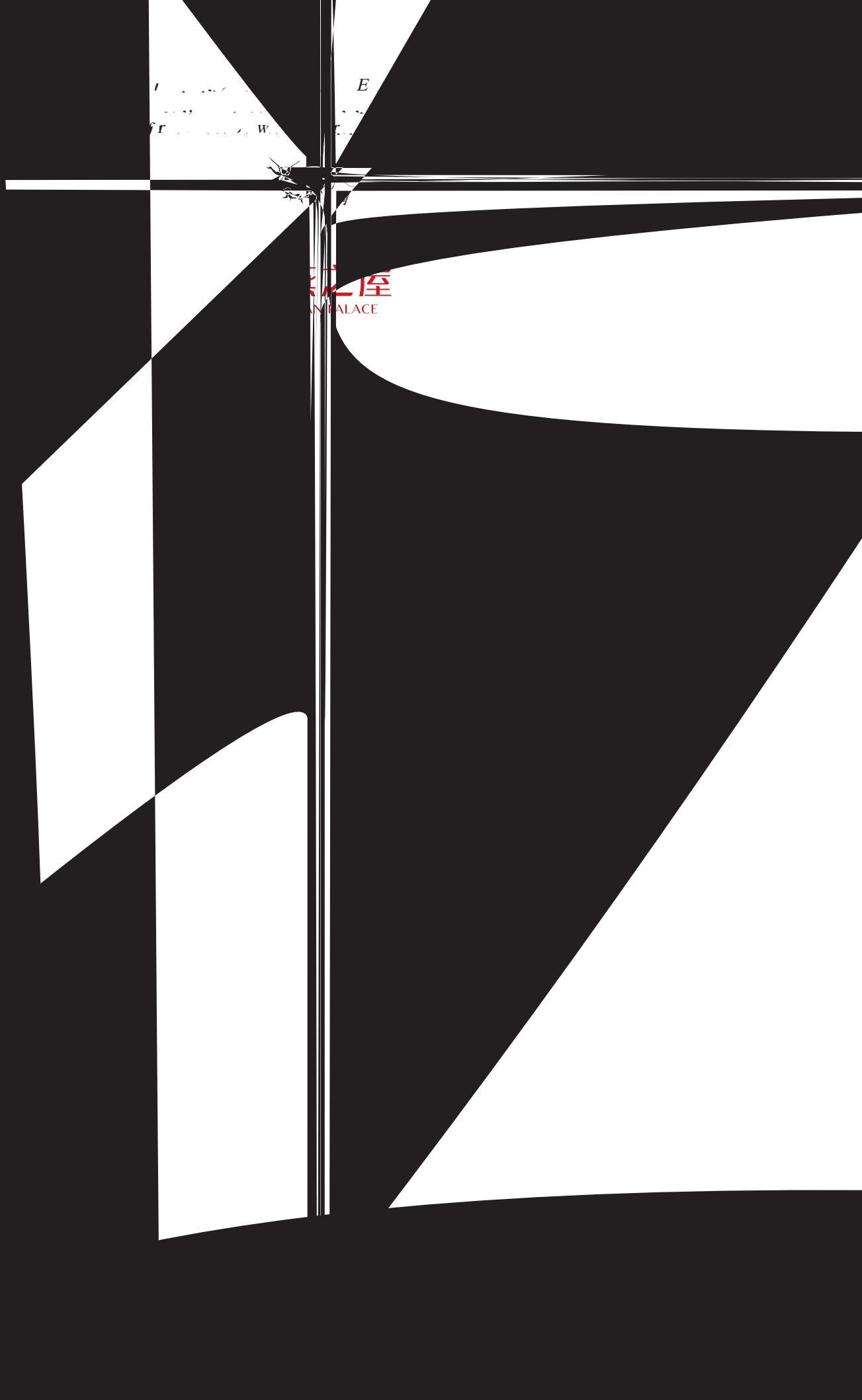


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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024

(Expressed in RMB)

	2024 <i>RMB'000</i>	2023 <i>B'000</i>
Profit for the year	160,430	211,588
Other comprehensive income for the year (after tax and reclassification adjustments)		
Items that will be reclassified to profit or loss:		
Exchange differences on translation of foreign operations (FNCI) (net of tax effect)	13,933	-
Items that will not be reclassified to profit or loss:		
Employee benefit expenses (net of tax effect)	(13)	-
Other comprehensive income for the year	13,920	-
Total comprehensive income for the year	174,350	211,588
Attributable to:		
Equity holders of the Company	170,221	201,218
Non-controlling interests	4,129	10,370
Total comprehensive income for the year	174,350	211,588

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(Expressed in RMB)

	2024 <i>RMB'000</i>	2023 <i>B'000</i>
Non-current assets		
Property, plant and equipment	282,421	189,972
Intangible assets	1,982	1,280
Goodwill	77,165	75,165
Equity-accounted investments, FCI	35,948	-
Financial assets at fair value through profit or loss (FVTPL)	991	-
Deferred tax assets	51,227	34,371
Other non-current assets	23,365	14,698
	<u>473,099</u>	<u>315,486</u>
Current assets		
Inventory	353,198	360,362
Prepaid expenses and other receivables	163,656	120,297
Other receivables	75,996	118,168
Financial assets at fair value through profit or loss (FVTPL)	157	10,513
Other financial assets	-	8,074
Contract assets	420,508	537,093
	<u>1,013,515</u>	<u>1,154,507</u>
Current liabilities		
Accounts payable	271,050	260,107
Contract liabilities	254,075	225,303
Other payables	32,348	28,381
Contract liabilities	25,267	26,391
Contract liabilities	28,732	19,938
	<u>611,472</u>	<u>560,120</u>
Net current assets	<u>402,043</u>	<u>594,387</u>
Total assets less current liabilities	<u>875,142</u>	<u>909,873</u>
Non-current liabilities		
Deferred tax liabilities	105,048	111,287
Deferred tax liabilities	1,850	1,659
	<u>106,898</u>	<u>112,946</u>
NET ASSETS	<u>768,244</u>	<u>796,927</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2024
(Expressed in RMB)

		2024 RMB'000	2023 RMB'000
CAPITAL AND RESERVES			
Share capital	9()	93,100	93,100
Reserves		652,642	676,571
Total equity attributable to equity shareholders of the Company		745,742	769,671
Non-controlling interests		22,502	27,256
TOTAL EQUITY		768,244	796,927

(b) Segment reporting

Our Group's revenue is derived from the sale of products. In 2024, our revenue was primarily derived from the sale of products to our customers. Our Group's revenue is primarily derived from the sale of products to our customers. Our Group's revenue is primarily derived from the sale of products to our customers.

Direct sales to online customers

Direct sales to offline customers

Sales to offline distributors

Direct sales to E-commerce platforms

Sales to online distributors

(c) Revenue

For the year ended 31 December 2024, our revenue was primarily derived from the sale of products to our customers. Our Group's revenue is primarily derived from the sale of products to our customers.

Our Group's revenue is primarily derived from the sale of products to our customers. Our Group's revenue is primarily derived from the sale of products to our customers. Our Group's revenue is primarily derived from the sale of products to our customers.

Our Group's revenue is primarily derived from the sale of products to our customers. Our Group's revenue is primarily derived from the sale of products to our customers. Our Group's revenue is primarily derived from the sale of products to our customers.

For the year ended 31 December 2024, our revenue was primarily derived from the sale of products to our customers. Our Group's revenue is primarily derived from the sale of products to our customers.

	2024					Total RMB'000
	Direct sales to online customers RMB'000	Direct sales to offline customers RMB'000	Sales to offline distributors RMB'000	Direct sales to E-commerce platforms RMB'000	Sales to online distributors RMB'000	
Revenue	911,729	321,796	486,074	294,612	35,789	2,050,000
Group revenue	409,911	213,980	235,955	139,819	13,097	1,012,762

2023

	D.r. r. B'000	D.r. r. B'000	D.r. r. B'000	D.r. E-... r. B'000	D.r. r. B'000	D.r. r. B'000
...	<u>824,397</u>	<u>351,170</u>	<u>509,035</u>	<u>262,886</u>	<u>16,749</u>	<u>1,964,237</u>
Gr. ... r. f.	<u>370,891</u>	<u>234,178</u>	<u>250,434</u>	<u>132,386</u>	<u>7,027</u>	<u>994,916</u>
(.) ...						

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5 Income tax in the consolidated statement of profit or loss

(a) Taxation in the consolidated statement of profit or loss represents:

	2024 RMB'000	2023 B'000
Current tax		
Current tax expense (income)	66,602	60,307
/(credit) expense	890	(52)
	67,492	60,255
Deferred tax		
Deferred tax expense	(21,309)	1,483
	46,183	61,738

(i) Income tax was recognized in the consolidated statement of CI. Current tax expense, deferred tax expense, and deferred tax credit were recorded in the consolidated statement of CI. The effective tax rate for 2024 was 15% compared to 15% for 2023.

As reported in the consolidated statement of CI, income tax expense was recorded in the consolidated statement of CI. The effective tax rate for 2024 was 20% compared to 20% for 2023. As reported in the consolidated statement of CI, income tax expense was recorded in the consolidated statement of CI. The effective tax rate for 2024 was 25% compared to 25% for 2023.

As reported in the consolidated statement of CI, income tax expense was recorded in the consolidated statement of CI. The effective tax rate for 2024 was 100% compared to 100% for 2023.

(ii) As reported in the consolidated statement of CI, income tax expense was recorded in the consolidated statement of CI. The effective tax rate for 2024 was 3% compared to 3% for 2023. As reported in the consolidated statement of CI, income tax expense was recorded in the consolidated statement of CI. The effective tax rate for 2024 was 2% compared to 2% for 2023.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2024 RMB'000	2023 B'000
Profit before tax	206,613	273,326
▼ Tax expense		
Income tax expense	51,036	68,332
Deferred tax expense	2,822	4,274
Deferred tax income	(419)	-
Deferred tax expense/(income) from discontinued operations	(5,300)	(4,584)
Share of tax expense/(income) from associates and joint ventures	(9)	(159)
Other tax expense	2,172	79
Other tax income	(5,009)	(6,152)
Other/(other) tax expense/(income)	890	(52)
Accounting profit	46,183	61,738

6 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period.

(i) Profit attributable to owners of the Company

	2024 RMB'000	2023 B'000
Profit attributable to owners of the Company	156,295	201,218
Adjustment for profit attributable to non-controlling interests	-	(3,733)
Profit attributable to owners of the Company	156,295	197,485

(a) *Adjusted earnings per share*

	2024 '000	2023 '000
Profit attributable to ordinary shareholders of the Company	465,500	86,700
Effect of the change in the H share premium (Note 9(c))	(4,488)	-
Effect of the change in the tax on dividends	-	(8,075)
Effect of the change in the tax on interest	-	346,800
Effect of the change in the tax on other income	-	1,753
Adjusted earnings per share at 31 December	461,012	427,178

(b) *Diluted earnings per share*

For the period 31 December 2024, the effect of the change in the H share premium and the effect of the change in the tax on dividends and interest were immaterial. Consequently, the diluted earnings per share for the period ended 31 December 2024 are the same as the adjusted earnings per share.

For the period 31 December 2023, the effect of the change in the H share premium, the effect of the change in the tax on dividends and interest were immaterial. Consequently, the diluted earnings per share for the period ended 31 December 2023 are the same as the adjusted earnings per share.

7 **Trade and other receivables**

	2024 RMB'000	2023 B'000
Trade receivables	92,367	83,298
Due from related parties	4,102	13,735
Accounts receivable	1,900	1,800
Amounts receivable	36,496	19,603
Guaranteed bank deposits	27,026	-
Other receivables	1,765	1,861
	163,656	120,297

At 31 December 2024, the effect of the change in the H share premium and the effect of the change in the tax on dividends and interest were immaterial. Consequently, the diluted earnings per share for the period ended 31 December 2024 are the same as the adjusted earnings per share.

Ageing analysis

Accounts receivable are analysed as follows: 0-30 days (with related parties), 31-60 days (with related parties), 61-90 days (with related parties), 91-180 days (with related parties), 181-360 days (with related parties) and more than 360 days (with related parties).

	2024 RMB'000	2023 B'000
Current (0-30 days)	92,070	83,298
Less than 3 months	297	-
	92,367	83,298

Trade receivables with 30, 90 and 180 days of ageing are as follows:

8 Trade and other payables

	2024	2023
	<i>RMB'000</i>	<i>B'000</i>
Trade payables	66,895	

(a) *Dividends*

	2024 RMB'000	2023 RMB'000
Final dividend per share of RMB0.10 (2023: RMB0.10)	10,077	160,000
Final dividend in aggregate (RMB0.10 x 100,077,000 shares (2023: RMB0.10 x 160,000,000 shares))	100,077	160,000

(b) Share capital

	2024	2023
No. of shares ('000)	RMB'000	RMB'000
Authorized share capital	1,000,000	1,000,000
Issued and fully paid up share capital	1,000,000	1,000,000
Reserves	100,077	160,000
Total	2,000,077	2,160,000

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2024, the Group continued to focus on strengthening its brand management and enhancing its brand value. We implemented a series of brand management strategies, including the "Dual Ambassador Strategy" and the "Full-scenario Brand Communication" strategy. These strategies have effectively strengthened our brand influence and driven consumption. The Group's brand value has continued to grow, and we have established a strong brand image in the market.

1. Brand Management

In 2024, the Group continued to focus on strengthening its brand management and enhancing its brand value. We implemented a series of brand management strategies, including the "Dual Ambassador Strategy" and the "Full-scenario Brand Communication" strategy. These strategies have effectively strengthened our brand influence and driven consumption. The Group's brand value has continued to grow, and we have established a strong brand image in the market.

Dual Ambassador Strategy: Building Cross-generational Influence

The Company has implemented a "Dual Ambassador Strategy" to build cross-generational influence. This strategy involves collaborating with two different types of ambassadors to reach different age groups and enhance brand awareness.

In January 2024, the Group (鞏俐) continued to focus on strengthening its brand management and enhancing its brand value. We implemented a series of brand management strategies, including the "Dual Ambassador Strategy" and the "Full-scenario Brand Communication" strategy. These strategies have effectively strengthened our brand influence and driven consumption. The Group's brand value has continued to grow, and we have established a strong brand image in the market.

In 2024, the Group (王一博) continued to focus on strengthening its brand management and enhancing its brand value. We implemented a series of brand management strategies, including the "Dual Ambassador Strategy" and the "Full-scenario Brand Communication" strategy. These strategies have effectively strengthened our brand influence and driven consumption. The Group's brand value has continued to grow, and we have established a strong brand image in the market.

Full-scenario Brand Communication: Strengthening High-end Mindshare and Driving Consumption

The Company has implemented a "Full-scenario Brand Communication" strategy to strengthen high-end mindshare and drive consumption. This strategy involves comprehensive brand communication across various scenarios to enhance brand awareness and drive sales.

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EBN+ and +EBN Products

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4. Supply Chain Management

In 2024, the company's supply chain management strategy focuses on enhancing efficiency and reducing costs. Key initiatives include the implementation of AI-driven procurement systems, which are expected to reduce procurement costs by 360 basis points. Additionally, the company is investing in 30% of its supply chain infrastructure to improve resilience and reduce lead times. The company is also exploring new sourcing opportunities in emerging markets, particularly in the Asia-Pacific region, to diversify its supply base. The company's supply chain management strategy is supported by its strong relationships with key suppliers and its commitment to sustainable and ethical sourcing practices. The company's supply chain management strategy is also supported by its strong relationships with key suppliers and its commitment to sustainable and ethical sourcing practices.

The company's supply chain management strategy is supported by its strong relationships with key suppliers and its commitment to sustainable and ethical sourcing practices. The company is also exploring new sourcing opportunities in emerging markets, particularly in the Asia-Pacific region, to diversify its supply base. The company's supply chain management strategy is supported by its strong relationships with key suppliers and its commitment to sustainable and ethical sourcing practices. The company is also exploring new sourcing opportunities in emerging markets, particularly in the Asia-Pacific region, to diversify its supply base. The company's supply chain management strategy is supported by its strong relationships with key suppliers and its commitment to sustainable and ethical sourcing practices.

In 2024, the company's supply chain management strategy focuses on enhancing efficiency and reducing costs. Key initiatives include the implementation of AI-driven procurement systems, which are expected to reduce procurement costs by 23%. Additionally, the company is investing in 30% of its supply chain infrastructure to improve resilience and reduce lead times. The company is also exploring new sourcing opportunities in emerging markets, particularly in the Asia-Pacific region, to diversify its supply base. The company's supply chain management strategy is supported by its strong relationships with key suppliers and its commitment to sustainable and ethical sourcing practices.

Outlook

At the end of the year, the company's supply chain management strategy is expected to have a positive impact on its overall performance. The company's supply chain management strategy is supported by its strong relationships with key suppliers and its commitment to sustainable and ethical sourcing practices. The company is also exploring new sourcing opportunities in emerging markets, particularly in the Asia-Pacific region, to diversify its supply base. The company's supply chain management strategy is supported by its strong relationships with key suppliers and its commitment to sustainable and ethical sourcing practices.

FINANCIAL REVIEW

Our financial performance is reviewed in the following sections. We discuss our revenue, operating expenses, and other financial metrics.

Revenue

Our revenue for the year ended December 31, 2024 was RMB2,050.0 million, an increase of 4.37% from RMB1,964.2 million for the year ended December 31, 2023. The increase was primarily driven by the growth in our core business segments, which contributed RMB1,795.4 million in 2024 compared to RMB1,794.2 million in 2023. Additionally, our other business segments contributed RMB22.761 million in 2024, compared to RMB28.037 million in 2023.

	Year ended December 31,		2023	
	2024	%	RMB'000	%
Core Business	1,795,365	87.6	1,794,214	91.3
Other Business	231,874	11.3	141,986	7.2
Other Income (1)	22,761	1.1	28,037	1.5
Total	2,050,000	100.0	1,964,237	100.0

- (1) Other Income
- Core Business: Revenue for the year ended December 31, 2024 was RMB1,795.4 million, an increase of 0.06% from RMB1,794.2 million for the year ended December 31, 2023. The increase was primarily driven by the growth in our core business segments, which contributed RMB1,795.4 million in 2024 compared to RMB1,794.2 million in 2023. Additionally, our other business segments contributed RMB22.761 million in 2024, compared to RMB28.037 million in 2023.
 - Other Business: Revenue for the year ended December 31, 2024 was RMB231.9 million, an increase of 63.31% from RMB142.0 million for the year ended December 31, 2023. The increase was primarily driven by the growth in our other business segments, which contributed RMB231.9 million in 2024 compared to RMB142.0 million in 2023.
 - Other Income: Revenue for the year ended December 31, 2024 was RMB22.8 million, a decrease of 18.82% from RMB28.0 million for the year ended December 31, 2023. The decrease was primarily driven by the decline in our other income segments, which contributed RMB22.8 million in 2024 compared to RMB28.0 million in 2023.

Cost of sales

For the year ended December 31, 2023, the cost of sales was RMB1,037.2 million, which was RMB969.3 million for the year ended December 31, 2022, representing an increase of 7.01%.

For the year ended December 31, 2023, the gross profit margin was 50.65%, compared with 49.40% for the year ended December 31, 2022. The increase in gross profit margin was primarily due to the increase in the gross profit margin of the main product line.

Gross profit and gross profit margin

For the year ended December 31, 2023, the gross profit was RMB994.9 million, compared with RMB912.8 million for the year ended December 31, 2022, representing an increase of 8.94%. The gross profit margin was 50.65% for the year ended December 31, 2023, compared with 49.40% for the year ended December 31, 2022.

Selling and distribution expenses

For the year ended December 31, 2023, the selling and distribution expenses were RMB563.3 million, compared with RMB670.8 million for the year ended December 31, 2022, representing a decrease of 16.63%. The decrease in selling and distribution expenses was primarily due to the decrease in the selling and distribution expenses of the main product line. The selling and distribution expenses as a percentage of the net sales were 19.08% for the year ended December 31, 2023, compared with 21.12% for the year ended December 31, 2022.

Administrative expenses

For the year ended December 31, 2023, the administrative expenses were RMB159.5 million, compared with RMB139.3 million for the year ended December 31, 2022, representing an increase of 14.50%. The increase in administrative expenses was primarily due to the increase in the administrative expenses of the main product line. The administrative expenses as a percentage of the net sales were 6.32% for the year ended December 31, 2023, compared with 5.65% for the year ended December 31, 2022.

Operating profit

Future plans for material investments and capital assets

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Key financial ratios

As of/for the year ended
December 31,
2024 2023

Profitability ratios

Gross profit margin ⁽¹⁾	49.4%	50.7%
Operating profit margin ⁽²⁾	7.8%	10.8%
Net profit margin ⁽³⁾	20.5%	33.3%

Liquidity ratios

Current ratio ⁽⁴⁾	1.7x	2.1
Debt to capitalization ratio ⁽⁵⁾	17.0%	17.3%

(1) Gross profit margin is calculated as gross profit divided by net sales, expressed as a percentage. For 2024, gross profit margin was 49.4% (2023: 50.7%).

(2) Operating profit margin is calculated as operating profit divided by net sales, expressed as a percentage. For 2024, operating profit margin was 7.8% (2023: 10.8%).

(3) Net profit margin is calculated as net profit divided by net sales, expressed as a percentage. For 2024, net profit margin was 20.5% (2023: 33.3%).

(4) Current ratio is calculated as current assets divided by current liabilities.

(5) Debt to capitalization ratio is calculated as total debt divided by total debt plus total equity, expressed as a percentage. For 2024, debt to capitalization ratio was 17.0% (2023: 17.3%).

OTHER INFORMATION

Use of Proceeds

For the period from January 1, 2023 to December 31, 2023, the Company used proceeds from the offering of common stock to fund working capital, general corporate purposes, and the repayment of debt. The Company used \$256.46 million of proceeds from the offering of common stock to fund working capital, general corporate purposes, and the repayment of debt.

The Company used proceeds from the offering of common stock to fund working capital, general corporate purposes, and the repayment of debt. For the period from January 1, 2024 to December 31, 2024, the Company used \$256.46 million of proceeds from the offering of common stock to fund working capital, general corporate purposes, and the repayment of debt.

Sufficiency of Public Float

A. The Company's public float is sufficient to meet the requirements of Rule 3-05(b) of Regulation S-X under the Securities Act of 1933, as amended, and Rule 8.08(1) of the Exchange Act, as amended, for the period ending December 31, 2024.

Compliance with Corporate Governance Code

The Company's Board of Directors has reviewed the Company's compliance with the Corporate Governance Code for the period ending December 31, 2024.

For the period ending December 31, 2024, the Company is in compliance with the Corporate Governance Code.

Compliance with the Model Code for Securities Transactions by Directors

The Company's Board of Directors has reviewed the Company's compliance with the Model Code for Securities Transactions by Directors for the period ending December 31, 2024.

Review of Annual Results

A. The Company's Audit Committee (the "Audit Committee") has reviewed the Company's financial statements for the period ending December 31, 2024, and has concluded that the financial statements are presented fairly in all material aspects in accordance with the applicable accounting principles generally accepted in the United States of America.

A. The Company's Board of Directors has reviewed the Company's annual results for the period ending December 31, 2024, and has concluded that the Company's performance is satisfactory.

A. The Company's Board of Directors has reviewed the Company's annual results for the period ending December 31, 2024, and has concluded that the Company's performance is satisfactory.

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