,812,010
Number of Awarded Shares granted but not vested		**–**	15,425,800
Maximum number of Awarded Shares available for grant*		**60,990,019**	68,505,019
Granting during the year			
Grant using existing shares		**9,415,000**	9,644,000
Forfeited during the year		**10,309,300**	1,135,400
Vested during the year		**14,531,500**	7,154,000
Purchased during the year	(a)	**15,673,500**	–
Individual income tax paid on behalf of the Selected Grantees during the year	(b)	**2,831,997**	1,381,629

Notes:

(a) During the year ended 31 December 2024, the Trustee purchased 15,673,500 shares at a total cost (including related transaction costs) of HK$143,368,000 (equivalent to RMB131,385,000) from the market out of cash contributed by the Group. Such shares will be held on trust by the Trustee for the Selected Grantees until the end of the vesting period, subject to fulfilment of the vesting conditions.

(b) During the year ended 31 December 2024, tax has been paid by the Group on behalf of certain Selected Grantees whose rights were vested in the Awarded Shares and 2,831,997 Awarded Shares (2023: 1,381,629) were deducted from the total number of Awarded Shares entitled to be vested to those Selected Grantees, as the settlement for the Individual Income Tax paid by the Group on their behalf. The total cost of the related vested Awarded Shares was RMB31,939,000 (2023: RMB15,804,000).

* As mentioned above, the Board shall not make any further award of Awarded Shares which will result in the aggregate number of the Awarded Shares granted under the 2019 Share Award Scheme (excluding those cancelled or forfeited) exceeding 10% of the number of issued shares of the Company as at the adoption date (i.e., 2 December 2019). Following the termination of the 2019 Share Award Scheme, no further award can be granted thereunder. Awarded Shares are available for grant under the 2024 Share Award Scheme adopted by the Company on 10 April 2024.

31. RESERVES

The amount of the Group's reserves and the movements therein during the years ended 31 December 2024 and 2023 are presented in the consolidated statement of changes in equity on pages 171 to 172 of the financial statements.

Share premium

Under the Companies Law of Cayman Islands, the share premium account of the Company is distributable to the shareholders of the Company, provided that immediately following the date on which the dividend is proposed to be distributed, the Company would be in a position to pay off its debts as they fall due in the ordinary course of business.

Capital redemption reserve

The capital redemption reserve represents the nominal amount of the shares repurchased and cancelled.

Capital reserve

The capital reserve mainly comprises of (i) the difference between the consideration paid for the acquisition of a subsidiary under common control and the carrying amount of the net assets of the subsidiary at the date when the Group and the acquired subsidiary become under common control; (ii) the fair value of the share options granted by the Company which are yet to be exercised; (iii) the contribution from the immediate holding company; and (iv) the difference between the carrying amounts of non-controlling interests acquired and the consideration paid for acquisition of addition interest in subsidiaries.

Statutory reserve

As stipulated by regulations in the PRC, the Company's subsidiaries established and operated in Mainland China are required to appropriate 10% of their after-tax profit (after offsetting prior year losses) as determined in accordance with the PRC accounting rules and regulations to the statutory reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of profits to parent companies.

The statutory reserve can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase capital of the subsidiary, provided that the balance after such issue is not less than 25% of its registered capital.

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB943,541,000 (2023: RMB785,527,000) and RMB855,315,000 (2023: RMB785,527,000), respectively, in respect of lease arrangements for plant and equipment.

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(b) Changes in liabilities arising from financing activities

2024

	Interest-bearing bank borrowings RMB'000	Lease liabilities RMB'000
At 1 January 2024	513,779	752,312
Changes from financing cash flows	10,289	(849,687)
New leases	–	855,315
Foreign exchange movement	–	–
Interest expense	–	34,718
At 31 December 2024	524,068	792,658

2023

	Interest-bearing bank borrowings RMB'000	Lease liabilities RMB'000
At 1 January 2023	430,348	757,499
Changes from financing cash flows	82,271	(824,813)
New leases	–	785,527
Foreign exchange movement	1,160	–
Interest expense	–	34,099
At 31 December 2023	513,779	752,312

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2024 RMB'000	2023 RMB'000
Within operating activities	**(689,658)**	(728,311)
Within financing activities	**(849,687)**	(824,813)
	(1,539,345)	(1,553,124)

33. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the year ended 31 December 2024:

		2024 RMB'000	2023 RMB'000
Processing fees	Note	**405,138**	349,620

Note: Shenzhen Yingjia Fashion Co., Ltd. ("Yingjia Fashion") (深圳市贏家服飾有限公司) is 53% and 47% owned by Ms. Chen Lingmei and Mr. Jin Jingquan respectively. Mr. Jin Rui is a director of the Company.

During the year ended 31 December 2024, the Group entered into a processing agreement with Yingjia Fashion and two of its subsidiaries (collectively referred to as the "Yingjia Fashion Group"), pursuant to which the Yingjia Fashion Group provided processing and manufacturing services to the Group. The VAT-inclusive processing fees incurred to the Yingjia Fashion Group amounted to RMB405,138,000 (2023: RMB349,620,000) for the year ended 31 December 2024.

33. RELATED PARTY TRANSACTIONS *(Continued)*

(b) Outstanding balances with related parties

		Due to related parties		Due from related parties	
		2024	2023	**2024**	2023
		RMB'000	RMB'000	**RMB'000**	RMB'000
Current					
Yingjia Fashion Group	(1)	**75,282**	120,974	**–**	26,195

(1) The Group had an outstanding balance due to the Yingjia Fashion Group of RMB75,282,000 (2023: RMB120,974,000), and an amount due from the Yingjia Fashion Group of nil (2023: RMB26,195,000) as at the end of the reporting period. This balance is unsecured, interest-free and repayable on demand.

(c) Commitments with related parties

The Group has rental contracts with the Yingjia Fashion Group. As at 31 December 2024, the Group had total lease liabilities with these related companies under non-cancellable leases falling due as follows:

	2024	2023
	RMB'000	RMB'000
Lease liabilities – current	**–**	715
Lease liabilities – non-current	**–**	749
	–	1,464

Under such rental contracts, the minimum lease payment in 2023 was RMB767,000.

As at 31 December 2023, the Group's right-of-use assets relating to such rental contracts amounted to RMB1,535,000.

33. RELATED PARTY TRANSACTIONS *(Continued)*

(d) Compensation of key management personnel of the Group

	2024 RMB'000	2023 RMB'000
Short-term employee benefits	12,115	10,394
Pension scheme contributions	135	130
Equity-settled share award expense	12,945	1,926
	25,195	12,450

Further details of directors' emoluments are included in notes 8 and 9 to the financial statements.

34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the year are as follows:

2024

Financial assets

	Financial assets at fair value through profit or loss		
	Held for trading RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Trade receivables	–	736,280	736,280
Financial assets included in prepayments, other receivables and other assets (note 22)	–	139,376	139,376
Financial assets at fair value through profit or loss	564,900	–	564,900
Time deposits	–	9,340	9,340
Cash and cash equivalents	–	363,926	363,926
	564,900	1,248,922	1,813,822

34. FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

2023

Financial assets

	Financial assets at fair value through profit or loss		
	Held for trading RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Trade receivables	–	739,456	739,456
Financial assets included in prepayments, other receivables and other assets (note 22)	–	127,278	127,278
Financial assets at fair value through profit or loss	990,288	–	990,288
Time deposits	–	120,625	120,625
Cash and cash equivalents	–	440,756	440,756
	990,288	1,428,115	2,418,403

Financial liabilities

	Financial liabilities at amortised cost	
	2024 RMB'000	2023 RMB'000
Trade and bills payables	**306,398**	411,505
Financial liabilities included in other payables and accruals (note 26)	**160,538**	115,280
Other long-term liabilities	**3,000**	3,000
Lease liabilities	**792,658**	752,312
Interest-bearing bank borrowings	**524,068**	513,779
	1,786,662	1,795,876

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's instruments, other than those with carrying amounts that reasonable approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2024	2023	**2024**	2023
	RMB'000	RMB'000	**RMB'000**	RMB'000
Financial assets				
Financial assets at fair value through profit or loss	**564,900**	990,288	**564,900**	990,288

	Carrying amounts		Fair values	
	2024	2023	**2024**	2023
	RMB'000	RMB'000	**RMB'000**	RMB'000
Financial liabilities				
Interest-bearing bank borrowings	**524,068**	513,779	**524,068**	513,779
Other long-term liabilities	**3,000**	3,000	**3,000**	3,000
	527,068	516,779	**527,068**	516,779

Management has assessed that the fair values of cash and cash equivalents, the current portion of time deposits, trade receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals and lease liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of long-term bank deposits has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The carrying amounts of long-term bank deposits approximate to their fair values.

The fair values of structured bank deposits have been estimated within Level 2 using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair values of other wealth management products and listed equity investments are based on quoted market prices.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	235,430	329,470	–	564,900

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

Assets measured at fair value: (Continued)

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss	283,056	707,232	–	990,288

Liabilities measured at fair value

The Group did not have any financial liabilities measured at fair value as at 31 December 2024 (2023: Nil).

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfer into or out of Level 3 for both financial assets and financial liabilities (2023: Nil).

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

Interest rate risk

The Group's interest rate risk arises primarily to the Group's borrowings. Bank borrowings issued at variable rates expose the Group to cash flow interest rate risk.

The Group constantly assesses the interest rate risk it encounters to decide whether it is required to hedge against the possible interest rate risk that may arise.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Interest rate risk *(Continued)*

The directors considered that the Group's interest rate risk is minimal.

Foreign currency risk

Most of the Group's turnover and substantially most of the Group's cost of sales and operating expenses are denominated in RMB. Accordingly, the transactional currency exposures of the Group are not significant.

Credit risk

The Group's credit risk is primarily attributable to deposits with banks, trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group mitigates its exposure to credit risk by placing deposits with financial institutions with established credit ratings. Given the high credit ratings of the banks, management does not expect any counterparty to fail to meet its obligations.

The Group's trade and other receivables primarily comprise amounts receivable from the owners of department stores and shopping malls in the PRC with no recent history of material defaults. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each department store and shopping mall. The Group has worked with a large number of department stores and shopping malls and there is no significant concentration of credit risk. The Group performs credit evaluation which focuses on the debtor's past history of making payments and current ability to pay.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowance. The Group does not provide any other guarantees which would expose the Group to credit risk.

Non-current rental deposits were paid to owners of department stores and shopping malls. The board of directors consider that the amounts are fully recoverable considering their creditworthiness.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Credit risk *(Continued)*

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade and bills receivables*	–	–	–	715,210	715,210
Financial assets included in prepayments, other receivables and other assets					
– Normal**	139,376	–	–	–	139,376
Time deposits					
– Not yet past due	9,340	–	–	–	9,340
Cash and cash equivalents					
– Not yet past due	363,926	–	–	–	363,926
	512,642	–	–	715,210	1,227,852

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Credit risk *(Continued)*

Maximum exposure and year-end staging (Continued)

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade and bills receivables*	–	–	–	717,449	717,449
Financial assets included in prepayments, other receivables and other assets					
– Normal**	127,278	–	–	–	127,278
Time deposits					
– Not yet past due	120,625	–	–	–	120,625
Cash and cash equivalents					
– Not yet past due	440,756	–	–	–	440,756
	688,659	–	–	717,449	1,406,108

* For trade and bills receivables to which the Group applies the simplified approach for impairment, information is disclosed in note 21 to the financial statements.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by management and directors when the borrowings exceed certain predetermined levels of authority.

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer terms.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Liquidity risk *(Continued)*

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

	2024			
	Within 1 year RMB'000	**1 to 5 years RMB'000**	**Over 5 years RMB'000**	**Total RMB'000**
Lease liabilities	**533,813**	**450,543**	**12,791**	**997,147**
Interest-bearing bank borrowings	**527,868**	**–**	**–**	**527,868**
Trade and bills payables	**306,398**	**–**	**–**	**306,398**
Other long-term liabilities	**–**	**3,000**	**–**	**3,000**
Financial liabilities included in other payables and accruals	**77,025**	**–**	**–**	**77,025**
	1,445,104	**453,543**	**12,791**	**1,911,438**

	2023			
	Within 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Lease liabilities	499,557	322,553	–	822,110
Interest-bearing bank borrowings	572,481	–	–	572,481
Trade and bills payables	411,505	–	–	411,505
Other long-term liabilities	–	3,000	–	3,000
Financial liabilities included in other payables and accruals	115,280	–	–	115,280
	1,598,823	325,553	–	1,924,376

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Capital management

The primary objectives of the Group's capital management are 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 its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 31 December 2023.

The Group monitors capital using a gearing ratio, which is interest-bearing bank borrowings divided by total equity. The gearing ratios as at the end of the reporting periods were as follows:

	2024 **RMB'000**	2023 RMB'000
Interest-bearing bank borrowings	**524,068**	513,779
Total equity	**4,499,053**	4,561,420
Gearing ratio	**11.65%**	11.26%

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the year is as follows:

	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS		
Investments in a subsidiary	**2,622,024**	2,478,395
Total non-current assets	**2,622,024**	2,478,395
CURRENT ASSETS		
Cash and cash equivalents	**1,370**	4,133
Prepayments, other receivables and other assets	**34,275**	26,148
Total current assets	**35,645**	30,281
CURRENT LIABILITIES		
Other payables and accruals	**1,943,869**	1,249,366
Interest-bearing bank borrowings	**95,914**	133,779
Total current liabilities	**2,039,783**	1,383,145
NET CURRENT LIABILITIES	**(2,004,138)**	(1,352,864)
TOTAL ASSETS LESS CURRENT LIABILITIES	**617,886**	1,125,531
Net assets	**617,886**	1,125,531
EQUITY		
Share capital	**5,766**	5,766
Shares held for share award schemes (note)	**(235,685)**	(211,914)
Reserves (note)	**847,805**	1,331,679
	617,886	1,125,531

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Note:

A summary of the Company's reserves is as follows:

	Share premium RMB'000	Capital redemption reserve RMB'000	Capital reserve RMB'000	Awarded share reserve RMB'000	Shares held for the share award Schemes RMB'000	Exchange reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 31 December 2023	2,020,313	196	149,397	43,713	(211,914)	78,597	(960,537)	1,119,765
Loss for the year	–	–	–	–	–	–	(18,785)	(18,785)
Other comprehensive income for the year:	–	–	–	–	–	–	–	–
Exchange differences on translation of financial statements	–	–	–	–	–	6,329	–	6,329
Total comprehensive income for the year	–	–	–	–	–	6,329	(18,785)	(12,456)
Repurchase shares under share award schemes	–	–	–	–	(131,385)	–	–	(131,385)
Share award scheme arrangements	–	–	–	99,481	–	–	–	99,481
Vesting shares under the share award schemes	15,006	–	–	(143,194)	107,614	–	–	(20,574)
Final 2023 dividend declared	–	–	–	–	–	–	(442,711)	(442,711)
At 31 December 2024	2,035,319	196	149,397	–	(235,685)	84,926	(1,422,033)	612,120

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Note: *(Continued)*

	Share premium RMB'000	Capital redemption reserve RMB'000	Capital reserve RMB'000	Awarded Share reserve RMB'000	Shares held for the Share Award Scheme RMB'000	Exchange reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 31 December 2022	2,039,004	196	149,397	62,617	(264,416)	54,627	(703,935)	1,337,490
Loss for the year	–	–	–	–	–	–	(7,490)	(7,490)
Other comprehensive income for the year:								
Exchange differences on translation of financial statements	–	–	–	–	–	23,970	–	23,970
Total comprehensive income for the year	–	–	–	–	–	23,970	(7,490)	16,480
Share Award Scheme arrangements	–	–	–	30,711	–	–	–	30,711
Vesting shares under the Share Award Scheme	(18,691)	–	–	(49,615)	52,502	–	–	(15,804)
Final 2022 dividend declared	–	–	–	–	–	–	(249,112)	(249,112)
At 31 December 2023	2,020,313	196	149,397	43,713	(211,914)	78,597	(960,537)	1,119,765

38. COMPARATIVE FIGURES

Certain comparative figures in the consolidated financial statements have been re-presented to conform with current year presentation.

39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 25 March 2025.