

# EEKA

2025  
Annual  
Report

 EEKA  
FASHION  
贏家時尚

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 renowned  
affordable luxury brands group.

# *VALUE*

Excellence, openness,  
innovation, responsibility.



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# 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, an advanced research and development design center, sound marketing service system, efficient logistics and distribution and network management system. As at 31 December 2025, our brand portfolio comprises seven brands: our own brands – (i) Koradior, (ii) La Koradior, (iii) ELSEWHERE, and (iv) FUUNNY FEELLN, and acquired brands – (i) CADIDL, (ii) NAERSI and (iii) 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 urban relaxation through the power of simplicity and a playful, cool personality.

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 two self-owned brands in the PRC, namely "NAERSI" and "NEXY.CO", 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 intellectual women with a "Simple yet Powerful" and "Steady yet Captivating" style. In October 2025, the Group announced the strategic integration of 'NAERSI' and 'NAERSILING'. By incorporating the latter as a premium line under the core brand, the Group aims to optimise resource allocation, eliminate internal competition, and achieve strategic brand focus and value elevation.

Over the years, we have attached great importance to the brand's international influence. Our brands have been invited to showcase the charm of Chinese brands at Milan Fashion Week and New York Fashion Week. 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 the 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. Our brands Koradior and FUUNNY FEELLN have launched their official WeChat online stores on 19 January 2026. We also actively developed private domain malls, with a 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, the 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

## INDEPENDENT AUDITOR

Ernst & Young  
Certified Public Accountants  
Registered Public Interest Entity Auditor under the  
Accounting and Financial Reporting Council Ordinance  
27/F One Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

## REMUNERATION COMMITTEE

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

## NOMINATION COMMITTEE

Mr. JIN Ming (Chairman)  
Ms. HE Hongmei  
Mr. ZHANG Guodong  
Mr. ZHOU Xiaoyu  
Mr. Zhong Ming

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. ZHANG Guodong (Chairman)  
Mr. JIN Ming  
Mr. JIN Rui

## 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](http://www.eekagroup.com)

## STOCK CODE

3709

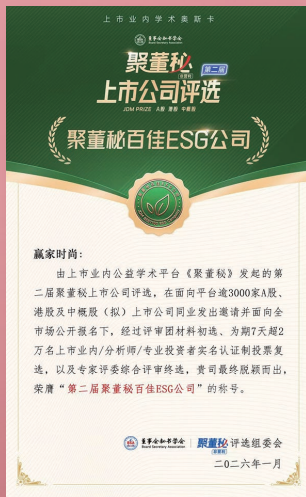
# 2025 HONORS AND AWARDS

## EEKA FASHION GROUP



1

"Most Valuable Consumer Goods Company" at the 10th Zhitong Finance Listed Companies Selection



2

"Top 100 Best ESG Companies" at the 2nd Ju Dong Mi Listed Companies Selection.

## BRANDS UNDER EEKA FASHION GROUP



3

Koradior (珂萊蒂爾) was awarded the titles of "Shenzhen Well-Known Brand" and "Bay Area Well-Known Brand" at the 9th Shenzhen (Greater Bay Area) International Brand Week.



4

NAERSI (娜爾思) was listed among the "Top 50 Chain Operators in Shenzhen," and Koradior was listed among the "Top 20 Chain Brands in Shenzhen."



5

NAERSI and La Koradior (拉珂帝) were listed in the "2024 Guangdong Chain TOP 100."



6

Korador, NAERSI, La Korador, FUJUNNY FEELN (方弗), and Mondial (蒙黛爾) were listed in the "100 Enterprises in the Chinese Apparel Industry" for 2024 in terms of "Operating Revenue," "Total Profit," and "Operating Revenue Profit Margin."



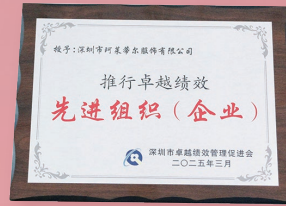
7

Korador and NAERSI were recognized as "Continuous Innovation Units for Top 10 Textile Innovative Products."



8

Korador was honored with the "1st Shenzhen Guangcai Career Contribution Award."



9

Korador implemented excellence performance management and was awarded the title of "Advanced Organization (Enterprise)."



10

Korador and NAERSI were honored as "Excellent Leading Enterprises."

11

FUJUNNY FEELN was honored as a "Speed Pioneer Enterprise."



12

NAERSI became a partner of the 15th Beijing International Film Festival and was designated as the "Official Sole Light Luxury Women's Wear Brand."



13

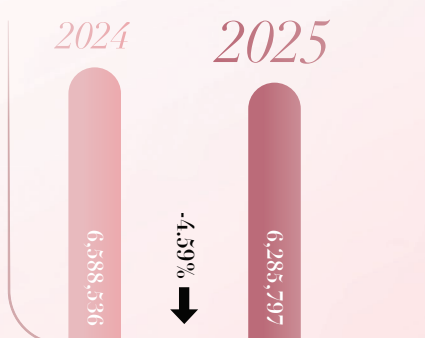
The registered trademark "NAERSI" was recognized as a "Well-known Trademark Brand in Apparel and Accessories and had achieved the "AAA-rated Famous Trademark Brand Evaluation."



# FINANCIAL HIGHLIGHTS

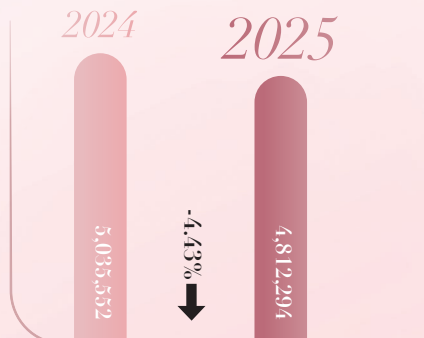
## REVENUE

RMB'000



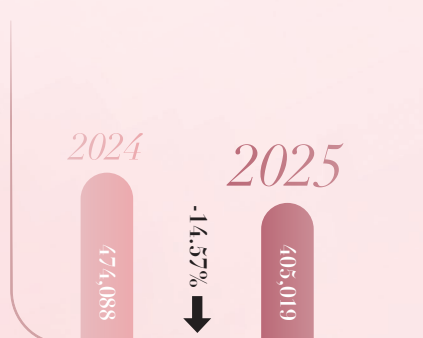
## GROSS PROFIT

RMB'000



## NET PROFIT

RMB'000



## EARNINGS PER SHARE - BASIC

RMB Cents



## NET ASSETS

RMB'000



## GEARING RATIO

(%)



# FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2025 RMB'000	2024 RMB'000	Increase/(Decrease) %
Revenue	6,285,797	6,588,536	(4.59%)
Gross profit	4,812,294	5,035,552	(4.43%)
Net Profit	405,019	474,088	(14.57%)
Net cash flows from operating activities	1,555,479	996,243	56.13%
Earnings per share <sup>1</sup>			
– Basic (RMB cents)	59	68	
– Diluted (RMB cents)	59	68	
<b>Profitability Ratio (%)</b>			
Gross margin	76.56%	76.43%	0.13% point
Net margin	6.44%	7.20%	(0.76% point)
Dividend per share (HK cents)			
– Ordinary final	35	38	

	At 31 December	
	2025	2024
<b>Liquidity Ratio</b>		
Current ratio <sup>2</sup> (times)	1.92	1.90
Trade and bills receivables turnover days <sup>3</sup>	40.69	39.68
Trade and bills payables turnover days <sup>4</sup>	80.44	84.36
Inventory turnover days <sup>5</sup>	385.60	320.20
<b>Capital Ratio</b>		
Gearing ratio <sup>6</sup>	9.10%	11.65%
Interest coverage ratio <sup>7</sup> (times)	11.48	11.13

Key ratios:

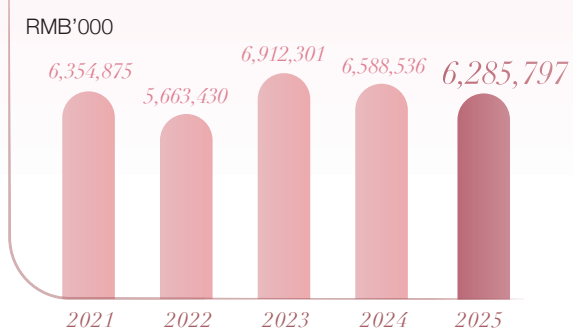
- Basic earnings per share = Profit attributable to equity shareholders of the Company/Weighted average number of ordinary shares (the weighted average number of shares in 2025 was 674,935,842 versus 685,852,612 in 2024)
- Current ratio = Current assets/Current liabilities
- Trade and bills receivables turnover days = Average of opening and closing balances on trade and bills receivables/Revenue x 365 days
- Trade and bills payables turnover days = Average of opening and closing balances on trade and bills payables/Cost of sales x 365 days
- Inventory turnover days = Average of opening and closing balances on inventory/Cost of sales x 365 days
- Gearing ratio = Total bank and other borrowings/Total equity x 100%
- Interest coverage ratio = Profit before interest and tax/Interest expenses

# FINANCIAL SUMMARY

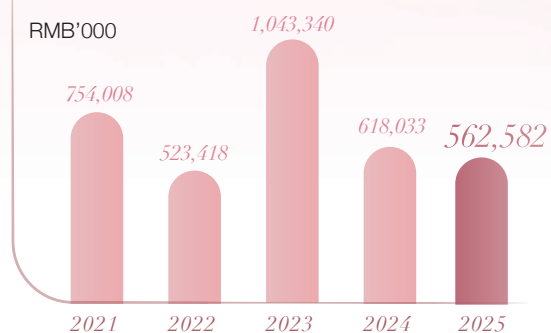
	Year ended/as at 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
<b>Operating results</b>					
Revenue	6,285,797	6,588,536	6,912,301	5,663,430	6,354,875
Gross profit	4,812,294	5,035,552	5,204,988	4,254,420	4,737,986
Profit from operations	562,582	618,033	1,043,340	523,418	754,008
Profit attributable to shareholders	397,026	468,504	838,170	382,427	564,018
<b>Assets and liabilities</b>					
Non-current assets	3,734,206	3,487,559	3,480,144	3,623,133	3,615,899
Current assets	3,404,957	3,371,719	3,549,656	2,634,550	2,616,095
Current liabilities	1,774,907	1,773,856	1,989,273	1,648,876	1,634,022
Net current assets	1,630,050	1,597,863	1,560,383	985,674	982,073
Total assets less current liabilities	5,364,256	5,085,422	5,040,527	4,608,807	4,597,972
Non-current liabilities	746,636	586,369	479,107	621,307	664,494
Shareholders' equity	4,619,530	4,508,956	4,576,907	3,997,449	3,939,477
Basic earnings per share (RMB cents)	59	68	124	57	84
Diluted earnings per share (RMB cents)	59	68	122	56	81
Shareholders' equity per share (RMB)	6.52	6.40	6.50	5.68	5.60
	HK cents	HK cents	HK cents	HK cents	HK cents
Dividend per share					
– Ordinary final	35	38	70	40	48
Total	35	38	70	40	48

# FINANCIAL SUMMARY

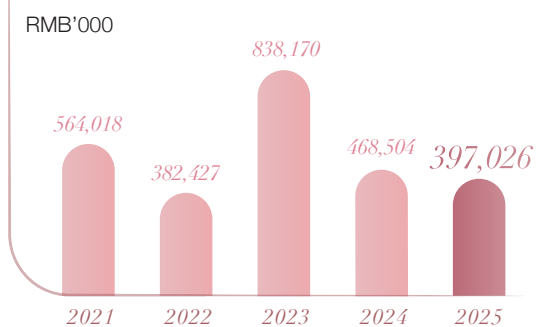
## REVENUE



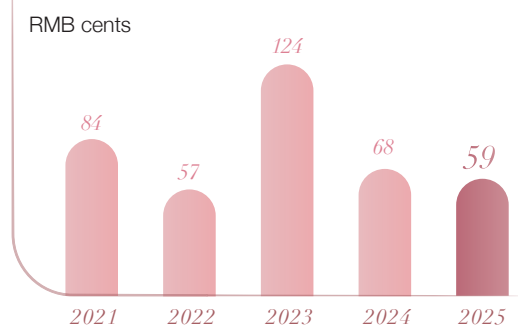
## PROFIT FROM OPERATIONS



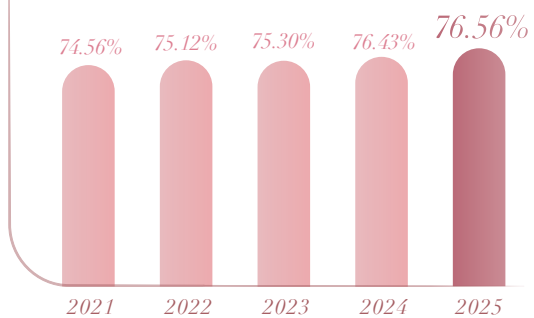
## PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS



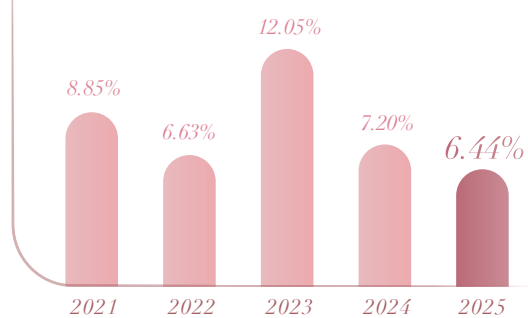
## BASIC EARNINGS PER SHARE



## GROSS PROFIT MARGIN



## NET PROFIT MARGIN



# 2025 MILESTONE

## JANUARY

**EEKA Fashion Group received awards and recognition at the start of the year.**

EEKA Fashion (3709.HK) was honored 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, and its brand, Koradior, was honored the 2024 “Bay Area Fashion Awards Industry Merit Award.”



## FEBRUARY

**NAERSI × Wu Lingshu, the Representative Inheritor of Intangible Cultural Heritage Blue Calico Printing and Dyeing Technique | Blooming in Spring · the Blue Calico Printing of Star of Bethlehem**

Celebrating the brand's 30th anniversary, NAERSI crowns women with lily coronets, presenting four lilies designs across the four seasons. The brand collaborated with Ms. Wu Lingshu, representative inheritor of the intangible cultural heritage blue calico printing and dyeing technique, to jointly launch the “Blooming in Spring · the Blue Calico Printing of Star of Bethlehem”. Seeking the purest blue, it employs this heritage craftsmanship to dye the “Star of Bethlehem” – representing the passage of time.



## MARCH

**EEKA Fashion 30th Anniversary Fashion Show “Thirty Years to Sharpen Thousands of Beautiful Flowers”**

EEKA Fashion (3709.HK) held a grand 30th anniversary fashion show at the Shenzhen Gymnasium. With the theme of “Thirty Years to Sharpen Thousands of Beautiful Flowers”, it gathered its seven major brands to jointly present a creative fashion feast.



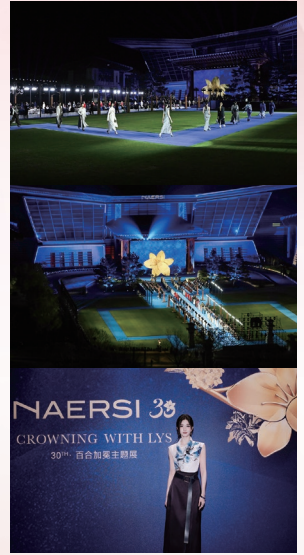
**Koradior Official Brand Ambassador: Qiao Xin**

Koradior officially announced that the actress Qiao Xin has become the new brand ambassador, embodying romance and continuing the classic dress impression.

## APRIL

### NAERSI's 30th Anniversary "Crowning with LYS" Theme Show and the Light and Fashion Opening Show at the 15th Beijing International Film Festival

This show kicked off at Yanqi Lake in Beijing. NAERSI's Star Ambassador-actor Jiang Shuying, actor, model and singer Qu Ying, actor and singer Wu Mochou, actor He Hongshan, host Li Siyu, actor Daisi, actor Hailu, singer Pan Chen, actor Li Xiaomeng, and film channel host Guo Wei appeared on the show.



## MAY

### NEXY.CO x Shuhei Aoyama Jointly Created Chengdu Mixc Master Flagship Store

The master flagship store was created by Qing Shang Gangping, founder of the B.L.U.E. Architecture Studio and internationally renowned designer. The space tells the story of Mulan women and Chengdu, set up as Gallery, Street, and Living Room areas, conveying the contemporary spirit of "Ladies with Wisdom and Beauty" in architectural language.



## JUNE

### NEXY.CO Mulan Top Skyline Show

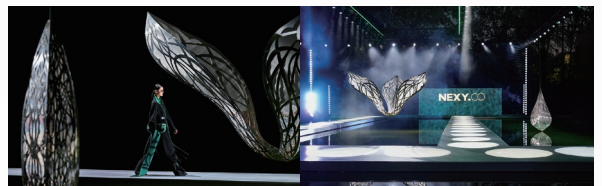
2025 Bay Area Fashion NEXY.CO Mulan Top Skyline Show kicked off at the top-floor heliport of Greater China Universal Plaza in Futian, Shenzhen.



## JULY

### NEXY.CO 7.18 Brand Ceremony and Theme Show

With the theme of "Mulan Flowing" to show the intellectual and beautiful power of NEXY.CO, Ms. Olivia, General Manager of NEXY.CO brand, Ms. Yuan Xiaotian, artist, Ms. Wang Bin, Deputy General Manager of "China Entrepreneur", Ms. Li Tian, editor-in-chief of the "OK!", together had a cross-fields dialogue.





## AUGUST

### La Koradior Haute Couture Show at Consulate General of France

La Koradior collaborated with Victoria Tang-Owen to present an haute couture series of bead embroidery. Actor Hai Qing showed at the release show wearing a dress from the show. The haute couture dresses at the show were inspired by the brand flower: Orchids.

## OCTOBER

### Koradior, the Brand under the Group, Official Announced Actor Xin Zhilei to be the Worldwide Spokesperson of the Brand

On October 29, 2025, Koradior, a high-end women's clothing brand owned by EEKA Fashion, announced that actor Xin Zhilei was the spokesperson worldwide. Xin Zhilei's enthusiasm, concentration, pursuit of excellence and unique fashion attainments perfectly interpret Koradior's romantic and elegant female style and core spirit of pursuing craftsmanship.



## NOVEMBER

### Calm Attitude | Enjoy the Winter with the Spokesperson Jin Chen



### ELSEWHERE's Theme "Dwell in Warm Grazelands" Limited Exhibition Kicks off

The time-limited theme exhibition of "Dwell in Warm Grazelands" officially kicked off in MixC, Chengdu, exploring the philosophy of freedom of "living elsewhere".



## SEPTEMBER

### Koradior 2026 Spring and Summer Show

On September 26, 2025, Koradior held the Spring and Summer 2026 show at Enshang Wetland Park in Yantian District, Shenzhen. Actors Liliya, Stephen Fung Tak Lun and supermodel You Tianyi walked into the "Garden Romance" together to enjoy the romantic feast across time and space.



## DECEMBER

### Soaring Pegasus Parade, Illuminating the First Light of the New Year | NAERSI X Wonderland.

NAERSI collaborates with Ms. Han Feng to present a Chinese New Year series of sandersonia aurantiaca around the Year of the Horse, drawing inspiration from the auspicious horse motifs and silhouettes of traditional palace lanterns, the collection integrates modern, refined craftsmanship with exquisite weaving techniques and lily-inspired quilting. Through artistic and abstract expressions, the design evokes a celestial vision of a soaring pegasus amid a blossoming galaxy of lilies, where imperial craftsmanship and contemporary urban aesthetics converge to create an elegant winter radiance.



*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 2025.

As we reflect on the year 2025, it is evident that the Chinese high-end consumer market has encountered both challenges and opportunities for differentiation. While our national economy has shown signs of recovery spurred by consumption-promoting policies, consumer sentiment remains cautious. The high-end women's apparel market has experienced significant pressure, as competition shifts from mere scale expansion to a more profound contest of brand resilience and internal capabilities.

According to Bain & Company, the luxury goods market in mainland China is projected to contract by 3% to 5% this year – representing a moderate decline compared to last year. Consumers are now more discerning, prioritising the price-to-quality ratio, brand alignment with their values, and unique shopping experiences.

In the face of this evolving landscape, our Group remains steadfast in our mission: combining the fashion aesthetics, savoring the exquisite life. We have shifted our focus from aggressive scale expansion to a commitment to sustainable, high-quality growth. Our core strategy of "multi-brand, omnichannel, and digitalization" has been instrumental in enhancing our brand matrix influence, refining our product offerings, optimizing our channel structures, and accelerating our supply chain responsiveness. As a result, we achieved a total revenue of RMB6.29 billion for the year, with a year-on-year decline reduced to 4.59%. This performance underscores our strength in navigating economic cycles, particularly with significant advancements in our online channels and the resilience of our high-end brands.

Our brand matrix has clearly defined structures and positions, allowing us to leverage internal synergies effectively. La Korador has stood out with exceptional performance, generating RMB560 million in revenue – an impressive 10% increase year-on-year – further solidifying our leadership in the affordable luxury segment. The younger brand FUUNNY FEELLN also achieved notable growth, with revenue rising 19.25% to RMB198 million. This "K-shaped differentiation" in revenue growth validates our multi-tiered brand strategy. Meanwhile, our core brand Korador continues to provide a stable source of revenue and cash flow, while NEXY.CO has maintained strong brand loyalty among urban elite women.

As we celebrate the 30th anniversary of our NAERSI brand, we launched a grand marketing initiative themed "Thirty Years to Sharpen Thousands of Beautiful Flowers," reflecting our rich heritage and the depth of our brand assets.

In this era of rational consumption, product excellence is our greatest competitive advantage. In 2025, we focused on enhancing our product system and expanding the usage of high-quality natural materials, earning consumer loyalty through superior value. Our offline strategy has emphasised establishing well-designed stores and enhancing efficiency, increasing the share of shopping centers and outlets to 36%. Concurrently, our online platform has transformed into a robust e-commerce model, driving online revenue growth of 12.01% to RMB1.265 billion, increasing its share to 20.12%, thus building an integrated growth pattern of online and offline channels. In 2025, the Group restructured its management team, enhancing talent density and advancing talent structure upgrades, reducing staff while increasing efficiency, driven by a professional team.

Looking ahead to 2026, I remain optimistic about the high-end women's clothing market. Although we recognise the short-term challenges, the aspirations of Chinese women for quality living and aesthetic excellence remain unwavering. Our Group will continue to reinforce its position as an "Affordable luxury brands group," pursuing internal reforms, cost reduction, and efficiency improvements, thereby enhancing operational quality.

## CHAIRMAN'S STATEMENT

We are dedicated to revitalizing our brand's aesthetic language, utilizing AI to enrich content and promotional activities, and enhancing our competitive edge through high-quality initiatives, and establish refined management of the product lifecycle, leveraging digital technology to break down barriers in production, supply, and sales, achieving reduced turnaround times and increased sell-through rates. We will fully embrace shopping centers, create an affordable luxury shopping environment, deepen store efficiency and membership operations, drive full-channel operations in e-commerce, reduce costs while improving personnel efficiency, innovate our franchise model by introducing high-quality provincial franchisees to align standards between franchises and direct sales, enhancing revenue share from franchise channels; focus on top suppliers in the supply chain while launching SCM systems, constructing lean systems through digital cost control; and continue to build professional teams and refine talent mechanisms and financial models, enabling cost reduction and efficiency improvement through comprehensive budgeting and operational dashboards. Through these management measures, we aim to achieve a net profit growth rate higher than the revenue growth rate and continue to increase our dividend payout ratio, actively rewarding our shareholders.

In conclusion, as we navigate this critical phase of development, I would like to express my heartfelt gratitude to our shareholders, consumers, partners, and our dedicated employees for their unwavering support and contributions to our success.

By order of the Board

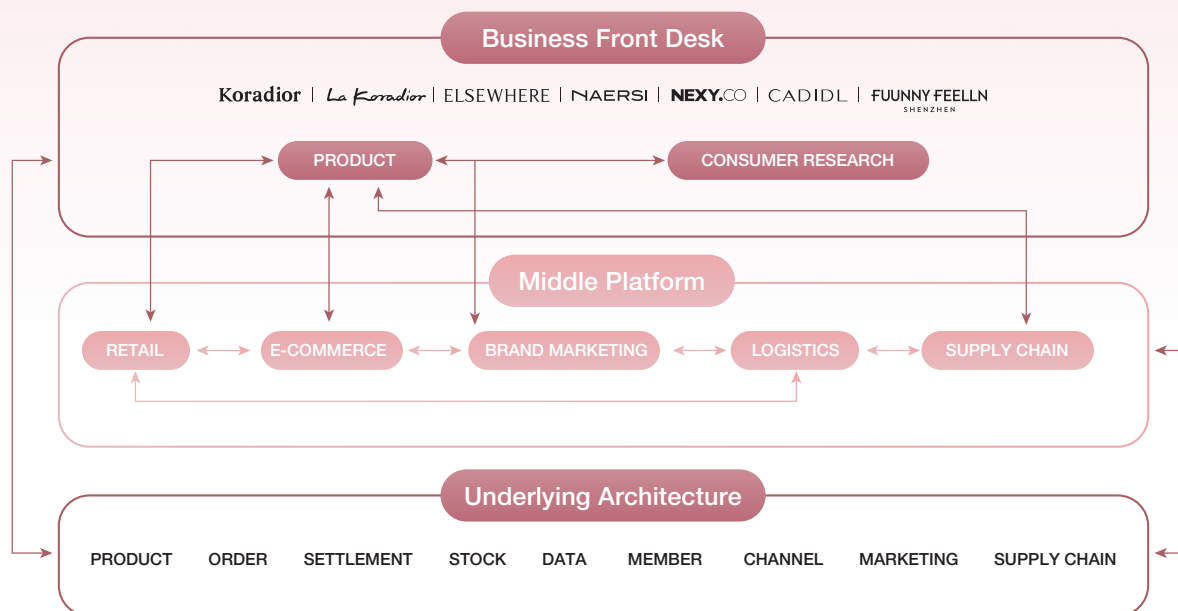
**Jin Ming**

*Chairman and CEO*

Hong Kong, 27 March 2026



# 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 renowned affordable luxury brands 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 2025, China's consumer market demonstrated a generally moderate expansion. According to the National Bureau of Statistics, the total retail sales of consumer goods reached RMB50.1 trillion, marking a year-on-year increase of 3.7%. Retail sales of goods grew by 3.8%, while catering revenues increased by 3.2%. Driven by the "trade-in for new consumer goods (消費品以舊換新)" policy, sales of household appliances and communication equipment surpassed the RMB one trillion mark, setting record highs. However, the apparel category continued to struggle, with retail sales growth for apparel, footwear, textiles, and knitwear from enterprises above the designated size lagging behind the overall growth of total retail sales, experiencing negative year-on-year growth for several months.

At the same time, the mid-to-high-end consumption sector displayed structural differentiation. Data from Bain & Company indicated that the personal luxury goods market in Mainland China contracted by 3% to 5% in 2025, though this represented a moderation compared to the significant decline in 2024, with the market beginning to show initial signs of recovery in the third quarter. The beauty and personal care category performed best, growing by 4% to 7%, while the apparel category declined by 5% to 8%, and leather goods and luggage saw declines of 8% to 11%. Service consumption became a highlight of growth, with national service retail sales increasing by 5.5% year-on-year. Categories such as culture, sports, leisure, transportation, and travel achieved double-digit growth, as "experiential consumption (體驗型消費)" gained traction among consumers, who favoured emotional and sensory experiences over mere material goods.

In 2025, China's GDP grew by 5%, successfully reaching the anticipated target. Residents' incomes showed moderate growth, with the national per capita disposable income for the year standing at RMB43,377, reflecting 5% nominal and real growth, consistent with the GDP growth rate. Of this, per capita wage income reached RMB24,555, a year-on-year increase of 5.3%, while per capita net transfer income rose by 5.7%, highlighting the balanced effects of redistributive measures. Nevertheless, household consumption expenditure growth lagged notably behind income growth, registering a nominal and real increase of 4.4% compared to the previous year – a deceleration of 0.9 and 0.7 percentage points, respectively, from 2024. A survey by the Lixin Research Institute indicated that the consumer willingness index has been hovering around the bottom for the past five quarters. Consumers are not entirely devoid of spending power but lack the willingness to spend. This phenomenon is rooted in concerns about future employment stability, income security, and glaring gaps in public goods coverage, such as education, healthcare, and eldercare. Consequently, residents are opting for precautionary savings, constraining their consumption preferences.

The Chinese government intensified its pro-consumption policies in 2025. In terms of monetary policy, the Central Bank established a RMB500 billion re-lending facility for service consumption and eldercare, encouraging financial institutions to increase credit in key areas such as accommodation, catering, culture, sports, entertainment, and tourism. On the fiscal side, the "trade-in for new consumer goods" policy yielded significant results. In 2025, over 129 million units of 12 categories of household appliances were traded in, while more than 91 million new smartphones and other digital products were purchased. The trade-in program boosted related category sales by RMB2.61 trillion, benefitting 366 million individuals. Additionally, the Ministry of Commerce launched a three-year action plan for cultural and tourism consumption called "100 Cities and 100 Districts (百城百區)", selecting around 50 pilot cities nationwide for new consumption formats, models, and scenarios. The efforts to internationalise the consumption environment accelerated, with approximately 15 cities selected for pilot programs promoting the mutual recognition of "buy now, claim tax refunds now (即買即退)" across regions, enhancing the consumption experience for inbound visitors. In 2025, the contribution of final consumption expenditure to China's economic growth reached 52%, an increase of 5 percentage points from the previous year, reaffirming its role as the primary driver of economic growth.

# MANAGEMENT DISCUSSION AND ANALYSIS

## INDUSTRY REVIEW *(Continued)*

### Challenges and Opportunities in 2026

Looking ahead to 2026, the main challenges confronting China's economy include insufficient effective demand and inadequate recovery of consumer confidence. Bain anticipates moderate growth in the personal luxury goods market in Mainland China in 2026, while still maintaining its pivotal role in the global luxury goods market's growth. With the continual expansion of the middle-income group, improvements in consumer confidence, and favorable policy introductions, it is projected that more luxury consumption will return to the Mainland market. For the mid-to-high-end women's fashion industry, structural opportunities remain available, particularly for leading enterprises that have established clear brand identities, robust membership systems, and differentiated product strengths, positioning them to gain greater consumer recognition.

## 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 RMB6,588.54 million for the year ended 31 December 2024 to RMB6,285.80 million for the year ended 31 December 2025, representing a decrease of 4.59% or RMB302.74 million. Sales generated by the Group's self-operated retail stores accounted for about 76.68% and 78.50% of the Group's total revenue in 2025 and 2024 respectively.

#### *Revenue analysis by sales channels*

Sales channel	2025		2024		Increase/(decrease)	
	RMB'000	%	RMB'000	%	RMB'000	%
Self-operated retail stores	4,819,573	76.68%	5,171,947	78.50%	(352,374)	(6.81%)
Wholesales to distributors	201,215	3.20%	287,266	4.36%	(86,051)	(29.96%)
E-commerce	1,265,009	20.12%	1,129,323	17.14%	135,686	12.01%
Total	6,285,797	100%	6,588,536	100%	(302,739)	(4.59%)

#### *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 2025, 1,356 self-operated retail stores (Koradior: 479, La Koradior: 43, ELSEWHERE: 105, CADIDL: 116, FUUNNY FEELLN: 26, NAERSI: 409 and NEXY.CO: 178) generated revenue of RMB4,819.57 million in aggregate, representing a decrease of 6.81% as compared to the year ended 31 December 2024. The decrease in self-operated revenue is mainly attributed to the drop in stores sales.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEWS *(Continued)*

### Revenue *(Continued)*

#### *Revenue of retail stores analysis (Continued)*

As at 31 December 2025, there were 383 retail stores operated by distributors under seven brands (Koradior: 181, La Koradior: 1, ELSEWHERE: 24, CADIDL: 19, FUUNNY FEELN: 27, NAERSI: 90 and NEXY.CO: 41) and the revenue of retail stores operated by distributors amounted to RMB201.22 million, representing a decrease of 29.96% as compared to the year ended 31 December 2024 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 ended 31 December 2025 amounted to RMB1,265.01 million, representing an increase of 12.01% or RMB135.69 million as compared to the year ended 31 December 2024, in which: (i) The total e-commerce revenue from Tmall increased by 8.75% from RMB247.54 million for the year ended 31 December 2024 to RMB269.19 million (representing 21.28% of the total e-commerce revenue) for the year ended 31 December 2025; (ii) The total e-commerce revenue from VIP.com decreased by 0.13% from RMB491.31 million for the year ended 31 December 2024 to RMB490.68 million (representing 38.79% of the total e-commerce revenue) for the year ended 31 December 2025; (iii) The total e-commerce revenue from EEKA Fashion Mall decreased by 34.69% from RMB97.85 million for the year ended 31 December 2024 to RMB63.90 million (representing 5.05% of the total e-commerce revenue) for the year ended 31 December 2025; (iv) The total e-commerce revenue from Douyin increased by 31.52% from RMB204.00 million for the year ended 31 December 2024 to RMB268.31 million (representing 21.21% of the total e-commerce revenue) for the year ended 31 December 2025; (v) The total e-commerce revenue from WeChat Video Channel increased by 117.23% from RMB61.96 million for the year ended 31 December 2024 to RMB134.59 million (representing 10.64% of the total e-commerce revenue) for the year ended 31 December 2025; and (vi) The other e-commerce revenue increased by 43.80% from RMB26.66 million for the year ended 31 December 2024 to RMB38.34 million (representing 3.03% of the total e-commerce revenue) for the year ended 31 December 2025.

The increase in e-commerce revenue is 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 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 2025 and 2024, respectively:

Region	Year ended 31 December			
	2025		2024	
	RMB million	%	RMB million	%
Central PRC <sup>1</sup>	520.46	10.37%	538.20	9.86%
Eastern PRC <sup>2</sup>	1,578.73	31.44%	1,772.12	32.46%
North Eastern PRC <sup>3</sup>	340.97	6.79%	361.05	6.61%
North Western PRC <sup>4</sup>	366.86	7.31%	422.41	7.74%
Northern PRC <sup>5</sup>	662.58	13.20%	694.64	12.72%
South Western PRC <sup>6</sup>	859.24	17.11%	958.05	17.55%
Southern PRC <sup>7</sup>	691.95	13.78%	712.74	13.06%
<b>Total</b>	<b>5,020.79</b>	<b>100%</b>	<b>5,459.21</b>	<b>100%</b>

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEWS *(Continued)*

### Breakdown of retail stores by geographical regions

During the year ended 31 December 2025, the revenue of retail stores generated from Eastern PRC and South Western PRC contributed to nearly half of the total revenue of self-operated retail stores and wholesales to distributors.



# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEWS *(Continued)*

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

#### *Breakdown of retail stores by geographical regions*

During the year ended 31 December 2025, the Group opened 170 new retail stores (of which 89 are self-operated) and closed 270 retail stores (of which 177 are self-operated), representing a net decrease of 100 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 2025, including both self-operated retail stores and retail stores operated by distributors:

Region	Number of retail stores			As at 31 December 2025
	As at 1 January 2025	Opened during the year	Closed during the year	
Central PRC <sup>1</sup>	186	18	(31)	173
Eastern PRC <sup>2</sup>	568	39	(86)	521
North Eastern PRC <sup>3</sup>	143	13	(21)	135
North Western PRC <sup>4</sup>	194	18	(40)	172
Northern PRC <sup>5</sup>	229	36	(29)	236
South Western PRC <sup>6</sup>	309	20	(38)	291
Southern PRC <sup>7</sup>	210	26	(25)	211
<b>Total</b>	<b>1,839</b>	<b>170</b>	<b>(270)</b>	<b>1,739</b>

#### *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 2025, there were 1,739 retail stores, covering 31 cities of provinces, autonomous regions, and municipalities of which 1,356 were operated by the Group, and 383 were operated by the Group's distributors. Out of the 1,356 self-operated retail stores, there were 819 retail stores in department stores, 204 retail stores in shopping malls, 278 retail stores in outlets, 40 retail stores on street levels and 15 retail stores in the airports.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEWS (Continued)

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

Breakdown of retail stores by geographical regions (Continued)

Brand	Number of retail stores	
	As at	As at
	1 January 2025	31 December 2025
Koradior	676	660
La Koradior	47	44
ELSEWHERE	147	129
CADIDL (note 1)	144	135
FUUNNY FEELN	69	53
NAERSI (note 2)	521	499
NEXY.CO (note 2)	235	219
<b>Total</b>	<b>1,839</b>	<b>1,739</b>

Revenue analysis by brands

Brand	2025		2024		Increase/(decrease)	
	RMB'000	%	RMB'000	%	RMB'000	%
Koradior	2,108,528	33.54%	2,156,066	32.73%	(47,538)	(2.20%)
La Koradior	559,780	8.91%	508,909	7.72%	50,871	10.00%
ELSEWHERE	388,093	6.17%	477,982	7.25%	(89,889)	(18.81%)
CADIDL (note 1)	367,267	5.84%	397,552	6.03%	(30,285)	(7.62%)
FUUNNY FEELN	197,775	3.15%	165,849	2.52%	31,926	19.25%
NAERSI (note 2)	1,678,375	26.70%	1,870,367	28.39%	(191,992)	(10.26%)
NEXY.CO (note 2)	985,979	15.69%	1,011,811	15.36%	(25,832)	(2.55%)
<b>Total</b>	<b>6,285,797</b>	<b>100%</b>	<b>6,588,536</b>	<b>100%</b>	<b>(302,739)</b>	<b>(4.59%)</b>

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" and "NEXY.CO" on 3 July 2019.

# MANAGEMENT DISCUSSION AND ANALYSIS

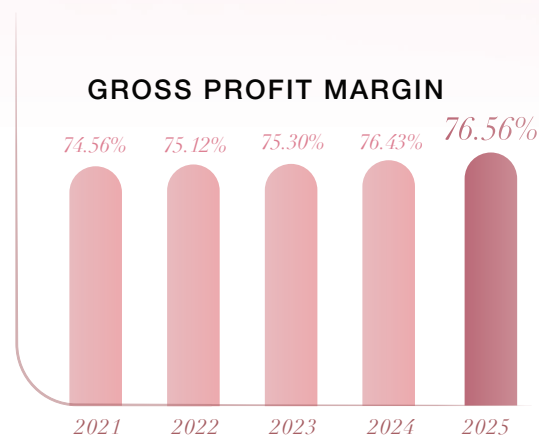
## FINANCIAL REVIEWS *(Continued)*

### Cost of sales

Cost of sales decreased from RMB1,552.98 million during the year ended 31 December 2024 to RMB1,473.50 million for the year ended 31 December 2025, representing a decrease of 5.12% or RMB79.48 million, mainly due to decrease in the Group's revenue.

### Gross profit and gross margin

Gross profit decreased from RMB5,035.55 million for the year ended 31 December 2024 to RMB4,812.29 million for the year ended 31 December 2025, representing a decrease of 4.43% or RMB223.26 million. The Group's overall gross profit margin slightly increased from 76.43% for 2024 to 76.56% for 2025.



### *Gross Profit and Gross Profit Margin analysis by sales channels*

Sales channel	2025		2024		Increase/ (decrease) in Gross Profit Margin (% point)
	Gross Profit (RMB'000)	Gross Profit Margin (%)	Gross Profit (RMB'000)	Gross Profit Margin (%)	
Self-operated retail stores	3,863,573	80.16%	4,149,340	80.23%	(0.07)
Wholesales to distributors	141,703	70.42%	204,203	71.08%	(0.66)
E-commerce	807,018	63.80%	682,009	60.39%	3.41
<b>Total</b>	<b>4,812,294</b>	<b>76.56%</b>	<b>5,035,552</b>	<b>76.43%</b>	<b>0.13</b>

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEWS (Continued)

### Gross profit and gross margin (Continued)

Gross Profit and Gross Profit Margin analysis by brands

Brand	2025		2024		Increase/ (decrease) in Gross Profit Margin (% point)
	Gross Profit (RMB'000)	Gross Profit Margin	Gross Profit (RMB'000)	Gross Profit Margin	
		(%)		(%)	
Koradior	1,610,313	76.37%	1,658,375	76.92%	(0.55)
La Koradior	459,283	82.05%	414,564	81.46%	0.59
ELSEWHERE	282,023	72.67%	343,918	71.95%	0.72
CADIDL (note 1)	279,921	76.22%	294,979	74.20%	2.02
FUUNNY FEELN	126,469	63.95%	107,856	65.03%	(1.08)
NAERSI (note 2)	1,295,291	77.18%	1,437,419	76.85%	0.33
NEXY.CO (note 2)	758,994	76.98%	778,441	76.94%	0.04
<b>Total</b>	<b>4,812,294</b>	<b>76.56%</b>	<b>5,035,552</b>	<b>76.43%</b>	<b>0.13</b>

### Other income and gains

Other income and gains, comprising mainly government grants, rental income, investment gain, exchange gain and interest income, decreased by 25.19% from RMB162.96 million for the year ended 31 December 2024 to RMB121.91 million for the year ended 31 December 2025. The decrease was mainly attributed to recognition of foreign exchange gains for the year ended 31 December 2024 while no such gains were recognised for the year ended 31 December 2025, and a reduction in other interest income from other financial assets at fair value through profit or loss.

### Selling and distribution expenses

Selling and distribution expenses decreased by 5.79% from RMB3,884.32 million for the year ended 31 December 2024 to RMB3,659.43 million for the year ended 31 December 2025, primarily due to the decrease in the Group's revenue resulting in a reduction in shop leasing and related expenses.

### Administrative expenses

Administrative expenses decreased by 4.05% from RMB678.42 million for the year ended 31 December 2024 to RMB650.93 million for the year ended 31 December 2025 primarily due to the decrease in share award expense.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEWS *(Continued)*

### Other expenses

Other expenses increased by 206.63% from RMB16.74 million for the year ended 31 December 2024 to RMB51.33 million for the year ended 31 December 2025. The increase is mainly attributed to increase in fair values loss on financial assets at fair value through profit or loss.

### Finance costs

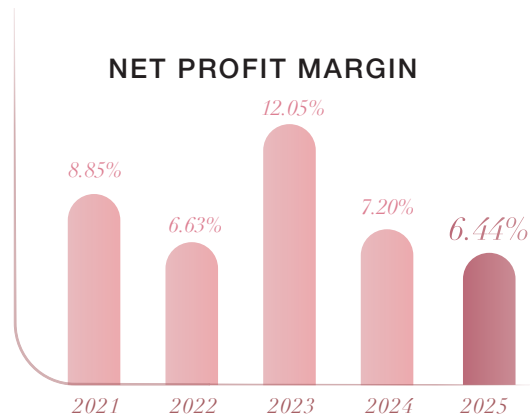
Finance costs decreased by 11.74% from RMB55.51 million for the year ended 31 December 2024 to RMB48.99 million for the year ended 31 December 2025. It was mainly attributed to the decrease in net borrowings.

### Income tax expenses

Income tax expenses increased by 22.77% from RMB88.44 million for the year ended 31 December 2024 to RMB108.58 million for the year ended 31 December 2025. It was mainly attributed to the decrease in government tax incentives available to the Group.

### Net profit and net profit margin

As a result of the foregoing factors, the net profit attributable to owners of the parent was RMB397.03 million for the year ended 31 December 2025 as compared to RMB468.50 million for the year ended 31 December 2024, representing a decrease of 15.26% or RMB71.47 million. Net profit margins were 6.44% and 7.20% for the years ended 31 December 2025 and 2024 respectively.



# MANAGEMENT DISCUSSION AND ANALYSIS

## 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 2025, the Group's total current assets were RMB3,404.96 million (31 December 2024: RMB3,371.72 million) and total current liabilities were RMB1,774.91 million (31 December 2024: RMB1,773.86 million). The current ratio as at 31 December 2025 was 1.92 (31 December 2024: 1.90).

As at 31 December 2025, the total sum of the Group's interest-bearing bank borrowings amounted to RMB420,000,000 (31 December 2024: RMB524,068,000). The Group's borrowings were denominated in RMB.

### Financial position, liquidity and gearing ratio

As at 31 December 2025, the Group's cash and cash equivalents were RMB437.93 million (31 December 2024: RMB363.93 million), denominated as to 82.83% in RMB, 16.58% in Hong Kong dollar, 0.42% in Euro, 0.14% in JPY and 0.03% in GBP. The net cash inflow from operating activities generated was RMB1,555.48 million for the year ended 31 December 2025, up 56.13% from RMB996.24 million for the year ended 31 December 2024.

As at 31 December 2025, the gearing ratio (i.e. outstanding bank loans divided by total equity) was 9.10% (31 December 2024: 11.65%).

### 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 2025, the Group had no significant contingent liabilities (31 December 2024: Nil).

### Charges on assets

As at 31 December 2025, there were no charges on the assets and undertakings of the Group (31 December 2024: Nil).

# MANAGEMENT DISCUSSION AND ANALYSIS

## 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 2025.

### Significant investment

As at 31 December 2025, the Group had no significant investment with a value of 5% or more of the Group's total assets.

### Future plans for material investments or capital assets

Save as disclosed in this report, the Group did not have other plans for material investments and capital assets as at 31 December 2025.

### Equity fund raising

On 12 September 2025, the Company and DL Holdings Group Limited ("DLH") entered into the strategic cooperation and investment agreement in relation to, among other matters, the proposed issue of 4,600,000 ordinary shares of the Company (each a "Subscription Share") with an aggregate nominal value of HK\$46,000 to DLH at the subscription price of HK\$6.50 per Subscription Share, conditional upon the fulfilment of the conditions precedent under the said agreement. The closing price of the shares of the Company as quoted on the Stock Exchange on 12 September 2025 was HK\$8.00 per share, and the net price per Subscription Share is approximately HK\$6.43. Completion of the subscription has taken place on 15 October 2025.

The Board consider that the subscription represents a good opportunity to introduce a strategic investor, and the subscription proceeds provide immediate cash to settle the Group's loan liability without compromising the Company's working capital needs for ongoing business activities. Further details of the subscription, including the conditions precedent to the subscription, have been disclosed in the joint announcements of the Company and DLH dated 12 September 2025 and 15 October 2025, and the announcement of the Company dated 10 October 2025.

The gross proceeds of the subscription amount to approximately HK\$29.9 million, and the net proceeds amount to approximately HK\$29.6 million which has been fully utilised for the repayment of a loan facility of the Company due in December 2025 during the year ended 31 December 2025 according to the intentions disclosed in the aforesaid announcements of the Company.

Save as disclosed above, there was no equity fund raising activity by the Company for the year ended 31 December 2025, nor was there any unutilised proceeds brought forward from any issue of equity securities made in previous financial years.

### Event after the Reporting Period

There are no important events after the reporting period and up to the date of this report.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEWS

The Group owns and manages seven 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 and (iii) NEXY.CO.

### 1. EEKA Brands

The Group's dual main brands Koradior and NAERSI, with sales revenue of RMB3.79 billion for the year ended 31 December 2025 are among the top 10 brands in the industry in China. Sales revenue from ELSEWHERE, La Koradior, NEXY.CO and CADIDL are generally between RMB367–986 million, and the Company launched FUUNNY FEELLN in 2019, which aims at a wider population and meets more diverse needs. To further enhance brand competitiveness and operational efficiency, the Group announced the strategic integration of "NAERSI" and "NAERSILING" in October 2025. The latter has been incorporated as a premium line under a unified "NAERSI" brand architecture. This initiative aims to optimise resource allocation, eliminate internal competition, enhance brand premium, and focus on long-term growth. Rather than a simple brand contraction, this achieves strategic brand focus and value elevation. By leveraging a leaner organisation, clearer positioning, and stronger resource synergy, the Group is poised to capture new opportunities from the next wave of consumption upgrading. 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 a 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, founded in 2007, is a premier Chinese high-end womenswear brand dedicated to celebrating the elegant feminine silhouette. With dresses as its signature medium, the brand specialises in a romantic and sophisticated aesthetic. Taking the rose as its spiritual totem, Koradior weaves a romantic DNA into every stitch of its designs. By selecting rare fabrics and accentuating them with original floral patterns and exquisite beadwork, the brand creates masterful fashion pieces. Its iconic X-line tailoring and slimming silhouettes perfectly embody the brand philosophy: "Romance at Heart, Artistry in Form, Elegance in Life (浪漫於心·精藝於型·雅致於常)." Koradior serves as a perfect interpretation of the leisurely, refined and authentic romantic spirit of the contemporary urban woman.



# Koradior

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEWS *(Continued)*

### 1. EEKA Brands *(Continued)*

#### *Koradior (Continued)*

In 2025, Koradior continued its brand elevation by maintaining its collaboration with international Hollywood star Lily Collins to showcase the signature “Koradior-style Romance.” In March, the brand officially announced Bridgette, Qiao Xin (喬欣) as the new Brand Ambassador. Capitalising on this momentum, Koradior launched its “Dress Season” campaign in April under the theme “The Seventh Rose (第七朵玫瑰)”, using the brand’s floral motif to narrate the story of its dress collections. Through a deep partnership with Xiaohongshu (RED) and participation in the “Style Calendar” IP project, the custom hashtag #ExquisiteRomanticDresses (#精緻浪漫風裙裝) garnered over 180 million views. That same month, Qiao Xin appeared in the iconic K-Dress Rose Collection, sharing her styling aesthetics with VICs (Very Important Customers) to achieve a perfect synergy between brand prestige and sales. In September, Koradior successfully hosted its Spring/Summer 2026 “Garden Romance” runway show, attended by actress Tong Liya (佟麗婭), director/actor Stephen Fung (馮德倫), and supermodel You Tianyi (遊天翼), presenting a dialogue between classicism and modernity. The momentum culminated in October with the official announcement of acclaimed actress Xin Zhilei (辛芷蕾) as the Global Brand Spokesperson. This appointment marks a strategic shift in Koradior’s development – moving from deeply rooting itself in the Chinese market to actively expanding its global fashion influence.



Regarding channel development, Koradior adheres to a strategy of optimising its retail footprint through expansion, relocation, renovation, and new store openings. The brand is dedicated to creating “Blossoming Romance, Enchanting Spaces” – store environments that evoke a premium, affordable luxury feeling and provide an immersive sensory experience. This approach ensures that store aesthetics align seamlessly with the brand’s sophisticated identity, further strengthening consumer recognition. Simultaneously, Koradior continues to upgrade its offline network by launching

multiple brand flagships and boutique mega-stores, increasing its presence in high-end shopping centers. As of 31 December 2025, Koradior operated a total of 660 stores across China.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEWS *(Continued)*

### 1. EEKA Brands *(Continued)*

#### NAERSI

Since its inception in 1995, NAERSI has redefined the art of form for Chinese career women through the lens of “Urban Elegance (都市優雅)”. Rather than pursuing fleeting trends, the brand focuses on an aesthetic that stands the test of time. NAERSI offers more than just fashion; it presents a spirit of elegance, integrating the brand philosophy of “Urban Art, Graceful Ease, and Ultimate Craftsmanship (都市藝術、優雅自在、匠藝至臻)” to compose a noble narrative for urban women in both their professional and personal lives. Its core categories are “coats” and “trousers,” with the “suit” serving as the signature Key Look. A classic masterpiece for 30 years, the “True Self Suit (真我套裝)” – featuring distinctive details such as the 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 launched its spokesperson strategy in 2000, inviting Qu Ying (瞿穎) as its first brand spokesperson. The brand was honored as a “China Well-known Brand” in 2014 and received the “Influential Advanced Brand” award in 2015. In 2017, NAERSI debuted at New York Fashion Week with the “Power and Beauty (力與美)” runway show, becoming the first Chinese brand to host a show at the American Museum of Natural History. In 2020, the brand introduced its brand color, “25°



# NAERSI

## MANAGEMENT DISCUSSION AND ANALYSIS

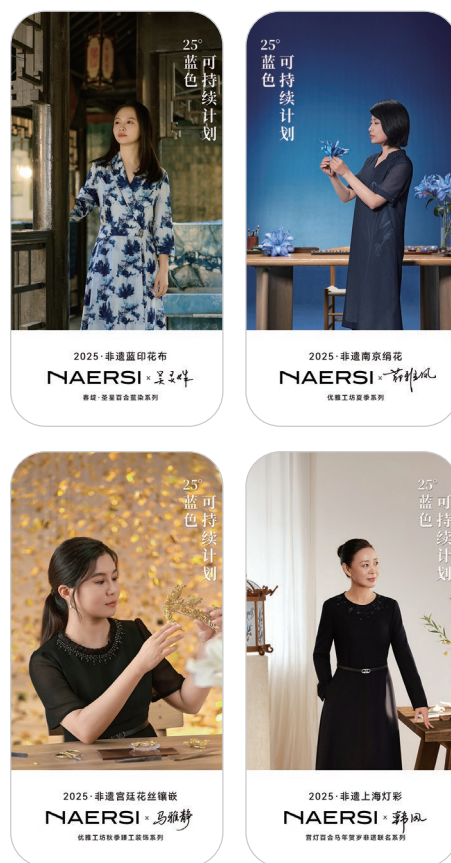
Blue (25° 藍)”, within the Group, further solidifying its visual identity. In 2025, NAERSI established a four-year strategic partnership with the Beijing International Film Festival (BJIFF), focusing on the fusion of fashion and art to provide a multi-dimensional interpretation of the diverse facets of contemporary women and to promote the culture of elegance. In April, marking its 30th anniversary and serving as the sole official designated affordable luxury womenswear brand of the 15th BJIFF, NAERSI hosted the “30th Anniversary · Crowning with Lys Theme Show & The 15th BJIFF Fashion & Cinema Opening Gala” at Yanqi Lake, Beijing. The event featured Star Ambassador Jiang Shuying (江疏影) alongside a constellation of celebrities, signaling a significant leap in brand power and the deepening expansion of its cultural influence.

During the same period, special screenings and the presentation of the “Elegant Power Honor (優雅力量榮譽)” awards were held to consistently capture consumer mindshare. Centering on its 30th-anniversary theme, the brand continued its exploration of female humanity through the “LADY CEO” special feature. In September, in collaboration with the mainstream French fashion magazine Madame Figaro, NAERSI hosted the “GILDED Night Gala (鑲金百合星宴)” and the “30th Anniversary · Crowning with Lys Tour Show” in Xi’an. These events fostered a deep dialogue between elegant fashion and the female spirit, further strengthening the brand’s influence.

Furthermore, NAERSI joined forces with four Intangible Cultural Heritage (ICH) artists to create the “Four Seasons Lily” ICH installations and fashion collections. By “crowning” feminine elegance with the Four Seasons Lily, the brand promoted traditional culture while driving product innovation. NAERSI also partnered with four major fashion media outlets to present a “Special Cultural Feature Celebrating the Brand’s 30th Anniversary”. By continuously cultivating and refreshing its proprietary IP segments, the brand has reinforced its DNA, promoted the heritage and contemporary interpretation of classic silhouettes, and further solidified consumer recognition and identification with the NAERSI elegant lifestyle.

Regarding channel layout, NAERSI has actively advanced its offline presence with a strategic focus on increasing investment in shopping center stores. Notably, the Xi’an MixC store generated significant buzz through collaborative PR events with international media, celebrity appearances, and offline themed exhibitions. These initiatives effectively enhanced store exposure and visitor conversion, driving robust sales growth. This not only reflects the brand’s strategic focus on high-potential business districts but also serves as an image benchmark for the regional market.

Simultaneously, NAERSI has continuously upgraded its store image and design, expanded floor spaces, and established new flagship stores and boutique mega-stores. Through offline touring exhibitions, themed pop-up stores, and interactive promotions, the brand engages target customers across various scenarios, comprehensively enhancing the consumer experience. These efforts deepen consumer recognition of the brand’s style and philosophy, further driving the sustained growth of offline sales. As of 31 December 2025, NAERSI operated a total of 499 stores in China.



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEWS *(Continued)*

### 1. EEKA Brands *(Continued)*

#### *La Koradior*

La Koradior is a premier Chinese high-end womenswear brand that crafts a luxurious and elegant style through its signature dresses. With exquisite craftsmanship, the brand interprets the artistic philosophy of “Painting Daily Life, Ritualising the Ordinary (日常入畫·儀式為常)”. By employing refined techniques such as pearl embellishments, hand embroidery, and lace splicing, it preserves classic artistry and cultural essence. Between the realms of perceptual, elegant and romantic (感性·奢雅與浪漫), La Koradior seeks a balance between haute couture value and timeless grace. Taking the orchid as a symbol of feminine luxury and elegance, La Koradior echoes the graceful contours of the female form. The brand transforms attire into an expression of identity, sketching a multifaceted posture and a haute couture lifestyle for the contemporary woman.

In 2025, La Koradior actively worked towards enhancing its brand strength and shaping a brand image of affordable luxury. In March, La Koradior presented its 2025 Spring/Summer Haute Couture collection under the theme “The Butterfly Orchid in Flowers (花間蝶蘭)” during the Paris Fashion Week 2025 and further organised the fashion tour at MixC in Xi’an. This collection drew on the inspiration from the collaborative work titled “The Butterfly Orchid in Flowers” created by co-branded Chinese illustrator artist Cheng Peng (程鵬). At the scene, young entrepreneur Laurinda Ho Chaolian (何超蓮) attended the event wearing the dresses from the Paris Fashion Show and accompanied international actors and celebrities on the red carpet at the 78th Cannes Film Festival. Additionally, it appeared together with Lin Zhiling (林志玲) at the Kering Gala Dinner in Cannes, enhancing its international image.



*La Koradior*



## MANAGEMENT DISCUSSION AND ANALYSIS

In August, La Koradior collaborated with Victoria Tang-Owen (鄧愛嘉) to create the “The Garden Symphony” Haute Couture capsule collection. This was unveiled at the “Art of Haute Couture: The Garden Symphony” event held at the Villa Basset, the residence of the French Consulate General in Shanghai. Distinguished guests, including the Consul General and his wife, actress Hai Qing (海清), Victoria Tang-Owen, Xu Xu HuaSheng Media Group Director Wu Yifei (吳亦飛), and art historian Zhang Yuling (張宇凌), attended the event. The event featured engaging cultural discussions, a runway show, and a collection exhibition, seamlessly blending haute couture and a celebration of craftsmanship from both France and China.



In September, the La Koradior Spring/Summer 2026 Ready-to-Wear Show will be staged at the Centre Culturel de Chine à Paris, with full support from VOGUE as the partner media. Actress Zhang Yuxi (張予曦) and VOGUE China Editorial Director Rocco, Liu Chong (劉沖) will gather to witness this symphonic chapter of art and fashion. In further deepening the brand identity, La Koradior has extensively utilised its brand DNA elements, including the Butterfly Orchid and La-purple, during these significant events. The brand creates a brand identity and enhances brand strength through its DNA elements employed across various offline channels such as store displays, PR exhibitions, offline activities, trade shows, as well as online promotional campaigns.

Regarding channel layout, La Koradior has taken measures to enhance the quality of its offline stores by expanding and renovating locations. The average area of newly opened stores has significantly increased compared with the past, leading to notable improvements in store efficiency. By organising themed offline exhibitions, instore 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 2025, La Koradior has a total of 44 stores operating in China.



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEWS *(Continued)*

### 1. EEKA Brands *(Continued)*

#### NEXY.CO

NEXY.CO was established in 2009 and is a premier Chinese high-end womenswear brand. Within the narrative of the contemporary metropolis, NEXY.CO is crafted for “intellectual, influential, and tasteful” power women. Focusing on the professional arena and anchored by the suit, the brand composes fashion chapters for diverse lifestyle scenarios.

Drawing inspiration from humanistic arts, NEXY.CO employs precise design language, leveraging sharp tailoring and invisible shaping techniques (Guiba) to sculpt 3D silhouettes. The brand defines its style as “Simple yet Powerful (簡而有力)” and “Steady yet Captivating (定而矚目)”, curating a contemporary wardrobe for the urban intellectual woman. Its timeless classics, the “π Suit” and the “BOOK Coat,” have stood the test of time, gaining deep recognition and becoming the brand’s iconic “breakout” pieces.

In 2014, NEXY.CO first flagship store worth 10 million dollars was born. 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 the World Wildlife Fund (世界自然基金會) and One Planet Foundation (一個地球自然基金會) 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. It combined art, environmental protection, and fashion to promote the brand’s sustainable beauty. In 2022, NEXY.CO invited actress Yuan Qian 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.



## MANAGEMENT DISCUSSION AND ANALYSIS

In 2025, NEXY.CO continued to cultivate its core audience, deepening the value resonance of the “Ladies with Wisdom and Beauty (智美大女主)”. The brand executed its celebrity endorsement strategy by strengthening its mental bond with spokesperson Yuan Quan (袁泉). Through initiatives such as the “Yuan Quan Select” collection, her appearance at MixC events, and Tmall Super Brand Moment, NEXY.CO achieved sales breakthroughs while conveying its brand proposition: “Wisdom Highlights Beauty.” Simultaneously, the brand focused on building an exclusive elite ecosystem, precisely targeting outstanding female industry leaders and collaborating with the “Mulan Corporation” (China Entrepreneur Club) to further expand its influence.



Three major annual runway shows created peaks in brand momentum: (i) “Mulan Chronology (木蘭時序)” Paris Show, showcasing the wisdom and beauty power of Chinese Mulan to the world; (ii) “Mulan Top Skyline (木蘭凌雲)” GBA Fashion Power Sky Show, a stunning visual feast linked with Shenzhen’s city light show that ignited public attention; and (iii)

“Mulan Flowing (木蘭之韌)” 7.18 Brand Day Show: An upgraded event merging thought leadership with aesthetics. Leveraging these major events, NEXY.CO deeply captured consumer mindshare, significantly enhancing brand awareness and reputation. Throughout these activities, the brand’s DNA – including its signature suit category, the Magnolia, and NEXY.CO Green was consistently reinforced to solidify the brand’s identity in the public consciousness.

Regarding channel layout, NEXY.CO launched its first master flagship store at Chengdu MixC in 2025. Designed by the renowned architect Shuhei Aoyama (青山周平), the store utilises spatial storytelling to interpret the symbiotic narrative between “Mulan women” and the city of Chengdu, using architectural language to express the contemporary spiritual core of the “Intellectual and Beautiful Power Woman.” Furthermore, the brand continues to advance its strategy of “adjusting store quality and improving store efficiency (調店質、提店效)”, increasing its footprint in high-end shopping centers and deepening its strategic cooperation with the China Resources MixC system.



By actively implementing offline touring exhibitions and pop-up store projects, NEXY.CO has hosted large-scale PR exhibitions in core business districts such as Chengdu MixC, Taiyuan MixC, and Beijing Wangfujing, leading to a continuous increase in offline traffic and conversion efficiency. Driven by the dual leap in product and brand strength, the operating area of individual stores has steadily expanded. Despite the lack of significant improvement in the market environment, distributors remain fully confident in NEXY.CO’s prospects, with the number of distributor stores continuing to grow. As of 31 December 2025, NEXY.CO has a total of 219 stores operating in China.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEWS (Continued)

### 1. EEKA Brands (Continued)

#### ELSEWHERE



ELSEWHERE is a contemporary fashion brand characterised by comfort and simplicity. Drawing inspiration from the authentic beauty of “Life is Elsewhere (生活在別處)”, the brand is rooted in the aesthetic philosophy of long-termism. Guided by the principles of “nature, chill, premium (自然·鬆弛·臻質)”, ELSEWHERE combines precious natural materials with well-balanced silhouettes and craftsmanship imbued with humanistic emotion. The brand is dedicated to creating versatile pieces with cross-seasonal and multi-scenario practicality and sustainability.

By focusing on life aesthetics, ELSEWHERE inspires urban women to transform the ordinary into the extraordinary, ultimately returning to and deeply embracing the beauty of daily life.

In 2025, ELSEWHERE underwent a comprehensive brand repositioning. In terms of promotion, the brand consistently implements integrated marketing strategies to promote its featured products through various means such as material and craftsmanship promotion, thematic videos, collaborations with Key Opinion Leaders (KOLs) and celebrities, key looks, and window displays. The brand systematically creates popular products and also ventured into curated retail. In November, the ELSEWHERE “Dwell in Warm Grazelands” (棲絨牧境) time-limited theme exhibition was held at Chengdu MixC. This initiative successfully transformed a traditional “sales venue” into a “narrative space”, turning the exhibition theme into a story-driven, interactive, and emotionally-driven community experience. This approach turned every offline touchpoint into a profound communication of the brand’s core values.



Regarding channel layout, ELSEWHERE further optimised its offline store image through renovations and expansions. In 2025, the performance of ELSEWHERE’s self-operated stores continued to

improve, with an increase in average store floor space. The stores adopted a brand-new image, providing a comprehensive display of the brand’s identity, cultural connotations, and stylistic characteristics tailored to local conditions. Through activities such as themed exhibitions, the brand strengthened its interaction with consumers and consistently enhanced its brand influence. As of 31 December 2025, ELSEWHERE operated a total of 129 stores in China.



## ELSEWHERE

# MANAGEMENT DISCUSSION AND ANALYSIS

## FUUNNY FEELN



FUUNNY FEELN was established in 2019 and is a fashion brand that interprets urban relaxation through the power of simplicity and a playful, cool personality. The brand infuses trend-inspired inspirations with unique minimalist aesthetic and playful elements. Through sharp silhouettes, gender-neutral design language, and versatile styling combinations, it crafts a highly extensible fashion image. With a core focus on denim, the brand starts from the classics, meticulously refining iconic pieces and pursuing ultimate fabric quality to build a cross-seasonal, simple yet fun and stylish wardrobe.

In 2025, FUUNNY FEELN centered its brand promotion on the "Attitude Cat Travel (態度貓旅)" theme, creating a series of narrative short films. By integrating products through celebrity editorials, thematic films, multi-scenario styling by influencers (KOLs), lookbooks, and offline visual merchandising, the brand effectively promoted its core categories and cultivated its best-selling items. In September, the pop-up store and boutique at Xi'an SAGA International Shopping Center leveraged celebrity influence to deepen the emotional connection with consumers, together exploring a new proposition of "Cool & Chic" style.



Regarding channel layout, FUUNNY FEELN has actively enhanced the image of its offline self-operated stores. Through store displays, layouts, and pop-up stores, the brand showcases its unique style and spirit to consumers, effectively strengthening consumer perception. On e-commerce platforms, FUUNNY FEELN promotes its brand culture and values through online live streaming platforms and celebrity collaborations, increasing brand exposure and driving growth in both online and offline performance. As of 31 December 2025, FUUNNY FEELN operated a total of 53 stores in China, maintaining significant potential for further expansion.



**FUUNNY FEELN**  
SHENZHEN

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEWS (Continued)

### 1. EEKA Brands (Continued)

#### CADIDL

*Minimalist Flow (簡約流動) | Modern Classic (現代經典) | Elegant Commute (優雅通勤)*

Inspired by the independent spirit and modern aesthetics of Georgia O’Keeffe, CADIDL is dedicated to crafting exquisite commute attire for contemporary urban women. Moving away from the rigid constraints of traditional suits, the brand centers its design on “Minimalist Flowing Tailoring (簡約流動的剪裁)” and “Modern Classic Silhouettes (現代經典的輪廓)”, returning to a philosophy of refined simplicity and pragmatism. By striking a perfect balance between propriety and ease, CADIDL infuses suits with a moderate softness and a resilient sense of volume.



CADIDL elevates commuting with sophistication and simplifies fashion with ease. By positioning the suit as an extension of a woman’s inner strength, the brand accompanies modern women in navigating their daily lives with composure – walking gracefully through the quietude, yet making every step resonate with power.

In 2025, CADIDL focused on the suit as its core category, launching a series of thematic promotions centered on its hero product, the “No. 96 Classic Suit,” to consistently reinforce its brand heritage. Through the creation of specialised columns such as “Urban Wisdom & Elegance Women’s Weekly Wardrobe (都市智雅女性一周衣櫥)” and the “Wisdom & Elegance Mobile Wardrobe (智雅移動衣櫥)” the brand offered a profound interpretation of high-efficiency dressing that is multi-functional, multi-scenario, and diversified. By using the suit as a medium to narrate the daily stories of contemporary urban career women, CADIDL has further established a distinct brand persona of “Wisdom and Elegance”.



In the first half of the year, brand promotion focused closely on the products, deeply integrating craftsmanship details, fabric characteristics, and wearing scenarios, which yielded significant communication results and market feedback. In September, CADIDL further expanded into new scenarios of workplace and business travel, collaborating with the leading fashion media ELLE to create a customised thematic editorial, elevating the brand’s expression of elegant aesthetics. During the same month, the brand grandly hosted the Autumn 2025 “Women of the World | Easy Suit Easy Go (智雅隨行)” new collection launch events at Nanjing Golden Eagle and Shanghai New World Daimaru Department Store, featuring a special appearance by renowned actress Ma Yili (馬伊琍). The events, envisioned as an immersive celebration blending art, design, and functional aesthetics, paid tribute to the graceful composure of contemporary urban women as they transition seamlessly between their diverse roles.

Regarding channel layout, CADIDL has actively integrated its brand DNA to elevate the image of its offline stores. In 2025, the brand opened new locations at Nanjing Jiangning Golden Eagle, Xuzhou Golden Eagle, and Shanghai Yangpu Printemps, collectively creating spaces of “Wisdom and Elegance.” As of 31 December 2025, CADIDL operated a total of 135 stores in China.

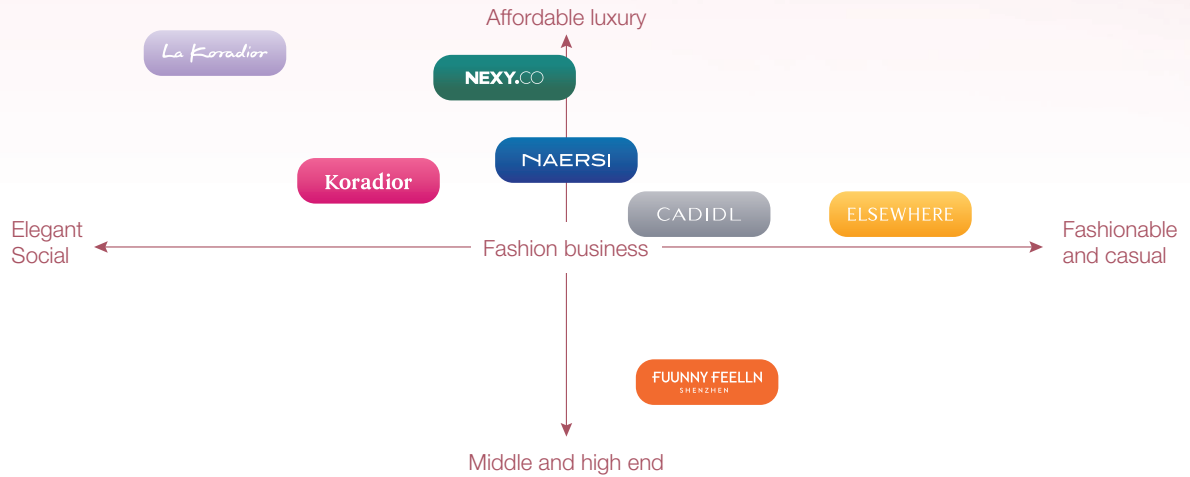


# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEWS (Continued)

### 1. EEKA Brands (Continued)

Brand Position Map



Core categories:  
Dress  
Classic: K Dress



Core categories:  
Coat, pants  
Classic: True-self suit



Core categories:  
Wool  
Classic: Chiffon Knit Set



Core categories:  
Suit  
Classic: T Suit, Book Coat



Core categories:  
Suit set  
Classic: 96 suit set



Core categories:  
Western-style dress  
Classic: cape bellflower dress



Core categories:  
Attitude denim and jackets  
Classic: Attitude Denim FF108, Classic Tapered Pants, Attitude Denim FF372, Classic Straight Pants

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEWS *(Continued)*

### 2. Design, research and development

The Group understands the needs and preferences 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<sup>(note)</sup> amounted to 5,338 in 2025, representing a decrease of 9.43% from a total of 5,894 SKC in 2024 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 a better product experience. The Group's research and design team members slightly decreased to 567 as at 31 December 2025 from 569 as at 31 December 2024.

The Group engages well-known designers from both overseas and locally in China as the brand creative directors for "Koradior", "La Koradior", "ELSEWHERE", "FUUNNY FEELN", "NAERSI", "NEXY.CO", and "CADIDL". Research and development expenses were RMB159.02 million, representing 2.53% of the Group's total revenue for the year ended 31 December 2025, as compared to RMB181.58 million, representing 2.76% of the Group's total revenue for the year ended 31 December 2024. The research and development of products not only earned customers' satisfaction but were also highly recognised by government departments. During the year, the Group released over 300 series of creative design including Koradior "The 7th Rose (第7朵玫瑰)", La Koradior "The Garden Symphony (交響花園)", ELSEWHERE "Live with the warm, empty the heart (棲絨牧境)", FUUNNY FEELN "Attitude Cat Travel (態度貓旅)", NAERSI "Crowning with LYS (百合加冕)", NEXY.CO "Mulan Flowing (木蘭之韌)", and CADIDL "Women of the World (智雅隨行)" 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).

# MANAGEMENT DISCUSSION AND ANALYSIS

## 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", "VOGUE", "Harper's BAZAAR", "T Magazine China", "WONDERLAND", "OK!Magazine", "L'OFFICIEL", "Architectural Digest", etc. The influence of the Company's brands has continuously improved. The Group engages spokespersons for brands including Lily Collins and Xin Zhilei for Koradior, Li Bingbing for NAERSI, Yolanda, Yuan Quan for NEXY.CO and Gina, Jin Chen for FUUNNY FEELN. To promote the diversification of online marketing channels, the Group uses short videos, WeChat mini programs, WeChat circle of friends 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 investments on the Douyin platform in 2025. For the year ended 31 December 2025, the brand and marketing promotion expenses (excluding sales promotion expenses) were RMB301.20 million which accounted for 4.79% of the Group's total revenue, representing an increase of RMB38.61 million or 14.70% as compared to RMB262.59 million for the year ended 31 December 2024 primarily due to the increase in promotion expenses for new spokesperson and existing brands.

### 4. Human resources

As at 31 December 2025, the Group had a total of 9,936 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 2025 and 31 December 2024 respectively:

	2025 Number of employees	2024 Number of employees
Management, administration and finance	246	258
Product design and research and development	567	569
Sales and marketing (including outsourced labour employee in 2025: 7,519)	8,762	9,115
Procurement, logistics and quality control	361	371
<b>Total</b>	<b>9,936</b>	<b>10,313</b>

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 2025, the total salary and welfare expenses were RMB1,465.27 million, representing 23.31% of the Group's total revenue and an increase of RMB58.72 million or 4.17% as compared to RMB1,406.55 million, representing 21.35% of the Group's total revenue for the year ended 31 December 2024.

The Company has a share award scheme, adopted in April 2024, in place for selected participants as an 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 the performance of the Group as well as on individual performance and contribution.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEWS *(Continued)*

### 5. Prospects and Outlook

In the external environment, the Chinese economy grew by 5.0% in 2025, with GDP exceeding RMB140 trillion for the first time. Final consumption expenditure's contribution to economic growth to reach 52%, re-establishing itself as the primary driver of growth. Looking ahead to 2026, with the initiation of the China's "15th Five-Year Plan", the consumer market is expected to continue a phase of simultaneous qualitative and quantitative improvement. From a demand perspective, the in-depth implementation of urban and rural resident income increase plans and enhancements to the social safety net are expected to restore consumer spending capacity and willingness steadily. From a supply perspective, expanding the supply of high-quality consumer goods and services is a policy priority. Emerging models like instant retail and live-streaming e-commerce are experiencing rapid growth, while the innovation of consumption scenarios and the deepening integration of online and offline channels will persist.

Regarding internal operations, in 2026, the Group will continue to be guided by its vision of "To become a renowned affordable luxury brands group", driven by its mission to "Combining the fashion aesthetics, savoring the exquisite life". We will implement the development strategy of "multi-brand, omnichannel, platform-based, and upstream-downstream synergy", comprehensively deepen various reforms, and promote the strategic transition from a "scale-oriented" to a "quality-oriented" stage.

#### *(1) Brand Promotion: Revitalising Aesthetic Language to Enhance Brand Competitiveness*

We are implementing a deep restructuring of seven brands with a brand-new visual identity. By utilising more precise aesthetic language and profound cultural expression, we are building a future-oriented brand system (for instance, the NAERSILING brand has been integrated into the NAERSI premium collection to embark on a new chapter).

In terms of brand promotion:

#### *i. Defining Scenarios and Establishing Styles:*

We will build a diverse matrix of female personas – including celebrities, bloggers, and notable figures – to craft compelling product stories. This will strengthen brand style labels, focus on key categories, and deepen consumer association with specific lifestyle scenarios.

#### *ii. Topic Creation:*

Leveraging iconic commercial districts and high-profile e-commerce events to drive dual growth in "brand and marketing power". We aim to intensify community resonance and transform users into participants of brand events. High-quality activities, such as PR exhibitions, private VIC salons, runway shows, celebrity gala dinners, and celebrity livestreaming, will be utilised to support brand building.

#### *iii. Content Operations and Maintenance:*

Through visual content upgrades, we will revitalise and expand our user base. By translating brand DNA into products and spaces, we foster resonance with target female groups. We are progressively refining the "Content Factory" to industrialise our content system and empower product competitiveness.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEWS *(Continued)*

### 5. Prospects and Outlook *(Continued)*

(1) *Brand Promotion: Revitalising Aesthetic Language to Enhance Brand Competitiveness (Continued)*

iv. *AI Empowerment:*

AI will be applied to visual production (photography/videography) to enhance efficiency and output while reducing costs, empowering all-channel sales scenarios. We will continuously optimise GEO (Generative Engine Optimisation) and global AI large model searches to increase brand discoverability and credibility. AI will be utilised to manage and update brand image and consumer perception, synergistically enhancing brand competitiveness.

(2) *Merchandise Operations: Refining Efficiency Across the Product Lifecycle*

By optimising operational mechanisms, we will establish full-lifecycle product processes and advance the standardisation of merchandise management. This includes delivering and applying the data structure framework and the “EEKA Dictionary (贏家字典)”; and completing Phase I of the merchandise system to break down data silos among production, supply, and sales. We aim to achieve cross-departmental data synergy and visualisation of core processes while ensuring team members meet the threshold for merchandise operation competency profiles.

Building on this foundation, we will leverage digital intelligence to drive the integration of multiple data sources and introduce AI tools to achieve digitalisation, intelligence, and visualisation of key business scenarios. Through planning, coordination, support, and control, we will facilitate high-efficiency collaboration across the entire chain – from product development to production and sales. This will ensure precise merchandise management, rapid market response, and closed-loop lifecycle management. Our ultimate objective is to achieve the core goals of reducing inventory turnover days and increasing the sell-through-to-production ratio. Simultaneously, we aim to enhance overall business capabilities, striving to become “data-savvy merchandise experts (懂商品的數字專家)” or “merchandise-focused digital stewards (懂數字的商品管家)” with a keen sense of aesthetics.

(3) *Channel Construction: Optimising Self-operated Channels, Increasing E-commerce Efficiency, and Upgrading Franchises*

For Self-operated Channels – Optimising Stores and Invigorating Membership:

(i) We will expand flagship stores and eliminate the “long tail” by scaling up large stores and optimising smaller ones, while continuously enhancing store image and strengthening quality and functionality. (ii) We will strictly control promotions and pricing to achieve differentiated operations between online and offline channels, simplify store grading and progressively increase the discount rates for regular-priced items and outlets. (iii) We will refine the membership system, adjust point schemes, and implement meticulous operations to enhance the quality of offline activities and consumer experience, thereby boosting member activity.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEWS *(Continued)*

### 5. Prospects and Outlook *(Continued)*

#### *(3) Channel Construction: Optimising Self-operated Channels, Increasing E-commerce Efficiency, and Upgrading Franchises (Continued)*

For Online E-commerce – Omnichannel Operations, Reducing Expense Ratios, and Increasing Per-Capita Efficiency:

(i) We will improve expense efficiency by optimising the investment structure, de-institutionalising operations, cultivating in-house influencers, and establishing an internal expense evaluation and analysis system. (ii) We will implement omnichannel operations based on “one team, one inventory, and unified pricing” across all channels. We will increase the proportion of new products, manage members across the entire domain, empower the brand through omnichannel promotion, and achieve inventory sharing. (iii) We will comprehensively upgrade Tmall, rapidly scale up JD.com, stabilise market share on VIP shop, and expand self-developed livestreaming to improve the quality of operations across all platforms.

For Franchise Channels – Attracting Premium Franchisees and Piloting New Models:

(i) We will design omnichannel franchise solutions, pilot new franchise models, and refine operational support processes. (ii) We will review and streamline our existing franchisee base, reducing the total number and establishing a tiered management mechanism. (iii) We will introduce provincial-level franchisees and establish preliminary partnerships. (iv) We will integrate the franchise business into our omnichannel operations and provide a unified digital store system, including POS, CRM, and inventory management. (v) We will progressively apply the Group’s brand standard manuals – covering store image, service processes, visual merchandising, and marketing activities – to franchise channels to establish standardised management and workflows.

#### *(4) Supply Chain Management: Focusing on Leading Partners and Prioritising Quality*

The SCM (Supply Chain Management) system will be fully launched to achieve end-to-end visual management. A scientific supplier evaluation system will be established to classify suppliers, aiming to concentrate 80% of finished goods procurement on 20% of suppliers, and 70% of raw material procurement on 30% of suppliers. Furthermore, 3-to-5-year long-term framework agreements will be signed with selected strategic and core suppliers. Meanwhile, cost management will be fully digitalised and visualised, and quarterly cost review meetings will be initiated. We will also introduce experts with experience in digitalisation and lean management to build an elite team for high-efficiency management.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEWS *(Continued)*

### 5. Prospects and Outlook *(Continued)*

#### *(5) Organisational Development: Renewal for Efficiency and Cost Optimisation*

We will comprehensively advance the Group's Elite Project, establishing the core organisational structure and collaborative relationships. Through a dual-track mechanism of internal talent cultivation and external recruitment, we will complete the formation of core teams – including heads of first- and second-level departments – to foster highly efficient collaboration. Simultaneously, we will further optimise key modules such as performance, compensation, recruitment, and benefits to provide systematic support for efficient organisational operations.

We aim to achieve a closed-loop online system for comprehensive budgeting and the construction of core operational dashboards, deepening the digitalisation and intelligence of financial management and financial indicator analysis. Furthermore, based on rolling forecasts, we will progressively build financial prediction models – such as the profit and loss rolling forecast model, channel profitability model, product profitability model, cash flow model, and inventory optimisation model – to empower operational control and achieve “cost reduction and efficiency enhancement (降本增效)”.

## 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.

# INVESTORS INFORMATION

## 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 could enjoy the results 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: 30,792,500 Shares

Number of investor strategy meetings: 8  
Number of investor meetings: 26  
Number of reverse roadshows: 2

Number of analysts covered by the Company: 14  
Results Announcement: 2

### Share Information

Listing Day: 27 June 2014  
Board lot size: 500 Shares  
Numbers of shares outstanding: 708,650,195 Shares  
(As at 31 December 2025)

### Stock Codes

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

### Dividends

HK cents	2021	2022	2023	2024	2025
Final dividend	48	40	70	38	35

\* The 2025 dividend is subject to AGM's approval.

# INVESTORS INFORMATION

## Important Dates

27 March 2026

2 to 5 June 2026

5 June 2026

11 to 12 June 2026

12 June 2026

On or about 30 June 2026

31 December 2025

Annual results announcement

Book closure period for annual general meeting

Annual general meeting

Book closure period for 2025 final dividend

Record date of 2025 final dividend

Payment date of 2025 final dividend

Financial year end date of 2025

## Investor Relations Contacts

If you have any inquiries, please contact:

Jay Wong (FCCA, FCG, HKFCG(PE), HKCGI Cert: ESG)  
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E-mail: [ir@eeka.com](mailto:ir@eeka.com)

Suite 812, 8th Floor, Tower 1, The Gateway, Harbour City,  
No.25 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong  
Website: <http://www.eekagroup.com/>

# DIRECTORS AND SENIOR MANAGEMENT PROFILE

## EXECUTIVE DIRECTORS

**Mr. JIN Ming (金明)**, aged 55, 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 School (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 53, 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 49, was appointed as an executive Director on 23 August 2019 and is 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. Mr. Jin is also a director of Apex Noble Holdings Limited, one of the substantial shareholders of the Company.

# DIRECTORS AND SENIOR MANAGEMENT PROFILE

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. ZHOU Xiaoyu (周曉宇)**, aged 57, 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 (鐘鳴)**, aged 56, 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 School (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 48, 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.

# DIRECTORS AND SENIOR MANAGEMENT PROFILE

## SENIOR MANAGEMENT

**Ms. ZHU Chaochao (祝超超)**, aged 36, 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.

**Ms. WONG Wai Kiu (黃煒喬)**, aged 45, is the Group's investor relations director, primarily responsible for investor communications and timely accurate disclosure to shareholders and analysts. She is also 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 also has extensive experience in company secretary, financial accounting and corporate governance compliance for listed company.

## COMPANY SECRETARY

**Ms. WONG Wai Kiu (黃煒喬)**, whose biographical details are set out in the section headed "Senior Management" above, is the company secretary of our Company.

## JOINT COMPANY SECRETARY

**Mr. LEUNG Ka Wai (梁嘉偉)**, aged 55, 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 REPORT

## 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 2025 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.

## 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. Such delegation arrangements have been reviewed periodically to ensure that they remain appropriate to the Company’s needs. 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	Male	55	19 years
		Chief Executive Officer			
		Chairman of Nomination Committee Member of Remuneration Committee Member of ESG Committee			
	Ms. He Hongmei	Member of Nomination Committee	Female	53	19 years
	Mr. Jin Rui	Member of ESG Committee	Male	49	8 years
Independent Non-Executive Directors:	Mr. Zhang Guodong	Chairman of Audit Committee	Male	48	8 years
		Member of Remuneration Committee Member of Nomination Committee Chairman of ESG Committee			
		Mr. Zhou Xiaoyu			
	Mr. Zhong Ming	Member of Audit Committee	Male	56	11 years
		Member of Nomination Committee			

# CORPORATE GOVERNANCE REPORT

## 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 50 to 52 of this annual report, there is no financial, business, family or other material or relevant relationship among Directors.

The Board has established four sub-committees of the Board, namely the Audit Committee, Remuneration Committee, Nomination Committee and the Environmental, Social and Governance Committee (the "ESG Committee"). The chairman of Remuneration Committee, Audit Committee and the ESG 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.

### 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 meetings held during the year ended 31 December 2025:

	Regular Board Meetings	Annual general meeting held on 6 June 2025
<i>Executive Directors:</i>		
Mr. JIN Ming (Chairman and Chief Executive Officer)	4/4	1/1
Ms. HE Hongmei	4/4	1/1
Mr. JIN Rui	4/4	0/1
<i>Independent Non-executive Directors:</i>		
Mr. ZHANG Guodong	4/4	1/1
Mr. ZHOU Xiaoyu	4/4	1/1
Mr. ZHONG Ming	4/4	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.

# CORPORATE GOVERNANCE REPORT

## THE BOARD OF DIRECTORS *(Continued)*

### Board meetings *(Continued)*

Notices are given to all Directors at least 14 days prior to regular Board meetings, 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 ensuring that Board procedures, and all applicable rules and regulations, are followed.

Both draft and final versions of the Board meeting minutes are sent to all Directors for their comments and records. Minutes of Board meetings are recorded in sufficient detail 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 2025.

### 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 and Mr. Zhou Xiaoyu maintain their independence even though they have served the Board for more than nine years, and believes that their 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 rotation in accordance with the articles of association of the Company (the "Articles of Association").

# CORPORATE GOVERNANCE REPORT

## THE BOARD OF DIRECTORS *(Continued)*

### Directors' training

During the year ended 31 December 2025, 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. Zhang Guodong, Mr. Zhou Xiaoyu and Mr. Zhong Ming. The training covered topics including Listing Rules and Takeovers Code: Essential Basics for Directors and Company Secretaries by the Hong Kong Chartered Governance Institute. 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 a 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 2025, two 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 in its review of the interim and annual financial statements of the Group before recommending them to the Board for approval, 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 ( <i>Chairman</i> )	2/2
Mr. ZHOU Xiaoyu	2/2
Mr. ZHONG Ming	2/2

# CORPORATE GOVERNANCE REPORT

## 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 2025, 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. 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 ( <i>Chairman</i> )	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 and June 2025, 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).

# CORPORATE GOVERNANCE REPORT

## THE NOMINATION COMMITTEE *(Continued)*

For the year ended 31 December 2025, 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 ( <i>Chairman</i> )	1/1
Mr. ZHANG Guodong	1/1
Mr. ZHOU Xiaoyu	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 independent non-executive Directors shall account for one-third of the Board members; and
- The age composition of Directors shall be 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.

The Nomination Committee has reviewed the implementation and effectiveness of the board diversity policy on an annual basis and considered the policy to be effective for the year ended 31 December 2025.

# CORPORATE GOVERNANCE REPORT

## 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.

# CORPORATE GOVERNANCE REPORT

## 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 an 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.

# CORPORATE GOVERNANCE REPORT

## 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 freely express 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 2025, we had female employees accounting for approximately 92.59% of the overall workforce (including senior management), and 87.37% of senior management positions (as disclosed in the section headed "Directors and Senior Management Profile" in this annual report) were 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.

# CORPORATE GOVERNANCE REPORT

## 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 76 to 78 of this annual report).

The remuneration of the directors and members of the senior management by band for the year ended 31 December 2025 is set out below:

Remuneration bands	Number of persons
HKD1,000,001 to HKD1,500,000	2
HKD1,500,001 to HKD2,000,000	1
HKD2,000,001 to HKD2,500,000	1
HKD2,500,001 to HKD3,000,000	1
HKD3,000,001 to HKD3,500,000	2

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 RMB1,800,000 and non-audit service was RMB360,000. The non-audit service relates to internal audit activities, taxation advice and review of continuing connected transactions.

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

# CORPORATE GOVERNANCE REPORT

## 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 a 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 annually reviewed the effectiveness of the Group's internal control and risk management systems for the year ended 31 December 2025, 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 GOVERNANCE REPORT

## 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 AND ESG COMMITTEE

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 in March 2025, 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 pages 86 to 172 of this annual report.

For the year ended 31 December 2025, one meeting of the ESG Committee was held to review and discuss the ESG performance of the Group and the environmental, social and governance report of the Company for the year ended 31 December 2024. The attendance records of individual committee members are as follows:

Mr. ZHANG Guodong ( <i>Chairman</i> )	1/1
Mr. JIN Ming	1/1
Mr. JIN Rui	1/1

## 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.

# CORPORATE GOVERNANCE REPORT

## 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 2025.

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

A consolidated version of the latest memorandum and articles of association is available on the websites of the Company and the Stock Exchange. There has been no change to the memorandum and articles of association of the Company during the year ended 31 December 2025.

## 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 38 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 2025 after reviewing the Shareholder and investor communication activities conducted during the year under review.

# CORPORATE GOVERNANCE REPORT

## 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](http://www.eekagroup.com)), or sent through fax number at (852) 2325 5685, or through the Company's hotline at (852) 2325 5292.

# REPORT OF THE DIRECTORS

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 2025.

## 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 RMB3.79 billion for the year ended 31 December 2025 are among the top 10 brands in the industry in China. Sales revenue from ELSEWHERE, La Koradior, NEXY.CO and CADIDL sales are generally between RMB367–986 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 a 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.

Details of business review and prospect of the Company are disclosed in the section headed “Management Discussion and Analysis” on pages 17 to 47 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.

# REPORT OF THE DIRECTORS

## 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.

# REPORT OF THE DIRECTORS

## 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 2025, 34.45% (2024: 30.41%) 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.

# REPORT OF THE DIRECTORS

## 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 seven 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 systems in our stores and made with more eco-friendly or recyclable packaging materials to enhance environmental sustainability.

# REPORT OF THE DIRECTORS

## 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 2025, 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 2025 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 2024 and 2025.

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 23.50% (2024: 18.74%) and 34.45% (2024: 30.41%), respectively, of the Group's total purchases from suppliers for the year ended 31 December 2025. 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. Jin 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 2024 and 2025 amounted to RMB405.14 million and RMB368.84 million, respectively, representing 24.19% and 29.92% of the 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 2025 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 179 to 266 of the annual report.

# REPORT OF THE DIRECTORS

## 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 HK35 cents per share for the year ended 31 December 2025 out of the share premium account of the Company (2024: final dividend HK38 cents) to those shareholders whose names appeared on the register of members of the Company as at the close of business on 12 June 2026. 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 2026. 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 2025 are set out in note 13 to the consolidated financial statements.

## SHARE CAPITAL

As at 31 December 2025, the total issued share capital of the Company was 708,650,195 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 2025, the Company's reserves available for distribution, calculated in accordance with the Companies Act (Revised), Cap. 22 of the Cayman Islands, amounted to approximately RMB394 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.

# REPORT OF THE DIRECTORS

## 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 RMB163.96 million (2024: RMB156.94 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' AND CONTROLLING SHAREHOLDERS' 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, nor was there any contract of significance, whether for provision of services or otherwise, between the Company or any of its subsidiaries, and a controlling shareholder or any of its subsidiaries, subsisting at the end of the year or at any time during the year.

# REPORT OF THE DIRECTORS

## 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 50 to 52 of this annual report.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST IN SECURITIES

As at 31 December 2025, 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	35.38%
Ms. He Hongmei	Beneficial owner	822,874	Long	0.11%
Mr. Jin Rui	Founder of a discretionary trust (note 2)	198,713,195	Long	28.04%

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 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.
3. The calculation of shareholding percentage is based on the total number of 708,650,195 shares in issue as at 31 December 2025.

## REPORT OF THE DIRECTORS

### 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 2025, 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	35.38%
Mayberry Marketing Limited (note 1)	Interest in a controlled corporation	250,715,000	Long	35.38%
Apex Noble Holdings Limited (note 2)	Beneficial owner	198,713,195	Long	28.04%
Heritage Holdings Limited (note 2)	Interest in a controlled corporation	198,713,195	Long	28.04%
BOS Trustee Limited (note 3)	Trustee	449,428,195	Long	63.42%
CA Indosuez (Switzerland) SA, Hong Kong Branch	Depositary	59,560,000	Long	8.40%

Notes:

- 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.
- 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.
- 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.
- The calculation of shareholding percentage is based on the total number of 708,650,195 shares in issue as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, 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.

# REPORT OF THE DIRECTORS

## SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) pursuant to the resolutions of the shareholders of the Company passed on 6 June 2014 for selected participants as an incentive and reward for their contribution to the Group, and the Share Option Scheme has expired on 5 June 2024. After the expiration of the Share Option Scheme, no further share option shall be offered or granted under the Share Option Scheme, but the share options granted under the Share Option Scheme shall continue to be exercisable in accordance with its terms of issue, and in all other respects the Share Option Scheme shall remain in full force and effect.

As at 1 January 2025 and 31 December 2025, no options were available for grant under the Share Option Scheme due to its expiry on 5 June 2024, and there was no share option outstanding under the Share Option Scheme. Accordingly, no options were granted and no shares may be issued in respect of options granted under the Share Option Scheme during the Reporting Period. There is no Share available for issue under the Share Option Scheme (including options granted but not yet exercised and options available for issue) as at the date of this report.

## SHARE AWARD SCHEMES

The Company adopted share award schemes 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.

### 2019 Share Award Scheme

The Board adopted a share award scheme on 2 December 2019 (the “2019 Share Award Scheme”). The 2019 Share Award Scheme has been terminated during the year ended 31 December 2024 and no further award can be granted thereunder subsequent to its termination, 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. As at 1 January 2025 and 31 December 2025, all awards granted under the 2019 Share Award Scheme have either been vested or forfeited and there was no share award outstanding under the 2019 Share Award Scheme.

### 2024 Share Award Scheme

The Company has adopted a new share award scheme on 10 April 2024 (the “2024 Share Award Scheme”) 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. The remaining life of the 2024 Share Award Scheme is approximately 8 years.

# REPORT OF THE DIRECTORS

## SHARE AWARD SCHEMES *(Continued)*

### 2024 Share Award Scheme *(Continued)*

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.

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 2025, the Company instructed the trustee to purchase from the market a total of about 10.67 million Shares for awards to the relevant grantees. The total costs (excluding related transaction costs) involved was about HK\$86.66 million.

# REPORT OF THE DIRECTORS

## SHARE AWARD SCHEMES *(Continued)*

### 2024 Share Award Scheme *(Continued)*

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 forfeited during the year ended 31 December 2024 because non-market performance conditions have not been met.

On 20 May 2025, the Company has granted an aggregate of 6,400,000 awards pursuant to the 2024 Share Award Scheme to certain grantees including directors, senior management and employees, and such 6,400,000 awarded Shares were forfeited during the year ended 31 December 2025 because non-market performance conditions have not been met.

The fair value of the awarded Shares granted during the year was approximately HK\$51,584,000 (equivalent to approximately RMB47,586,000), 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 grant under the 2024 Share Award Scheme (including awards granted but not yet vested and awards available for grant) is 60,990,019 Shares, representing 8.61% 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 2024 Share Award Scheme during the year:

Name or category of grantee	Date of grant	Number of share awards					At 31 December 2025	Vesting period	Closing price per share immediately before the date of grant (HK\$)
		At 1 January 2025	Granted during the year	Vested during the year	Cancelled during the year	Lapsed during the year			
<i>Director</i>									
Ms. He Hongmei	20 May 2025	-	80,000	-	-	80,000	-	20/5/2026 (Note)	8.06
<i>The five highest paid individuals (excluding Director)</i>									
	20 May 2025	-	320,000	-	-	320,000	-	20/5/2026 (Note)	8.06
Other employees	20 May 2025	-	6,000,000	-	-	6,000,000	-	20/5/2026 (Note)	8.06
Total		-	6,400,000	-	-	6,400,000	-		

*Note:* The share awards are subject to certain non-market performance conditions.

# REPORT OF THE DIRECTORS

## 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 2025; 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 2025 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 2025.

# REPORT OF THE DIRECTORS

## 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. Shenzhen Yingjia Fashion Ltd (“Yingjia Fashion”) is 53.00% owned by Ms. Chen Lingmei who is the mother of Mr. Jin and 47.00% owned by Mr. Jin Jingquan who is the father 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.

## NON-EXEMPT CONTINUING CONNECTED TRANSACTION

### 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.

#### (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.

# REPORT OF THE DIRECTORS

## NON-EXEMPT CONTINUING CONNECTED TRANSACTION *(Continued)*

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

#### *(ii) Services (Continued)*

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 1 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 "2025 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.

#### *(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 the pricing policy 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 the pricing policy) 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.

# REPORT OF THE DIRECTORS

## NON-EXEMPT CONTINUING CONNECTED TRANSACTION *(Continued)*

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

#### *(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.

#### *(v) Transaction amounts*

For the year ended 31 December 2025, the VAT-inclusive processing fees incurred to Ganzhou Yingjia and/or Shenzhen Ifashion amounted to approximately RMB368.84 million and accounted for approximately 29.92% of our total purchase of outsourced products and subcontracting fees during the same periods, which is within the maximum annual amount of RMB475.00 million.

#### *(vi) Annual caps*

The maximum amount of VAT-inclusive processing fees under the 2025 Processing Agreement shall not exceed the cap of RMB475.00 million, RMB523.00 million and RMB575.00 million respectively for each of the three years ending 31 December 2025, 2026 and 2027.

In arriving at the above annual caps, our Directors have considered, among others, (i) the estimated market demand from customers for products of the Group with reference to the historical transaction amounts between the Group and the Yingjia Fashion Group; and (ii) the inflation and anticipated adjustments for processing fee with reference to the average working time factor, and the historical amount of processing fee on the percentage of the sales price listed on the label handing on the tag of the relevant product.

Our Directors are of the view that (i) the 2025 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 2025 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 2025 Processing Agreement are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

As the maximum amount of the annual caps for the 2025 Processing Agreement exceeds 5% of the relevant percentage ratios and HK\$10,000,000 per annum, the 2025 Processing Agreement was subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. The 2025 Processing Agreement has been approved pursuant to the ordinary resolution of shareholders passed at the Extraordinary General Meeting held on 13 December 2024.

# REPORT OF THE DIRECTORS

## NON-EXEMPT CONTINUING CONNECTED TRANSACTION *(Continued)*

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

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 2025 Processing Agreement governing it on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

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 80 to 83 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 10.67 million shares for awards to the relevant grantees during the year ended 31 December 2025. The total costs (excluding related transaction costs) involved was about HK\$86.66 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 2025. As at 31 December 2025, there were no treasury shares 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 2025.

## 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 2025 and remained in force as of the date of this report.

# REPORT OF THE DIRECTORS

## 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 53 to 66 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, 2 June 2026 to Friday, 5 June 2026, 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, 1 June 2026.

To determine the eligibility of the shareholders of the Company to receive the proposed final dividend, the register of members will be closed from Thursday, 11 June 2026 to Friday, 12 June 2026, 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 Wednesday, 10 June 2026.

## 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 2025. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Group with external auditor.

# REPORT OF THE DIRECTORS

## AUDITORS

The consolidated financial statements for the year ended 31 December 2025 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*

27 March 2026

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 2025 HIGHLIGHTS

### PRODUCT



100%

key raw material traceability  
by 2027 committed

500,000+  
square meters

sustainable fabric sourced



EEKA  
EXTRA-LIFE

100%

repair request fulfilled

Below 1%  
dead stock  
maintained



### PLANET



↓ 424 tonnes

paper boxes diverted from  
landfill

5

scope 3 emissions categories  
identified and quantified



2030  
CLIMATE  
TARGET

established for  
the first time

ZERO

plastic bags used  
across all retail stores

### PEOPLE



92%+

female representation  
in senior management



143,000+

total training hours

150+



employees supported with  
financial assistance through  
EEKA Charity Fund

100%

major suppliers  
communicated our  
ESG expectations

### COMMUNITIES

14,000+

lives positively impacted



12  
community  
initiatives launched  
and supported



RMB 2.74 million  
donated to  
charitable causes

4

key areas of philanthropy



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

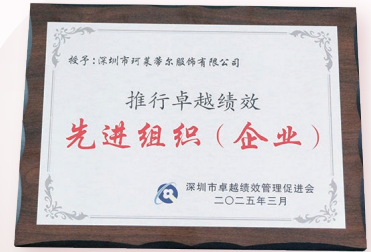
## AWARDS AND RECOGNITION



1



2



3



4



5



6



7



8

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 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 2025 to 31 December 2025 (the “Reporting Period”). The scope of this Report is determined based on the materiality of each operating business to our overall business and operations, as well as its sustainability impact.

### 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 key performance indicators (“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.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE 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@eeka.com](mailto:ir@eeka.com).

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 02 ABOUT EEKA FASHION

Founded in 2007 and listed on the HKEx in 2014, EEKA Fashion stands as a distinguished house of seven refined brands – Koradior, La Koradior, ELSEWHERE, FUUNNY FEELN, CADIDL, NAERSI 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.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 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 seven brands celebrated for excellence and exquisite craftsmanship. Beyond the word of fashion, EEKA Fashion advances social responsibility through its charitable foundations.

## BUSINESSES



## FOUNDATION



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 03 APPROACH TO SUSTAINABILITY

### Sustainable Luxury Vision 2030

Entering the second year of our Sustainable Luxury Vision 2030 (“SLV2030”) journey, EEKA Fashion continues to deepen its commitment to redefining luxury through the lens of sustainability. Our vision remains guided by the United Nations Sustainable Development Goals (“SDGs”), which provide an essential global framework for our actions and ambitions. 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.

The SDGs continues to inform the advancement of our four pillars – Product, Planet, People, and Communities. During the Reporting Period, we have further translated these commitments into tangible, measurable progress across our business and through our wider value chain, in close collaboration with partners across supply chain, stores and communities. In doing so, we seek to uphold the essence of luxury with responsibility while building a more resilient and enduring future. Guided by our industry expertise, we continue to focus on the ESG priorities most impactful to our stakeholders, driving meaningful progress where our business can create lasting value.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 03 APPROACH TO SUSTAINABILITY *(Continued)*

### Our Sustainable Value Chain

Guided by our SLV 2030, we further refined our sustainable value chain during the Reporting Period across the wider ecosystem that supports our creations – from the sourcing of materials to the store experience and the communities connected to our business.



### SUSTAINABLE SUPPLY CHAIN

#### RAW MATERIAL AND SOURCING

We place great care in the selection of our materials, giving preference to certified sustainable sources and working with trusted partners to promote responsible sourcing and thoughtful stewardship of natural resources.

#### SUPPLIER PARTNERSHIPS

We cultivate enduring partnerships with suppliers who share our sustainability values, working together to uphold fair labour practices, safe working conditions, and elevated environmental and social standards across our supply network.

#### LOW-CARBON LOGISTICS AND DISTRIBUTION

We thoughtfully refine our logistics and distribution practices to reduce greenhouse gas ("GHG") emissions and lessen the environmental impact arising from the transportation of raw materials and finished products.



### SUSTAINABLE STORES

#### STORE OPERATIONS AND MANAGEMENT

We seek to minimise the environmental footprint of our stores through energy-efficient systems, waste reduction programs and responsibly sourced interior materials.

#### CUSTOMER ENGAGEMENT AND EDUCATION

Within our retail spaces, we encourage more mindful consumption by sharing guidance on garment care and repair, reinforcing the lasting value of well-crafted pieces.

#### SUSTAINABLE RETAIL EXPERIENCE

We continue to refine the retail experience through reduced packaging, digital receipts and aftercare services that help extend the life of our creations and enrich the customer journey.



### SUSTAINABLE COMMUNITY

#### COMMUNITY AWARENESS AND EDUCATION

We communicate our sustainability efforts with transparency and encourage more mindful consumption through guidance on garment care, repair and responsible end-of-life care.

#### COMMUNITY INVESTMENT

We support community programs that foster environmental stewardship, skill development and social well-being across the regions where we operate and source.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 03 APPROACH TO SUSTAINABILITY *(Continued)*

### ESG Governance and Board's Oversight

The Board of Directors (the "Board") of the Company has the overall responsibility for our ESG strategy and reporting, ensuring accountability for ESG issues (including climate-related issues, risks and opportunities) across our operations through a robust governance framework.

Delegated by the Board, the ESG Committee acts as the overarching body for advising the Board on ESG issues and guiding our sustainability agenda, with particular emphasis on long-term development and positioning. For further details on climate-related governance, please refer to the Climate Resilience section.

### 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, opportunities and ESG-related goals and targets and reviews progress against 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 to ensure alignment with the evolving environmental standards in the apparel industry. It also evaluates, prioritises, and manages ESG-related risks and opportunities, including climate and supply chain risks and opportunities, ensuring effective transition plans and control measures are in place.

##### ESG- AND CLIMATE-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 executing ESG initiatives, establishing systems and risk management frameworks, and driving progress toward sustainability goals and targets in an orderly and effective manner.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 03 APPROACH TO SUSTAINABILITY *(Continued)*

### ESG-related Risk and Opportunity 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 and opportunities that could impact our business and strategic objectives. Through rigorous evaluation and continuous monitoring, we strengthen our resilience and ensure sustainable value creation.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 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	<ul style="list-style-type: none"> <li>• Compensation and benefits</li> <li>• Training and development</li> <li>• Performance reviews</li> </ul>	<ul style="list-style-type: none"> <li>• Regular meetings</li> <li>• Training sessions</li> <li>• Workplace safety and protection</li> <li>• Team-building activities</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• High quality products and services</li> <li>• Protection of customer rights</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction surveys</li> <li>• Face-to-face meetings</li> <li>• On-site visits</li> <li>• After-sales services</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Fair and open procurement</li> <li>• Win-win cooperation</li> <li>• Payment schedule and supply stability</li> </ul>	<ul style="list-style-type: none"> <li>• Open tendering</li> <li>• Supplier satisfactory assessment</li> <li>• Face-to-face meetings</li> <li>• On-site visits</li> </ul>
Shareholders and Investors	<ul style="list-style-type: none"> <li>• Return on investments</li> <li>• Corporate governance</li> <li>• Business compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Regular reports and announcements</li> <li>• General meetings</li> <li>• Company's official website</li> </ul>
Government and Regulatory Authorities	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Business sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance supervision</li> <li>• Routine reports</li> </ul>
Media and Communities	<ul style="list-style-type: none"> <li>• Community involvement</li> <li>• Business compliance</li> <li>• Environmental awareness</li> </ul>	<ul style="list-style-type: none"> <li>• Media conferences</li> <li>• Responses to enquiries</li> <li>• Public welfare activities</li> <li>• Company's official website</li> </ul>

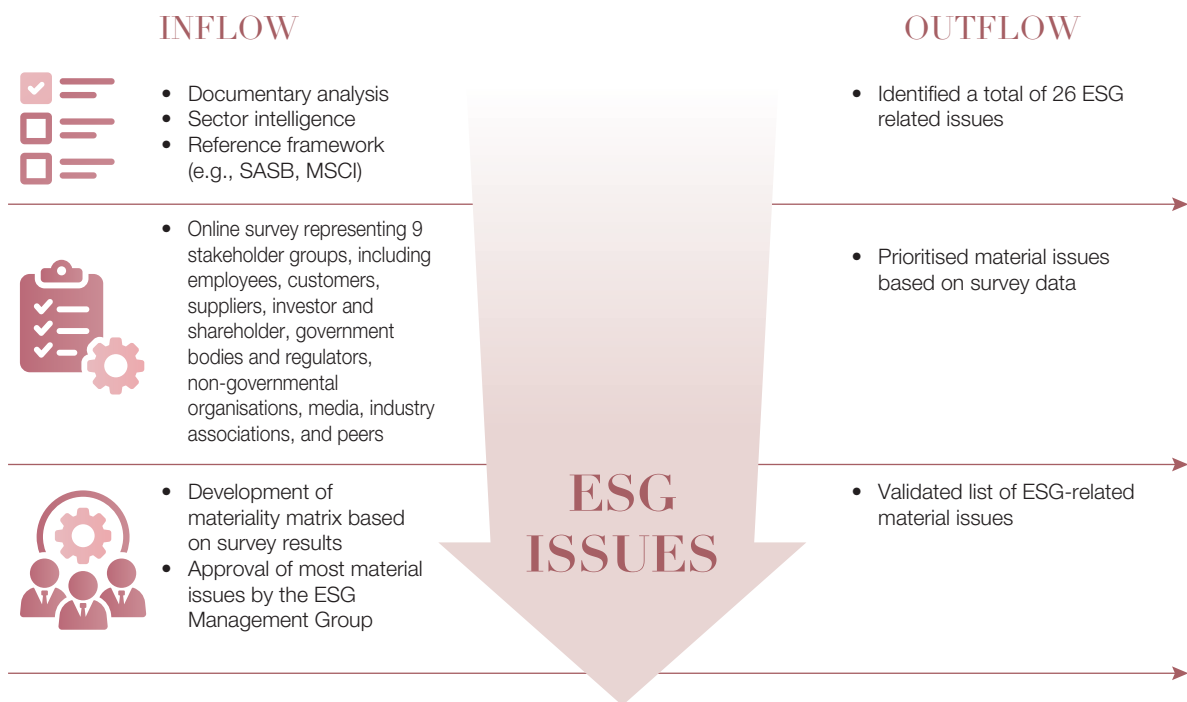
# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 03 APPROACH TO SUSTAINABILITY *(Continued)*

### Stakeholder Engagement *(Continued)*

#### Materiality Assessment

We have 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.



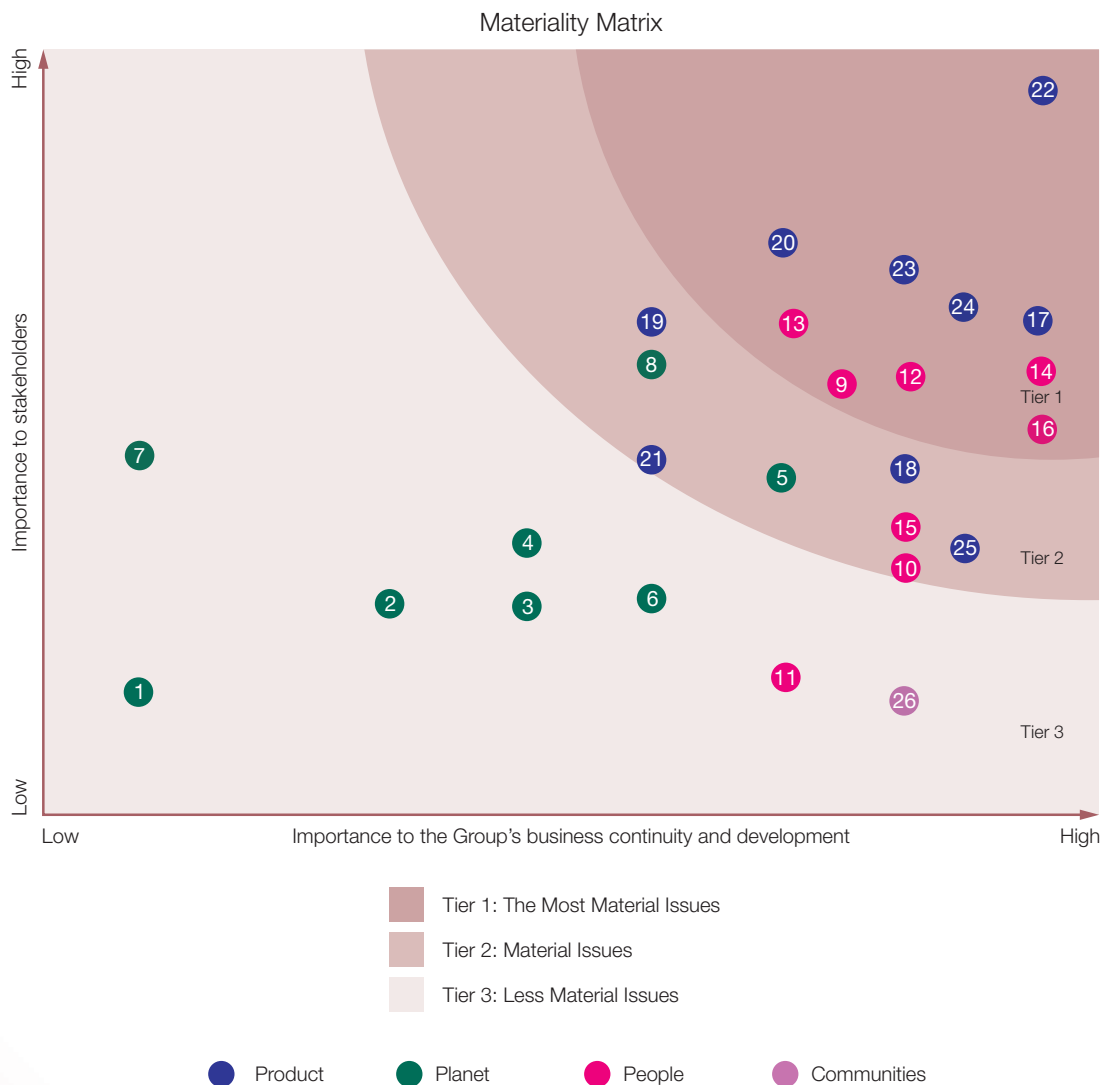
# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 03 APPROACH TO SUSTAINABILITY *(Continued)*

### Stakeholder Engagement *(Continued)*

#### Materiality Matrix

A materiality matrix was used to show the importance of 26 ESG-related material issues to stakeholders and to business continuity and development. 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 10 issues in Tier 1 of the matrix were regarded as the most material issues and will be highlighted in this Report.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 03 APPROACH TO SUSTAINABILITY *(Continued)*

### Stakeholder Engagement *(Continued)*

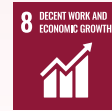
List of ESG-related Material Issues

Materiality	Issues	Strategic Category	Corresponding Chapter
Tier 1: The Most Material Issues	9. Sustainable Supply Chain	People	Supply Chain Well-being
	12. Occupational Health and Safety	People	Employee Well-being
	13. Employee Development and Training	People	Human Capital Development
	14. Employment Compliance	People	People
	16. Anti-Corruption	People	Ethical Business
	17. Sustainable Materials and Green Procurement	Product	Supply Chain Well-being
	20. Process and Product Innovation	Product	Design and Innovation
	22. Product Quality and Safety	Product	Quality and Safety
	23. Customer Service	Product	Quality and Safety
	24. Intellectual Property Protection	Product	Quality and Safety
Tier 2: Moderate Material Issues	5. Packaging Material Consumption	Planet	Resource Efficiency
	8. Circular Economy	Planet	Advancing Circularity
	10. Employee Benefits	People	Employee Well-being
	15. Data Protection and Cybersecurity	People	Data Privacy and Cybersecurity
	18. Product Lifecycle	Product	Product
	19. Transparency and Stability of Raw Materials	Product	Material Sourcing and Craftmanship
	21. Intangible Cultural Heritage Inheritance	Product	Design and Innovation
	25. Responsible Marketing and Advertising	Product	Quality and Safety
Tier 3: Less Material Issues	1. Emission	Planet	Resource Efficiency
	2. Waste	Planet	Resource Efficiency
	3. Energy Efficiency and Carbon Emissions	Planet	Resource Efficiency
	4. Water Efficiency and Conservation	Planet	Resource Efficiency
	6. Climate Change Mitigation and Adaptation	Planet	Climate Resilience
	7. Biodiversity Conservation	Planet	Nature and Biodiversity
	11. Equal Opportunity, Diversity, and Inclusion	People	Diversity, Equity and Inclusion
	26. Community Investment	Communities	Communities

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 04 PRODUCT

We adopt a considered product lifecycle approach, with growing attention to sustainable materials, thoughtful design and resource circularity, in support of a more responsible use of natural resources.



### TRACEABILITY



- Committed to achieving 100% mapping and traceability of key raw materials by 2027
- Achieved Tier A key raw material traceability and completed 100% Tier A supply chain mapping
- Deepened our comprehensive supply chain mapping initiative to drive transparency
- Strengthened our traceability program

### DESIGN AND INNOVATION



- Advanced EEKA360, our program that integrates sustainability throughout the product lifecycle
- Rolled out EEKA Extra-Life circular services to extend product life
- Elevated circular design by embedding longevity, recyclability, and responsible materials into collections
- Deepened engagement with intangible cultural heritage
- Continued to introduce timeless pieces crafted for longevity

### MATERIAL SOURCING AND CRAFTSMANSHIP



- Enriched the Responsible Sourcing Database to enhance material traceability
- Integrated environmentally preferred materials into our collections

### QUALITY AND SAFETY



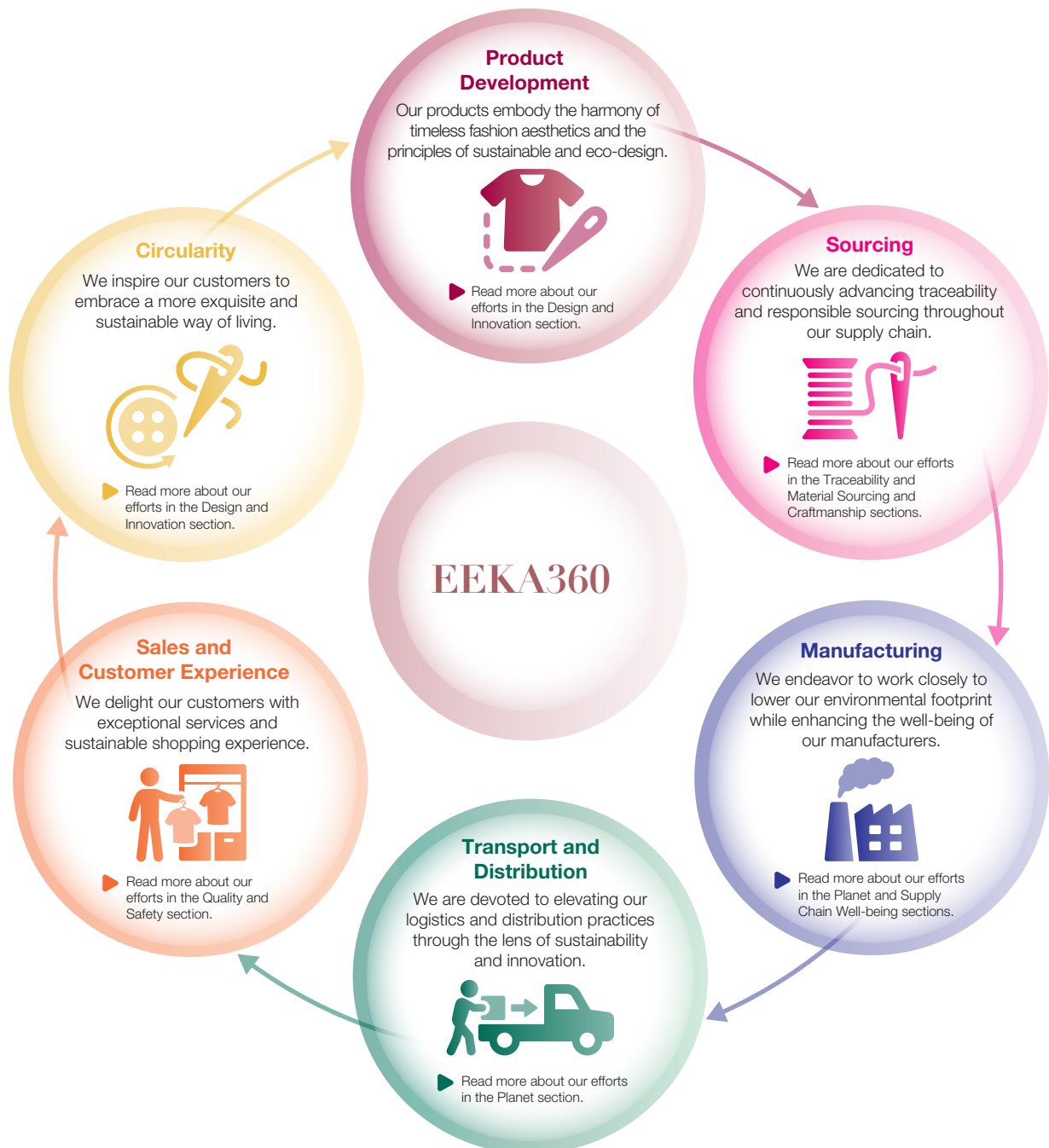
- Achieved zero product recall due to safety and health reasons
- Continued to introduce a diversified style of design

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 04 PRODUCT (Continued)

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 craftsmanship with the finest materials while embracing circularity and 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 through **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:



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 04 PRODUCT *(Continued)*

### Traceability

We are on a journey towards greater traceability and transparency. As we continue 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 high 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 (1<sup>st</sup> stage)**

Tier A\* key raw material traceability program  
100% Tier A supply chain mapping

2026

#### **Transition & Innovation (2<sup>nd</sup> 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 B&C supply chain mapping

2027+

#### **Full Integration & Accountability**

Ongoing implementation of supply chain and traceability program

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

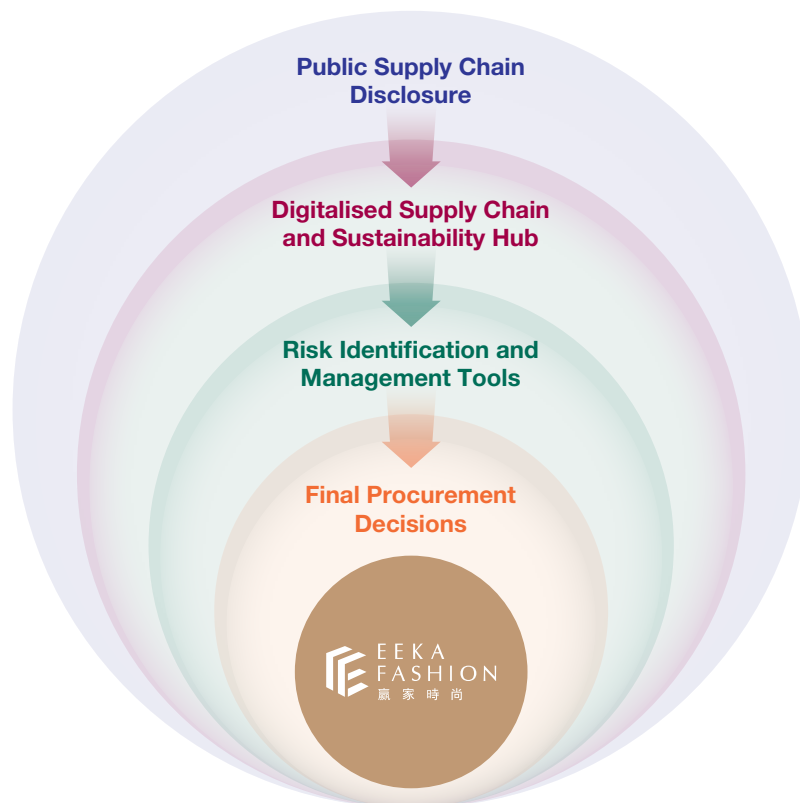
## 04 PRODUCT *(Continued)*

### Traceability *(Continued)*

*EEKA's Mapping and Traceability Program Framework*

Our efforts are as follows:

<p><b>Component 01:</b> Public Supply Chain Disclosure</p>	<p>Our Tier A suppliers' data are publicly disclosed by geographical location on an annual basis to promote greater supply chain disclosure and accountability.</p>
<p><b>Component 02:</b> Digitalised Supply Chain and Sustainability Hub</p>	<p>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.</p>
<p><b>Component 03:</b> Risk Identification and Management Tools</p>	<p>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 utilise our own database to evaluate water stress and risk in their operations and supply chain.</p>
<p><b>Component 04:</b> Final Procurement Decisions</p>	<p>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.</p>



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 04 PRODUCT (Continued)

### Traceability (Continued)

EEKA Traceability and Mapping Progress

Sustainable Material Type	Mapped Progress (Traceable Origins)
Silk	36%
RENEW	100%
Acetate	100%
Triacetate	100%
Down Feather	100%
Wool Yarn	100%

\* Data reflects traceability progress as of the end of the Reporting Period.

### 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.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 04 PRODUCT *(Continued)*

### Material Sourcing and Craftmanship *(Continued)*

#### *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**



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 04 PRODUCT (Continued)

### EEKA Fabric Lab

 <p><b>FSC-certified Viscose Fiber</b></p>	<p>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 <b>more environmentally friendly</b> than synthetic fibers (such as nylon or polyester) and even better than natural fibers such as cotton.</p>
 <p><b>GRS-certified Viscose Fiber</b></p>	<p>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 <b>20%</b> recycled material and requires third-party certification for content, chain of custody, and sustainable practices.</p>
 <p><b>OEKO-certified Viscose Fiber</b></p>	<p>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 <b>300</b> regulated chemicals, including carcinogens, allergens, and heavy metals, making them safe for human use and environmentally responsible.</p>
 <p><b>RCS-certified Viscose Fiber</b></p>	<p>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 <b>5%</b> recycled material, with stringent documentation and auditing requirements across the supply chain to ensure transparency from raw material sourcing to final production.</p>
 <p><b>Lyocell</b></p>	<p>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 <b>99.8%</b>. Lenzing's lyocell fibers show around <b>50%</b> lower GHG emissions than generic lyocell.</p>
 <p><b>TENCEL™ Modal</b></p>	<p>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 <b>80%</b> fewer GHG in production than generic modal fibers.</p>
 <p><b>Australian Wool</b></p>	<p>We prioritise traceable wool, combining timeless elegance with responsible sourcing and a commitment to animal welfare.</p>
 <p><b>RWS-certified Merino Wool</b></p>	<p>RWS-certified Merino knitwear from accredited manufacturers guarantees the wool is sourced from humanely treated sheep and that the land is managed responsibly. Eco-friendly brands favor Merino wool for sustainable fashion, and these RWS-certified pieces feature natural fibers and non-toxic dyes – they're also soft and gentle on sensitive skin.</p>
 <p><b>Naia™ Renew ES</b></p>	<p>Naia™ Renew ES is made with increased certified recycled content. Produced from <b>60%</b> recycled waste material via GRS-certified mass balance and <b>40%</b> sustainable wood pulp, this innovative fiber requires fewer virgin materials. Naia™ Renew ES addresses the overconsumption of raw materials, the worsening plastic and textile waste crisis, and the rise in GHG emissions.</p>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 04 PRODUCT (Continued)

### 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.



### 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.

### 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.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 04 PRODUCT *(Continued)*

### 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.



### 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.



### 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, optimizing 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:



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 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 Longevity

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.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 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 FY2025



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 04 PRODUCT (Continued)

### 3 Extend Product Use (Continued)

*Ecosystem for Intangible Cultural Heritage Inheritance*



We are committed to the application of time-honored intangible cultural heritage (“ICH”) craftsmanship in the apparel sector and have conducted exploratory practices with a diverse range of ICH techniques. During the Reporting Period, we hosted a series of roundtable forums and workshops themed around plant dyeing, Lhoba ethnic craftsmanship, Yi appliqué embroidery, Cantonese embroidery and other ICH art forms.

#### Revitalising Heritage through Market Engagement



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 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. During the Reporting Period, we were not aware of any material non-compliance with relevant laws and regulations related to health and safety, advertising, intellectual property, customer privacy and labelling 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.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 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 (2024: nil).

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 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 interaction 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.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

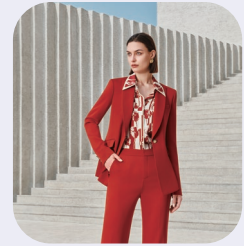
## 04 PRODUCT *(Continued)*

### Quality and Safety *(Continued)*

#### *Customer Experience (Continued)*

##### **Diversity in Design: A Celebration of Individuality**

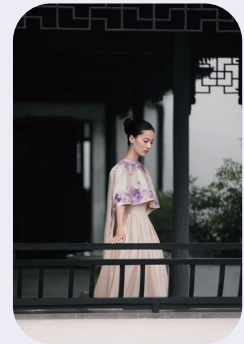
We embrace diversity in design, curating collections that seamlessly blend timeless elegance with modern versatility. Beyond classic silhouettes, we offer an expansive range of styles, ensuring that every woman finds pieces that reflect her unique identity. From sophisticated dresses to impeccably tailored 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 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 137 material complaints regarding the quality of goods or services we provide.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 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 rights. Before using any IP for business purposes, we confirm ownership or obtain the necessary authorised. We also offer IP-focused training to raise awareness.

EEKA Fashion holding
over <b>207</b> registered patents
over <b>426</b> registered trademarks
over <b>442</b> 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.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 05 PLANET

We embrace environmental responsibility as a core value, actively driving initiatives that protect the environment. This commitment is embedded in our Environmental Policy, with Planet as a key pillar of our strategy. Our primary goals are to reduce our climate impact, preserve ecosystems, and foster a circular economy.



### CLIMATE RESILIENCE



- Set our first "2030 Climate Target", aiming to reduce absolute GHG emissions by 20% by 2030 from a 2024 baseline year
- Enhanced the climate-related risk and opportunity management framework
- Identified and quantified 5 Scope 3 emissions categories for the first time

### RESOURCE EFFICIENCY



- Avoided the use of over 424 tonnes of paper boxes by adopting circular turnover boxes

### ADVANCING CIRCULARITY



- Enhanced Green Renovation Principle to provide guidance on renovation of retail stores and offices

### NATURE AND BIODIVERSITY



- Embedded EEKA's nature and biodiversity conservation framework into our operation
- Rolling out nature and biodiversity impact assessment mapping

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 05 PLANET *(Continued)*

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

From embracing climate resilience to optimizing 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 maximizing positive change. Additionally, we fully comply with all applicable environmental laws and regulations<sup>2</sup> 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.

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 seven 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 GHG emissions and focus on integrating climate considerations into our operations and supply chain to drive long-term emissions reductions.

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 05 PLANET *(Continued)*

### Climate Resilience *(Continued)*

#### GOVERNANCE

#### STRATEGY

#### RISK MANAGEMENT

#### METRICS AND TARGETS

#### Board's Role and Oversight

With the support of the ESG Committee, the Board has ultimate responsibility for the oversight of climate-related issues, including risks and opportunities. The ESG Committee reports to the Board at least once a year through meetings on sustainability matters, and climate-related issues, risks and opportunities are considered as part of the Board's ongoing oversight of the Group's strategy and risk management. The scope of reporting covers climate-related issues, climate-related risks and opportunities. The Board considers trade-offs between climate factors in strategy formulation, major transaction decisions and risk management processes and related policies, balancing them against other business, financial and operational priorities, as well as progress on climate target implementation, thereby integrating climate considerations into the Board's overall decision-making. The ESG Working Group reports to the Board at least once a year through meetings on the aforementioned climate-related matters.

The Board and the ESG Committee have sufficient knowledge of climate-related issues and the impacts of such issues on the Group's business and operations. To ensure that the Board and all employees remain informed and that their skills and competencies are up to date, we provide regular training and materials on climate-related topics.

#### Management's Role

Under the supervision of the ESG Committee, ESG Management Group, comprised of management executives, is responsible for assessing and managing climate-related risks and opportunities, planning and implementing climate-related measures, and reviewing climate-related policies. The ESG- and climate-related working groups and business units implement the strategic direction set by the Board by incorporating climate considerations into our daily operations.

For details, please refer to the "ESG Governance and Board's Oversight" section.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 05 PLANET *(Continued)*

### Climate Resilience *(Continued)*

#### GOVERNANCE

#### STRATEGY

#### RISK MANAGEMENT

#### METRICS AND TARGETS

In response to the long-term challenges posed by climate change, the Group continues to strengthen its capabilities in identifying and managing climate-related risks and opportunities and integrates such considerations into its sustainability risk and opportunity management mechanism. During the Reporting Period, we further enhanced the breadth and depth of our climate strategy planning by assessing the financial and non-financial impacts of climate change on the Group across multiple dimensions, including business operations, the supply chain and the market environment, thereby strengthening our climate resilience. A summary of the key identified climate-related risks and opportunities, their potential impacts to our business and our response actions are presented in the table below, in which the time horizons of short, medium and long term are linked directly to the Group's planning horizons for strategic decision-making. However, since data availability and quantification methods continue to develop or evolve, we will continue to monitor and, where feasible, describe the concentration of climate-related risks and opportunities across our business model and value chain. As research in this area continues to evolve, we expect to strengthen our understanding and further identify relevant risks and opportunities across our core operations. The Group will integrate climate factors into its capital budgeting and resource allocation mechanisms, for instance through the inclusion of climate-related investments in the annual budget and prioritisation of allocating resources to projects in response to climate-related risks and opportunities.

Besides, climate scenario analysis can help enterprises explore and understand both physical and transition risks associated with climate change, as well as its impact on business models, financial performance, and status. To evaluate our climate resilience, we will explore the feasibility of commencing a comprehensive assessment of the resilience of our strategy and business model under different climate-related scenarios and time horizons.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 05 PLANET (Continued)

### Climate Resilience (Continued)

#### Key Climate-Related Risks and their Impacts

Climate-Related Risks	Financial Impacts	Non-financial Impacts	Response Actions and Transition Measures
<b>Physical Risks</b>			
<p><b>Acute Risks</b>                      ◎◎◎                      Increased frequency and intensity of extreme weather events (e.g., typhoons, floods from heavy rainfall, extreme heat)</p>	<p><b>Current Financial Impact</b></p> <ul style="list-style-type: none"> <li>Occasional increases in equipment repair and maintenance costs in short and medium term</li> <li>Temporary business disruption or supply chain delays, leading to reduced revenue</li> </ul> <p><b>Anticipated Financial Impact</b></p> <ul style="list-style-type: none"> <li>Potential increase in operating costs in short and medium term</li> <li>Potential increase in property insurance costs in medium and long term</li> </ul>	<ul style="list-style-type: none"> <li>Increase in safety risks for employees during commuting or operations due to extreme weather</li> </ul>	<ul style="list-style-type: none"> <li>Diversify sourcing and secure alternative suppliers to mitigate supply chain disruptions</li> <li>Enhance store resilience by evaluating and reinforcing infrastructure in high-risk areas</li> <li>Utilise the RFID system for real-time inventory tracking and flexible management to mitigate seasonal disruptions</li> <li>Strengthen online sales channels to maintain stable sales and business resilience during reduced footfall or temporary store closures due to severe weather</li> </ul>
<p><b>Chronic Risks</b>                      ◎◎                      Long-term shifts in climate patterns (e.g., sea-level rise, persistent high temperatures, droughts), leading to deteriorating operating environments</p>	<p><b>Current Financial Impact</b></p> <ul style="list-style-type: none"> <li>Higher operating costs from increased cooling demand and electricity consumption</li> </ul> <p><b>Anticipated Financial Impact</b></p> <ul style="list-style-type: none"> <li>Potential increase in equipment repair costs in medium and long term</li> </ul>	<ul style="list-style-type: none"> <li>Reduced labour productivity and logistics delays due to sustained high temperatures</li> <li>Higher heat-related illness risks, with impacts on work hours, medical costs and operational stability</li> </ul>	<ul style="list-style-type: none"> <li>Integrate climate considerations into the Environmental Policy, internal management frameworks and contingency planning</li> <li>Optimise HVAC system efficiency to manage electricity consumption amid rising temperatures</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 05 PLANET (Continued)

### Climate Resilience (Continued)

#### Key Climate-Related Risks and their Impacts (Continued)

Climate-Related Risks	Financial Impacts	Non-financial Impacts	Response Actions and Transition Measures
<b>Transition Risks</b>			
<p><b>Policy and Legal Risks</b></p> <p>ⓂⓄ</p> <p>Regulators are strengthening climate-related requirements, such as China's "Dual Carbon" targets, the expansion of carbon pricing and the HKEx's enhanced climate disclosure requirements, and enterprises are subject to higher transparency and emissions reduction requirement</p>	<p><b>Current Financial Impact</b></p> <ul style="list-style-type: none"> <li>Additional compliance costs arising from new climate-related disclosure requirements</li> </ul> <p><b>Anticipated Financial Impact</b></p> <ul style="list-style-type: none"> <li>Potential increase in operating costs and compliance costs in the medium and long term</li> </ul>	<ul style="list-style-type: none"> <li>Failure to adapt to policy changes or meet disclosure requirements may lead to strategic derailment, regulatory penalties and reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>Monitor climate-related regulatory and policy developments on an ongoing basis</li> <li>Review and update internal policies regularly by responsible departments to reflect evolving legal and regulatory requirements</li> </ul>
<p><b>Market (Changes in customer behaviour)</b></p> <p>ⓂⓄ</p> <p>As consumers and capital market investors increasingly favour green, low-carbon products and companies with strong ESG performance, the Group may face pressures from product technology upgrades and shifts in market competitiveness</p>	<p><b>Current Financial Impact</b></p> <ul style="list-style-type: none"> <li>Additional operating costs from product certification and labelling to meet market and investor ESG expectations</li> </ul> <p><b>Anticipated Financial Impact</b></p> <ul style="list-style-type: none"> <li>Ongoing R&amp;D and capital investment in medium and long term to develop lower-carbon products and maintain competitiveness</li> </ul>	<ul style="list-style-type: none"> <li>Potential long term reputational implication if product offerings do not align with green economy trends</li> </ul>	<ul style="list-style-type: none"> <li>Monitor customer satisfaction and brand reputation</li> <li>Track and communicate sustainability performance and climate-related actions regularly</li> <li>Implement the EEKA360 initiative across the full lifecycle of own-brand products</li> <li>Increase the use of renewable and lower-carbon energy where applicable</li> <li>Implement energy-saving measures, including RFID warehouse systems and LED lighting</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 05 PLANET *(Continued)*

### Climate Resilience *(Continued)*

#### Key Climate-Related Risks and their Impacts *(Continued)*

Climate-Related Risks	Financial Impacts	Non-financial Impacts	Response Actions and Transition Measures
<p><b>Market (Rising raw material costs)</b>                      ⓄⓄ                      Material shortages may lead to higher prices, increasing pressure on operating costs. In addition, suppliers' decarbonisation efforts may contribute to higher procurement costs for the Group.</p>	<p><b>Current Financial Impact</b></p> <ul style="list-style-type: none"> <li>Higher costs for sustainable materials (e.g., wool, silk) due to climate and regulatory pressures</li> <li>Increase in procurement costs due to supply shortages of key materials and lower-carbon alternatives</li> </ul> <p><b>Anticipated Financial Impact</b></p> <ul style="list-style-type: none"> <li>Potential increase in raw material and procurement costs due to reduced natural fiber supply under extreme heat</li> </ul>	<ul style="list-style-type: none"> <li>Shortages in raw material supply may disrupt production continuity, leading to delivery delays and potentially causing long-term customer loss</li> </ul>	<ul style="list-style-type: none"> <li>Improve supplier management and engage suppliers on green supply chain transition and low-carbon requirements where applicable</li> <li>Strengthen supplier risk assessments to mitigate climate-related supply disruptions</li> <li>Explore alternative and innovative materials to reduce reliance on high-cost resources</li> </ul>

Ⓞ Short-term (2030) Ⓞ Medium-term (2040) Ⓞ Long-term (2050)

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 05 PLANET (Continued)

### Climate Resilience (Continued)

#### Key Climate-Related Risks and their Impacts (Continued)

Climate-Related Opportunities	Financial Impact	Non-financial Impact	Response Actions and Transition Measures
<p><b>Energy Sources</b>                      ⓘⓂ</p> <p>Investing in energy-efficient equipment and optimising operational management may help reduce long-term operating costs</p>	<p><b>Current Financial Impact</b></p> <ul style="list-style-type: none"> <li>Lower energy costs and operating expenses through the use of more energy-efficient equipment and improved operational management</li> </ul> <p><b>Anticipated Financial Impact</b></p> <ul style="list-style-type: none"> <li>Potential increase in compliance costs in medium and long term</li> </ul>	<ul style="list-style-type: none"> <li>Support in compliance with evolving carbon regulations and disclosure obligations</li> <li>Enhanced brand reputation and market competitiveness through demonstrated climate action</li> </ul>	<ul style="list-style-type: none"> <li>Implement energy efficiency measures, including warehouse system optimisation, LED lighting and switching off non-essential electrical equipment when not in use</li> <li>Closely monitor energy usage in retail stores and offices</li> <li>Provide regular training on resource use efficiency to effectively raise employee awareness</li> </ul>
<p><b>Products and Services</b>                      ⓂⓁ</p> <p>Growing environmental awareness and sustainable consumption trends may create opportunities for apparel products made with renewable materials and lower-carbon processes</p>	<p><b>Current Financial Impact</b></p> <ul style="list-style-type: none"> <li>Increase in revenue from meeting policy and consumer demand for more sustainable apparel</li> </ul> <p><b>Anticipated Financial Impact</b></p> <ul style="list-style-type: none"> <li>Potential increase in revenue in medium and long term as sustainable products open up new growth opportunities amid rising sustainable consumption trends</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened customer loyalty and credibility arising from the sustainable product offerings</li> </ul>	<ul style="list-style-type: none"> <li>Provide sustainable apparel products that blend timeless fashion aesthetics with sustainable and eco-friendly design principles</li> <li>Establish a clothing recycling programme</li> </ul>

ⓘ Short-term (2030) Ⓜ Medium-term (2040) Ⓛ Long-term (2050)

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 05 PLANET *(Continued)*

### Climate Resilience *(Continued)*

GOVERNANCE

STRATEGY

RISK MANAGEMENT

METRICS AND TARGETS

The Board has collective responsibility for overseeing climate-related risks and opportunities, which are fully integrated into the Group's ESG risk and opportunity management framework for the identification, assessment, management and reporting of risks and opportunities across multiple domains. Supported by the ESG Committee, the Group conducts regular sustainability risk and opportunity assessments, encompassing climate-related risks and opportunities.

Climate-related risks and opportunities are identified, assessed, and managed based on their potential impacts and likelihood which may be measured on both qualitative and quantitative bases, and are prioritized accordingly. Drawing on the assessment outcomes, the Group formulates and implements appropriate mitigation actions and transition measures to strengthen its risk and opportunity management and response capabilities. For details, please refer to the section on "ESG-related Risk and Opportunity Assessment".

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 05 PLANET (Continued)

### Climate Resilience (Continued)

#### GOVERNANCE

#### STRATEGY

#### RISK MANAGEMENT

#### METRICS AND TARGETS

In support of China's 3060 goal, namely peaking carbon emissions by 2030 and achieving carbon neutrality by 2060, and taking into account the Paris Agreement, an international climate agreement aimed at limiting global warming to 1.5° C above pre-industrial levels, the Group has formulated a clear carbon reduction pathway based on its business characteristics and is steadily advancing its low-carbon transition. Within this framework, we disclosed key climate-related metrics in our annual ESG Report, including Scopes 1, 2 and 3 GHG emissions and energy consumption, etc., and established 2030 Climate Target.<sup>3</sup> In this context, we have set a meaningful target below:

### 2030 CLIMATE TARGET

**2030**  
Absolute GHG emissions  
(Scopes 1 & 2)  
(using 2024 as the baseline year)









<sup>3</sup> Our GHG target applies to our core businesses. Details of the scope are set out in the section headed "Reporting Scope and Period". We will consider the potential use of quality carbon credits and renewable energy certificates ("RECs") as part of our decarbonisation pathway and continue to monitor relevant guidance and market developments relating to carbon credits and offsets, including HKEx guidance on the use of carbon credits to offset GHG emissions in achieving GHG emissions targets.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 05 PLANET *(Continued)*

### Climate Resilience *(Continued)*

Furthermore, to make our operations more resilient towards climate change, we have established the following green targets:

OUR GREEN TARGETS		PROGRESS
 <b>WASTE</b>	<ul style="list-style-type: none"> <li>To minimize our waste generation by applying 4R principles, avoiding unnecessary consumption</li> </ul>	 In Progress
 <b>ENERGY</b>	<ul style="list-style-type: none"> <li>To reduce our energy consumption by implementing energy conservation measures</li> </ul>	 In Progress
 <b>WATER</b>	<ul style="list-style-type: none"> <li>To improve water efficiency by implementing water conservation measures</li> </ul>	 Achieved

Note: In terms of absolute value

During the Reporting Period, we also began disclosing Scope 3 emissions and will continue to refine the scope, methodology and quality of Scope 3 disclosures over time, in line with evolving regulatory expectations, data availability and industry best practices. For further details, please refer to the “Environmental KPIs” section.

### 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. The established Environmental Policy provides 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 optimizing inventory flows;
- **LED lighting system:** Creating elegant, inviting retail spaces while minimizing 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° C 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.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 05 PLANET *(Continued)*

### Resource Efficiency *(Continued)*

#### *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.

#### *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, are recycled where possible or are disposed at landfills.

We have banned 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 **prevented the use of over 424 tonnes of paper boxes** in 2025, significantly cutting down on paper waste.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 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 continued to implement 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.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

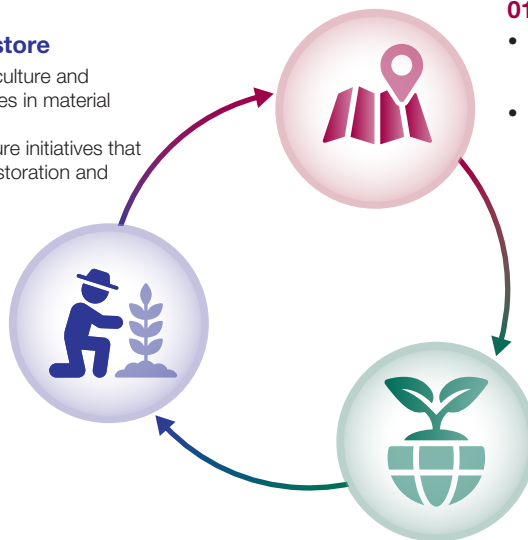
## 05 PLANET (Continued)

### 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 2025, we continued to integrate more sustainable materials into our products offering to reduce environmental impact and support biodiversity conservation. Further, we progressed the implementation of our traceability program for key raw materials in 2025 to ensure a transparent and responsible supply chain. For more information, please read the Traceability section.

- **Organic silk:** sourced from eco-friendly sericulture practices that minimise habitat destruction and promote soil health.
- **Wool:** Australian wool, procured from responsibly managed farms that prioritise animal welfare and land conservation.
- **Viscose:** 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.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 06 PEOPLE

We place our people at the heart of our strategic vision, nurturing an inclusive, creative and equitable workplace that elevates our culture, inspires excellence and fosters a deep sense of engagement and belonging.



### EMPLOYEE WELL-BEING



- Conducted a series of well-being activities
- Continued to provide financial assistance to employees during challenging times
- Conducted fire safety and first aid training

### SUPPLY CHAIN WELL-BEING



- Strengthened the supplier management system by expanding the new supplier selection criteria and supplier evaluation process
- Rolling out ESG training programs for major suppliers

### HUMAN CAPITAL DEVELOPMENT



- Expanding training topics to include ESG-related issues
- Successfully hosted EEKA Fashion Open Day to recruit young talents

### ETHICAL BUSINESS



- Established a Code of Ethical Conduct
- Established a centralised whistleblowing channel
- Maintained the highest standard of integrity throughout our operations

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 06 PEOPLE *(Continued)*

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. As part of our commitment, 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 92.59% 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.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 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, labor 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 labor or forced labor, 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 labor. Additionally, a confirmation of the employment contract is obtained to ensure there is no forced labor, with all procedures reviewed and approved by the Internal Audit Department. Upon identifying instances of child labor or forced labor, 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.

#### 1 Care for Employees



#### 2 Mental Wellness



#### 3 Physical Well-being



#### 4 Women's Empowerment



#### 5 Family-friendly Workplace



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 06 PEOPLE *(Continued)*

### Employee Well-being *(Continued)*

#### *Care for Employees*

EEKA Fashion ensures 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:

- **Team Bonding Adventures:** Company-sponsored team trips foster collaboration and relaxation;
- **Celebration Moments Program:** Curated gifts during birthdays and holidays;
- **Lifestyle and 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.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 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.

#### EEKA Charity Fund

EEKA Charity Fund (贏家愛心基金) 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 **150+** employees  
in 2025

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.

#### EEKA Sports Carnival

During the Reporting Period, we organised the outdoor "EEKA Sports Carnival" event to enhance team cohesion and improve employee health. Through a series of team-based games and collaborative tasks, it effectively encouraged employees to engage in physical exercise, alleviated work-related fatigue, and fostered a positive and energetic atmosphere.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 06 PEOPLE *(Continued)*

### Employee Well-being *(Continued)*

#### *Safety Education and Training*

We are deeply committed to prioritising the health and safety of our employees, to mitigate risks within our workplace. We conduct a comprehensive assessment based on the work characteristics and risks of each position, analyse the possible sources of danger and potential risks in the work, and select the key points and directions of training accordingly, covering themes such as fire safety, and occupational health and safety.

#### **First Aid Training**

During the reporting period, to enhance the ability of employees and the public to respond to sudden accidental injuries and raise awareness of social first aid, we collaborated with the Shenzhen RAMUNION RESCUE, conducted a specialised first aid training program. The training covered the handling of common accidental injuries, rescue drills for airway obstructions, and the use of cardiopulmonary resuscitation (CPR) and automated external defibrillators (AEDs). Through a combination of theoretical instruction and practical simulation exercises, the program effectively improved employees' emergency rescue skills and contributed to the advancement of corporate safety culture.



#### *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.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 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.



Chinese New Year "Red Packet"



Mother's Day Flower Event



EEKA Fashion Reading Day



30th Anniversary Gala

## 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 2025, our new employees each received an average of over 14 hours of training, reflecting our dedication to excellence.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 06 PEOPLE *(Continued)*

### Human Capital Development *(Continued)*

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:

<b>Collaboration with External Training Providers</b>	We partner with accredited training institutions and professional organizations to offer employees industry-specific courses, workshops, and seminars.
<b>Targeted Skill Development</b>	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.
<b>Training Sponsorship and Support</b>	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.
<b>Evaluation and Application of Learning</b>	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.

#### *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.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 06 PEOPLE *(Continued)*

### Human Capital Development *(Continued)*

#### *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.

### 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, labor 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 labor, forced labor, corporal punishment, and any form of discrimination;
- Assurance of fair labor 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.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 06 PEOPLE (Continued)

### Supply Chain Well-being (Continued)

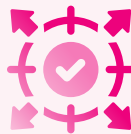
#### Supply Chain Management

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.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 06 PEOPLE *(Continued)*

### Supply Chain Well-being *(Continued)*

#### *Supply Chain Management (Continued)*

Our suppliers undergo third-party audits to ensure our ethical and sustainability standards, which evaluate key areas including labor 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.

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. In 2025, we introduced the Code of Ethical Conduct, which serves as a comprehensive guide to ensure all employees uphold integrity throughout their professional responsibilities. This code outlines prohibited conduct, establishes declaration and recusal mechanisms, and defines accountability measures to maintain a resilient business environment. All of our directors and employees are unequivocally prohibited from violating established compliance red lines in any form or under any circumstances, including but not limited to:

- Not permitted to accept any form of benefits, including cash, gifts, preferential treatment, or reimbursements provided by external parties;
- Not permitted to use company resources, information, or position for personal or related-party gain, including through external work, partnerships, investments, or dealings with business counterparts;
- Avoid any conflict of interest and declare to the direct supervisors.

To ensure alignment with these principles, we provide anti-corruption training to all employees and directors, emphasising the principles outlined in the Code of Ethical Conduct. 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

Furthermore, we introduced Employee Ethical Violation Identification and Disciplinary Standards to standardise internal disciplinary procedures. Complementing the Code of Ethical Conduct, we also issued the Conflict of Interest Disclosure Policy to define clear identification criteria, reporting processes, and resolution mechanisms, ensuring all professional conduct remains transparent and supervised.

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 06 PEOPLE *(Continued)*

### **Ethical Business** *(Continued)*

#### *Whistleblowing Mechanism*

To ensure transparency and accountability in corporate governance, we have established and continued to maintain a unified Whistleblowing Policy. We proactively communicate the policy to employees during onboarding and it made available in the local language to ensure accessibility for all employees. We encourage employees, customers, suppliers, and other stakeholders to report concerns through the sole official whistleblowing channel (jubao@eeka.com). We promote and prioritise real-name reporting, ensuring such cases are handled with urgency and that reporters receive feedback throughout the process. Furthermore, we are firmly committed to comprehensively protecting the rights of whistleblowers through the implementation of the stringent whistleblower protection policy, which includes strict confidentiality of whistleblower identities, zero tolerance for any form of retaliation and appropriate recognition or rewards for verified reports.

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.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 07 COMMUNITIES

We regard social responsibility as the most distinctive core pillar of our sustainable development strategy. This commitment serves as the most natural and authentic expression of our brand identity, extending the positive outcomes of our activities to society for the benefit of the public



### ART, CULTURE AND HERITAGE



- Organised a Fashion Workshop to promote traditional handicrafts

### WOMEN'S EMPOWERMENT



- Organized exhibitions for handicrafts by women artisans from ethnic minorities to promote traditional craftsmanship

### SUPPORT FOR SOCIAL INCLUSION



- Continued to support 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

### CHILDREN AND YOUTH'S EDUCATION AND DEVELOPMENT



- "Nuan Tong Books" (暖童書屋) has newly established its 15th and 16th centers in Yunnan
- "Pattern E+ Clothing" (花樣E+衣) donated sportswear sharing pack to over 5,127 students
- "Student Sponsorship" (一對一助學) subsidised 503 students from underprivileged areas of central and western China
- "Qing Zhu Ji Hua" (青竹計劃) continues to provide support to outstanding high school students from rural area

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 07 COMMUNITIES *(Continued)*

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 organizations. During the Reporting Period, we donated over RMB2.74 million to charitable causes, reaching multiple regions across China such as Guizhou, Yunnan, and Guangxi, as well as extending our impact internationally to Malaysia. 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.

### 1 Arts, Culture And Heritage



### 2 Women's Empowerment



### 3 Support For Social Inclusion



### 4 Children And Youth's Education And Development



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 07 COMMUNITIES *(Continued)*

### Arts, Culture and Heritage

In 2025, we launched the Greater Bay Area Fashion Workshop, featuring two experiential zones dedicated to Yunnan intangible cultural heritage “Diubao” handcrafting and natural indigo dyeing. This initiative emphasised reconnecting with craftsmanship and natural materials in an era dominated by fast fashion, raising public awareness of cultural heritage and sustainable aesthetics. By engaging directly in traditional techniques, participants experienced the vitality of handicrafts and the contemporary value of sustainable practices, helping to revitalise intangible cultural heritage and integrate it into modern lifestyle contexts.



#### Intangible Cultural Heritage Market

During the reporting period, we presented the second phase outcomes of the “Bloom Women’s Academy” at the intangible cultural heritage market. The exhibition featured training achievements of Lhoba women in weaving and embroidery. By transforming traditional craft into functional daily objects, the project moved cultural heritage from display to lived experience, enabling a meaningful dialogue across regions and generations.



### Women’s Empowerment

Under the background of the Rural Revitalization Strategy, EEKA Foundation fully launched the “Bloom Women’s Academy” (花样女子学堂) women’s public welfare project in 2022, committed to promoting the protection and inheritance of intangible cultural heritage and awakening the internal motivation of female craftsmen.

In 2024, the second step of the project was launched in to Mainling City, Tibet, where faculty from Xi’an Polytechnic University’s School of Fashion and Art Design trained 21 Lhoba women artisans. Building on this foundation, the project entered a stage of broader recognition in 2025: an achievement exhibition was held in Nyingchi, Tibet, showcasing the progress and craftsmanship of the Lhoba community. Subsequently, the artisans’ works were subsequently invited to the “Seeking the Pulse of the East: Guangdong-Hong Kong-Macao Greater Bay Area Youth Traditional Culture Experience Season” and were reported by Guangdong Satellite TV and the Silk Road Living Room.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 07 COMMUNITIES *(Continued)*

### Women's Empowerment *(Continued)*

The "Bloom Women's Academy" not only helps rural women obtain employment and start businesses and promotes intangible cultural heritage, but also enables them to shine with confident glory in inheritance and innovation through systematic empowerment.



### Support for Social Inclusion

The "Kaleidoscope Mentally Disabled Art Troupe" (萬花筒心智障礙青年藝術團) was launched in 2024 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 (深圳市福田区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 2025, members of The "Kaleidoscope Mentally Disabled Art Troupe" took the stage at the 12th "Starlight Concert," organised by Shenzhen Media Group. They delivered an outstanding performance for both online and offline audiences, powerfully embodying the vision of barrier-free art and showcasing the radiant stage presence of this special youth community.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 07 COMMUNITIES *(Continued)*

### Children and Youth's Education and Development

#### *Nuan Tong Books*

The “Nuan Tong Books” (暖童书屋) 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 2025, we established our 15th and 16th “Nuan Tong Books” at two primary schools in Nanjian County, Yunnan, to provide students with an enhanced reading environment. Following the donation launch event, we conducted the first reading demonstration classes for both teachers and students at the schools.

As of 2025

Total Benefited  
Rural Children  
**4,000 +**

Total Books Supplied  
**46,000 +**



#### *Pattern E+ Clothing*

Launched in 2023, the “Pattern E+ Clothes” (花样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.

In 2025, the initiative expanded its impact with a range of activities and donations. In June, we conducted an on-site donation event in Jiajiu Town, Guizhou, to provide new sportswear and equipment to 246 children across three schools. In October, we further donated new sports uniforms and equipment to 318 students in Baiwang Town, Guangxi.

As of 2025

Total Benefited School  
**37**

Total Benefited Students  
**5,127**



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 07 COMMUNITIES *(Continued)*

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

#### *Student Sponsorship*

The "Student Sponsorship" (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 2025

Total Subsidised Students	Total Subsidies Expenditure
<b>503</b>	<b>¥3.77 Million +</b>



During the Reporting Period, the initiative facilitated 121 one-to-one support pairings and disbursed RMB194,200 in total grants, benefiting communities across 7 provinces including Xinjiang, Jiangxi, Gansu and Guizhou. Through these efforts, the initiative continues to provide much-needed educational support, helping disadvantaged students build a brighter future.

#### *Qing Zhu Ji Hua*

As rural left-behind children grow older, they face increasing challenges from personal, family, and societal pressures. Recognizing these complexities through its long-term "One-to-One Tutoring" program, EEKA Fashion Foundation launched the "Qing Zhu Ji Hua" (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 2025

Total Subsidised Students	Total Subsidies Expenditure
<b>20</b>	<b>¥ 150,000</b>



In 2025, we collaborated with the local education and sports authorities, along with a psychology expert, to organise a mental well-being development event for the students. The event aimed to guide them to explore personal values through interaction and face the future with confidence.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 07 COMMUNITIES *(Continued)*

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

#### *V Care Space*

Building on our ongoing commitment to supporting children with critical illness, we continued to operate the V Care Space (關愛空間) in 2025 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 2025

Patient Family Services	Bedside Accompaniment Services
4,279 times	65 times



#### *EEKA Art Education Initiative*

The EEKA Art Education Initiative (鄉村美育計畫), launched in 2025, serves students and teachers in rural primary schools across China. Through an integrated support system encompassing curriculum development, teacher training, instructional practice, and outcome exhibition, to bridge the urban-rural gap in aesthetic education and promote the sustainable development of rural art education ecosystems. As of 2025, the foundational framework for courses and resources had been established. The first round of teacher training is scheduled to commence in early 2026, marking a systematic step toward fulfilling our commitment to educational equity and social sustainability.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX

### Performance KPI Data Summary<sup>4,5</sup>

Indicator	Unit	2025	2024
<b>GHG Emissions<sup>6,7,8</sup></b>			
Total GHG emissions (Scopes 1 and 2)	t-CO <sub>2</sub> e	35,186.96	31,221.98
Total GHG (Scopes 1, 2 and 3) emissions	t-CO <sub>2</sub> e	44,588.50	–
– Direct emissions (Scope 1)	t-CO <sub>2</sub> e	42.02	452.53
– Energy indirect emissions (Scope 2) (location-based)	t-CO <sub>2</sub> e	35,144.94	30,769.45
– Other indirect emissions (Scope 3)	t-CO <sub>2</sub> e	9,401.54	–
<i>Category 1: Purchased Goods and Services</i>	t-CO <sub>2</sub> e	90.85	–
<i>Category 3: Fuel- and Energy-Related Activities</i>	t-CO <sub>2</sub> e	554.89	–
<i>(Not Included in Scope 1 or Scope 2)</i>			
<i>Category 6: Business Travel</i>	t-CO <sub>2</sub> e	2,008.57	–
<i>Category 7: Employee Commuting</i>	t-CO <sub>2</sub> e	2,858.39	–
<i>Category 11: Use of Sold Products</i>	t-CO <sub>2</sub> e	3,888.82	–
Total GHG (Scopes 1 and 2) intensity	t-CO <sub>2</sub> e/million RMB	5.60	4.74
Total GHG (Scopes 1, 2 and 3) intensity	t-CO <sub>2</sub> e/million RMB	7.09	–
<b>Air Emissions<sup>9</sup></b>			
Nitrogen oxides (NOx)	kg	18.53	563.54
Sulphur oxides (SOx)	kg	0.23	2.50
Particulate matter (PM)	kg	1.59	52.66
<b>Energy Consumption</b>			
Total electricity consumption	MWh	60,834.74	53,952.00
– Headquarter	MWh	2,922.26	2,477.12
– Logistics centre	MWh	1,389.34	952.60
– Hong Kong office	MWh	6.91	6.92
– Retail stores	MWh	56,516.22	50,515.37
Unleaded petrol consumption	MWh	143.88	1,549.66
Total energy consumption	MWh	60,978.62	55,501.66
Total energy consumption intensity	MWh/million RMB	9.70	8.42
<b>Water<sup>10</sup></b>			
Total water consumption	m <sup>3</sup>	34,943.00	36,227.23
– Headquarter	m <sup>3</sup>	26,440.00	27,104.00
– Logistics Centre	m <sup>3</sup>	8,503.00	9,122.00
– Hong Kong Office	m <sup>3</sup>	–	1.23
Total water consumption intensity	m <sup>3</sup> /million RMB	5.56	5.50
<b>Packaging Materials</b>			
Packaging materials consumed	Tonnes	2,094.61	1,638.36
Packaging materials consumed intensity	Tonnes	0.33	0.25
<b>Non-hazardous waste<sup>11</sup></b>			
Total non-hazardous waste generated	Tonnes	39.31	4.87
Total non-hazardous waste generated intensity	kg/million RMB	6.25	0.74

<sup>4</sup> The environmental key performance indicators (“KPIs”) cover the Group’s headquarters, business place in Hong Kong, logistics centre and retail stores in Chinese Mainland. Due to the nature of our business, the Group does not generate hazardous waste.

<sup>5</sup> Totals may not be the exact sum of numbers shown here due to rounding.

<sup>6</sup> 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, and Scope 2 indirect emissions are resulted from the generation of purchased or acquired electricity, heating, cooling and steam consumed within the Group and measured using a location-based method, while Scope 3 other indirect emissions are occurred in the Group’s value chain.

<sup>7</sup> The Scope 3 emissions include available data arising from Category 1: Purchased Goods and Services, Category 3: Fuel- and Energy-Related Activities (Not Included in Scope 1 or Scope 2), Category 6: business travel, Category 7: employee commuting and Category 11: Use of Sold Products.

<sup>8</sup> Carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) are included in greenhouse gas (GHG) calculations. Hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>) are not applicable.

<sup>9</sup> The significant reduction in air emissions in 2025 was primarily due to decreased use of conventional vehicles, alongside increased adoption of electric vehicles.

<sup>10</sup> The water consumption data does not include our Hong Kong office, as the water supply is controlled by the property management and such data is unavailable to individual tenants.

<sup>11</sup> In 2025, we optimised our non-hazardous waste data collection system in our major business operation to enhance data quality and accuracy, which resulted in the increase in non-hazardous waste.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX (Continued)

### Performance KPI Data Summary (Continued)

Indicator	Unit	2025	2024
<b>Workforce</b>			
Total workforce	Number of People	9,936	10,313
<b>By Gender</b>			
Male	Number of People	736	883
Female		9,200	9,430
<b>By Employee Category</b>			
Senior management		784	863
Middle management	Number of People	1,504	1,634
General employees		7,648	7,816
<b>By Age Group</b>			
18-27		630	850
28-37		4,205	5,013
38-47	Number of People	4,708	4,079
48-57		381	359
58 or above		12	12
<b>By Geographical Region</b>			
Chinese Mainland	Number of People	9,930	10,307
Hong Kong		6	6
<b>Employee Turnover<sup>12</sup></b>			
Total turnover rate	%	19	26
<b>By Gender</b>			
Male	%	35	17
Female		18	27
<b>By Age Group</b>			
18-27		52	42
28-37		23	29
38-47	%	12	19
48-57		16	13
58 or above		8	17
<b>By Geographical Region</b>			
Chinese Mainland		19	26
Hong Kong	%	0	0

<sup>12</sup> Employee turnover rate = (Number of permanent employees who left the Group during the Reporting Period/Number of permanent employees at the end of the Reporting Period) × 100%.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX (Continued)

### Performance KPI Data Summary (Continued)

Indicator	Unit	2025	2024
<b>Health and Safety</b>			
Work-related injuries	Case(s)	17	6
Lost days due to work injury	Day(s)	232	82
Work-related fatality <sup>13</sup>	Number	0	0
<b>Employee Training<sup>14</sup></b>			
<b>Percentage of Employees Trained</b>			
Total	%	100	72
<b>By Gender</b>			
Male	%	1	7
Female		99	93
<b>By Employee Category</b>			
Senior management		11	9
Middle management	%	13	17
General employees		76	74
<b>Average Training Hours</b>			
Total	Hour(s)	13.92	25.10
<b>By Gender</b>			
Male	Hour(s)	1.62	10.02
Female		15.07	26.52
<b>By Employee Category</b>			
Senior management		20.76	39.70
Middle management	Hour(s)	12.46	28.36
General staff		14.19	22.81
<b>Supply Chain</b>			
<b>Number of suppliers by geographical region<sup>15</sup></b>			
Chinese mainland		377	448
Portugal	Number of Supplier	0	1
Japan		3	3
<b>Community Investment</b>			
Donations	RMB	2,747,346	2,239,198

<sup>13</sup> There were no work-related fatalities occurred in each of the past three years including the year ended 31 December 2023.

<sup>14</sup> 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.

<sup>15</sup> All the suppliers have been reviewed against the Supplier CoC.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX *(Continued)*

### Significant Laws and Regulations

ESG Aspect	Significant Laws and Regulations
Aspect A1: Emissions	<ul style="list-style-type: none"><li>• Environmental Protection Law of the PRC</li><li>• Air Pollution Control Ordinance (Cap. 311)</li><li>• Waste Disposal Ordinance (Cap. 354)</li><li>• Water Pollution Control Ordinance (Cap. 358)</li><li>• Ozone Layer Protection Ordinance (Cap. 403)</li><li>• Dumping at Sea Ordinance (Cap. 466)</li><li>• Environmental Impact Assessment Ordinance (Cap. 499)</li><li>• Hazardous Chemicals Control Ordinance (Cap. 595)</li><li>• Product Eco-responsibility Ordinance (Cap. 603)</li></ul>
Aspect B1: Employment Aspect B4: Labour Standards	<ul style="list-style-type: none"><li>• Labor Law of the PRC</li><li>• Labor Contract Law of the PRC</li><li>• Social Insurance Law of the PRC</li><li>• Labour Relations Ordinance (Cap. 55)</li><li>• Employment Ordinance (Cap. 57)</li><li>• Employees' Compensation Ordinance (Cap. 282)</li><li>• Trade Unions Ordinance (Cap. 332)</li><li>• Sex Discrimination Ordinance (Cap. 480)</li><li>• Mandatory Provident Fund Schemes Ordinance (Cap. 485)</li><li>• Disability Discrimination Ordinance (Cap. 487)</li><li>• Family Status Discrimination Ordinance (Cap. 527)</li><li>• Race Discrimination Ordinance (Cap. 602)</li><li>• Minimum Wage Ordinance (Cap. 608)</li><li>• Employment of Children Regulations (Cap. 57B)</li><li>• Employment of Young Persons (Industry) Regulations (Cap. 57C)</li></ul>
Aspect B2: Health and Safety	<ul style="list-style-type: none"><li>• Fire Protection Law of the PRC</li><li>• Labour Contract Law of the PRC</li><li>• Occupational Safety and Health Ordinance (Cap. 509)</li><li>• Fire Safety (Buildings) Ordinance (Cap. 572)</li></ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX *(Continued)*

### Significant Laws and Regulations *(Continued)*

ESG Aspect	Significant Laws and Regulations
Aspect B6: Product Responsibility	<ul style="list-style-type: none"><li>• Regulations of the PRC on the Protecting the Safety of Computer Information Systems</li><li>• Measures for the Administration of Communication Network Security Protection</li><li>• Civil Code of the PRC</li><li>• Personal Information Protection Law of the PRC</li><li>• Copyright Law of the PRC</li><li>• Advertisements Law of the PRC</li><li>• Product Quality Law of the PRC</li><li>• Sale of Goods Ordinance (Cap. 26)</li><li>• Telecommunications Ordinance (Cap. 106)</li><li>• Trade Descriptions Ordinance (Cap. 362)</li><li>• Supply of Services (Implied Terms) Ordinance (Cap. 457)</li><li>• Personal Data (Privacy) Ordinance (Cap. 486)</li><li>• Patents Ordinance (Cap. 514)</li><li>• Registered Designs Ordinance (Cap. 522)</li><li>• Copyright Ordinance (Cap. 528)</li><li>• Prevention of Copyright Piracy Ordinance (Cap. 544)</li><li>• Trade Marks Ordinance (Cap. 559)</li><li>• Broadcasting Ordinance (Cap. 562)</li><li>• Unsolicited Electronic Messages Ordinance (Cap.593)</li></ul>
Aspect B7: Anti-corruption	<ul style="list-style-type: none"><li>• Anti-Unfair Competition Law of the PRC</li><li>• Criminal Law of the PRC</li><li>• Prevention of Bribery Ordinance (Cap. 201)</li><li>• Theft Ordinance (Cap. 210)</li><li>• Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615)</li></ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX (Continued)

### HKEX ESG Reporting Code Content Index – General Disclosure Requirements

General Disclosure Requirements	Section
<b>A. Environmental</b>	
<b>Aspect A1: Emissions</b>	
General Disclosure Information on:	Planet
(a) the policies; and	Significant Laws and Regulations
(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.	
<i>Note: Air emissions include NO<sub>x</sub>, SO<sub>x</sub>, and other pollutants regulated under national laws and regulations.</i>	
Hazardous wastes are those defined by national regulations.	
KPI A1.1 The types of emissions and respective emissions data.	Performance KPI Data Summary
KPI A1.2 Repealed 1 January 2025	–
KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance KPI Data Summary
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
KPI A1.5 Description of emission target(s) set and steps taken to achieve them.	Resource Efficiency
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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX (Continued)

### HKEX ESG Reporting Code Content Index – General Disclosure Requirements (Continued)

General Disclosure Requirements		Section
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.  <i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i>	Resource Efficiency
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
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance KPI Data Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Resource Efficiency
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
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
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Nature and Biodiversity
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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX *(Continued)*

### HKEX ESG Reporting Code Content Index – General Disclosure Requirements *(Continued)*

General Disclosure Requirements		Section
<b>B. Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>		
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 compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	People  Significant Laws and Regulations
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Performance KPI Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance KPI Data Summary
<b>Aspect B2: Health and Safety</b>		
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 providing a safe working environment and protecting employees from occupational hazards.	People  Significant Laws and Regulations
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
KPI B2.2	Lost days due to work injury.	Performance KPI Data Summary
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Physical Well-being

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX (Continued)

### HKEX ESG Reporting Code Content Index – General Disclosure Requirements (Continued)

General Disclosure Requirements		Section
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.  <i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>	Human Capital Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance KPI Data Summary
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance KPI Data Summary
<b>Aspect B4: Labour Standards</b>		
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
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Diversity, Equity and Inclusion
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Diversity, Equity and Inclusion
<b>Operating Practices</b>		
<b>Aspect B5 : Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Well-being
KPI B5.1	Number of suppliers by geographical region.	Performance KPI Data Summary
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
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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX *(Continued)*

### HKEX ESG Reporting Code Content Index – General Disclosure Requirements *(Continued)*

General Disclosure Requirements		Section
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
<b>Aspect B6: Product Responsibility</b>		
General Disclosure	Information on:	Product
	(a) the policies; and	Significant Laws and Regulations
	(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.	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality and Safety
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Quality and Safety
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Quality and Safety
KPI B6.4	Description of quality assurance process and recall procedures.	Quality and Safety
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Data Privacy and Cybersecurity

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX *(Continued)*

### HKEX ESG Reporting Code Content Index – General Disclosure Requirements *(Continued)*

General Disclosure Requirements		Section
<b>Aspect B7: Anti-corruption</b>		
General Disclosure	Information on:	Ethical Business
	(a) the policies; and	Significant Laws and Regulations
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	
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.	Performance KPI Data Summary
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Ethical Business
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Ethical Business
<b>Community</b>		
<b>Aspect B8: Community Disclosure</b>		
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
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Communities
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Communities

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX *(Continued)*

### HKEX ESG Reporting Code Content Index – Climate-Related Disclosures

Climate-Related Disclosures	Section
<b>(I) Governance</b>	
An issuer shall disclose information about:	
<p><b>(a)</b> the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:</p> <p>(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;</p> <p>(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;</p> <p>(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer’s strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;</p> <p><b>19.</b> (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and</p>	<p>ESG Governance and Board’s Oversight</p> <p>Climate Resilience</p> <p>The Group has not yet incorporated climate-related performance indicators into its remuneration policy. We will explore the feasibility of enhancing our remuneration policies.</p>
<p><b>(b)</b> management’s role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:</p> <p>(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and</p> <p>(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.</p>	

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX *(Continued)*

### HKEX ESG Reporting Code Content Index – Climate-Related Disclosures *(Continued)*

Climate-Related Disclosures	Section
<b>(II) Strategy</b>	
<b>Climate-related risks and opportunities</b>	
<p>An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:</p>	
<p><b>(a)</b> describe climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term;</p>	
<p><b>20.</b> <b>(b)</b> explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;</p>	Climate Resilience
<p><b>(c)</b> specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and</p>	
<p><b>(d)</b> explain how the issuer defines ‘short term’, ‘medium term’ and ‘long term’ and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.</p>	
<b>Business model and value chain</b>	
<p>An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer’s business model and value chain. Specifically, the issuer shall disclose:</p>	
<p><b>21.</b> <b>(a)</b> a description of the current and anticipated effects of climate-related risks and opportunities on the issuer’s business model and value chain; and</p>	Climate Resilience
<p><b>(b)</b> a description of where in the issuer’s business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).</p>	<p>Since data availability and quantification methods continue to develop or evolve, we will continue to monitor and, where feasible, describe the concentration of climate-related risks and opportunities across our business model and value chain.</p>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX (Continued)

### HKEX ESG Reporting Code Content Index – Climate-Related Disclosures (Continued)

Climate-Related Disclosures	Section
<b>Strategy and decision-making</b>	
<p>An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:</p>	
<p><b>(a)</b> information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:</p>	
<p>22. (i) current and anticipated changes to the issuer’s business model, including its resource allocation, to address climate-related risks and opportunities;</p>	Climate Resilience
(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	
(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer’s transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	
(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	
<p><b>(b)</b> information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).</p>	
<p>23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).</p>	N/A

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX (Continued)

### HKEX ESG Reporting Code Content Index - Climate-Related Disclosures (Continued)

#### Climate-Related Disclosures

#### Section

#### Financial position, financial performance and cash flows

#### Current financial effect

An issuer shall disclose qualitative and quantitative information about:

Climate Resilience

24. (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and

We have identified major climate-related risks and opportunities and disclosed their current and/or anticipated qualitative financial effects. Given the high level of measurement uncertainty arising from data limitations and evolving climate science and methodologies, the resulting quantitative financial effects may not provide meaningful insights. We will continue to review the feasibility of disclosing such data as our business operations evolve.

- (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements

No significant risk of a material adjustment within the next annual reporting period.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX (Continued)

### HKEX ESG Reporting Code Content Index – Climate-Related Disclosures (Continued)

#### Climate-Related Disclosures

#### Section

#### **Anticipated financial effect**

<p>The issuer shall provide qualitative and quantitative disclosures about:</p> <p>(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:</p> <ul style="list-style-type: none"><li>(i) its investment and disposal plans; and</li><li>(ii) its planned sources of funding to implement its strategy; and</li></ul>	<p>Climate Resilience</p> <p>We have identified major climate-related risks and opportunities and disclosed their current and/or anticipated qualitative financial effects. Given the high level of measurement uncertainty arising from data limitations and evolving climate science and methodologies, the resulting quantitative financial effects may not provide meaningful insights. We will continue to review the feasibility of disclosing such data as our business operations evolve.</p>
<p>25.</p> <p>(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.</p>	

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX (Continued)

### HKEX ESG Reporting Code Content Index - Climate-Related Disclosures (Continued)

Climate-Related Disclosures	Section
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#### Climate resilience

An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:

- (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:
  - (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;
  - (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and
  - (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;
- 26. (b) how and when the climate-related scenario analysis was carried out, including:
  - (i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);
  - (ii) the key assumptions the issuer made in the analysis; and
  - (iii) the reporting period in which the climate-related scenario analysis was carried out.

Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of commencing a comprehensive assessment to evaluate the resilience of our strategy and business model under different climate-related scenarios and time horizons.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX (Continued)

### HKEX ESG Reporting Code Content Index – Climate-Related Disclosures (Continued)

Climate-Related Disclosures	Section
<b>(III) Risk Management</b>	
An issuer shall disclose information about:	
<b>(a)</b> the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	
(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate related risks;	
(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	ESG-related Risk and Opportunity Assessment
<b>27.</b> (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;	Climate Resilience
(v) how the issuer monitors climate-related risks; and	
(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period	
<b>(b)</b> the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	
<b>(c)</b> the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	
<b>(IV) Metrics and Targets</b>	
<b>Greenhouse gas emissions</b>	
An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO <sub>2</sub> equivalent, classified as:	
<b>28.</b> (a) Scope 1 greenhouse gas emissions;	Performance KPI Data Summary
(b) Scope 2 greenhouse gas emissions; and	
(c) Scope 3 greenhouse gas emissions.	

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX *(Continued)*

### HKEX ESG Reporting Code Content Index - Climate-Related Disclosures *(Continued)*

Climate-Related Disclosures	Section
<p>An issuer shall:</p> <ul style="list-style-type: none"> <li>(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;</li> <li>(b) disclose the approach it uses to measure its greenhouse gas emissions including:                             <ul style="list-style-type: none"> <li>(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;</li> <li>(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and</li> </ul> </li> </ul> <p>29. (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;</p> <ul style="list-style-type: none"> <li>(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and</li> <li>(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).</li> </ul>	<p>Performance KPI Data Summary</p> <p>We will explore the feasibility of purchasing quality RECs and carbon credits to offset GHG emissions in our operations.</p>
<p>30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.</p>	<p>Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.</p>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX (Continued)

### HKEX ESG Reporting Code Content Index – Climate-Related Disclosures (Continued)

Climate-Related Disclosures	Section
<b>Climate-related physical risks</b>	
31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.
<b>Climate-related opportunities</b>	
32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.
<b>Capital deployment</b>	
33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX *(Continued)*

### HKEX ESG Reporting Code Content Index - Climate-Related Disclosures *(Continued)*

Climate-Related Disclosures	Section
<b>Internal carbon prices</b>	
<p>An issuer shall disclose:</p> <p>34. (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and</p> <p>(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;</p> <p>or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.</p>	<p>Internal carbon pricing is currently not a part of our decision-making. We will explore the use of internal carbon pricing in the future.</p>
<b>Remuneration</b>	
<p>35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).</p>	<p>The Group has not yet incorporated climate-related performance indicators into its remuneration policy. We will explore the feasibility of enhancing our remuneration policies.</p>
<b>Industry-based metrics</b>	
<p>36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.</p>	<p>N/A</p>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX *(Continued)*

### HKEX ESG Reporting Code Content Index – Climate-Related Disclosures *(Continued)*

Climate-Related Disclosures	Section
<b>Climate-related targets</b>	
<p>An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:</p> <p>(a) the metric used to set the target;</p> <p>(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);</p> <p>(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);</p> <p>(d) the period over which the target applies;</p> <p>(e) the base period from which progress is measured;</p> <p>(f) milestones or interim targets (if any);</p> <p>(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and</p> <p>(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.</p>	Climate Resilience
<p>37. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</p> <p>(a) whether the target and the methodology for setting the target has been validated by a third party;</p> <p>(b) the issuer’s processes for reviewing the target;</p> <p>(c) the metrics used to monitor progress towards reaching the target; and</p> <p>(d) any revisions to the target and an explanation for those revisions.</p>	Climate Resilience  We will explore the feasibility of having our targets validated by a third party.  No revisions have been made during the reporting period.
<p>38. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer’s performance.</p>	Climate Resilience
<p>39.</p>	

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX (Continued)

### HKEX ESG Reporting Code Content Index - Climate-Related Disclosures (Continued)

Climate-Related Disclosures	Section
<p>For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:</p> <ul style="list-style-type: none"> <li>(a) which greenhouse gases are covered by the target;</li> <li>(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;</li> <li>(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;</li> <li>(d) whether the target was derived using a sectoral decarbonisation approach; and</li> </ul>	Climate Resilience
<p>40. (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:</p> <ul style="list-style-type: none"> <li>(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;</li> <li>(ii) which third-party scheme(s) will verify or certify the carbon credits;</li> <li>(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and</li> <li>(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).</li> </ul>	<p>At present, the target was not derived using a sectoral decarbonisation approach for target setting.</p> <p>We will explore the feasibility of purchasing quality RECs and carbon credits to offset GHG emissions generated during operations.</p>
<p><b>Applicability of cross-industry metrics and industry-based metrics</b></p>	
<p>41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).</p>	Performance KPI Data Summary

# INDEPENDENT AUDITOR'S REPORT



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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 179 to 266, which comprise the consolidated statement of financial position as at 31 December 2025, 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 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB") 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 ("HKSAAs") as 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"), as applicable to audits of financial statements of public interest entities. We have also 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.

## INDEPENDENT AUDITOR'S REPORT

### 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 2025, 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 2025, 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.

## INDEPENDENT AUDITOR'S REPORT

### 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 as issued by the IASB and 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 HKSA's 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 HKSAAs, 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.

## INDEPENDENT AUDITOR'S REPORT

### **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 Lok Man Ho (practising certificate number: P07045).

#### **Ernst & Young**

*Certified Public Accountants*

Hong Kong

27 March 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>REVENUE</b>	5	<b>6,285,797</b>	6,588,536
Cost of sales		(1,473,503)	(1,552,984)
<b>Gross profit</b>		<b>4,812,294</b>	5,035,552
Other income and gains	5	121,905	162,960
Selling and distribution expenses		(3,659,429)	(3,884,321)
Administrative expenses		(650,928)	(678,421)
Impairment losses on financial assets	6	(9,933)	(998)
Other expenses		(51,327)	(16,739)
Finance costs	7	(48,987)	(55,505)
<b>PROFIT BEFORE TAX</b>	6	<b>513,595</b>	562,528
Income tax expense	10	(108,576)	(88,440)
<b>PROFIT FOR THE YEAR</b>		<b>405,019</b>	474,088
<b>Attributable to:</b>			
Owners of the parent		397,026	468,504
Non-controlling interests		7,993	5,584
		<b>405,019</b>	474,088
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	12		
Basic			
– For profit for the year		<b>RMB58.8 cents</b>	RMB68.3 cents
Diluted			
– For profit for the year		<b>RMB58.8 cents</b>	RMB68.3 cents

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
<b>PROFIT FOR THE YEAR</b>	<b>405,019</b>	<b>474,088</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(696)	(26,876)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	(696)	(26,876)
<b>OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX</b>	<b>(696)</b>	<b>(26,876)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>404,323</b>	<b>447,212</b>
<b>Attributable to:</b>		
Owners of the parent	396,330	441,628
Non-controlling interests	7,993	5,584
	<b>404,323</b>	<b>447,212</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	13	637,170	576,071
Investment properties	14	72,428	79,217
Right-of-use assets	15	961,825	829,764
Goodwill	16	1,253,540	1,253,540
Other intangible assets	17	603,203	610,623
Investments in associates	19	8,400	2,100
Prepayments, other receivables and other assets	22	25,944	33,922
Financial assets at fair value through profit or loss	23	101,411	45,667
Deferred tax assets	28	70,285	56,655
<b>Total non-current assets</b>		<b>3,734,206</b>	<b>3,487,559</b>
<b>CURRENT ASSETS</b>			
Inventories	20	1,541,086	1,572,275
Trade and bills receivables	21	686,093	715,210
Prepayments, other receivables and other assets	22	189,912	191,735
Financial assets at fair value through profit or loss	23	549,934	519,233
Time deposits	24	–	9,340
Cash and cash equivalents	24	437,932	363,926
<b>Total current assets</b>		<b>3,404,957</b>	<b>3,371,719</b>
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	25	343,068	306,398
Other payables and accruals	26	461,869	388,518
Interest-bearing bank borrowings	27	420,000	524,068
Lease liabilities	15	440,107	457,147
Tax payable		109,863	97,725
<b>Total current liabilities</b>		<b>1,774,907</b>	<b>1,773,856</b>
<b>NET CURRENT ASSETS</b>		<b>1,630,050</b>	<b>1,597,863</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>5,364,256</b>	<b>5,085,422</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	15	513,938	335,511
Deferred government grants		56,404	77,025
Deferred tax liabilities	28	173,294	170,833
Other long-term liabilities		3,000	3,000
<b>Total non-current liabilities</b>		<b>746,636</b>	<b>586,369</b>
<b>Net assets</b>		<b>4,617,620</b>	<b>4,499,053</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	29	5,808	5,766
Shares held for share award schemes	30	(314,924)	(235,685)
Reserves	31	4,928,646	4,738,875
		4,619,530	4,508,956
<b>Non-controlling interests</b>		<b>(1,910)</b>	<b>(9,903)</b>
<b>Total equity</b>		<b>4,617,620</b>	<b>4,499,053</b>

**Jin Ming**  
Director

**He Hongmei**  
Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to owners of the parent											
	Share capital	Share premium	Capital redemption reserve	Capital reserve	Statutory reserve	Shares held for the		Exchange reserve	Retained earnings	Total	Non-controlling interests	Total equity
						Share Award Scheme						
RMB'000 (note 29)	RMB'000 (note 31)	RMB'000 (note 31)	RMB'000 (note 31)	RMB'000 (note 31)	RMB'000 (note 31)	RMB'000 (note 30)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
At 1 January 2025	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	
Profit for the year	-	-	-	-	-	-	-	397,026	397,026	7,993	405,019	
Other comprehensive income for the year:												
Exchange differences on translation of financial statements	-	-	-	-	-	-	(696)	-	(696)	-	(696)	
Total comprehensive income for the year	-	-	-	-	-	-	(696)	397,026	396,330	7,993	404,323	
Appropriation to statutory reserve	-	-	-	-	4,298	-	-	(4,298)	-	-	-	
Repurchase shares under share award scheme	-	-	-	-	-	(79,239)	-	-	(79,239)	-	(79,239)	
Placing of new shares	42	27,266	-	-	-	-	-	-	27,308	-	27,308	
Final 2024 dividend declared	-	(233,825)	-	-	-	-	-	-	(233,825)	-	(233,825)	
At 31 December 2025	5,808	1,828,760*	196*	90,414*	180,841*	(314,924)	(12,685)*	2,841,120*	4,619,530	(1,910)	4,617,620	

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to owners of the parent											
	Share capital RMB'000 (note 29)	Share premium RMB'000 (note 31)	Capital	Capital	Awarded	Statutory	Shares held	Exchange reserve RMB'000	Retained earnings RMB'000	Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
			redemption	reserve	share	reserve	for the					
			reserve	reserve	reserve	share	schemes					
RMB'000 (note 31)	RMB'000 (note 31)	RMB'000 (note 31)	RMB'000 (note 31)	RMB'000 (note 30)	RMB'000 (note 31)	RMB'000 (note 30)	RMB'000	RMB'000	RMB'000	RMB'000	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:												
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)
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

\* These reserve accounts comprise the consolidated reserves of RMB4,928,646,000 (2024: RMB4,738,875,000) in the consolidated statement of financial position.

# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		513,595	562,528
Adjustments for:			
Finance costs	7	48,987	55,505
Bank interest income	5	(629)	(7,782)
Other interest income from financial assets at fair value through profit or loss	5	(15,469)	(29,558)
Fair value losses from financial assets at fair value through profit or loss, net	6	29,690	15,483
Depreciation of property, plant and equipment	6	101,624	161,351
Depreciation of investment properties	6	6,789	1,697
Depreciation of right-of-use asset	6	865,582	880,366
Amortisation of intangible assets	6	8,387	8,420
Write-down of inventories to net realisable value	6	59,865	5,799
Impairment of trade receivables	6	9,933	998
Exchange loss/(gain), net	6	6,770	(25,419)
Equity-settled share-based share award expense	6	–	99,481
		<b>1,635,124</b>	<b>1,728,869</b>
Increase in inventories		(28,676)	(425,567)
Decrease in trade and bills receivables		19,184	1,241
Increase in prepayments and other receivables		(26,883)	(9,343)
Increase/(decrease) in trade and bills payables		36,670	(105,107)
Increase/(decrease) in other payables and accruals		27,666	(46,189)
		<b>1,663,085</b>	<b>1,143,904</b>
Cash generated from operations		<b>1,663,085</b>	<b>1,143,904</b>
Income tax paid		(107,606)	(147,661)
		<b>1,555,479</b>	<b>996,243</b>
Net cash flows from operating activities		<b>1,555,479</b>	<b>996,243</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income received	5	629	4,200
Purchases of items of property, plant and equipment	13	(163,962)	(156,941)
Proceeds from disposal of items of property, plant and equipment		3,366	46
Additions to other intangible assets		(967)	(3,149)
Decrease in time deposits		9,340	111,285
Investment in an associate		(6,300)	(300)
(Increase)/decrease in financial assets at fair value		(116,135)	409,906
Interest received from investment in time deposits		–	3,581
Interest received from investments in financial assets at fair value through profit or loss		15,469	29,558
Net cash flows (used)/from in investing activities		(258,560)	398,186
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		27,308	–
Purchase of shares for the share award schemes		(79,239)	(131,385)
New bank loans		420,000	524,068
Repayment of bank loans		(524,068)	(513,779)
Principal portion of lease payments	15	(857,112)	(849,687)
Dividend paid		(233,836)	(442,701)
Interest paid		(12,067)	(20,787)
Net cash used in financing activities		(1,259,014)	(1,434,271)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of year		363,926	440,756
Effect of foreign exchange rate changes, net		36,101	(36,988)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	24	<b>437,932</b>	<b>363,926</b>

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 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:

Name	Place of incorporation/ registration and business	Particulars of issued and paid-up capital	Percentage of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by the subsidiaries	
<b>Group's effective interest</b>						
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/Chinese mainland	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/Chinese mainland	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/Chinese mainland	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/Chinese mainland	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/Chinese mainland	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/Chinese mainland	HK\$5,000,000	100%	–	100%	Trading of garments and software design
Shenzhen Jin Yuexin Investment and Development Company Limited** * (“Shenzhen Jin Yuexin”) (深圳市金悅鑫投資發展有限公司)	PRC/Chinese mainland	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/Chinese mainland	RMB30,000,000	100%	–	100%	Trading of ladies-wear

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 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			Principal activities
			Group's effective interest	Held by the Company	Held by the subsidiaries	
<b>Group's effective interest</b>						
Aoruina Garments (Shenzhen) Co., Ltd.** (1) ("Aoruina") (奧瑞納服裝(深圳)有限公司)	PRC/Chinese mainland	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/Chinese mainland	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/Chinese mainland	RMB96,850,000.00	83%	–	83%	Trading of ladies-wear
EKA Fashion (Jiangshan) E-Commerce Co., Ltd.** ("Jiangshan E-Commerce") (贏家時尚(江山)電子商務有限公司)	PRC/Chinese mainland	RMB5,000,000	100%	–	100%	E-Commerce
Shenzhen Qianhai Hengying Digital Technology Co., Ltd.** ("Qianhai Hengying") (深圳市前海恆盈數智科技有限公司)	PRC/Chinese mainland	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/Chinese mainland	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 International Financial Reporting Standards, International Accounting Standards (“IAS”) and Interpretations) as issued by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through 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 2025. 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.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2. ACCOUNTING POLICIES *(Continued)*

### 2.2 Changes in Accounting Policies and Disclosures

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. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

### 2.3 Issued but not yet Effective IFRS Accounting Standards

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

IFRS 18	<i>Presentation and Disclosure in Financial Statements<sup>2</sup></i>
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures<sup>2</sup></i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments<sup>1</sup></i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity<sup>1</sup></i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>3</sup></i>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency<sup>2</sup></i>
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7<sup>1</sup></i>

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

<sup>2</sup> Effective for annual/reporting periods beginning on or after 1 January 2027

<sup>3</sup> 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.

## 2. ACCOUNTING POLICIES *(Continued)*

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

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.

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. IFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* 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.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 2. ACCOUNTING POLICIES *(Continued)*

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

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the “own-use” requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity’s financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. 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 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation’s comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. 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. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. 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.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 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.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 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

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 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%
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#### *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.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 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.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 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.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 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.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 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.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 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.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 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.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 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.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 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 Chinese mainland 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 Chinese mainland 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.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 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 2025 were RMB1,253,540,000 (2024: RMB1,253,540,000) and RMB590,500,000 (2024: 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).

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 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 Chinese mainland.

##### *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 2025 and 2024.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers	6,285,797	6,588,536

#### (i) Disaggregated revenue information

For the year ended 31 December 2025

	Total RMB'000
<b>Type of goods</b>	
Sale of apparel and accessories	6,285,797
<b>Geographical market</b>	
Chinese mainland	6,285,797
<b>Timing of revenue recognition</b>	
Goods transferred at a point in time	6,285,797

For the year ended 31 December 2024

	Total RMB'000
<b>Type of goods</b>	
Sale of apparel and accessories	6,588,536
<b>Geographical market</b>	
Chinese mainland	6,588,536
<b>Timing of revenue recognition</b>	
Goods transferred at a point in time	6,588,536

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 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:

	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sales of apparel and accessories	58,764	77,028

#### (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.

	2025 RMB'000	2024 RMB'000
<b>Other income and gains</b>		
Bank interest income	629	4,200
Subsidy income*	74,656	65,753
Other interest income from financial assets at fair value through profit or loss	15,469	33,140
Rental income	12,599	12,543
Exchange gain, net	–	25,419
Others	18,552	21,905
<b>Total</b>	<b>121,905</b>	<b>162,960</b>

\* Subsidy income represents various government grants received from the relevant government authorities to support the development of the Group in Chinese mainland. In the opinion of management, there are no unfulfilled conditions or contingencies relating to these grants.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 6. PROFIT BEFORE TAX

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

	Notes	2025 RMB'000	2024 RMB'000
Cost of inventories sold		1,473,503	1,552,984
Depreciation of property, plant and equipment	13	101,624	161,351
Depreciation of investment property	14	6,789	1,697
Depreciation of right-of-use assets	15	865,582	880,366
Amortisation of other intangible assets	17	8,387	8,420
Advertising and promotion expenses		301,203	262,589
Research and development costs <sup>^</sup> :			
Current year expenditure		159,020	181,581
Lease payments not included in the measurement of lease liabilities		554,364	689,658
Auditor's remuneration		1,800	1,800
Employee benefit expense (including directors' remuneration (note 8) and outsourced labor costs):			
Wages and salaries		1,359,203	1,310,775
Pension scheme contributions (defined contribution scheme)**		106,068	95,771
Equity-settled share award expense		–	99,481
		<u>1,465,271</u>	<u>1,506,027</u>
Exchange loss/(gain), net <sup>#</sup>		6,770	(25,419)
Impairment of trade receivables	21	9,933	998
Write-down of inventories to net realisable value*		59,865	5,799
Fair values loss, net <sup>#</sup> :			
Financial assets at fair value through profit or loss		<u>29,690</u>	<u>15,483</u>

<sup>^</sup> 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.

<sup>#</sup> Exchange gains is included in "Other income and gains" in the consolidated statement of profit or loss. Exchange losses and fair value losses are 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.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 7. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 RMB'000	2024 RMB'000
Interest on bank loans, overdrafts and other loans	12,067	20,787
Interest on lease liabilities	36,920	34,718
Total	48,987	55,505

### 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:

	2025 RMB'000	2024 RMB'000
Fees	549	546
Other emoluments:		
Salaries, allowances and benefits in kind	5,839	5,635
Equity-settled share award expense	–	3,971
Pension scheme contributions	48	32
Subtotal	5,887	9,638
Total	6,436	10,184

**8. DIRECTORS' REMUNERATION** *(Continued)***(a) Independent non-executive directors**

The fees paid to independent non-executive directors during the year were as follows:

	2025 RMB'000	2024 RMB'000
Mr. Zhang Guodong	183	182
Mr. Zhong Ming	183	182
Mr. Zhou Xiaoyu	183	182
<b>Total</b>	<b>549</b>	<b>546</b>

There were no other emoluments payable to the independent non-executive directors during the year (2024: 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
<b>2025</b>					
<b>Executive directors:</b>					
Ms. He Hongmei	-	1,822	16	-	1,838
Mr. Jin Rui	-	990	16	-	1,006
<b>Chief executive:</b>					
Mr. Jin Ming	-	3,027	16	-	3,043
<b>Total</b>	<b>-</b>	<b>5,839</b>	<b>48</b>	<b>-</b>	<b>5,887</b>

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 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
<b>2024</b>					
<b>Executive directors:</b>					
Ms. He Hongmei	-	1,627	-	3,971	5,598
Mr. Jin Rui	-	985	16	-	1,001
<b>Chief executive:</b>					
Mr. Jin Ming	-	3,023	16	-	3,039
<b>Total</b>	<b>-</b>	<b>5,635</b>	<b>32</b>	<b>3,971</b>	<b>9,638</b>

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 (2024: 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 (2024: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 RMB	2024 RMB
Salaries, allowances and benefits in kind	7,149	5,421
Equity-settled share award expense	-	7,585
Pension scheme contributions	99	84
<b>Total</b>	<b>7,248</b>	<b>13,090</b>

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 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	
	2025	2024
Nil to HK\$1,000,000	–	–
HK\$1,000,001 to HK\$1,500,000	–	–
HK\$1,500,001 to HK\$2,000,000	1	–
HK\$2,000,001 to HK\$2,500,000	–	–
HK\$2,500,001 to HK\$3,000,000	1	–
HK\$3,000,001 to HK\$3,500,000	1	–
HK\$3,500,001 to HK\$4,000,000	–	1
HK\$4,000,001 to HK\$4,500,000	–	–
HK\$4,500,001 to HK\$5,000,000	–	1
HK\$5,000,001 to HK\$5,500,000	–	1
<b>Total</b>	<b>3</b>	<b>3</b>

### 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% (2024:16.5%) 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 2025 (2024: 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 2025.

	2025	2024
	RMB'000	RMB'000
Current – Chinese mainland	119,745	92,941
Deferred (note 28)	(11,169)	(4,501)
<b>Total tax charge for the year</b>	<b>108,576</b>	<b>88,440</b>

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 10. INCOME TAX (Continued)

#### Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes. From 1 January 2025, the Group is liable to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in Hong Kong. The Group will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted but not yet in effect as at 31 December 2025 in certain jurisdictions in which the Group operates.

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Group's effective tax rates in all jurisdictions in which it operates are above 15% and the directors of the Company are not currently aware of any circumstances under which they might change. Therefore, the Group does not expect potential exposure to Pillar Two "top-up" taxes.

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:

	2025		2024	
	RMB'000	%	RMB'000	%
Profit before tax	513,595		562,528	
Tax at the statutory tax rate	135,584	26.4	142,232	25.3
Entities subject to a lower statutory tax rate*	(33,288)	(6.5)	(40,695)	(7.1)
Super-deduction of research and development costs	(20,974)	(4.1)	(33,565)	(6.0)
Tax losses utilised from previous periods	(9,514)	(1.9)	(8,481)	(1.6)
Income not subject to tax	(1,224)	(0.2)	(3,110)	(0.6)
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	20,000	3.9	20,000	3.6
Tax losses and temporary difference not recognised	7,635	1.5	9,824	1.7
Expenses not deductible for tax	10,513	2.0	522	0.1
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	(156)	–	(668)	(0.1)
Tax charge at the effective rate	108,576	21.1	88,440	15.7

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 10. INCOME TAX *(Continued)*

\* 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 Industry and Information Technology Bureau of Shenzhen Municipality <sup>(note)</sup>, 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 2025. Pursuant to the approval, Shenzhen Koradior was entitled to a preferential PRC CIT rate of 15% for a period of three years from December 2025 to December 2028.

Shenzhen Naersi Fashion Co., Ltd. ("Naersi") obtained an approval from Industry and Information Technology Bureau of Shenzhen Municipality <sup>(note)</sup>, 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 Industry and Information Technology Bureau of Shenzhen Municipality <sup>(note)</sup>, 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.

Note: The authority for the accreditation and certification of High and New-Technology Enterprises in Shenzhen has been officially changed from the Shenzhen Science and Technology Innovation Committee to the Industry and Information Technology Bureau of Shenzhen Municipality from 2024.

### 11. DIVIDENDS

	2025 RMB'000	2024 RMB'000
Final dividend	233,825	442,711
Proposed final – HK35 cents (2024: HK38 cents) per ordinary share	212,178	238,316
	<b>446,003</b>	<b>681,027</b>

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



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 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
<b>31 December 2025</b>					
At 1 January 2025:					
Cost	533,217	598,025	20,526	43,881	1,195,649
Accumulated depreciation	(108,632)	(463,345)	(16,316)	(31,285)	(619,578)
<b>Net carrying amount</b>	<b>424,585</b>	<b>134,680</b>	<b>4,210</b>	<b>12,596</b>	<b>576,071</b>
At 1 January 2025, net of accumulated depreciation	424,585	134,680	4,210	12,596	576,071
Additions	–	150,831	522	12,609	163,962
Disposals	(195)	(720)	(97)	(227)	(1,239)
Depreciation provided during the year	(11,732)	(82,749)	(2,297)	(4,846)	(101,624)
<b>At 31 December 2025 net of accumulated depreciation</b>	<b>412,658</b>	<b>202,042</b>	<b>2,338</b>	<b>20,132</b>	<b>637,170</b>
At 31 December 2025:					
Cost	532,852	657,868	11,420	49,677	1,251,817
Accumulated depreciation	(120,194)	(455,826)	(9,082)	(29,545)	(614,647)
<b>Net carrying amount</b>	<b>412,658</b>	<b>202,042</b>	<b>2,338</b>	<b>20,132</b>	<b>637,170</b>

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 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
<b>31 December 2024</b>					
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)
<b>Net carrying amount</b>	<b>522,415</b>	<b>120,711</b>	<b>7,787</b>	<b>10,573</b>	<b>661,486</b>
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)
<b>At 31 December 2024 net of accumulated depreciation</b>	<b>424,585</b>	<b>134,680</b>	<b>4,210</b>	<b>12,596</b>	<b>576,071</b>
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)
<b>Net carrying amount</b>	<b>424,585</b>	<b>134,680</b>	<b>4,210</b>	<b>12,596</b>	<b>576,071</b>

## 14. INVESTMENT PROPERTIES

	2025 RMB'000	2024 RMB'000
Cost at 1 January, net of accumulated depreciation	79,217	–
Transfer from property, plant and equipment	–	80,914
Depreciation provided during the year	(6,789)	(1,697)
At 31 December	<u>72,428</u>	<u>79,217</u>
At 31 December:		
Cost	142,919	142,919
Accumulated depreciation	(70,491)	(63,702)
Net carrying amount	<u>72,428</u>	<u>79,217</u>

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 valued on 31 December 2025 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 RMB94,892,000 on the market approach, existing use basis.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 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:

	<b>Leasehold land</b>	<b>Retail stores</b>	<b>Buildings</b>	<b>Total</b>
	RMB'000	RMB'000	RMB'000	RMB'000
As at 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 and 1 January 2025	91,765	538,249	199,750	829,764
Additions	–	781,804	8,873	790,677
Lease modification	–	206,966	–	206,966
Depreciation charge	(2,458)	(803,017)	(60,107)	(865,582)
As at 31 December 2025	89,307	724,002	148,516	961,825

(b) *Lease liabilities*

The carrying amount of lease liabilities and the movements during the year are as follows:

	<b>2025</b>	<b>2024</b>
	RMB'000	RMB'000
Carrying amount at 1 January	792,658	752,312
New leases	774,613	855,315
Lease Modification	206,966	–
Accretion of interest recognised during the year	36,920	34,718
Payments	(857,112)	(849,687)
Carrying amount at 31 December	954,045	792,658
Analysed into:		
Current portion	440,107	457,147
Non-current portion	513,938	335,511

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:*

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	36,920	34,718
Depreciation charge of right-of-use assets	865,582	880,366
Variable lease payments not included in the measurement of lease liabilities (included in selling expense)	554,364	689,658
<b>Total amount recognised in profit or loss</b>	<b>1,456,866</b>	<b>1,604,742</b>

(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:

	2025 RMB'000	2024 RMB'000
Extension options expected to be exercised	406,067	110,415

(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 RMB554,364,000.

(f) The total cash outflow for leases is disclosed in note 32(c) to the financial statements.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 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 RMB12,599,000 (2024: RMB12,543,000), details of which are included in note 5 to the financial statements.

At 31 December 2025, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2025 RMB'000	2024 RMB'000
Within one year	16,045	15,334
After one year but within two years	14,709	14,139
After two years	10,838	10,805
<b>Total</b>	<b>41,592</b>	<b>40,278</b>

### 16. GOODWILL

	2025 RMB'000	2024 RMB'000
<b>Cost and net carrying amount at 1 January and 31 December</b>	<b>1,253,540</b>	<b>1,253,540</b>

#### Impairment testing of goodwill

Details of the impairment testing of goodwill are set out in note 18 to these financial statements.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 17. OTHER INTANGIBLE ASSETS

	Customer relationships RMB'000	Trademarks* RMB'000	Software RMB'000	Total RMB'000
<b>31 December 2025</b>				
Cost at 1 January 2025, net of accumulated amortisation	2,560	590,500	17,563	610,623
Additions	–	–	967	967
Amortisation provided during the year	(1,707)	–	(6,680)	(8,387)
<b>At 31 December 2025</b>	<b>853</b>	<b>590,500</b>	<b>11,850</b>	<b>603,203</b>
At 31 December 2025:				
Cost	17,068	606,836	44,698	668,602
Accumulated amortisation	(16,215)	(16,336)	(32,848)	(65,399)
<b>Net carrying amount</b>	<b>853</b>	<b>590,500</b>	<b>11,850</b>	<b>603,203</b>
	Customer relationships RMB'000	Trademarks* RMB'000	Software RMB'000	Total RMB'000
<b>31 December 2024</b>				
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)
<b>At 31 December 2024</b>	<b>2,560</b>	<b>590,500</b>	<b>17,563</b>	<b>610,623</b>
At 31 December 2024:				
Cost	17,068	606,836	44,661	668,565
Accumulated amortisation	(14,508)	(16,336)	(27,098)	(57,942)
<b>Net carrying amount</b>	<b>2,560</b>	<b>590,500</b>	<b>17,563</b>	<b>610,623</b>

\* Trademarks of "NAERSI" and "NEXY.CO" 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 2025, these intangible assets with indefinite useful lives were tested for impairment (note 18).

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 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:

	2025 RMB'000	2024 RMB'000
CADIDL brand CGU	21,681	21,681
NAERSI and NEXY.CO brand CGU	1,231,859	1,231,859
	<u>1,253,540</u>	<u>1,253,540</u>

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:

	2025		2024	
	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 and NEXY.CO brand CGU	1,231,859	590,500	1,231,859	590,500
	<u>1,253,540</u>	<u>590,500</u>	<u>1,253,540</u>	<u>590,500</u>

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 and NEXY.CO 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 2025 and 31 December 2024. 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:

		2025	2024
CADIDL brand CGU	Discount rate	14%	14%
	Budgeted gross margins	75%-77%	75%-76%
	Terminal growth rates	2.0%	2.0%
NAERSI and NEXY.CO brand CGU	Discount rate	15%	15%
	Budgeted gross margins	75%-77%	75%-76%
	Terminal growth rates	2.0%	2.0%

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

	2025 RMB'000	2024 RMB'000
Share of net assets	8,400	2,100

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 19. INVESTMENTS IN ASSOCIATES *(Continued)*

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2025 RMB'000	2024 RMB'000
Aggregate carrying amount of the Group's investments in the associates	8,400	2,100

### 20. INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials	181,006	160,427
Work in progress	27,995	9,875
Finished goods	1,332,085	1,401,973
Total	1,541,086	1,572,275

### 21. TRADE AND BILLS RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade and bills receivables	716,170	736,280
Impairment	(30,077)	(21,070)
Total	686,093	715,210

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 Chinese mainland. 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.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 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:

	2025 RMB'000	2024 RMB'000
Trade receivables:		
Within 1 month	440,569	452,002
1 to 2 months	182,196	173,540
2 to 3 months	34,537	53,063
Over 3 months	28,791	36,605
<b>Total</b>	<b>686,093</b>	<b>715,210</b>

The movement in the loss allowance for impairment of trade receivables is as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	21,070	22,007
Impairment losses, net	9,933	998
Amount written off as uncollectible	(926)	(1,935)
<b>At end of year</b>	<b>30,077</b>	<b>21,070</b>

As at 31 December 2025, the allowance for credit losses is related to individually impaired receivables amounting to RMB30,077,000 (2024: RMB21,070,000). 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 RMB30,077,000 (2024: RMB21,070,000) has been recognised in respect of such receivables.

As at 31 December 2025, trade receivables that were not individually impaired related to a large number of independent customers including owners of department stores and shopping malls in Chinese mainland with no recent history of material defaults, and the probability of default, and the loss given default was estimated to be minimal.

## NOTES TO FINANCIAL STATEMENTS

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### 22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 RMB'000	2024 RMB'000
<b>Current</b>		
Prepayments	68,314	83,848
Deposits and other receivables	118,663	105,429
Right-of-return assets	2,935	2,433
Loans to employees	–	25
	<u>189,912</u>	<u>191,735</u>
<b>Non-current</b>		
Deposits and other receivables	25,944	32,615
Loans to employees	–	1,307
	<u>25,944</u>	<u>33,922</u>

### 23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	2025 RMB'000	2024 RMB'000
Financial assets at fair value through profit or loss			
– Non-current			
Other unlisted investments, at fair value	(b)	40,000	–
Wealth management products, at fair value	(a)	61,411	45,667
		<u>101,411</u>	<u>45,667</u>
– Current			
Wealth management products, at fair value	(a)	547,319	516,371
Others		2,615	2,862
		<u>549,934</u>	<u>519,233</u>

Notes:

- (a) The above wealth management products were issued by banks and trustees in Chinese mainland 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.
- (b) On 1 December 2025, the Group entered into a partnership agreement with Louis Vuitton Kaiteng No. 1 (Chengdu) Investment Co., L.P (“LV Kaiteng”). On 31 December 2025, the Group held 6% of LV Kaiteng. It was 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.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 24. CASH AND CASH EQUIVALENTS AND TIME DEPOSITS

	2025 RMB'000	2024 RMB'000
Cash and bank balances	437,932	363,926
Time deposits:	—	9,340
	437,932	373,266
Less:		
Pledged time deposits with original maturity of more than three months when acquired	—	(9,340)
Cash and cash equivalents	437,932	363,926

The cash and bank balance were denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
Cash and bank balances denominated in		
RMB	362,718	352,858
Hong Kong Dollar ("HK\$")	72,630	17,728
EUR ("€")	1,828	683
US Dollar ("US\$")	28	14
JPY	592	1,981
GBP	136	2
Cash and bank balances	437,932	373,266

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.

The RMB is not freely convertible into other currencies, however, under Chinese mainland'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.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 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:

	2025 RMB'000	2024 RMB'000
Trade payables:		
Within 1 month	153,817	148,869
1 to 2 months	22,371	29,455
Over 2 months	76,880	74
	253,068	178,398
Bills payables	90,000	128,000
	343,068	306,398

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 2025, bills payable amounting to RMB26,000,000 (2024: RMB118,000,000) were discounted by the bill holders.

### 26. OTHER PAYABLES AND ACCRUALS

	Notes	2025 RMB'000	2024 RMB'000
Contract liabilities	(a)	68,430	58,764
Refund liabilities		9,123	7,598
Tax payables other than current income tax liabilities		100,048	110,479
Salaries and welfare payables		34,459	50,663
Other payables	(b)	249,345	160,538
Dividend payables		464	476
		461,869	388,518

Notes:

(a) Details of contract liabilities are as follows:

	2025 RMB'000	2024 RMB'000
<i>Short-term advances received from customers</i>		
Sale of goods	68,430	58,764

(b) Other payables are non-interest-bearing and have an average term within a year.

## 27. INTEREST-BEARING BANK BORROWINGS

	2025			2024		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
<b>Current</b>						
Bank loans – unsecured	2.05 to 2.40	2026	420,000	2.40 to 4.90	2025	524,068
<b>Total – current</b>			<b>420,000</b>			<b>524,068</b>
Analysed into:						
Bank loans repayable						
Within one year			420,000			524,068
<b>Total</b>			<b>420,000</b>			<b>524,068</b>

## Notes:

- (a) The Group's overdraft facilities amounted to RMB827,546,000 (2024: RMB1,244,354,000), of which RMB510,000,000 (2024: RMB652,068,000) had been utilised as at the end of the reporting period.
- (b) Certain of the Group's bank loans amounting to RMB420,000,000 (2024: RMB524,068,000) were guaranteed by the Company and certain subsidiaries of the Company.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 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 Scheme RMB'000	Lease liabilities RMB'000	Deductible temporary differences RMB'000	Total RMB'000
At 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 and 1 January 2025	30,709	-	7,287	-	116,471	12,888	167,355
Credited/(charged) to the statement of profit or loss during the year (note 10)	10,753	-	(685)	-	26,636	(2,896)	33,808
At 31 December 2025	41,462	-	6,602	-	143,107	9,992	201,163

#### Deferred tax liabilities

	Fair value adjustment on other intangible assets arising from business combinations RMB'000	Fair value adjustments of financial assets at fair value through profit or loss liabilities RMB'000	Withholding taxes RMB'000	Right-of-use assets RMB'000	Taxable temporary differences RMB'000	Total RMB'000
At 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 and 1 January 2025	148,352	2,481	20,000	110,700	-	281,533
(Credited)/charged to the statement of profit or loss during the year (note 10)	(435)	2,896	-	20,178	-	22,639
At 31 December 2025	147,917	5,377	20,000	130,878	-	304,172

**28. DEFERRED TAX** *(Continued)***Deferred tax liabilities** *(Continued)*

The Group has aggregate tax losses arising in Hong Kong of RMB193,530,000 (2024: RMB165,073,000) 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 Chinese mainland of RMB97,847,000 (2024: RMB146,064,000) 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 Chinese mainland. 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 Chinese mainland 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 Chinese mainland in respect of earnings generated from 1 January 2008. In the current year, the Group accrued withholding tax of RMB20,000,000 (2024: RMB20,000,000) for those subsidiaries established in Chinese mainland.

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:

	2025 RMB'000	2024 RMB'000
Net deferred tax assets recognised in the consolidated statements of financial position	70,285	56,655
Net deferred tax liabilities recognised in the consolidated statements of financial position	173,294	170,833

## NOTES TO FINANCIAL STATEMENTS

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### 29. SHARE CAPITAL

	2025	2024
Issued and fully paid: 708,650,195 (31 December 2024: 704,050,195) ordinary shares of HK\$0.01 each (HK\$'000)	7,087	7,041
Equivalent to RMB'000	5,808	5,766

	Number of shares in issue	Share capital RMB'000	Share premium RMB'000
At 1 January 2024	704,050,195	5,766	2,020,313
Vesting shares under the Share Award Scheme	(a) —	—	15,006
At 31 December 2024 and 1 January 2025	704,050,195	5,766	2,035,319
Placing of new shares	(b) 4,600,000	42	27,266
Final 2024 dividend declared	—	—	(233,825)
At 31 December 2025	(c) 708,650,195	5,808	1,828,760

- (a) During the year ended 31 December 2024, an amount of RMB154,560,000 was transferred from the share award reserve to share premium account and an amount of RMB139,554,000 was transferred from the share premium account to shares held for the Share Award Schemes upon the vesting of the awarded shares.
- (b) This represented an aggregate of 4,600,000 placing shares issued on 15 October 2025 at a price of HK\$6.50 (RMB5.9366) each, resulting in a credit to share capital and share premium by RMB42,000 and RMB27,266,000.
- (c) As at 31 December 2025, the total number of issued ordinary shares of the Company was 708,650,195 (2024: 704,050,195) shares which included 37,456,007 (2024: 26,786,007) shares held under the 2024 Share Award Scheme adopted by the Company (note 30).

## 30. SHARE AWARD SCHEME

### 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 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.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 30. SHARE AWARD SCHEMES *(Continued)*

#### 2019 Share Award Scheme *(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 Share Award Scheme and then by trust shares to be purchased by the Trustee from the open market pursuant to the Share Award Scheme, at the expense of the Company.

The fair value of the Awarded Shares granted in 2020 was HK\$275,861,000 (equivalent to RMB232,164,000).

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.

### 30. SHARE AWARD SCHEMES *(Continued)*

#### 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.

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.

On 20 May 2025, the Company has granted an aggregate of 6,400,000 awarded Shares pursuant to the 2024 Share Award Scheme to certain grantees including directors, senior management and employees, and such 6,400,000 awarded Shares have been forfeited during the year ended 31 December 2025 because non-market performance conditions have not been met.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 30. SHARE AWARD SCHEMES *(Continued)*

The following Awarded Shares were outstanding during the year:

	Notes	Number of Awarded Shares	
		2025	2024
At 1 January			
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
At 31 December			
Number of Awarded Shares held by the Trustee		37,456,007	26,786,007
Maximum number of Awarded Shares available for grant*		60,990,019	60,990,019
Granting during the year			
Grant using existing shares		6,400,000	9,415,000
Forfeited during the year		6,400,000	10,309,300
Vested during the year		–	14,531,500
Purchased during the year	(a)	10,670,000	15,673,500
Individual income tax paid on behalf of the Selected Grantees during the year		–	2,831,997

Notes:

(a) During the year ended 31 December 2025, the Trustee purchased 10,670,000 shares at a total cost (including related transaction costs) of HK\$86,660,000 (equivalent to RMB79,239,000) 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.

\* As mentioned above, 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 2025 and 2024 are presented in the consolidated statement of changes in equity on pages 183 to 184 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 Chinese mainland 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 RMB997,643,000 (2024: RMB943,541,000) and RMB981,579,000 (2024: RMB855,315,000), respectively, in respect of lease arrangements for plant and equipment.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(Continued)

#### (b) Changes in liabilities arising from financing activities

2025

	Interest-bearing bank borrowings RMB'000	Lease liabilities RMB'000
At 1 January 2025	524,068	792,658
Changes from financing cash flows	(104,068)	(857,112)
New leases	–	774,613
Leases modification	–	206,966
Interest expense	–	36,920
At 31 December 2025	<u>420,000</u>	<u>954,045</u>

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
Interest expense	–	34,718
At 31 December 2024	<u>524,068</u>	<u>792,658</u>

**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:

	2025 RMB'000	2024 RMB'000
Within operating activities	(554,364)	(689,658)
Within financing activities	(857,112)	(849,687)
	<u>(1,411,476)</u>	<u>(1,539,345)</u>

**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 2025:

		2025 RMB'000	2024 RMB'000
Processing fees	Note	<u>368,843</u>	<u>405,138</u>

Note: Shenzhen Yingjia Fashion Co., Ltd. ("Yingjia Fashion") (深圳市赢家服飾有限公司) is 53% and 47% owned by Ms. Chen Lingmei and Mr. Jin Jingquan respectively. Mr. Jin Rui is a director of the Company.

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 from 1 January 2025 to 31 December 2027. The VAT-inclusive processing fees incurred to the Yingjia Fashion Group amounted to RMB368,843,000 (2024: RMB405,138,000) for the year ended 31 December 2025.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 33. RELATED PARTY TRANSACTIONS (Continued)

#### (b) Outstanding balances with related parties

	Due to related parties	
	2025 RMB'000	2024 RMB'000
Current		
Yingjia Fashion Group	183,509	75,282

The Group had an outstanding balance due to the Yingjia Fashion Group of RMB183,509,000 (2024: RMB75,282,000). This balance is unsecured, interest-free and repayable on demand.

#### (c) Compensation of key management personnel of the Group

	2025 RMB'000	2024 RMB'000
Short-term employee benefits	14,254	12,115
Pension scheme contributions	187	135
Equity-settled share award expense	–	12,945
	14,441	25,195

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:

2025

#### Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost		Total RMB'000
	Held for trading RMB'000			
Trade receivables	–	716,170		716,170
Financial assets included in prepayments, other receivables and other assets (note 22)	–	144,607		144,607
Financial assets at fair value through profit or loss	651,345	–		651,345
Cash and cash equivalents	–	437,932		437,932
	<u>651,345</u>	<u>1,298,709</u>		<u>1,950,054</u>

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 34. FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

2024

#### Financial assets

	Financial assets at fair value through profit or loss		Total RMB'000
	Held for trading RMB'000	Financial assets at amortised cost 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
	<u>564,900</u>	<u>1,248,922</u>	<u>1,813,822</u>

#### Financial liabilities

	Financial liabilities at amortised cost	
	2025 RMB'000	2024 RMB'000
Trade and bills payables	343,068	306,398
Financial liabilities included in other payables and accruals (note 26)	249,345	160,538
Other long-term liabilities	3,000	3,000
Lease liabilities	954,045	792,658
Interest-bearing bank borrowings	420,000	524,068
	<u>1,969,458</u>	<u>1,786,662</u>

### 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	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	651,345	564,900	651,345	564,900

	Carrying amounts		Fair values	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
<b>Financial liabilities</b>				
Interest-bearing bank borrowings	420,000	524,068	420,000	524,068
Other long-term liabilities	3,000	3,000	3,000	3,000
	423,000	527,068	423,000	527,068

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.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 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 unlisted equity investments are based on a recent transaction.

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 2025**

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss	212,167	399,178	40,000	651,345

### 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 2024**

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss	235,430	329,470	–	564,900

**The movements in fair value measurements within Level 3 during the year are as follows:**

	2025 RMB'000	2024 RMB'000
Financial assets at fair value through profit or loss		
At 1 January	–	–
Additions	40,000	–
At 31 December	40,000	–

#### *Liabilities measured at fair value*

The Group did not have any financial liabilities measured at fair value as at 31 December 2025 (2024: 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 (2024: Nil).

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 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.

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 2025**

	12-month ECLs	Lifetime ECLs			Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Trade and bills receivables*	–	–	–	686,093	686,093
Financial assets included in prepayments, other receivables and other assets					
– Normal**	144,607	–	–	–	144,607
Cash and cash equivalents					
– Not yet past due	437,932	–	–	–	437,932
	<u>582,539</u>	<u>–</u>	<u>–</u>	<u>686,093</u>	<u>1,268,632</u>

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

#### Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

As at 31 December 2024

	12-month ECLs		Lifetime ECLs		Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach 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
	<u>512,642</u>	<u>-</u>	<u>-</u>	<u>715,210</u>	<u>1,227,852</u>

\* 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.

	2025			Total RMB'000
	Within 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	
Lease liabilities	688,680	685,202	–	1,373,882
Interest-bearing bank borrowings	421,568	–	–	421,568
Trade and bills payables	343,068	–	–	343,068
Other long-term liabilities	–	3,000	–	3,000
Financial liabilities included in other payables and accruals	249,345	–	–	249,345
	<u>1,702,661</u>	<u>688,202</u>	<u>–</u>	<u>2,390,863</u>

	2024			Total RMB'000
	Within 1 year RMB'000	1 to 5 years RMB'000	Over 5 years 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
	<u>1,445,104</u>	<u>453,543</u>	<u>12,791</u>	<u>1,911,438</u>

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 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 2025 and 31 December 2024.

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:

	2025 RMB'000	2024 RMB'000
Interest-bearing bank borrowings	420,000	524,068
Total equity	4,617,620	4,499,053
Gearing ratio	9.10%	11.65%

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 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:

	2025 RMB'000	2024 RMB'000
<b>NON-CURRENT ASSETS</b>		
Investments in a subsidiary	2,557,465	2,622,024
<b>Total non-current assets</b>	<b>2,557,465</b>	<b>2,622,024</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	1,085	1,370
Prepayments, other receivables and other assets	7,906	34,275
<b>Total current assets</b>	<b>8,991</b>	<b>35,645</b>
<b>CURRENT LIABILITIES</b>		
Other payables and accruals	2,159,198	1,943,869
Interest-bearing bank borrowings	100,000	95,914
<b>Total current liabilities</b>	<b>2,259,198</b>	<b>2,039,783</b>
<b>NET CURRENT LIABILITIES</b>	<b>(2,250,207)</b>	<b>(2,004,138)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>307,258</b>	<b>617,886</b>
<b>Net assets</b>	<b>307,258</b>	<b>617,886</b>
<b>EQUITY</b>		
Share capital	5,808	5,766
Shares held for share award schemes (note)	(314,924)	(235,685)
Reserves (note)	616,374	847,805
	<b>307,258</b>	<b>617,886</b>

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 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	Shares held for the Share Award Schemes RMB'000	Exchange reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 31 December 2024	2,035,319	196	149,397	(235,685)	84,926	(1,422,033)	612,120
Loss for the year	-	-	-	-	-	(12,732)	(12,732)
Other comprehensive income for the year:							
Exchange differences on translation of financial statements	-	-	-	-	(12,140)	-	(12,140)
Total comprehensive income for the year	-	-	-	-	(12,140)	(12,732)	(24,872)
Repurchase shares under share award scheme	-	-	-	(79,239)	-	-	(79,239)
Share placement	27,266	-	-	-	-	-	27,266
Final 2024 dividend declared	(233,825)	-	-	-	-	-	(233,825)
At 31 December 2025	1,828,760	196	149,397	(314,924)	72,786	(1,434,765)	301,450

	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

### 38. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 27 March 2026.