POU SHENG INTERNATIONAL (HOLDINGS) LIMITED
寶 勝 國 際（控 股）有 限 公 司
(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)
(Stock Code 股份代號:3813)

ANNUAL REPORT
年報
2024

胜道 YY SPORTS

YY 胜道体育 SPORTS

MAKE SPORTS YOUR LIFE

OUR VISION

Make sports your life!

OUR MISSION

Discover your persistent passion for sports by providing convenient and fun sports experiences via unique channels full of quality services and products you can access everyday.

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CORPORATE OVERVIEW


5 kg

CORPORATE OVERVIEW

THE GROUP'S FINANCIAL HIGHLIGHTS

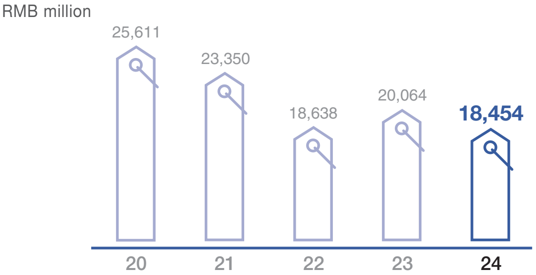
Financial performance	For the year ended December 31, 2024 RMB'000	2023 RMB'000	Change
Revenue	18,453,923	20,064,497	-8.0%
Gross profit	6,308,950	6,755,980	-6.6%
Operating profit	709,226	735,861	-3.6%
Profit attributable to owners of the Company	491,497	490,425	0.2%
Gross profit margin *(%)*	34.2%	33.7%	0.5 ppt
Operating profit margin *(%)*	3.8%	3.7%	0.1 ppt
Basic earnings per share *(RMB cents)*	9.48	9.47	0.1%
Dividend per share			
Interim dividend, paid *(HK$)*	0.02	0.0185	8.1%
Special dividend, paid *(HK$)*	0.02	–	N/A
Final dividend, proposed *(HK$)*	0.01	0.0120	-16.7%
Special dividend, proposed *(HK$)*	0.01	–	N/A

Financial position	As at December 31, 2024 RMB'000	2023 RMB'000	Change
Inventories	4,946,314	4,704,713	5.1%
Trade and other receivables	2,124,515	2,101,577	1.1%
Cash and cash equivalents	1,419,052	1,827,563	-22.4%
Bank borrowings	39,273	39,202	0.2%

KEY SHAREHOLDER VALUE INDICES

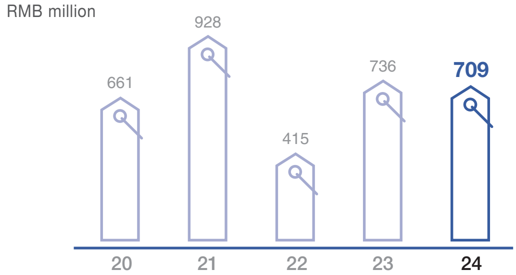
Revenue

RMB million



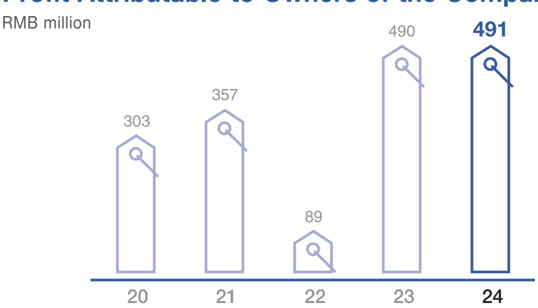
Operating Profit

RMB million



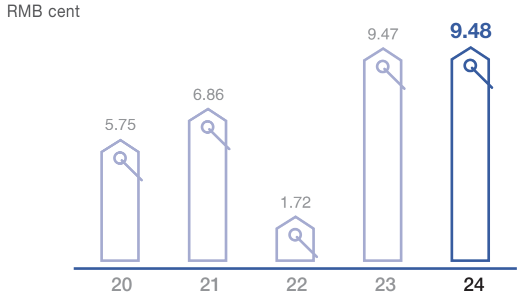
Profit Attributable to Owners of the Company

RMB million



Basic Earnings Per Share

RMB cent



CORPORATE INFORMATION

(As of March 11, 2025)

DIRECTORS

Executive Directors

Yu Huan-Chang (Chairman)
Hu, Chia-Ho
Chen, Li-Chieh (Chief Financial Officer)

Non-executive Directors

Tsai Patty, Pei Chun
Li I-nan

Independent Non-executive Directors

Chen, Huan-Chung
Feng Lei Ming
Liu, Hsi-Liang

AUDIT COMMITTEE

Chen, Huan-Chung (Chairman)
Tsai Patty, Pei Chun
Feng Lei Ming

REMUNERATION COMMITTEE

Liu, Hsi-Liang (Chairman)
Chen, Huan-Chung
Li I-nan

NOMINATION COMMITTEE

Feng Lei Ming (Chairman)
Chen, Huan-Chung
Hu, Chia-Ho

DISCLOSURE COMMITTEE

Yu Huan-Chang (Chairman)
Hu, Chia-Ho
Chen, Li-Chieh

AUTHORISED REPRESENTATIVES

Yu Huan-Chang
Yip Wing Ming

CHIEF EXECUTIVE OFFICER

Wang Jun

COMPANY SECRETARY

Yip Wing Ming

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS

22nd Floor, C-Bons International Center
108 Wai Yip Street, Kwun Tong
Kowloon, Hong Kong

INDEPENDENT AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Investor Services
(Bermuda) Limited
5 Reid Street, PO Box HM 1475
Hamilton HM FX
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor
Services Limited
Shops 1712-1716, 17th Floor Hopewell Centre
183 Queen's Road East Wanchai
Hong Kong

PRINCIPAL BANKERS

Australia and New Zealand Bank (China)
Company Limited
Australia and New Zealand Banking Group
Limited
Citibank (China) Co., Limited
Industrial and Commercial Bank of China Limited
Mizuho Bank (China), Limited
Mizuho Bank, Limited
Standard Chartered Bank (China) Limited
Standard Chartered Bank (Hong Kong) Limited
Standard Chartered Bank (Taiwan) Limited
Taipei Fubon Commercial Bank Company Limited
Taishin International Bank Company Limited
United Overseas Bank Limited

WEBSITE

www.pousheng.com

STOCK CODE

3813


胜道体育
SPORTS

CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to present the annual results of Pou Sheng International (Holdings) Limited (the "Company" and together with its subsidiaries, the "Group") for the financial year ended December 31, 2024, to the shareholders of the Company (the "Shareholders").

2024 was a challenging year for the Group, and indeed, for many retailers across mainland China. While remaining optimistic about the long-term growth opportunities within the sports industry, the current challenges in short-term macroeconomic growth momentum have led to weakened consumer confidence. We faced a highly mixed consumption landscape and intense competition from markdowns and promotions, resulting in reduced footfall and sales, particularly within our physical retail channels, which posed certain challenges to our operations.

Despite these challenges, we sustained our profitability and improved our margins by prioritising digital transformation, operational excellence, store-level efficiency enhancement, and channel mix optimisation. We also successfully managed discount levels across all channels while continually improving inventory days through dynamic inventory management and inventory integration programmes with brand partners, amidst a promotional landscape. We are immensely proud of this achievement in the current retail environment.

Meanwhile, we further advanced our digital capabilities by adopting an online multi-storefront model across our omni-channels public traffic domain. This effort was complemented by continued improvements to our private channel domain, which is spearheaded by our customised and customer-focused Pan-WeChat Ecosphere, which includes content-rich WeChat stores and live-streaming on Douyin by our Key Opinion Staff, alongside a fully integrated inventory within Douyin live-streams. It also includes our YYsports Douyin stores, which are Douyin accounts authorised by selected brand partners. Our fast-growing and maturing online ecosystem has evolved into a high-quality source of revenue by seamlessly integrating our offline presence with the online community. It has also promoted better conversion rates, shorter sales cycles and more full-price in-season sales – all while maintaining a human touch.

We also made great strides in optimising the mix of our physical stores and diversifying our business portfolio in ways that expand our presence in different sports categories, product segments and city tiers. These include the opening of new mono-brand stores for Crocs, Saucony, Pony 1972, and the Korean yoga brand XEXYMIX. Additionally, we expanded Jack Wolfskin in the outdoor vertical segment and introduced the new brand Dynafit, effectively targeting segmented consumption patterns. We also developed channels for high-quality and value-for-money merchandise through our new one-stop shop YYQUALITY multi-brand outlet store concept. These efforts tie in closely with the continued right-sizing of our physical directly-operated store network and the strengthening of our partnerships with sub-distributors for effective penetration into lower-tier cities.

In 2024, we strengthened our operational excellence through the further upgrade and optimisation of our enterprise resource planning ("ERP") system, which continually enhancing the quality of our strategic decision-making at the management level. Additionally, we are utilising digital empowerment tools, such as artificial intelligence shift scheduling within our stores, to further improve our daily operational efficiency.

CHAIRMAN’S STATEMENT

Our holistic and disciplined approach to channel planning and management, coupled with our solid profitability and cash management, preserved our financial strength. The Board has recommended a final dividend of HK$0.01 per share and a special dividend of HK$0.01 per share. Together with the interim ordinary and special dividends of HK$0.04 per share paid during the year, our total full-year dividend will amount to HK$0.06 per share, achieving a payout ratio of 60%. Both the dividend amount and payout ratio have doubled compared to previous year, further demonstrating our commitment to enhancing shareholder returns.

Looking ahead, 2025 is likely to be another challenging year. Our strategic priorities will center on balancing sales momentum and profitability by further advancing our digital and solid channel strategies, enhancing our business portfolio, and strengthening our strategic partnerships with brand partners to drive quality sales and foster a virtuous inventory cycle.

Despite recent shifts in consumer patterns, the long-term demand for sports goods and services across the Greater China region remains highly promising. According to the China Outdoor Sports Industry Development Report (2023-2024)《中國戶外運動產業發展報告(2023-2024)》commissioned by the General Administration of Sport of China, the average annual consumption of outdoor sports enthusiasts on outdoor activities remained at a high level in the 2023-2024 period. Furthermore, more than ten provinces, autonomous regions and municipalities, including provinces such as Yunnan, Hubei and Sichuan, where with significant growth potential, have developed and issued outdoor sports industry development plans, providing additional policy support for the growth of the domestic sports industry. Looking forward, capturing opportunities in segmented markets and diversifying our portfolio are essential for appealing to consumer trends and capturing business opportunities.

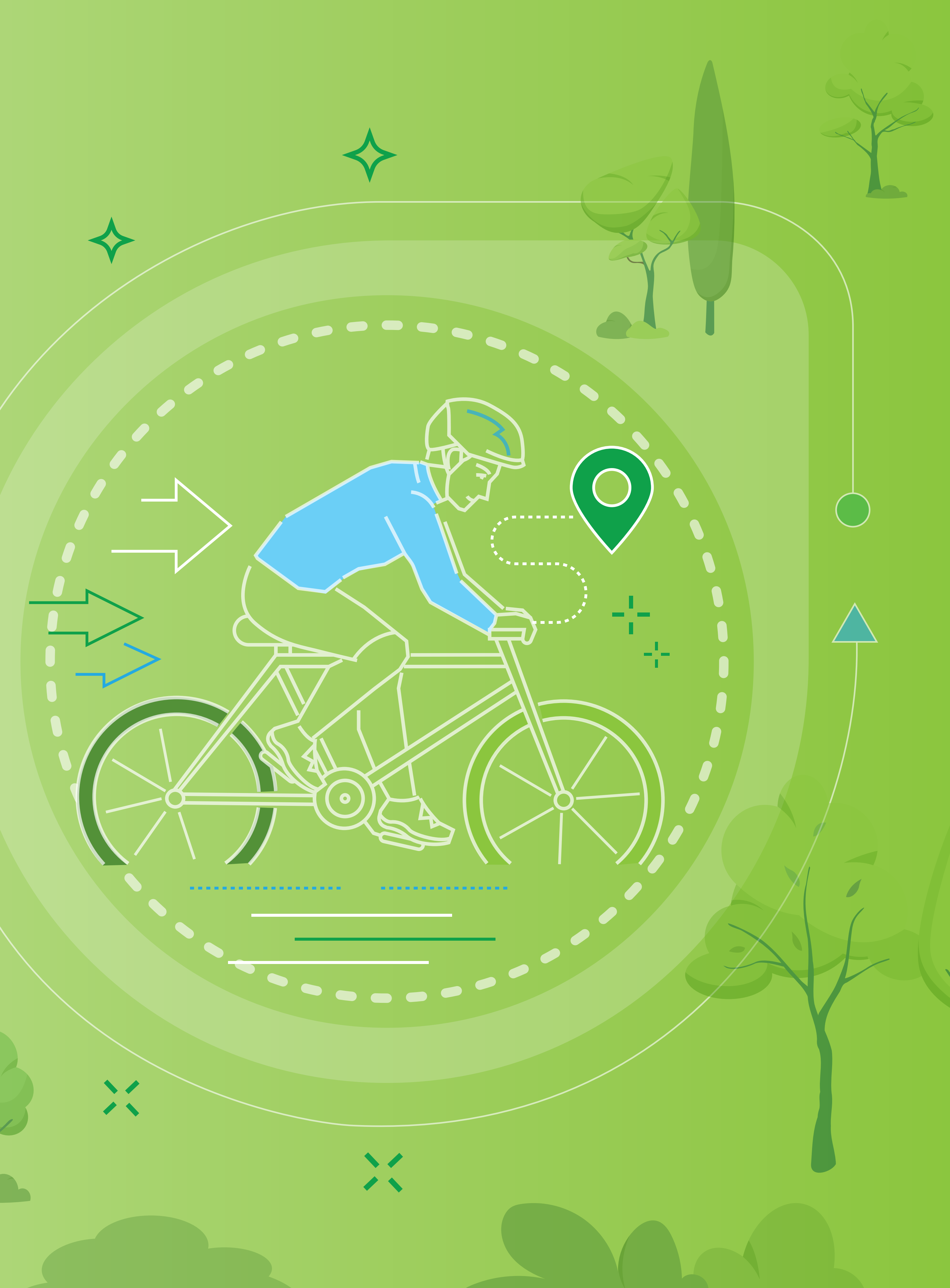
Millennials continue to make up the vast majority of sports enthusiasts, having laid an indispensable and core foundation for the long-term prosperity of sports industry, while Generation Z is posed to become an important force in future sports consumption. We will always be here to cater to the personalised needs of our consumers, providing memorable shopping experiences by leveraging our experience-driven physical stores, digital capabilities, and multi-faceted operation matrix, and by further deepening our links and cooperation with our brand partners, in line with our vision of “Make Sports Your Life”.

On behalf of the Group, I extend our heartfelt gratitude to our customers, business partners, financial institutions, shareholders and our dedicated colleagues for their unwavering support, trust and efforts. We are excited about the promising years ahead and remain committed to delivering sustainable growth and quality returns to our shareholders.

Yu Huan-Chang
Chairman

Hong Kong
March 11, 2025

MANAGEMENT DISCUSSION AND ANALYSIS



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Business Model and Environment

Business Environment

In 2024, the Group experienced subdued sales momentum with weak foot traffic across various cities in mainland China, amidst a mixed sportswear consumption landscape. Slower macro consumption led to intensifying competition, with the performance of the footwear and apparel retail sector lagging behind overall consumer spending in mainland China. According to the National Bureau of Statistics of China, the retail sales of garments, footwear, hats, knitwear in 2024 rose 0.3% year-on-year, compared to a 3.5% increase in total retail sales.

Amidst volatile foot traffic, the Group continuously improved sales conversion rates within its directly operated brick and mortar ("B&M") network, as it further progressed its retail refinement strategy and dynamically managed its store portfolio, optimising store-level productivity and efficiency. At the same time, the Group's omni-channel sales remained resilient, despite the high competitiveness of e-commerce in mainland China, as it leveraged its continuously improving omni-channel capabilities while maintaining a high degree of agility and flexibility in its decision-making processes. Notably, the performance of the Group's B2C public and private traffic domain was satisfactory, with Douyin livestreaming sales experiencing a two-fold increase, partly offsetting the pressure on its offline retail channels.

Amid a dynamic and promotional retail environment, the Group safeguarded its profitability and margins through its diversified channel mix, enhanced digital capabilities, well-managed discount controls, effective inventory management and stringent expense controls. The Group participated in shopping festival promotion events on selected platforms while strengthening its product selection and allocation efficiency. At the same time, the Group continued to focus on improving conversion rates and in-season full-price sales, while deepening its engagement with and services provided to consumers. The Group also intensified and expanded its collaboration with brand and platform partners in ways that prioritised healthier sales, enhanced its membership programmes and inventory integration, and broadened its appeal to a wider consumer base, further demonstrating its agile retailing operational capabilities.

Hybrid Channel Management – B&M

The sales momentum of the Group's B&M network was impacted by a nearly 30% year-on-year footfall reduction amid the changing economic environment. However, improved in-store transaction rates within its B&M network were weighed down by soft same-store sales growth.

Additionally, the Group diversified its geographic footprint through its strategic partnerships with sub-distributors, allowing for a more balanced sales distribution across different city tiers. It continued to penetrate lower-tier cities with the support of sub-distributors, which mitigated certain downward pressure on foot traffic experienced in higher-tier cities throughout the year.

During the year, the Group continued to progress its retail refinement strategy of selectively rightsizing or upgrading stores, streamlining operations, improving cost competitiveness and people efficiency, while boosting store-level productivity. It continued to adopt a holistic view towards new store openings: optimising total investment return by prioritising geographic regions that demonstrate an outstanding operating track record and convincing potential and new stores only being opened following a thorough assessment that prioritises margins and business quality. As of December 31, 2024, the Group directly operated 3,448 stores across the Greater China region.

Movement of directly operated stores during the year ended:

	December 31, 2024	December 31, 2023
At the beginning of the year	**3,523**	4,093
Net decrease	**(75)**	(570)
At the end of the year	**3,448**	3,523

B&M retail channels remain a critical and irreplaceable sales touchpoint for consumers in the Greater China region who want to discover new products and experience a unique, personalised and seamless shopping experience for sports products and services. Throughout 2024, the Group continued to optimise its store formats and enhance its digital capabilities by integrating its Pan-WeChat Ecosphere, membership programmes and other digital services and tools into its B&M network, which, in turn, enriched the consumer experience despite the dynamic consumption landscape. It also continued to implement efficiency enhancement projects to encourage better store entry and transaction rates, repeat purchases and higher-margin in-season sales within its offline network.

Hybrid Channel Management – Omni-channels

The Group's omni-channels include its higher-margin private traffic domain known as the Pan-WeChat Ecosphere. This ecosystem encompasses various platforms, including WeChat stores, Douyin live-streaming shopping events, and shopping mall membership platforms. The Group's other omni-channels include its operations located at public traffic domains, such as Tmall, JD, Vipshop, and other B2B channels which facilitate the clearance of slow-moving merchandise and support cash conversion efficiency.

The Group's online sales momentum, driven by its public traffic domain's online multi-storefront model and Pan-WeChat Ecosphere, remained resilient and collectively contributed approximately 28% of total sales in 2024. This partly offset weak foot traffic within its B&M stores while supporting effective inventory management. The Group continued to strengthen its digital capabilities throughout the year, leveraging a differentiated and multi-faceted operation matrix to further deepen its engagement with diverse shopping groups and enhance operational efficiency.

The Pan-WeChat Ecosphere serves as an extension of the Group's B&M network, supporting conversion rates and contributing to offline direct retail sales while providing quality, personalised and comprehensive customer service with a human touch. The Group heightened the efficiency of its operations by further integrating its Douyin live-streams conducted by designated Key Opinion Staff and influencers, facilitating more localised operations by upgrading operations at both the regional and store levels, fully integrating its inventory across mainland China, and strengthening cooperation with brand partners. As a result, livestream sales increased by over 100% during the year. To achieve quality sales and more repeat purchases, the Group also continued to embed value-added services, diverse content, and member-exclusive benefits stemming from its integrated membership programmes with its brand partners into the Pan-WeChat Ecosphere.

Enhanced Strategic Alliance with Business Partners

The Group further deepened its strategic partnerships with its business partners in order to provide an impeccable and diverse shopping experience and consumer connectivity. Leveraging its YYsports WeChat Mini-Program and live-streaming across the Greater China region, the Group continued to boost its connected digital membership programmes while offering diversified content, interactive features and other related services, to support in-depth membership management and facilitate a premium and seamless online and offline consumer experience. The Group further supported membership growth and increased in-season sell-through by strengthening its membership programmes with brand partners and expanding integration and connectivity with brand-authorised Douyin accounts.

Moreover, the Group continued to reinforce its product-sharing platform ("PSP") and improve its efficiency in product allocation and logistics management, while enhancing its connected inventory programme with brand partners to efficiently share products and services across different platforms and channels to optimise its inventory mix and accelerate sales cycles.

Strengthened Operational Excellence with Digital Transformation

In 2024, the Group successfully completed the comprehensive upgrade of its ERP system, achieving a milestone in its core strategy: digital transformation for a brand-new future. Since officially launching its new SAP ERP system, the Group has continued to implement multiple SAP modules that integrate its business and finance functions, laying a solid foundation for strategic decision-making at the management level. The modules cover various functions, including data analytics, product management, sales management, financial operations, and budget monitoring. Through its fully integrated business intelligence platform, it is able to monitor its entire operations through digital cloud-based financial dashboards on a real-time basis. The Group continued to upgrade other digital tools and dashboards to drive its retail excellence, particularly in areas of real-time in-store efficiency, resource optimisation and membership services through digital empowerment.

PERFORMANCE ANALYSIS

Financial Review

In 2024, the Group recorded revenue of RMB18,453.9 million, representing a decrease of 8.0% compared with 2023. Gross profit was RMB6,308.9 million, representing a decrease of 6.6% compared with 2023. Profit attributable to owners of the Company in 2024 remained stable at RMB491.5 million, despite the pressure on its topline revenue.

Revenue

In 2024, the Group's total revenue decreased to RMB18,453.9 million amid an increasingly dynamic retail environment, with a nearly 30% drop in foot traffic and a substantial decrease in same-store sales hindering overall sales despite the resilient performance of its omni-channels.

	For the year ended December 31,		
	2024 RMB million	2023 RMB million	**Change**
Revenue	**18,453.9**	20,064.5	**-8.0%**
Cost of sales	**(12,145.0)**	(13,308.5)	**-8.7%**
Gross profit	**6,308.9**	6,756.0	**-6.6%**
Gross profit margin *(%)*	**34.2%**	33.7%	**0.5 ppt**

Gross Profit

The Group's gross profit in 2024 amounted to RMB6,308.9 million, with a gross profit margin of 34.2%, an increase of 0.5 percentage point year-on-year. The increase in gross profit margin was attributable to well-managed discount controls and effective inventory management, helping offset the impact of unfavourable channel mix.

MANAGEMENT DISCUSSION AND ANALYSIS

Selling & Distribution Expenses and Administrative Expenses

The Group's selling and distribution expenses in 2024 were RMB5,136.1 million (2023: RMB5,588.2 million), accounting for 27.8% of the Group's revenue (2023: 27.9%). Selling and distribution expenses primarily include concessionaire fees, depreciation of right-of-use assets in relation to stores, sales personnel salaries and commissions, other depreciation and amortisation charges, and other expenses that mainly include store operation expenses, property management fees, logistics expenses and other expenses.

Administrative expenses in 2024 were RMB751.6 million (2023: RMB751.7 million), accounting for 4.1% of the Group's revenue (2023: 3.7%). Administrative expenses primarily include management and administrative personnel salaries, depreciation and amortisation charges and other expenses.

The Group's selling and distribution expenses and administrative expenses in 2024 were RMB5,887.7 million, a decrease of 7.1% compared to 2023. This was equivalent to 31.9% of total revenue, with the savings accruing from the active management of rentals and people efficiency.

Operating Profit

The Group's operating profit in 2024 was RMB709.2 million, a decrease of 3.6%. Nevertheless, the Group's cost-reduction and efficiency-improvement efforts offset the impact of operating deleveraging and supported an operating margin of 3.8%, a mild expansion of 0.1 percentage point year-on-year.

Finance Income and Finance Costs

Finance income in 2024 was RMB50.0 million, compared to RMB37.6 million in 2023. Finance costs during the year decreased by 26.6% to RMB67.8 million, compared to RMB92.3 million in 2023. This reduction was mainly attributed to a decrease in interest expenses on lease liabilities, and a low overall debt level.

Profit for the Year

The Group's net profit for the year was RMB497.8 million, while profit attributable to owners of the Company was RMB491.5 million. The margin of profit attributable to owners of the Company was 2.7%, an expansion of 0.3 percentage point year-on-year.

Working Capital Efficiency

The average inventory turnover period for the year improved to 145 days (2023: 148 days). The year-end inventory aged over 12 months represented less than 8% of total inventory, reflecting the Group's successful efforts to maintain healthy inventory levels and enhance inventory efficiency. The balance of inventory as at December 31, 2024 was RMB4,946.3 million (December 31, 2023: RMB4,704.7 million). The average trade receivables turnover period was 19 days (2023: 17 days), which remained consistent with the credit terms of 30 to 60 days that the Group gives its department store counters and retail distributors. The average trade payables turnover period in 2024 was 34 days (2023: 28 days).

Liquidity and Financial Resources

As at December 31, 2024, the Group maintained a strong financial position, with bank balances and cash (which consist of bank deposits over three months and cash and cash equivalents) amounting to RMB2,703.4 million (December 31, 2023: RMB2,874.2 million) while working capital (current assets minus current liabilities) was RMB6,153.8 million (December 31, 2023: RMB6,011.3 million). Total bank borrowings were RMB39.3 million (December 31, 2023: RMB39.2 million). All bank borrowings are short-term in nature which are repayable within one year. Bank balances and cash and bank borrowings were mainly denominated in Renminbi. The Group's loans under a fixed rate arrangement made up approximately 100% (December 31, 2023: 100%) of total bank borrowings.

The Group's gearing ratio as of December 31, 2024, represented by total interest-bearing borrowings (excluding lease liabilities) as a percentage of total equity, was 0.4% (December 31, 2023: 0.5%). The net cash position (bank balances and cash minus bank borrowings) was RMB2,664.1 million (December 31, 2023: RMB2,835.0 million).

The net cash generated from operating activities in 2024 was RMB1,184.6 million. The Group believes its liquidity requirements will continue to be satisfied by the combination of capital generated from operating activities and future bank borrowings. The net cash used in investing activities in 2024 was RMB534.4 million, while the net cash used in financing activities was RMB1,060.2 million.

Capital Expenditure

The Group maintained its selective and prudent approach to capital expenditure planning, focused on areas including: strategic opening of new stores; ongoing upgrade of experience-driven B&M stores that offer a better shopping experience; store productivity improvements; and further roll-out of long-term digital transformation strategy, namely the optimisation of SAP ERP system. Total capital expenditure in 2024 increased to RMB371.4 million (2023: RMB344.2 million). As at December 31, 2024, the Group had no material contingent liabilities.

As at December 31, 2024, capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements was RMB17.0 million (December 31, 2023: RMB53.1 million). The Group also entered into new leases for several retail stores that have not yet commenced, with an average non-cancellable period ranging from 1 to 6 years (December 31, 2023: 1 to 3 years), with the total future undiscounted cash flows over the non-cancellable period amounting to RMB41.0 million (December 31, 2023: RMB5.7 million).

Foreign Exchange

The Group conducts its business primarily in the Greater China region and the majority of its transactions are denominated in Renminbi. As at December 31, 2024, the Group had no significant hedging financial instruments for managing its foreign exchange exposure. As the exchange rate of the Renminbi against foreign currencies may fluctuate, the Group may enter into forward contracts, currency swaps or options to hedge against currency risks arising from foreign currency transactions when necessary.

The Group has a dedicated treasury division and internal treasury policies and approval guidelines to manage and control the Group's exposure to structured deposit investments. The use of derivatives and approval procedures in 2024 was in accordance with the Group's internal policies and guidelines.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS AND FUTURE DEVELOPMENTS

In 2025, the Group will prioritise balancing sales momentum and margins within a retail environment expected to remain dynamic and challenging. This effort will be supported by the Group's unwavering commitment to operational excellence and its digital transformation strategy. It will also continue to enhance its business portfolio, diversify its channel mix, boost operational efficiency, uphold its strategic approach to dynamic inventory control, and effectively manage its working capital.

The Group will continue to implement its retail refinement strategy to offer a digitally-enabled and superior customer experience, while dynamically managing its B&M and omni-channel footprint. This includes the further expansion of its self-owned "YYQUALITY" stores – a new multi-brand outlet store concept that provides customers with an appealing option for quality good-value merchandise. By staying aligned with market trends and introducing innovative formats, the Group aims to further strengthen its competitive position and offer diverse shopping experiences.

In addition, the Group will continue to broaden and diversify its exposure to different sports product categories and segments by strengthening its vertical market operations, aiming to drive greater contributions from new brands. This includes advancing the roll-out of new mono-brand stores for Crocs, Saucony and Pony 1972, as well as expanding the reach of Jack Wolfskin and Dynafit to target growth opportunities in the outdoor market. The Group also aims to scale up the presence of popular Korean yoga brand XEXYMIX for which the Group is the sole distributor in mainland China through a multi-faceted online and offline operation matrix. The Group will maintain its agility in adapting to the evolving needs and preferences of consumers by expanding its public and private domains within its omni-channels to stay in tune with current trends. This includes enhancing product selection and stock building, integrating inventory within Douyin live-streams, adopting an online multi-storefront model, and employing a multifaceted approach namely Xiaohongshu "grass-planting" marketing initiatives and instant retail trends, further increasing online contribution and profitability.

The Group also remains committed to maximising its strategic partnerships with business associates. This includes reinforcing its commitment to inventory sharing and expanding its connected membership programmes with brand partners, which allows consumers to access the same premium member-exclusive products, offers and experiences available at the directly operated stores of these brands in the Greater China region. In addition, the Group will further expand its YYsports Douyin stores that cooperate with selected brands, which are authorised Douyin accounts that are quickly incubated by experienced team and create popular product assortments, establishing a high-quality revenue-generating channel.

At the same time, the Group will continue to enhance the integration and upgrade of SAP system by utilising its multi-functional modules to achieve the integration and optimisation of business and finance. Additionally, the Group will further leverage its recently upgraded business intelligence platforms, enabling the real-time monitoring of overall operations through digital cloud-based financial dashboards. It will also integrate other digital empowerment tools to improve its operational efficiency. Furthermore, the Group will continue to reinforce its in-season sell-through, off-season clearance and solid margins through its PSP, while pursuing a more agile procurement strategy and inventory management.

Despite the near-term macroeconomic challenges, the prospects for sports industry in the Greater China region remain bright, with mainland Chinese authorities remaining committed to high-quality sports development and boosting relevant consumption, with the industry set to grow to RMB5 trillion in value by 2025. Sportswear consumption growth will be further bolstered, particularly in the vertical and female segments, by the 2025 Asian Winter Games, 2025 World Athletics Indoor Championships and the 2025 World Games, set to be held in Harbin, Nanjing and Chengdu, respectively, as well as global flagship women's championship events like the 2025 UEFA Women's European Championships and the 2025 Women's Rugby World Cup. These trends will continue to drive the Group's sustainable growth momentum and strengthen its long-term operating performance and profitability.

HUMAN RESOURCES

As at December 31, 2024, the Group had approximately 20,000 employees in total. The Group provides competitive remuneration packages that are determined with reference to prevailing salary levels in the market and individual performance. The Company offers share awards to eligible employees in order to provide them with incentives and to recognise their contributions and ongoing efforts. In addition, the Group provides other fringe benefits, such as social insurance, mandatory provident funds, medical coverage and training programmes for employees based on their respective personal career development.

BIOGRAPHICAL DATA OF DIRECTORS, CHIEF EXECUTIVE AND SENIOR MANAGEMENT

BIOGRAPHICAL DATA OF DIRECTORS

Mr. YU Huan-Chang

YU Huan-Chang, aged 60, has been an Executive Director of the Company since September 2022. He is also the Chairman of the Company, the chairman of Disclosure Committee of the Board and a director of various subsidiaries of the Company. He holds an Executive Master Degree of Business Administration from China Europe International Business School (CEIBS) in Shanghai and a Master Degree of Business Administration from Fu Jen Catholic University. Mr. Yu was an executive director, the chief financial officer and a director of certain subsidiaries of Yue Yuen Industrial (Holdings) Limited ("Yue Yuen"), a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and a controlling shareholder of the Company from April 2020 to early September 2022; and was the head of strategy and investment department of Pou Chen Corporation ("PCC"), a company listed on the Taiwan Stock Exchange Corporation (the "TWSE") and a controlling shareholder of Yue Yuen, during November 2020 to early September 2022. In addition, he was a director of Elitegroup Computer Systems Co., Ltd. (a company listed on the TWSE) from April to July 2022. Before joining Yue Yuen, Mr. Yu was the chief financial officer of Castle Snack International (HK) Limited from 2015 to 2019. He also served as the head of the finance department of beverage division and the head of the investment management department of Tingyi (Cayman Islands) Holding Corp., a company listed on the Stock Exchange, from 2010 to 2015. From 2012 to 2013, Mr. Yu concurrently served as the chief financial officer and vice president of Pepsi (China) Investment Co., Ltd. From 2004 to 2010, he served as the chief financial officer, head of general administrative division and head of the global administrative center of ATEN International Co., Ltd., a company listed on the TWSE.

Mr. HU, Chia-Ho

HU, Chia-Ho, aged 56, has been an Executive Director of the Company and a member of the Nomination Committee and Disclosure Committee of the Board since July 2022. He graduated from the University of Wisconsin, Madison, the United States of America with a Master's Degree of Science. Mr. Hu was an executive director of Yue Yuen during the period from March 2015 to June 2022. He is also a director of certain subsidiaries of Yue Yuen. He joined PCC in 1997. He is a vice president of PCC and was the head of the human resources department and became the head of CEO office in April 2020 and the head of integrate applications department in October 2023. Mr. Hu has extensive experience in human resources management and business development. Yue Yuen and PCC, through its interest in Yue Yuen, are deemed to be interested in the shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO"). He was an executive director of Eagle Nice (International) Holdings Limited, a company listed on the Stock Exchange, from December 2020 to September 2024. Prior to joining PCC, Mr. Hu had worked at Citibank Taiwan and was responsible for corporate financing and the related businesses.

BIOGRAPHICAL DATA OF DIRECTORS, CHIEF EXECUTIVE AND SENIOR MANAGEMENT

BIOGRAPHICAL DATA OF DIRECTORS (Continued)

Mr. CHEN, Li-Chieh

CHEN, Li-Chieh, aged 49, has been an Executive Director and a member of the Disclosure Committee of the Board since September 2023. He is also the Chief Financial Officer of the Company, and a director of various subsidiaries and a supervisor of certain subsidiaries of the Company. Mr. Chen joined the Group and was in charge of the finance and taxation of Retail Business Unit in May 2020. He is also a director and supervisor of certain subsidiaries of Yue Yuen. Yue Yuen is interested in the shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO. He graduated from Tamkang University, Taiwan with a Bachelor's Degree in Accounting. Prior to joining the Group, Mr. Chen worked for PCC as the head of taxation department and head of financial department of Southern China Region during the period from February 2007 to February 2020. In addition, Mr. Chen worked at an international audit firm. He has over twenty years of extensive experience in auditing, taxation and financial management.

Ms. TSAI Patty, Pei Chun

TSAI Patty, Pei Chun, aged 45, has been a Non-executive Director of the Company since April 2008. She is also a member of the Audit Committee of the Board. Ms. Tsai graduated from the Wharton School of the University of Pennsylvania in the United States of America in May 2002 with a Bachelor of Science Degree in Economics with a concentration in Finance and a College Minor in Psychology. Ms. Tsai joined PCC in 2002. She has served as an executive director and the managing director of Yue Yuen since January 2005 and June 2013 respectively. She is responsible for the strategic planning and enterprise developments of Yue Yuen group. Ms. Tsai is also the chief executive officer of Pou Chen group, a director of PCC and Wealthplus Holdings Limited ("Wealthplus"). PCC, Wealthplus and Yue Yuen are deemed to have interests in the shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO. She was previously a board director of Mega Financial Holding Company Limited (shares of which are listed on the TWSE).

BIOGRAPHICAL DATA OF DIRECTORS, CHIEF EXECUTIVE AND SENIOR MANAGEMENT

BIOGRAPHICAL DATA OF DIRECTORS (Continued)

Mr. LI I-nan

LI I-nan, aged 83, has been a Non-executive Director of the Company since March 2013. He is also a member of the Remuneration Committee of the Board. Mr. Li holds a Bachelor and a Master of Arts Degree from National Chengchi University in Taiwan and a Master of Arts Degree from the University of Southern California in the United States of America, respectively. He is currently the chairman of the board of directors of Yue Yuen Education Foundation in which he has been involving in the planning and execution of various projects of the Foundation. Mr. Li has many years of experience in footwear business. He joined Yue Yuen group in 1992 and was responsible for the financial operations of Yue Yuen group, and was an executive director of Yue Yuen. Previously, Mr. Li was a non-executive director of Symphony Holdings Limited ("Symphony Holdings"), a publicly listed company in Hong Kong.

Mr. CHEN, Huan-Chung

CHEN, Huan-Chung, aged 69, has been an Independent Non-executive Director of the Company since April 2008. He is also the chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee of the Board. He received a Bachelor Degree from the Department of Industrial Management of National Taiwan University of Science and Technology (formerly known as National Taiwan Institute of Technology) in 1983. Mr. Chen is a partner of Wong Tong & Co., CPAs (萬通聯合會計師事務所), a certified public accountant in Taiwan and a certified securities investment analyst in Taiwan. Mr. Chen has been an independent director of PCC since June 2018. He is now also the convener of the audit committee, and a member of the nomination committee and the remuneration committee of PCC. He once was a supervisor of PCC. PCC is a controlling shareholder of Yue Yuen and through Yue Yuen, is deemed to have interests in the shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of part XV of the SFO. Mr. Chen worked as a deputy manager in E. Sun Bills Finance Corporation of Taiwan (台灣玉山票券金融(股)公司).

Mr. FENG Lei Ming

FENG Lei Ming, aged 67, has been an Independent Non-executive Director of the Company, a member of the Audit Committee since September 2018 and the chairman of the Nomination Committee of the Board since July 2022. He holds a Master of Business Administration Degree granted by the University of Memphis in Tennessee of the United States of America. Mr. Feng has extensive experience in the Hong Kong securities industry. He was a responsible officer of Ablelink Capital Limited, the managing director of Pro-Health (China) Co., Ltd., a director and the legal representative of Pro-Health (Beijing) Biotech Co., Ltd., a vice-president of Beijing Association of Taiwan Investment Enterprises and an independent non-executive director of Symphony Holdings.

BIOGRAPHICAL DATA OF DIRECTORS, CHIEF EXECUTIVE AND SENIOR MANAGEMENT

BIOGRAPHICAL DATA OF DIRECTORS (Continued)

Mr. LIU, Hsi-Liang

LIU, Hsi-Liang, also known as Freddie LIU, aged 60, has been an Independent Non-executive Director of the Company and the chairman of the Remuneration Committee of the Board since March 2022. He holds a Bachelor's Degree in Diplomacy from the National Chengchi University in Taiwan and a Master's Degree in Business Administration from the University of Michigan in the United States of America. He is currently a director, the corporate governance officer, a senior vice president and the chief strategy officer of TPK Holding Co., Ltd. ("TPK", shares of which are listed on the TWSE), a partner of Purestone Capital Group, an independent director and a member of the audit committee and remuneration committee of EDOM Technology Co., Ltd. (shares of which are listed on the TWSE), an independent director, a member of the audit committee and sustainable development and risk management committee and the convener of the remuneration committee of Sino Horizon Holdings Limited (shares of which are listed on the TWSE), and a director of Casual Restaurants Inc. (shares of which are listed on the emerging stock market of Taipei Exchange). Mr. Liu was a director and a member of the audit committee of Just Kitchen Holdings Corp. (shares of which were delisted from the Toronto Stock Exchange on January 30, 2024), the chief financial officer of TPK and led TPK to be listed successfully on the TWSE in 2010. In addition, he was the vice president of finance of Advanced Semiconductor Engineering Inc., the chief financial officer of ASE Test Limited and a vice president in corporate finance of Citibank Taiwan.

BIOGRAPHICAL DATA OF CHIEF EXECUTIVE AND SENIOR MANAGEMENT

Mr. WANG Jun

WANG Jun, aged 56, is currently the Chief Executive Officer of the Company (the "CEO") and directly in charge of the Merchandise & Retail Business Unit. He once was the Acting CEO during the period from July 2022 to March 2023. Mr. Wang is also a director of various subsidiaries of the Company. He joined the Group as a Vice President, in charge of Brand and Merchandising Management Department in April 2014. Mr. Wang graduated from the Department of Marketing of the Capital University of Economics and Business in Beijing. He has extensive experience and achievements in strategic planning, sales marketing, product branding and retail operation.

Ms. CHANG, Su-Ching

CHANG, Su-Ching, aged 60, is currently a Vice President of the Group, in charge of the Omni Channel Platform and Operation & Business Management Department. She is also a director of various subsidiaries of the Company. She was appointed as the Vice President of Finance Department of the Group in September 2011. Ms. Chang graduated with a Master Degree in Finance from National Taiwan University. She has more than twenty years' working experience in treasury, cash management and financial planning.

Mr. SONG Hua

SONG Hua, aged 50, is currently a Vice President of the Group, in charge of the Second Division of the Merchandise & Retail Business Unit. He is also a director of various subsidiaries of the Company. He joined the Group in December 2008, and was promoted to be a Vice President in March 2018. Mr. Song graduated from North University of China (formerly known as North China Institute of Technology), specialised in Industrial Electrical Automation Technology. He has extensive experience and achievements in strategic planning, sales marketing, product branding and retail operation.

BIOGRAPHICAL DATA OF CHIEF EXECUTIVE AND SENIOR MANAGEMENT (Continued)

Mr. TANG Guoxing

TANG Guoxing, aged 58, is currently a Vice President of the Group, in charge of the Brand and Channel Development Headquarters. He is also a director of several subsidiaries of the Company. He joined the Group in December 2010, and was promoted to be a Vice President in March 2019. Mr. Tang graduated from Jiangsu Open University (formerly known as Jiangsu Radio and Television University), specialised in Business Enterprise Management. He has extensive experience and achievements in strategic planning, sales marketing, product branding and retail operation.

Mr. YIP Wing Ming

YIP Wing Ming, aged 38, is currently the Company Secretary and the Financial Controller of the Company. He is also a director of various subsidiaries of the Company. Mr. Yip joined the Company in February 2017. He holds a first class honours degree of Bachelor of Business Administration in Finance and Economics from The Hong Kong University of Science and Technology. Mr. Yip is a member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Company, he worked for an international audit firm. Mr. Yip has over ten years of extensive experience in accounting, auditing and financial management.

DIRECTORS' REPORT

The directors of Pou Sheng International (Holdings) Limited (the "Company" and the "Director(s)" or the "Board", respectively) are pleased to present this annual report (the "Annual Report") together with the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended December 31, 2024.

All references made below to other sections, reports or notes in the Annual Report and the 2024 Environmental, Social and Governance ("ESG") Report of the Group (the "ESG Report") shall form an integral part of this report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To reduce paper usage, the ESG Report of the Group is published separately and is available in electronic form only. The ESG Report is available on the Company's website at www.pousheng.com and Hong Kong Exchanges and Clearing Limited's ("HKEX") website at www.hkexnews.hk.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group are distribution and retailing of sportswear and footwear products and provision of large scale commercial spaces to retailers and distributors for commissions from concessionaire sales.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended December 31, 2024 are set out in the Consolidated Income Statement and Consolidated Statement of Comprehensive Income on pages 76 and 77.

The appropriations of profits of the Group during the year are set out in the Consolidated Statement of Changes in Equity on pages 80 to 81.

DIVIDENDS

During the year, an interim dividend of HK$0.02 and a special dividend of HK$0.02 in cash per ordinary share of the Company (the "Share") for the six months ended June 30, 2024 (six months ended June 30, 2023: interim dividend of HK$0.0185 per Share) were paid to the holders of the Shares (the "Shareholders") on October 4, 2024, amounting to approximately HK$213.0 million (six months ended June 30, 2023: HK$98.5 million).

After the end of the year, the Directors recommended a final dividend and a special dividend in respect of the year ended December 31, 2024 of HK$0.01 and HK$0.01 in cash per Share respectively (2023: final dividend of HK$0.0120 per Share) to the Shareholders whose names appear on the register of members of the Company (the "Register of Members") on Tuesday, June 3, 2025, amounting to approximately HK$106.5 million (2023: HK$63.9 million), subject to approval by the Shareholders at the forthcoming annual general meeting of the Company to be held on Friday, May 23, 2025 (the "2025 AGM"). As a result, the full-year dividend for 2024 will amount to HK$0.06 per Share (2023: HK$0.0305 per Share), representing a payout ratio of 60% (2023: 30%).

DIRECTORS' REPORT

FIVE YEAR FINANCIAL SUMMARY

A financial summary of the Group for the past five financial years is set out on page 158.

BUSINESS REVIEW

A review of the business of the Group during the year as required pursuant to Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) is covered in different sections, reports or notes in the Annual Report and the ESG Report, which shall form an integral part of this review.

Fair Review of Business

The information is provided in the Chairman's Statement on pages 6 to 9 and Management Discussion and Analysis on pages 10 to 19.

Principal Risks and Uncertainties

The Board, chief executive and senior management of the Group continue to devote time and resources in screening for specific risks in the Group, and in developing a mindset of balanced risk minimisation. The Group has specific policies and management system in place to ensure that risks are properly evaluated and managed at the appropriate level within the Group that the benefits and costs are well balanced.

The principal risks and uncertainties that could impact the Group's performance and its mitigating activities are discussed below. Details about the Group's financial risk management are set out in Note 33(b) to the consolidated financial statements.

Description and Impact of Risk and Uncertainty	Mitigation
Information Technology and Data Security	
The reliance of the Group's operation on information technology ("IT") system is heavy. Any failure could cause adverse effects to the business operation.	The Group makes significant investment in technology infrastructure. Systems are pre-launch tested, backed-up and upgraded regularly and when necessary. Regular maintainence and contingency and disaster recovery plans are in place to prevent and deal with any system failures.
The IT system might be subject to security breaches resulting in theft, leakage or corruption of key corporate and financial information, trade secrets and sensitive customer and personal data, which could cause severe impact on customer confidence, the Group's reputation and punishment or regulatory action by relevant authorities.	An information security regime is established. Confidential files are encrypted and/or password protected. Only relevant employees with authority are allowed to have access to sensitive data, especially financial information. Extensive and resilient controls, and vulnerability assessments are undertaken before updates are released. Anti-virus software is upgraded with endpoint detection and response to better defend against cyber attacks, such as ransomware.

BUSINESS REVIEW (Continued)

Principal Risks and Uncertainties (Continued)

Description and Impact of Risk and Uncertainty	Mitigation
Human Resources	
Loss of key management personnel could cause disruption in delivery of strategic objectives.	Effective retention system, succession plan, career development plan and systematic training are established to develop new capabilities and train talents, and ensure effective continuation of leadership and expertise without any interruption respectively.
The Group needs to attract talents, retain employees with relevant experience and knowledge in order to make necessary transformation and to take advantage of all growth opportunities to achieve its strategic objectives and maintain its high quality services.	The Group continues to widen its talent pool. The performance management system is designed to provide reward, competitive remuneration structures and challenging development opportunities to attract talents and retain employees. A variety of social activities are organised for staff.
Market	
The Group operates in a highly competitive and customer-oriented market with a wide variety of retailers, which makes it difficult for the Group to stand out and build long-term relationships with customers.	The Group strives to enhance customer satisfaction and loyalty continuously by member exclusive offers, sincere customer services and versatile touchpoints and social media (e.g. Douyin and Xiaohongshu). Content and experience-rich sales channels are developed to arouse consumer sentiments. Business intelligence tools are used and a special unit is established to facilitate dynamic management and to drive retail excellence.
Location of brick-and-mortar ("B&M") retail stores plays a vital role in the Group's success as most of the Group's revenue is derived from sales of B&M retail stores. Wrong store location could cause waste of upfront investments and disruption to the marketing strategies. Proper channel mix is essential for maximising customer reach and optimising profitability of the Group.	Scientific and holistic method is employed in new store location selection. Store footfall and conversion rate are constantly tracked to optimise productivity in timely manner. The Group continues to refine the B&M retail store network by closing or upgrading under-performing stores. The channel mix and positioning of different channels are reviewed and adjusted regularly to optimise the profitability.

BUSINESS REVIEW (Continued)

Principal Risks and Uncertainties (Continued)

Description and Impact of Risk and Uncertainty	Mitigation
Strategy and Operation Majority of the revenue of the Group is derived from products of a handful of top brands. Any strain in relationship with, loss of charisma and sales model failure of these top brands could have an adverse effect on the Group's business and financial condition.	The Group endeavors to strengthen its omni-sales channel capabilities in order to impress the top brands with its dedication and sincerity in being their most valuable partner and to secure better deals or exclusive products for customers. More mutually beneficial strategic projects (e.g. integrated membership programme) are launched with brand partners. The brand mix of the Group is diversified.
Along with the expansion of the Group's digital sales, logistics and courier supports have become important. Inefficient logistics and courier could cause a very high operation cost and loss of customers.	The Group makes significant investment in logistics and courier infrastructure. For effective cost control and efficient logistic arrangement, the logistic network is re-designed and smart management systems are used.
Inventory management is very crucial to the success of the Group's business. Poor inventory management could affect the Group's ability to meet its customers' needs and jeopardise the profitability of the Group.	Rigor procurement and inventory management policies and practices are established. Mutually compatible online-offline sales strategies are adopted to reinforce in-season sales and effective off-season clearance. A product sharing omni-hub programme is launched with brand partners to optimise inventory mix.
The Group's experience and competence in market development of emerging brands are insufficient. Wrong brand positioning could have a material adverse effect on the sales performance of those emerging brands and dampen the overall profitability of the Group.	The most appropriate distribution channel and target customers are selected to create an ideal landscape for the emerging brands to thrive well. Stop-loss point is set to safeguard the overall profitability of the Group.

DIRECTORS’ REPORT

BUSINESS REVIEW (Continued)

Principal Risks and Uncertainties (Continued)

Description and Impact of Risk and Uncertainty	Mitigation
Natural Environment and Public Health	
The regulatory authorities and investment market increasingly prioritise environmental and climate-related management and disclosures, with a particular focus on carbon emission management. Fail to keep pace with the trend of low-carbon economy could harm the prestige of the Group and in turn affect the business opportunities, profitability and competitiveness of the Group. Tighten regulatory requirements would incur extra operational cost and risk of non-compliance.	Climate change policy is established. The climate-related risks are reviewed annually. The Group actively seeks to observe the relevant upcoming regulatory changes. Professional consultant is engaged and suitable trainings are provided to relevant employees. Various measures, especially in the aspect of energy-saving, have been implemented to lower the carbon emission of the Group, details of which are set out in the ESG Report.
More frequent and intense catastrophic weather events (e.g. in 2024, more localised heavy rainfall occurred and more typhoons (e.g. Super Typhoon Yagi) hit the People’s Republic of China (the “PRC”) which led to frequent severe floods and landslides in various regions across the nation) pose a very serious potential threat to the safety of employees and properties of the Group. Such critical events could also cause operational disruption, such as disruption to distribution channels.	Sustainable development panel and ESG working task force are established to manage the environmental related risks. Properties of the Group are well insured. Employee emergency aid program is established to provide comprehensive supports to employees and their families. Inventory is stored in various locations and the logistic network is well designed to support flexible delivery rearrangement.
Severe outbreak of infectious diseases might lead to suspension of B&M retail stores of the Group and decline in consumption sentiment. These might seriously affect the performance of the Group.	Online public and private traffic domains, particularly the Pan-WeChat Ecosphere, are strengthened and diversified to enhance channel mix. IT infrastructure (e.g. business intelligence system) is well developed to support digital transformation and operational excellence.

More information is provided in the ESG Report which is published separately.

BUSINESS REVIEW (Continued)

Principal Risks and Uncertainties (Continued)

Description and Impact of Risk and Uncertainty	Mitigation
Legal Compliance	
The Group has to comply with different laws, rules, regulations and accounting standards, which are subject to continuing changes. Any breach and non-compliance could damage the Group's image and reputation and affect its business operations.	The Group actively seeks to identify and meet its regulatory obligations and to respond to new requirements. Statement of policy on corporate governance and corporate code of conduct are established to ensure good governance and ethical practices. Proper controls and trainings are also in place.
The Group enters into a variety of agreements with various parties. Any breach of such agreements could cause the Group to incur significant monetary liabilities and loss of future business opportunities.	All agreements are repeatedly scrutinised by different departments before signing and are well documented. Independent external advice is sought when required.
Economic and Social Environment	
The Group's business operations are mainly conducted in the PRC. Thus the Group's business and prospects are significantly affected by the economic and social environment in the PRC. If there is a prolonged downturn in the economy in the PRC, consumer spending could be significantly weakened.	The Group keeps paying attention to the economic and social developments in the PRC on a proactive continuous basis to enable the Group to cope with changes effectively. To arouse consumer sentiments, the Group keeps exploring and strengthening its brand and product portfolios, and sales strategies continuously, such as introducing the quality good-value channel YYQUALITY and working with idols and influencers.

Events after the Reporting Period

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

Future Development in Business

The information is provided in the Chairman's Statement on pages 6 to 9 and Management Discussion and Analysis on pages 10 to 19.

Financial Key Performance Indicators

The financial key performance indicators are provided in the Corporate Overview on page 4 and the relevant analysis is provided in the Chairman's Statement on pages 6 to 9 and Management Discussion and Analysis on pages 10 to 19.

BUSINESS REVIEW (Continued)

Environmental Policies and Performance

In order to be a sustainable and joyful enterprise and to realise its aspirations for better ESG, the Group has established several specialised units, such as sustainable development panel, ESG working task force and ESG liaison.

The noticeable deterioration of environment and frequent extreme weather events arising from climate change have prompted us to reduce our energy and resource consumption. To combat climate change effectively, the Group has established climate change policy to assess, identify and manage the climate-related risks and opportunities.

The Group follows the local laws concerning environmental protection and, where there are no conflicts, the relevant environmental policies of the various brands distributed by the Group. Owing to the nature of retail business, the Group's operations do not directly lead to any emission of hazardous pollutants, the pollution emission standards that the Group must comply with are relatively straightforward. We use our materials and resources as efficiently as possible. Standardised methods and tools are applied to ensure waste-optimised and low-emission processes covered the entire value chain. Supplier code of conduct is established to promote a sustainable supply chain.

For further details, please refer to the ESG Report of the Company which is published separately.

Compliance with Laws and Regulations

During the year, the Group is not aware of any non-compliance with laws and regulations that have a significant impact on the operations of the Group.

Relationships with Stakeholders

We aim to promote quality vibrant living and healthy lives by providing convenient and fun sports experiences. While creating value for our Shareholders, we also seek to satisfy and balance the expectations of all stakeholders. The Group identifies key stakeholder groups, including Shareholders and investors, employees, customers and suppliers, and other stakeholders annually.

Our relationship with Shareholders and investors

We strives to create value and provide stable and progressive return for our Shareholders and investors. We maintain an open, transparent and interactive dialogue to keep Shareholders well acknowledged about the Company's business performance, prospects and strategies in a detailed, factual and timely manner through various communication channels (such as the Company and HKEX websites, general meetings, regular results briefings, non-deal roadshows, investor conferences and one-on-one meetings), and thereby to protect the interests of Shareholders and investors.

BUSINESS REVIEW (Continued)

Relationships with Stakeholders (Continued)

Our relationship with employees

Our employees are the foundation of our success. Respect, appreciation and fairness are the tenets of our relationship with employees. When structuring our work environment, we have let all the tenets incorporated in it. We do not tolerate any behaviour of discrimination, harassment, vilification and victimisation under any circumstances in the workplace. We do not discriminate against any employees or candidates for employment because of their race, ethnic origin, religion, political affiliation, disability or age. Employee rights and benefits policy is established to safeguard the rights and interests of employees. We expect professional competence, exemplary management practices at all levels and effective team work. We demand our staff to be honest, responsible, trustworthy and willing to adopt our principles of corporate responsibility, and to be paragon and to make their best contribution towards the Company's success in every aspect through applying the principles.

Our relationship with customers and suppliers

We aim to be a leading and innovative company in our industry. Sustainable customer and supplier relationships could only be built on the basis of honesty and trust. We believe that these principles will defend and bolster our success and our suppliers' success. The compliance guidelines and responsible supply chain management principles we adhere to will help us to achieve this aim. We consider our suppliers as partners who are able to make an important contribution to our business success. Our customers could choose to shop in-store or online, whichever they prefer. Best practices are adopted by the Group for ensuring that customers are treated fairly and will receive good customer service throughout their time with us. Regarding the wholesale business, the Group abides by the following: (1) usually transact on "cash on delivery" basis; (2) short term credits are provided to those retailers the Group deems creditworthy; and (3) endeavor to secure timely delivery as promised.

Our relationship with other stakeholders

We put great effort into enhancing corporate governance and actively communicate openly and transparently with media, local governments and communities. It is crucial to identify, understand and engage with other stakeholders to ensure the Group's sustainable development.

More information is provided in the ESG Report which is published separately.

ANNUAL GENERAL MEETING

The 2025 AGM will be held on Friday, May 23, 2025 at 10:00 a.m. at 22nd Floor, C-Bons International Center, 108 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong.

CLOSURE OF REGISTER OF MEMBERS

Entitlement to attend and vote at the 2025 AGM

For the purpose of ascertaining entitlement to attend and vote at the 2025 AGM (the "Entitlement to 2025 AGM"), the Register of Members will be closed from Tuesday, May 20, 2025 to Friday, May 23, 2025, both days inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the 2025 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, May 19, 2025. The record date for Entitlement to 2025 AGM will be Friday, May 23, 2025.

CLOSURE OF REGISTER OF MEMBERS (Continued)

Entitlement to the proposed final dividend and special dividend

For the purpose of ascertaining entitlement to the proposed final dividend and special dividend (the "Entitlement to Final Dividend and Special Dividend"), the Register of Members will be closed from Tuesday, June 3, 2025 to Friday, June 6, 2025, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for the proposed final dividend and special dividend payable on Tuesday, June 24, 2025, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, June 2, 2025. Dividend warrants will be despatched on Tuesday, June 24, 2025. The record date for Entitlement to Final Dividend and Special Dividend will be Tuesday, June 3, 2025.

DONATIONS

During the year, the Group made donations totalling approximately RMB0.02 million (2023: RMB1.1 million).

PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries of the Group as at December 31, 2024 are set out in Note 35 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movement in property, plant and equipment of the Group during the year are set out in Note 13 to the consolidated financial statements.

CHARGE OF ASSETS

As at 31 December 2024, there was no material charge on the Group's assets (December 31, 2023: nil).

SHARE CAPITAL/ISSUE OF EQUITY SECURITIES

Details of the movement in share capital of the Company during the year are set out in Note 26 to the consolidated financial statements.

EQUITY-LINKED AGREEMENT

No equity-linked agreements that will or may result in the Company issuing Shares nor require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company during the year or subsisted at the end of the year.

DISTRIBUTABLE RESERVES

As at December 31, 2024, the Company's reserves available for distribution consisted of contributed surplus of approximately RMB1,136.5 million (December 31, 2023: RMB1,136.5 million) plus accumulated profits of approximately RMB374.1 million (December 31, 2023: RMB367.2 million).

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

(a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realisable value of the Company's assets would thereby be less than its liabilities.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended December 31, 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company (2023: nil).

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws (the "Bye-laws"), or the laws of Bermuda, 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 the Shareholders by reason of their holdings of the Shares. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the Shares, they are advised to consult their professional advisers.

DIRECTORS

The Directors during the year and up to the date of this report were as follows:

Executive Directors ("EDs")

Yu Huan-Chang (Chairman)
Hu, Chia-Ho
Chen, Li-Chieh (Chief Financial Officer)

Non-executive Directors ("NEDs")

Tsai Patty, Pei Chun
Li I-nan

Independent Non-executive Directors ("INEDs")

Chen, Huan-Chung
Feng Lei Ming
Liu, Hsi-Liang

DIRECTORS (Continued)

In accordance with the Bye-laws, Mr. Hu, Chia-Ho, Ms. Tsai Patty, Pei Chun and Mr. Feng Lei Ming will retire by rotation at the 2025 AGM and, being eligible, will offer themselves for re-election.

BIOGRAPHICAL DATA OF DIRECTORS, CHIEF EXECUTIVE AND SENIOR MANAGEMENT

Biographical data of the Directors, chief executive and senior management of the Group are set out on pages 20 to 24.

DIRECTORS' SERVICE CONTRACTS

The terms of office of all Directors are three years and subject to retirement by rotation in accordance with the provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange" and the "Listing Rules", respectively) and the Bye-laws.

None of the Directors being proposed for re-election at the 2025 AGM has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws, subject to the applicable laws and regulations, every Director shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or about the execution of their duties in their respective offices provided that such indemnity shall not extend to any matter in respect of any fraud or dishonesty.

The permitted indemnity provision has been in force throughout the year ended December 31, 2024 and remained in force as of the date of this report. The Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the section "Continuing Connected Transactions" and Notes 9(d) and 31(a) to the consolidated financial statements, no transaction, arrangement or contract of significance in relation to the Group's business, to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director, or a controlling Shareholder or any of its subsidiaries had a material interest, whether directly or indirectly, subsisted at any time during the year or at the end of the year.

In addition, no contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling Shareholder or any of its subsidiaries subsisted at any time during the year or at the end of the year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at December 31, 2024, the interests or short positions of the Directors and chief executive of the Company (the "Chief Executive") in the shares, underlying shares and 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) (the "SFO")) which (a) as 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 provisions of the SFO); or (b) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

Long Positions in shares and underlying shares

(a) The Company

Ordinary shares of HK$0.01 each of the Company

Name of Directors/ Chief Executive	Capacity	Number of Shares/underlying Shares held					Percentage of the issued Shares[1]
		Personal interests	Family interests	Corporate interests	Other interests	Total	
Tsai Patty, Pei Chun	Beneficial owner	19,523,000	–	–	–	19,523,000	0.37%
Yu Huan-Chang	Beneficial owner	1,200,000[2]	–	–	–	1,200,000	0.02%
Wang Jun	Beneficial owner	4,724,335[3]	–	–	–	4,724,335	0.09%

notes:

1 The total number of issued Shares of the Company as at December 31, 2024 was 5,326,179,615.

2 Included interests in 480,000 awarded Shares granted under the share award scheme of the Company (the "Share Award Scheme"), which are subject to certain vesting conditions and remain unvested as at December 31, 2024. Details of the awarded Shares are set out in the section "Share Award Scheme".

3 Included interests in 1,000,000 awarded Shares granted under the Share Award Scheme, which are subject to certain vesting conditions and remain unvested as at December 31, 2024. Details of the awarded Shares are set out in the section "Share Award Scheme".

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

Long Positions in shares and underlying shares (Continued)

(b) Associated Corporation – Yue Yuen Industrial (Holdings) Limited ("Yue Yuen")

Ordinary shares of HK$0.25 each of Yue Yuen

		Number of shares/underlying shares held					Percentage of the issued shares of Yue Yuen[1]
Name of Directors/ Chief Executive	Capacity	Personal interests	Family interests	Corporate interests	Other interests	Total	
Yu Huan-Chang	Beneficial owner	120,000[2]	–	–	–	120,000	0.01%
Hu, Chia-Ho	Beneficial owner	458,000[3]	–	–	–	458,000	0.03%
Wang Jun	Beneficial owner	36,812	–	–	–	36,812	0.00%

notes:

1. The total number of issued shares of Yue Yuen as at December 31, 2024 was 1,604,556,486.

2. Included interests in 90,000 awarded shares granted by Yue Yuen under the share award scheme of Yue Yuen (the "YY Share Award Scheme"), which are subject to certain vesting conditions and remain unvested as at December 31, 2024. Details of the awarded shares are set out in the section "Arrangement to Acquire Shares or Debentures".

3. Included interests in 45,000 awarded shares granted by Yue Yuen under the YY Share Award Scheme, which are subject to certain vesting conditions and remain unvested as at December 31, 2024. Details of the awarded Shares are set out in the section "Arrangement to Acquire Shares or Debentures".

Save as disclosed above, as at December 31, 2024, none of the Directors nor Chief Executive had or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) 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 provisions of the SFO); or (b) were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Between the Company and Yue Yuen

During the reporting period and up to the date of this report, in accordance with the register of interests in Shares and short positions of substantial Shareholders maintained by the Company pursuant to Section 336 of the SFO, Yue Yuen was a controlling Shareholder holding approximately 62.55% indirect equity interests in the Company. Yue Yuen's principal businesses were original equipment manufacturing/original design manufacturing and sales of footwear products. Its customers were mainly major international brands. While being a Director of the Company, Ms. Tsai Patty, Pei Chun was a director and the managing director of Yue Yuen, and Mr. Hu, Chia-Ho and Mr. Chen, Li-Chieh were directors and/or supervisors of certain subsidiaries of Yue Yuen. Mr. Yu Huan-Chang and Mr. Hu, Chia-Ho also had interests in the shares and underlying shares in Yue Yuen during the reporting period, the details of which are set out in the sections "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" and "Arrangement to Acquire Shares or Debentures". Therefore, the Directors aforementioned were considered as having interests in Yue Yuen.

Notwithstanding the above, since the Company and Yue Yuen are separately listed entities and are mainly run by separate and independent management teams, the Directors believe that the Company is capable of carrying on its business independently of, and at arm's length from Yue Yuen. As the Company no longer has any footwear manufacturing business, it is expected that there is not and will not be any competition between the Company and Yue Yuen in the field of footwear manufacturing business.

Save as disclosed above, during the reporting period and up to the date of this report, none of the Directors had any interest in any business which competes or is likely to compete with that of the Group and which is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

DIRECTORS' REPORT

UPDATE ON DIRECTORS' AND CHIEF EXECUTIVE'S INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the Directors and Chief Executive since the date of publication of the Company's 2024 interim report are set out below:

1. On September 2, 2024, Mr. Hu, Chia-Ho resigned as an executive director of Eagle Nice (International) Holdings Limited, a company listed on the Stock Exchange.

2. On September 2, 2024, Mr. Feng Lei Ming entered into a supplemental letter of appointment with the Company for renewal of his term of appointment as an independent non-executive Director for a further term of three years commencing on September 30, 2024 and ending on September 29, 2027, subject to retirement by rotation and re-election at annual general meetings pursuant to the Bye-laws.

3. On September 10, 2024, Mr. Feng Lei Ming resigned as a vice-president of Beijing Association of Taiwan Investment Enterprises.

4. On November 20, 2024, Casual Restaurants Inc., a company that Mr. Liu, Hsi-Liang was and is a director, became traded on the emerging stock market of Taipei Exchange.

5. Details of change in the Directors' and Chief Executive's remuneration are set out in Note 9(a) to the consolidated financial statements.

SHARE AWARD SCHEME

The Share Award Scheme was adopted on May 9, 2014 and duly amended on November 11, 2016, and further amended and restated on November 13, 2023 by the Board upon the recommendation by the remuneration committee of the Board (the "Remuneration Committee") for recognising the contributions by certain persons, including Directors and employees of the Group, providing incentives to retain them for continual operation and development of the Group, and to attract suitable personnel for further development of the Group. All personnel of the Group are entitled to participate. It is funded by the existing Shares of the Company and does not involve issue of new Shares.

The Share Award Scheme was valid and effective for a period of 10 years commencing on the date of adoption (i.e. from May 9, 2014 to May 8, 2024), and has been further extended for another 10 years upon expiration of the initial term (i.e. from May 9, 2024 to May 8, 2034) by amending and restating the rules and trust deed relating to the Share Award Scheme. No further share awards should be granted upon termination or expiry of the Share Award Scheme.

SHARE AWARD SCHEME (Continued)

Any proposed award should be determined on the basis of individual performance and must be recommended by the Remuneration Committee and approved by the Board. All the awarded Shares granted under the Share Award Scheme should be vested in accordance with the conditions (such as employment status, individual performance and common key performance indicators) and timetable (i.e. vesting period) as determined by the Board. In the case of a Director or an employee of the Group, the grantee must remain at all times a Director or an employee of the Group. Clawback will be applied where there is exceptionally poor performance, misconduct or material breach of terms of employment or rules or policies of the Company prior to the vesting date and the Board will determine to vary or cancel the relevant award.

Awarded Shares are generally granted on the basis of the individual performance of the relevant grantee, and vested in tranches over a period of consecutive years with dates determined by the Board subject to fulfilment of performance target(s) and condition(s). Performance targets for outstanding awarded Shares granted on or before May 8, 2024 require a "good" or better performance rating for all appraisals conducted during the vesting period. For awarded Shares granted on or after May 9, 2024, "good" or better performance rating is required for the appraisal conducted immediately preceding the vesting date of the relevant tranche of awarded Shares. Taking 'vest-in-tranches' into consideration, vesting periods of awarded Shares granted generally range from 1 to 3 years.

According to the letter of award, the amount payable on acceptance of the grant of awarded Shares is HK$1.00 with no deadline specified. Apart from this, no monetary payment has to be made by grantee to acquire share awards under the Share Award Scheme.

The total number of Shares to be awarded under the Share Award Scheme should not exceed 4% of the number of issued Shares (i.e. 5,326,179,615 Shares) as at the date of grant, which is 213,047,184. The maximum number of Shares (including vested and non-vested Shares) which may be awarded to a selected participant should not exceed 1% of the issued Shares from time to time, which is 53,261,796.

Under the Share Award Scheme, a total of 133,721,810 Shares, representing approximately 2.51% of the issued Shares, have been awarded and the total number of Shares available for being further awarded is 79,325,374, representing approximately 1.49% of the issued Shares, as at the date of this report.

Eligible participant(s) selected by the Board for participation in the Share Award Scheme shall have no right to any dividend held under the trust before vesting which shall form part of the residual cash or any of the returned Shares. The trustee of the Share Award Scheme shall not exercise the voting rights in respect of any Shares held under the trust (including but not limited to the awarded Shares, the returned Shares, any bonus Shares and scrip dividend).

SHARE AWARD SCHEME (Continued)

Pursuant to the Share Award Scheme, movements in awarded Shares during the year are set out below:

	Date of grant	Vesting period	Number of awarded Shares: Balance as at January 1, 2024	Granted during the year	Lapsed/ cancelled during the year	Vested during the year	Balance as at December 31, 2024
Director/Chief Executive							
Yu Huan-Chang	11.11.2022	11.11.2022-10.11.2024	360,000	-	-	(360,000)	-
	11.11.2022	11.11.2022-10.11.2025	480,000	-	-	-	480,000
Wang Jun	24.03.2021	24.03.2021-23.03.2024	240,000	-	-	(240,000)	-
	19.08.2024	19.08.2024-18.08.2025	-	500,000	-	-	500,000
	19.08.2024	19.08.2024-18.08.2026	-	500,000	-	-	500,000
Sub-total			1,080,000	1,000,000	-	(600,000)	1,480,000
Employees in aggregate							
	24.03.2021	24.03.2021-23.03.2024	2,752,000	-	-	(2,752,000)	-
	13.08.2021	13.08.2021-12.02.2024	523,200	-	(7,800)	(515,400)	-
	13.08.2021	13.08.2021-12.08.2024	872,000	-	(28,000)	(844,000)	-
	19.08.2024	19.08.2024-18.08.2025	-	10,500,000	(200,000)	-	10,300,000
	19.08.2024	19.08.2024-18.08.2026	-	10,500,000	(200,000)	-	10,300,000
Sub-total			4,147,200	21,000,000	(435,800)	(4,111,400)	20,600,000
Grand total			5,227,200	22,000,000	(435,800)	(4,711,400)	22,080,000
Five highest paid individuals in aggregate							
	24.03.2021	24.03.2021-23.03.2024	772,500	-	-	(772,500)	-
	19.08.2024	19.08.2024-18.08.2025	-	2,000,000	-	-	2,000,000
	19.08.2024	19.08.2024-18.08.2026	-	2,000,000	-	-	2,000,000
Total			772,500	4,000,000	-	(772,500)	4,000,000

SHARE AWARD SCHEME (Continued)

The closing prices of the Shares immediately before the grant of awarded Shares on August 19, 2024 was HK$0.620 per Share.

The weighted average closing price of the Shares immediately before the dates on which the awards that were vested during the year was HK$0.654 per Share.

The fair value of share awards is determined in accordance with Hong Kong Financial Reporting Standard 2 "Share-based Payment" and details of the accounting policy adopted are set out in Note 3 to the consolidated financial statements. The fair value of the awarded Shares at the date of grant on August 19, 2024 was approximately RMB12,332,000, which was calculated based on the closing price of Shares on the date of grant of HK$0.610 per Share.

Further details of the Share Award Scheme are set out in Note 27 to the consolidated financial statements.

ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

Under the YY Share Award Scheme and subject to certain vesting conditions, the following Directors have been awarded with ordinary shares of Yue Yuen, details of which are as follows:

Name of Directors	Date of award	Number of shares awarded	Date of vesting	Number of shares vested	Number of shares unvested
Yu Huan-Chang	28.06.2023	90,000	31.05.2025	–	90,000
Hu, Chia-Ho	28.06.2023	45,000	31.05.2025	–	45,000
	20.03.2024	78,000	01.06.2024	78,000	–

Save as disclosed herein and as stated in the section "Share Award Scheme" above, at no time during the year or at the end of the year was the Company or any of its holding companies, fellow subsidiaries or subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at December 31, 2024, the register of interests in Shares and short positions of substantial Shareholders maintained by the Company pursuant to Section 336 of the SFO showed that other than the interests disclosed in the section "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures", the following Shareholders had notified the Company of their relevant interests in the issued Shares:

Long Positions in the Shares

Name of Shareholders	*notes*	Capacity/ Nature of interest	Number of Shares held	Percentage of the issued Shares
Major Focus Management Limited ("Major Focus")	(a)	Beneficial owner	3,331,551,560	62.55%
Yue Yuen	(a), (b)	Interest of a controlled corporation/ Beneficial owner	3,331,551,560	62.55%
Wealthplus Holdings Limited ("Wealthplus")	(b)	Interest of a controlled corporation	3,331,551,560	62.55%
Pou Chen Corporation ("PCC")	(b)	Interest of a controlled corporation	3,331,551,560	62.55%

notes:

The total number of issued Shares as at December 31, 2024 was 5,326,179,615.

(a) 3,331,551,560 Shares are held by Major Focus, a wholly-owned subsidiary of Yue Yuen.

(b) The entire issued shares of Major Focus is held by Yue Yuen, in which Wealthplus and Win Fortune Investments Limited ("Win Fortune") respectively hold 48.19% and 3.18% voting shares. Wealthplus and Win Fortune are in turn wholly-owned by PCC. Accordingly, Yue Yuen, Wealthplus and PCC are all deemed to be interested in these Shares under the SFO.

Ms. Tsai Patty, Pei Chun, a Director, is also a director of Yue Yuen, Wealthplus and PCC. Mr. Chen, Huan-Chung, a Director, is also an independent director of PCC.

Save as disclosed above, as at December 31, 2024, the Directors were not aware of any other person (other than the Directors or Chief Executive) who had or was deemed to have an interest or short position in the Shares or underlying Shares which were required 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 required, pursuant to Section 336 of the SFO, to be entered into the register referred to therein.

CONTINUING CONNECTED TRANSACTIONS

Purchase of Footwear Products from Yue Yuen

On November 11, 2021, the Company entered into a framework agreement with Yue Yuen (the "YY Footwear Agreement"), pursuant to which the Company might, through its subsidiaries, jointly controlled entities and associates, purchase from Yue Yuen's subsidiaries, jointly controlled entities and associates (the "YY Sub Group") and/or any factories operated and/or appointed by members of the YY Sub Group footwear products on a cost-plus basis taking into account the raw material and labour costs, factory management and sales expenses and profit margin for the period from January 1, 2022 to December 31, 2024 subject to the following annual caps:

Year	Annual Cap (exclusive of value-added tax)
January 1, 2022 to December 31, 2022	RMB12,100,000
January 1, 2023 to December 31, 2023	RMB13,000,000
January 1, 2024 to December 31, 2024	RMB15,600,000

Since Yue Yuen was a controlling Shareholder holding 3,311,090,560 Shares (being approximately 61.81% of the then issued Shares), it was a connected person of the Company as at November 11, 2021.

Details of the YY Footwear Agreement and the transactions contemplated thereunder were set out in the announcement of the Company dated November 11, 2021.

For the year ended December 31, 2024, there were no purchases transacted under the YY Footwear Agreement.

Distribution Sales of a Subsidiary to Shandong Liwei Trading Company Limited ("Shandong Liwei")

On December 27, 2023, Qingdao Pou Sheng International Sporting Goods Company Limited ("Qingdao Pou Sheng"), an indirect non wholly-owned subsidiary of the Company, entered into a master distribution agreement with Shandong Liwei (the "2024-26 Distribution Agreement"), pursuant to which Qingdao Pou Sheng agreed to supply sportswear and footwear products to Shandong Liwei on non-exclusive basis from January 1, 2024 to December 31, 2026 subject to the following maximum annual caps:

Year	Maximum Annual Cap
January 1, 2024 to December 31, 2024	RMB44,000,000
January 1, 2025 to December 31, 2025	RMB45,000,000
January 1, 2026 to December 31, 2026	RMB47,000,000

The sportswear and footwear products should be supplied on a cost-plus basis with an average gross profit margin (net of discounts) of between 10% to 20% taking into account the general gross profit margin for distribution of similar products in the PRC.

CONTINUING CONNECTED TRANSACTIONS (Continued)

Distribution Sales of a Subsidiary to Shandong Liwei Trading Company Limited ("Shandong Liwei") (Continued)

Since Shandong Liwei was a substantial shareholder of Qingdao Pou Sheng and was owned as to 70% by one of the directors of Qingdao Pou Sheng, Mr. Liu Guozhong, it was a connected person of the Company at the subsidiary level as at December 27, 2023.

Details of the 2024-26 Distribution Agreement and the transactions contemplated thereunder were set out in the announcement of the Company dated December 27, 2023.

For the year ended December 31, 2024, the total transaction amount of the 2024-26 Distribution Agreement and the transactions contemplated thereunder was approximately RMB32.7 million.

Annual Review of Continuing Connected Transactions

Pursuant to Rule 14A.55 of the Listing Rules, the INEDs have reviewed the above continuing connected transactions and confirmed that the transactions have been entered into:

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

(b) on normal commercial terms or better; and

(c) in accordance with the agreements governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company's independent auditor was engaged to report on the above 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 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The independent auditor has issued an unqualified report containing its findings and conclusions in respect of the above continuing connected transactions and confirmed that nothing has come to their attention in relation to the above continuing connected transactions of the matters set out in Rule 14A.56 of the Listing Rules.

RELATED PARTY TRANSACTIONS

Details of related party transactions for the year are set out in Note 31 to the consolidated financial statements.

Save as the continuing connected transactions disclosed above, all other related party transactions did not fall under the definition of "connected transactions" or "continuing connected transactions" (as the case may be) in Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement and/or independent shareholders' approval requirements under the Listing Rules.

With regard to the related party transactions which also constitute continuing connected transactions as set out in the section headed "Continuing Connected Transactions" above, the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in so far as they are applicable.

REVIEW OF ACCOUNTS

The audit committee of the Board has reviewed, with management and Messrs. Deloitte Touche Tohmatsu, the independent auditor of the Company, the Group's consolidated financial statements for the year ended December 31, 2024, the accounting principles and practices adopted by the Group and has discussed auditing, risk management and internal controls, and financial reporting matters.

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate amount of sales attributable to the Group's five largest customers was less than 30% of the Group's total sales for the year.

The aggregate amounts of purchases attributable to the Group's largest and five largest suppliers were 58% and 95% of the Group's total purchases for the year, respectively.

None of the Directors or the close associates of the Directors or the Shareholders (which to the knowledge of the Directors own more than 5% of the Company's issued Shares) have an interest in any of the Group's five largest customers or suppliers at any time during the year.

EMOLUMENT POLICY

The Group's emolument policy for employees is set up by the Board. The emoluments of the employees are determined on the basis of their merit, qualifications and competence, with reference to prevailing salary levels in the market. In addition, the Group provides other fringe benefits, such as social insurance, mandatory provident funds, medical coverage and training programs to employees based on their respective personal career development.

The emoluments of the Directors are reviewed and recommended by the Remuneration Committee and are decided by the Board, as authorised by the Shareholders at the annual general meeting, having regard to, inter alia, the Group's performance and financial position, individual performance and comparable market statistics. Further details are set out in the section "Remuneration Committee" of the Corporate Governance Report on pages 56 to 57.

Pursuant to Code Provision E.1.5 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, the remuneration of the senior management of the Company by band for the year ended December 31, 2024 was set out in Note 9(b) to the consolidated financial statements.

The Company has adopted the Share Award Scheme to provide incentives to its Directors and eligible employees of the Group and to recognise their contributions and ongoing efforts. Details of which are set out in the section "Share Award Scheme" and Note 27 to the consolidated financial statements.

PENSION SCHEME

The Group is committed to comply with all applicable laws and regulations relating to workplace pensions in all the jurisdictions in which the Group operates.

The employees employed in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The PRC subsidiaries of the Group are required to contribute to the retirement benefit schemes to fund the benefits at a defined percentage of employees' payroll specified by the relevant laws and regulations. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes.

The Group has also enrolled all its qualifying employees in Hong Kong into the Mandatory Provident Fund Scheme (the "MPF Scheme"). The assets of the MPF Scheme enrolled are held separately from those of the Group in trust under the management of independent trustees. In accordance with the relevant ordinances and regulations of the MPF Scheme, the employer and its employees both are required to make contributions to the scheme at rate specified subject to a maximum cap.

The Group contributed approximately RMB337.6 million to the abovementioned schemes for the year ended December 31, 2024.

Further information is provided in Note 29 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float as required by the Listing Rules throughout the year ended December 31, 2024 and up to the date of this report.

INDEPENDENT AUDITOR

The consolidated financial statements of the Group for the year ended December 31, 2024 have been audited by Messrs. Deloitte Touche Tohmatsu, certified public accountants, who will retire and, being eligible, offer themselves for re-appointment as independent auditor of the Company at the 2025 AGM.

On behalf of the Board

Hu, Chia-Ho
Executive Director
Hong Kong
March 11, 2025

CORPORATE GOVERNANCE REPORT

The board of directors (the "Board") and the management of Pou Sheng International (Holdings) Limited (the "Company" and together with its subsidiaries, the "Group") recognise the importance of maintaining good corporate governance practices and procedures, hence corporate transparency and accountability can be practised. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and thereby enhancing the value of shareholders of the Company (the "Shareholders"). The Board is committed to achieving a high standard of corporate governance and to leading the Group to grow in an efficient manner directed by the Group's vision and mission. The Group's governance structure is effective that independent views and input are provided to the Board.

CORPORATE GOVERNANCE PRACTICES

During the year ended December 31, 2024, the Company has applied the principles of, and has complied with all applicable code provisions and, where applicable, the recommended best practices set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange" and the "Listing Rules", respectively).

BOARD OF DIRECTORS

Roles and Responsibilities

The Board is committed to protecting the best interests of the Company and its Shareholders. The Board is also responsible for formulating the strategic development of the Group, monitoring and evaluating the Group's operation and financial performance and risk management and internal control systems, and reviewing the corporate governance standards of the Company and overseeing the executive management of the Company. The Board ensures appropriate and adequate reporting relating to annual and interim reports, including financial statements and Environmental, Social and Governance ("ESG") reports, and ensures the Company maintains effective communication with the Shareholders and appropriate engagement with other key stakeholders.

The management is delegated with the authority and responsibility for the day-to-day operations of the Group under the leadership and supervision of the chief executive officer of the Company (the "CEO"). The CEO, working with the management team, is responsible for overseeing and managing the businesses of the Group, including the implementation of policies and strategies delegated and adopted by the Board and assuming full accountability to the Board for the operations of the Group.

Board Composition

The Company is committed to the view that the Board should include a balanced composition of executive, non-executive and independent non-executive directors of the Company (the "Directors") so that there is a strong independent element on the Board, which can effectively exercise independent judgment.

BOARD OF DIRECTORS (Continued)

Board Composition (Continued)

As at the date of this report, the Board comprises the following eight Directors:

Executive Directors ("ED(s)")
Mr. Yu Huan-Chang (Chairman)
Mr. Hu, Chia-Ho
Mr. Chen, Li-Chieh (Chief Financial Officer)

Non-executive Directors ("NED(s)")
Ms. Tsai Patty, Pei Chun
Mr. Li I-nan

Independent Non-executive Directors ("INED(s)")
Mr. Chen, Huan-Chung
Mr. Feng Lei Ming
Mr. Liu, Hsi-Liang

The biographical information of the Directors is disclosed under Biographical Data of Directors, Chief Executive and Senior Management on pages 20 to 24. As at the date of this report, none of the members of the Board and the CEO have any relationships (including financial, business, family and other material/relevant relationships) with each other.

The Company recognised the importance of board independence to maintain good corporate governance. Specifically, the following mechanisms maintained by the Company were in place to ensure independent views and input are available to the Board:

- Three out of the eight Directors are INEDs, which meets the requirements of the Listing Rules relating to the appointment of at least three INEDs and representing at least one-third of the Board;

- Separation of the role of the chairman and the chief executives ensures that there is a balance of power and authority;

- INEDs receive fixed fee(s) for their role as members of the Board and Board committee(s) as appropriate;

- Independence of the INEDs, especially INED who has served more than nine years, is assessed upon appointment and annually in accordance with the guidelines set out in Rule 3.13 of the Listing Rules and any other factors deemed appropriate by the nomination committee of the Company (the "Nomination Committee") or the Board;

- In assessing potential candidates for the Board, the Nomination Committee will review their profiles, including their qualifications and experiences, having regard to the Board's composition and skills matrix, the Nomination Policy of the Group (the "Nomination Policy"), the Director succession plan of the Group (the "Director Succession Plan") and Board diversity policy of the Group (the "Board Diversity Policy");

BOARD OF DIRECTORS (Continued)

Board Composition (Continued)

- The Board would annually review the contribution of the Directors to perform their responsibilities to the Company, and whether they devote sufficient time and make contributions to the Company that are commensurate with their role and Board responsibilities, as well as the performance of the Board;

- All Directors are encouraged to express freely their independent views and constructive challenges during the Board/Board committee meetings;

- Regarding conflict management, any matters which are material and/or Directors and their associates with a material interest or may cause potential conflict of interest, relevant Directors shall abstain from voting on the resolution approving such matters and not be counted in the quorum of the meetings;

- The chairman of the Company (the "Chairman") meets with INEDs annually without the presence of EDs and NEDs;

- The audit committee of the Company (the "Audit Committee") meets with external and internal auditors, without the presence of EDs at least twice a year; and

- To facilitate proper discharge of their duties, all Directors are entitled to seek advice from the company secretary of the Company ("Company Secretary") or independent professional advisers at the expense of the Company.

Division of Responsibilities between Chairman and Chief Executive Officer

During the year, the roles and responsibilities of the Chairman and the CEO are separate and are not performed by the same individual to ensure a balance of power and authority and set out in writing in the Group's Statement of Policy on Corporate Governance (the "Statement of Policy on Corporate Governance"). The Chairman, Mr. Yu Huan-Chang, provides leadership and governance to the Board and ensure that all key and appropriate issues are discussed by the Board in a timely manner. He also ensures that the Board as a whole plays a full and constructive part in the development and determination of the Group's strategies and policies and that Board decisions taken are in the Group's best interests and fairly reflect the Board's consensus. The CEO, Mr. Wang Jun, leads the management in the day-to-day operations of the Group's business in accordance with the business plans, develops and proposes the Group's strategic plans and formulates the organisational structure, control systems and internal procedures and processes for the Board's approval.

Independence of Independent Non-executive Directors

At all times during the year ended December 31, 2024, the Company has complied with the requirements under Rules 3.10 and 3.10A of the Listing Rules relating to the appointment of at least three INEDs, representing at least one-third of the Board and with at least one of them possessing appropriate professional accounting and financial management expertise.

BOARD OF DIRECTORS (Continued)

Independence of Independent Non-executive Directors (Continued)

The Company has received from each of the INEDs, namely Mr. Chen, Huan-Chung, Mr. Feng Lei Ming and Mr. Liu, Hsi-Liang, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. Although Mr. Chen, Huan-Chung has been serving the Company as an INED for over 9 years, he remained capable of providing independent, constructive and objective views on the Company's affairs and bringing fresh perspectives to the Board during his tenure of office over the years. The Board, through the assessment and recommendation by the Nomination Committee, was satisfied that he has the required character, integrity, knowledge and experience to continue fulfilling the role of an INED and was of the view that his long service on the Board would not affect his exercise of independent judgement and view in relation the Company's affairs. The Company considers that all INEDs are independent in accordance with the independence guidelines as set out in the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

Board Process

Board meetings are scheduled to be held at approximately quarterly intervals and as required by business needs to discuss and review the overall strategy as well as the operation and financial performance of the Group and other duties of the Board. Five Board meetings and a Shareholders' meeting were held during the year. The Chairman also during the year held a meeting with the INEDs without the presence of other Directors. The attendance records of Directors are set out in the table herein. The annual meetings schedule is made available to Directors before the commencement of 2024 so that the Directors are given the opportunity to arrange their schedules to attend the meetings. For regular board meetings, notice of at least 14 days is given to all Directors to ensure that all Directors are given an opportunity to attend and to include matters for discussion in the agenda. Agenda and Board papers are normally sent to all Directors at least 3 days before each regular Board meeting to enable them to make informed decisions with adequate data. All Directors have full access to information of the Group and are able to seek independent professional advice in performing their duties at the expense of the Company in appropriate circumstances or upon their request.

Minutes of all Board and committees meetings together with related Board or committees papers are kept by the Company Secretary. Draft and final versions of minutes are sent to all Directors or committee members for review and comment in a timely manner and for their records respectively. Minutes are recorded in sufficient detail of the matters considered by the Board and decisions reached. The minutes/resolutions of the Board and the committees are available for inspection by Directors. Any matters which are material and/or substantial Shareholder(s) or Directors and their close associates (as defined in the Listing Rules) with a material interest in or may cause potential conflicts of interests are discussed at physical Board meetings (instead of by circulating written resolutions of Directors) and relevant Directors will abstain from voting on the resolutions approving such transactions and are not counted in the quorum of the meetings.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions against them arising from the Company's business activities which such Directors and officers of the Group may be held liable.

BOARD OF DIRECTORS (Continued)

Directors' Attendance and Time Commitment

The table below sets out the number of meetings of the Board and its committees, individual attendance by the Board and committee members at these meetings and the annual general meeting ("AGM") during the year:

Name of Directors	Board Meetings	Audit Committee Meetings	Nomination Committee Meeting	Remuneration Committee Meetings	Disclosure Committee Meeting[1]	Chairman and INEDs Meeting	AGM
	Number of meeting(s) attended/held						
Executive Directors							
Yu Huan-Chang	5/5	N/A	N/A	N/A	N/A	1/1	1/1
Hu, Chia-Ho	5/5	N/A	1/1	N/A	N/A	N/A	1/1
Chen, Li-Chieh	5/5	N/A	N/A	N/A	N/A	N/A	1/1
Non-executive Directors							
Tsai Patty, Pei Chun	5/5	4/4	N/A	N/A	N/A	N/A	1/1
Li I-nan	5/5	N/A	N/A	2/2	N/A	N/A	1/1
Independent Non-executive Directors							
Chen, Huan-Chung	5/5	4/4	1/1	2/2	N/A	1/1	1/1
Feng Lei Ming	5/5	4/4	1/1	N/A	N/A	1/1	1/1
Liu, Hsi-Liang	5/5	N/A	N/A	2/2	N/A	1/1	1/1

note:

1 According to the terms of reference of the disclosure committee of the Company (the "Disclosure Committee"), the Disclosure Committee shall meet as and when circumstances require, and can discuss and deal with matters by electronic mail or telephone conference instead of convening meetings. No Disclosure Committee meeting was held during the year ended December 31, 2024 as the committee members performed their duties and functions via electronic mail and/or telephone conversation instead of convening meetings.

Appointment, Re-election and Removal of Directors

The appointment of a new Director is made on the recommendation of the Nomination Committee and by approval of the Board or by the Shareholders in a general meeting.

In assessing potential candidates for the Board, the Nomination Committee considers gender, age, cultural, professional and educational background, professional qualifications and experiences, skills, knowledge, reputation for integrity, length of service and independence for the Board, potential time commitment for the Board and/or Board committee responsibilities, potential contributions to the Group, Nomination Policy, Director Succession Plan and Board Diversity Policy and any measurable objectives for achieving diversity on the Board. The recommendations of the Nomination Committee are then put to the full Board for decision. All newly appointed Directors are subject to re-election by the Shareholders at the next AGM following their appointments.

BOARD OF DIRECTORS (Continued)

Appointment, Re-election and Removal of Directors (Continued)

Besides that, all NEDs (including INEDs) are appointed for a specific term of three years. At least one-third of Directors shall retire from office every year at the Company's AGM. All Directors are subject to retirement by rotation at least once every three years and re-election in accordance with the provisions of the Listing Rules and the Bye-laws of the Company (the "Bye-laws"). The key terms and conditions of the Directors' appointments are set out in their respective letter of appointment and/or service contract.

The Bye-laws allow for removal of a director by an ordinary resolution.

Directors' Induction and Training

The Company Secretary facilitates the induction and training of the Directors. Each newly appointed Director is provided with a tailored induction to ensure that he or she has a proper understanding of the operations and business of the Group and is fully aware of his or her responsibilities under applicable legal requirements and the business and corporate governance policies of the Group.

The Company continuously updates the Directors on the Group's business and the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices. Also, the Directors are required to provide the Company with training records undertaken by them from time to time.

Pursuant to Code Provision C.1.4 of the CG Code, the Directors should participate in continuous professional development to develop and refresh their knowledge and skills. According to the training records provided by the Directors to the Company, during the year, the Directors received an aggregate of about 52 hours of training by attending seminars and conferences relating to the Group's business or directors' duties, and reading materials relating to legal and regulatory updates and other relevant topics.

During the year, the Company organised a briefing session in relation to ESG reporting latest requirements by Deloitte Advisory (Hong Kong) Limited for the Directors. If the Directors are not able to attend the briefing session, training handouts will be distributed to those Directors for their self-studying. The Company also provide reading materials for all Directors regarding the regulatory updates for listed company in Hong Kong regularly.

BOARD OF DIRECTORS (Continued)

Directors' Induction and Training (Continued)

The record of trainings taken during the years provided by the Directors is summarised below:

Name of Directors	Attending briefings/ seminars/training/ conferences/forums	Reading/studying materials in relation to legal, regulatory & industry updates
Executive Directors		
Yu Huan-Chang	✓	✓
Hu, Chia-Ho	✓	✓
Chen, Li-Chieh	✓	✓
Non-executive Directors		
Tsai Patty, Pei Chun	✓	✓
Li I-nan	✓	✓
Independent Non-executive Directors		
Chen, Huan-Chung	✓	✓
Feng Lei Ming	✓	✓
Liu, Hsi-Liang	✓	✓

BOARD COMMITTEES

The Board has established the Audit Committee, the remuneration committee (the "Remuneration Committee"), the Nomination Committee and the Disclosure Committee (collectively the "Board Committees") to oversee various aspects of the Group's affairs.

Audit Committee

The Audit Committee has been in place since May 2008 with specific written terms of reference, which are available for viewing on the websites of the Stock Exchange and the Company.

The Audit Committee currently consists of one NED and two INEDs: Mr. Chen, Huan-Chung (Chairman), Ms. Tsai Patty, Pei Chun and Mr. Feng Lei Ming. Mr. Chen, Huan-Chung is an INED possessing the appropriate professional accounting and financial management expertise as required under the Listing Rules.

The primary functions of the Audit Committee are, inter alia, to assist the Board in fulfilling its responsibilities, to maintain appropriate relationships with external auditors, to review the Group's financial control, risk management and internal control, to review the annual and interim reports and other financial information provided by the Company to the Shareholders, the public and others, and to deal with other matters within the scope of its terms of reference.

The Audit Committee is responsible for considering the appointment of the external auditors and reviewing any non-audit functions performed by the external auditors, including whether such non-audit functions could lead to any potential material adverse effect on the Group.

BOARD COMMITTEES (Continued)

Audit Committee (Continued)

The Audit Committee held four meetings during the year. The attendance record of the members of the Audit Committee meetings is set out in the table under "Directors' Attendance and Time Commitment" section. The following is the summary of work performed by the Audit Committee during the year:

- reviewed and recommended the quarterly results, and interim and annual reports of the Group to the Board for approval;
- reviewed and discussed the various review and audit issues as reported by the external auditor;
- recommended the re-election of the external auditor at the 2024 AGM;
- reviewed the internal control or internal audit issues as reported by the Company's internal audit department (the "Internal Audit Department") covering the investigation findings and recommendations;
- reviewed the adequacy and effectiveness of the Company's financial controls, risk management and internal control systems;
- reviewed the ongoing connected transactions of the Group;
- reviewed and monitored the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- reviewed the audit and non-audit services provided by the external auditor and the relevant service fees;
- reviewed and recommended annual risk management report to the Board for approval;
- reviewed and recommended the policy on non-assurance services provided by external auditor to the Board for approval;
- reviewed and adopted the revised whistleblowing policy of the Company (the "Whistleblowing Policy"); and
- held meetings with the external and internal auditors in the absence of EDs to discuss any material audit issues.

Remuneration Committee

The Remuneration Committee has been in place since May 2008 with specific written terms of reference, which are available for viewing on the websites of the Stock Exchange and the Company.

The Remuneration Committee currently consists of one NED and two INEDs: Mr. Liu, Hsi-Liang (Chairman), Mr. Chen, Huan-Chung and Mr. Li I-nan.

BOARD COMMITTEES (Continued)

Remuneration Committee (Continued)

The primary functions of the Remuneration Committee include making recommendations to the Board on remuneration policy, structure and packages of the Directors and the senior management of the Group (the "Senior Management") and other related matters. A Remuneration Policy of the Group for the Directors and the Senior Management (the "Remuneration Policy") has been established. In recommendation of the remuneration package of Directors, the Remuneration Committee considers the qualifications and experience of each Director and also remuneration policies of other comparable listed companies of similar business and size, time commitment and responsibilities of the Directors, employment conditions of the Group and the desirability of performance-based remuneration. The Remuneration Committee also ensures that the levels of remuneration should be sufficient to attract and retain the Directors to run the Company successfully but would avoid paying more than necessary for this purpose. No Directors or any of their respective associates are involved in determining their own remunerations.

The Remuneration Committee held two meetings during the year. The attendance record of the members of the Remuneration Committee meetings is set out in the table under "Directors' Attendance and Time Commitment" section. The following is the summary of work performed by the Remuneration Committee during the year:

- reviewed and recommended the remuneration of Directors, chief executive and Senior Management to the Board for approval with reference to the remuneration level of directors of comparable listed companies;
- reviewed and recommended the remuneration package of an INED to the Board for approval;
- evaluated and assessed the effectiveness of the Remuneration Committee and the adequacy of its terms of reference;
- recommended the grant, vest and cancellation of share awards of the Group to the Board for approval; and
- reviewed the status of the share awards under the Share Award Scheme.

Details of the Directors' remuneration for the year ended December 31, 2024 are set out in Note 9(a) to the consolidated financial statements, and the remuneration of the Senior Management by band is set out in Note 9(b) to the consolidated financial statements.

Nomination Committee

The Nomination Committee has been in place since December 2011 with specific written terms of reference, which are available for viewing on the websites of the Stock Exchange and the Company.

The Nomination Committee currently consists of one ED and two INEDs: Mr. Feng Lei Ming (Chairman), Mr. Chen, Huan-Chung and Mr. Hu, Chia-Ho.

BOARD COMMITTEES (Continued)

Nomination Committee (Continued)

The primary functions of the Nomination Committee are to assist the Board in identification of suitable individuals qualified to become Board members, review the structure, size, composition and diversity of the Board and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy.

The Nomination Committee held one meeting during the year. The attendance record of the members of the Nomination Committee meeting is set out in the table under "Directors' Attendance and Time Commitment" section. The following is the summary of work performed by the Nomination Committee during the year:

- assessed the independence of INEDs;
- reviewed the retirement and nominated the re-election of retiring Directors at the 2024 AGM;
- reviewed the structure, size, composition and diversity of the Board; and
- reviewed the Nomination Policy for Directors.

Board Diversity

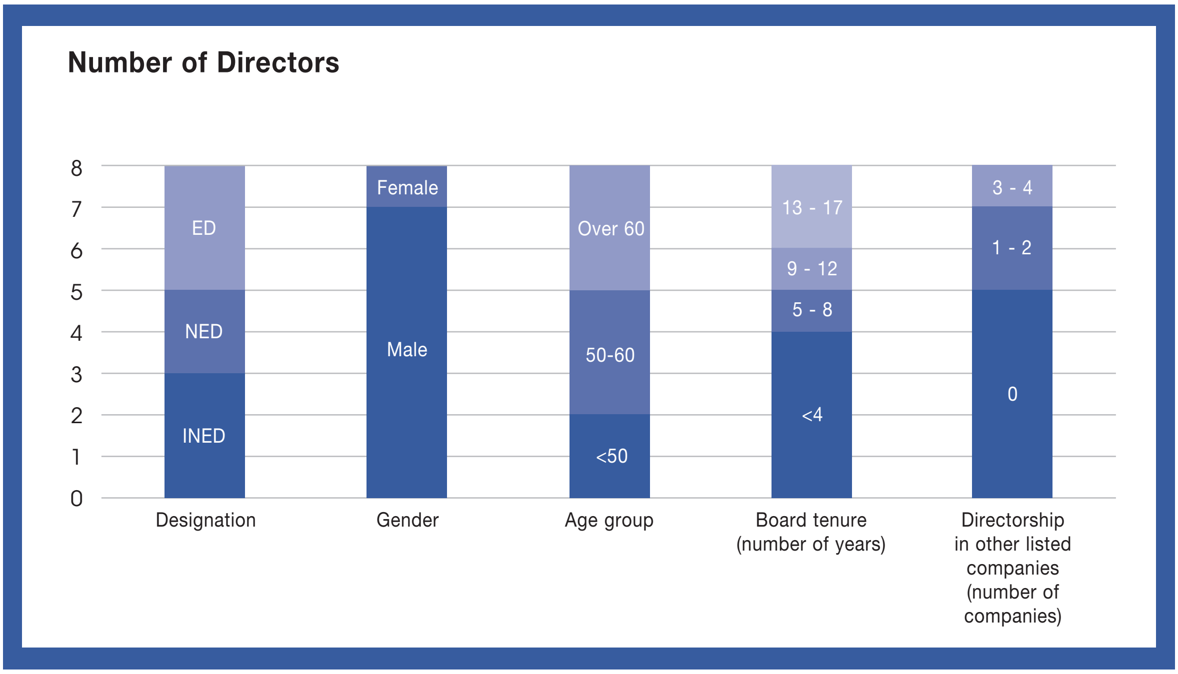
On August 13, 2013, the Board adopted a Board Diversity Policy which was subsequently amended on March 15, 2022. The Company considers increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural, professional and educational background, professional qualifications and experiences, skills, knowledge, length of service and independence. All appointments of Directors will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The composition of the Board reflects an appropriate mix of skills, experience and diversity among its members that are relevant to the Group's strategy and business. The policy is available for viewing on the website of the Company.

The Board has delegated authority to the Nomination Committee to review the gender diversity at board level and across the workforce according to the business development of the Group. The Company is committed to have not less than 1 female director and will continue to seek opportunities through referrals, employment agencies and other reasonable means to increase the proportion of female members of the Board over time as and when suitable female candidates are identified. The Group has been taking, and will continue to take, steps to promote gender diversity across the workforce, with the ultimate goal of achieving gender parity. During the year ended December 31, 2024, there was 1 female Director out of 8 Directors (approximately 13%). For gender ratio in the workforce (including senior management) of the Group, please refer to the 2024 ESG Report of the Group.

BOARD COMMITTEES (Continued)

Board Diversity (Continued)

The Nomination Committee is also responsible to review the Board Diversity Policy, the measurable objectives and monitor the implementation of the Board Diversity Policy. An analysis of the Board's current composition based on the measurable objectives is set out below:



Academic Background		Experience/Expertise	
Business Administration	38%	Sportswear Industry	63%
Economics/Finance/Account	25%	Accounting Expertise	13%
Others	63%	Equity Investment/Financial Services	100%
		Human Resources	13%
		Information Technology/Electronics	25%

The Company believes that it has maintained an effective Board comprising members of different genders, age, professional background and industry experience. The Company's Board Diversity Policy was consistently implemented.

BOARD COMMITTEES (Continued)

Nomination Policy

On November 13, 2018, the Board has adopted a Nomination Policy for Directors. The key objectives of the Nomination Policy include, inter alia, the following:

(a) to guide the Board in relation to appointment/re-election of Directors; and

(b) to devise a policy on the size and composition of the Board in order to ensure the diversity and balance of the Board in terms of skills, experience, knowledge and diversity of perspectives are appropriate to the requirements of the Company's business.

The Nomination Policy shall be reviewed periodically to ensure that it remains relevant to the Company's needs and reflects both current regulatory requirements and good corporate governance practice.

Director Succession Plan

The purpose of the Director Succession Plan is to ensure the orderly identification and selection of new directors in the event of an opening on the Board, whether such opening exists by reason of an anticipated retirement, an unanticipated departure, the expansion of the size of the Board, or otherwise. As provided in the terms of reference for Nomination Committee, the Nomination Committee shall make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the CEO.

Disclosure Committee

The Disclosure Committee has been in place since March 2019 with specific written terms of reference, which are available for viewing on the websites of the Stock Exchange and the Company.

The members of the Disclosure Committee had to be selected by the Board in every financial year according to the inside information policy of the Company (the "Inside Information Policy") and its terms of reference. The Disclosure Committee currently consists of three EDs: Mr. Yu Huan-Chang (Chairman), Mr. Hu, Chia-Ho and Mr. Chen, Li-Chieh.

The primary function of the Disclosure Committee is to assist the Board in considering matters associated with compliance with the Company's continuous disclosure obligations and inside information provisions under the Securities and Futures Ordinance (the "SFO").

The Disclosure Committee shall meet from time to time as and when circumstances require. In the ordinary course, the Disclosure Committee may discuss and deal with matters by way of communication through electronic mail and/or telephone conference. During the year, no Disclosure Committee meeting was held as the committee members performed their duties and functions via electronic mail and/or telephone conversation instead of convening meetings.

CORPORATE GOVERNANCE FUNCTION

The Board has adopted a Statement of Policy on Corporate Governance and is collectively responsible for performing the corporate governance duties, including those set out in the Code Provision A.2.1 of CG Code:

(a) to develop, review and implement the Company's policies and practices on corporate governance;

(b) to review and monitor the training and continuous professional development of Directors and Senior Management;

(c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;

(e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report; and

(f) to develop, review and monitor the implementation of the Shareholders' Communication Policy to ensure its effectiveness.

The Board has reviewed and/or performed the abovementioned corporate governance functions during the year and up to the date of this annual report.

INDEPENDENT AUDITOR'S REMUNERATION

During the year ended December 31, 2024, the remuneration paid or to be payable to Messrs. Deloitte Touche Tohmatsu ("Deloitte"), the Company's external auditor, and its affiliate in respect of audit services and non-audit services is as follows:

Services	Fees charged RMB'000
Audit services	
Annual audit	4,406
Non-audit services	
Interim review	684
Accounting system advisory	496
Tax advisory	173
ESG reporting advisory	137
	1,490
Total	5,896

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities with respect to the financial statements of the Group and ensure that they are prepared in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the publication of the financial statements of the Group in a timely manner.

A statement made by the external auditor of the Company, Deloitte with regard to their responsibilities for the audit of the Group's consolidated financial statements is set out in the Independent Auditor's Report on pages 70 to 75.

The Directors confirm that, to the best of their knowledge, information and belief after having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as the Company's code of conduct for dealings in securities of the Company by Directors. Following specific enquiry by the Company to all Directors, each of them has confirmed that he/she has complied with the required standards set out in the Model Code and its code of conduct regarding directors' securities transactions throughout the year ended December 31, 2024.

The Company has also established and adopted as internal guidelines for securities transactions by relevant employees (the "Employees Guidelines") which are on no less exacting terms than the Model Code. Specified employees who are likely to be in possession of unpublished inside information related to the Company and its securities must comply with the Employees Guidelines. All of them are reminded to comply with the Employees Guidelines quarterly.

DIVIDEND POLICY

The Company has adopted a Dividend Policy, pursuant to which the Company may declare and distribute dividends to the Shareholders, provided that the profit of the Company shall be enough for both self-development and returns to the Shareholders.

The recommendation of the payment of any dividend is subject to the absolute discretion of the Board, and any declaration of final dividend will be subject to the approval of the Shareholders. In proposing any dividend payout, the Board shall take into account, inter alia, the Company's current and future operations and earnings, business development strategies, financial position, capital requirements and surplus, contractual restrictions, payments by subsidiaries of cash dividends to the Company, the amount of distributable profits based on the Bye-laws, the applicable laws and regulations, the Shareholders' request and intention, and other factors that the Board deems relevant.

Subject to the foregoing, the Company shall distribute as dividends approximately 20% to 30% of the net profits available for distribution in each financial year.

COMPANY SECRETARY

Mr. Yip Wing Ming, the Company Secretary, who is also the Financial Controller of the Company, confirmed that he has complied with all the required qualifications, experience and training requirements as specified under the Listing Rules during the year under review. The biographical information of Mr. Yip Wing Ming is set out in the Biographical Data of Directors, Chief Executive and Senior Management on pages 20 to 24.

SHAREHOLDERS' RIGHTS

1. Procedures by which Shareholders may convene a special general meeting

1.1 Shareholders holding not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company as at the date of the deposit of the requisition are entitled to require the Board to convene a special general meeting by depositing a requisition at the registered office of the Company for the attention of the Board or the Company Secretary.

1.2 The requisition must specify the purposes of the meeting, signed by the requisitionists and may consist of several documents in like form each signed by one or more of those requisitionists.

1.3 The signatures and the requisition will be verified by the Company's branch share registrar and transfer office. The Board will proceed to convene a special general meeting for the transaction of any business or resolution specified in the requisition within 21 days from the date of deposit of such requisition if it has been validly raised.

1.4 If the Board does not within 21 days from the date of the deposit of a valid requisition, proceed duly to convene such meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

2. Procedures for putting forward enquiries to the Board

Shareholders may put forward enquiries to the Board through the Company Secretary, whose contact details are as follows:

The Company Secretary
Pou Sheng International (Holdings) Limited
22nd Floor, C-Bons International Center
108 Wai Yip Street, Kwun Tong
Kowloon, Hong Kong

Tel. No.: +852 3182 5800
Fax No.: +852 3182 5808

SHAREHOLDERS' RIGHTS (Continued)

3. Procedures for putting forward proposals at Shareholders' meeting

3.1 In general, subject to paragraph 3.2 below, no resolution may be proposed at a Shareholders' meeting (whether it is a special general meeting or an AGM) if such resolution is not included in the notice convening the general meeting. However, if the proposal is to amend an existing ordinary resolution set out in the notice convening the general meeting and such amendment is within the scope of the notice, such amendment may be made if approved by the Shareholders by ordinary resolution.

3.2 On the requisition in writing of either (i) any number of Shareholders representing not less than one-twentieth of the total voting rights of all the Shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates, or (ii) not less than 100 Shareholders, the Company shall be under a duty to:

(a) give to Shareholders entitled to receive notice of the next AGM notice of any resolution which may properly be moved and is intended to be moved at that meeting; and/or

(b) circulate to Shareholders entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

3.3 Notice of any such intended resolution under paragraph 3.2 shall be given, and any such statement shall be circulated, to Shareholders entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each such Shareholder in any manner permitted for service of notice of the meeting, and notice of any such resolution shall be given to any other Shareholders by giving notice of the general effect of the resolution in any manner permitted for giving him notice of meetings of the Company.

3.4 The requisition under paragraph 3.2 must be signed by the requisitions and deposited at the registered office of the Company (i) in the case of a requisition requiring notice of a resolution, not less than 6 weeks before the meeting; and (ii) in the case of any other requisition, not less than 1 week before the meeting.

INVESTOR RELATIONS AND COMMUNICATION

The Company endeavors to maintain good relationship with the Shareholders and potential investors. To engage effectively with the investors, the Company maintains ongoing dialogue with the Shareholders, and investment community through various channels including but not limited to corporate communications, AGM and other general meetings that may be convened, non-deal roadshows, participation in investor conferences and one-on-one meetings with institutional investors. The Board has adopted the Shareholders' Communication Policy on March 5, 2012, which was subsequently amended on March 22, 2019, March 15, 2022 and March 13, 2024 and is regularly reviewed to ensure its effectiveness. During the year, the Company reviewed the implementation and effectiveness of the Shareholders' Communication Policy and considered it to be effective.

INVESTOR RELATIONS AND COMMUNICATION (Continued)

The Company shall publish interim and annual reports and other corporate communications including but not limited to announcements, circulars, notices and other regulating disclosures on the website of the Hong Kong Exchanges and Clearing Limited in a timely manner in accordance with the Listing Rules. Information released by the Company to the Stock Exchange is also posted on the Company's website immediately thereafter. Corporate communications will be published in both Chinese and English. The Shareholders are requested to provide their updated and functional email addresses to the Company's Hong Kong branch share registrar and transfer office in order to receive (i) corporate communications; and (ii) actionable corporate communications electronically.

Shareholders are encouraged to attend the Company's general meetings, at which the Chairman of the Board, the chairmen of the Board Committees (or in their absence, another member of the Board Committees), appropriate management executives and/or external auditors are available to answer the Shareholders' questions and to gain understanding of the views of Shareholders. Shareholders may make enquiries and express views regarding the Company through a designated Investor Relations contact by telephone and email, details of which are disclosed on the Company's website under the Contact Us section.

In addition, the Shareholders can contact Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company, if they have any enquiries about their shareholdings or entitlement to dividend. To promote effective communication during the year, the Company maintains its website at www.pousheng.com, where information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are promptly updated and available for public access.

CONSTITUTIONAL DOCUMENTS

During the year, the Bye-laws were amended and restated. The amended and restated Bye-laws were adopted by the Shareholders at the AGM held on May 24, 2024. The amendments were to (i) update and bring the Bye-laws in line with the latest regulatory requirements in relation to the expanded paperless listing regime and mandatory electronic dissemination of corporate communications by listed issuers and the relevant amendments made to the Listing Rules which took effect from December 31, 2023; and (ii) better align the Bye-laws with the provisions of the Listing Rules and the applicable laws of Bermuda.

An up-to-date consolidated version of the Company's constitutional documents is available on the websites of each of the Company and the Stock Exchange.

CORPORATE GOVERNANCE REPORT

INTERNAL CONTROL AND RISK MANAGEMENT

Responsibility

The Board has the overall responsibility to evaluate and determine the nature and extent of risks the Group (including ESG risks) is willing to take in achieving the Group's objectives. It is also responsible for the introduction and the on-going maintenance and review of appropriate and effective risk management and internal control systems of the Group. The Board has entrusted the Audit Committee with the responsibility to review the financial controls, risk management and internal control systems, and the effectiveness of internal audit function of the Group. The Board has delegated to the management with defined structure and scope of authority, to conduct reviews on and maintenance of all material controls to ensure compliance with relevant legislations and regulations.

The Company has established its own Internal Audit Department which is independent of the Company's management in assessing and monitoring the control on the risk management and internal control systems of the Company. Depending on the business nature and risks of each individual business unit, the work of Internal Audit Department includes reviews on finance/information technology and operation, recurring and ad hoc audits and fraud investigations, etc. On quarterly basis, Head of Internal Audit Department reports on reviews of the business processes and activities, including action plans to address any identified control weaknesses to the Audit Committee. Regular follow up actions will be carried out until the condition is improved. If the Internal Audit Department suspects the weakness will materially affect the Group, they will report to the Audit Committee when necessary on a timely basis. In addition, the Internal Audit Department also communicates with the Group's external auditor on a regular basis.

The Audit Committee, on behalf of the Board, reviews the Internal Audit Department's work and findings through internal audit reports on a quarterly basis and ensures the internal audit function is adequately resourced. It reports to the Board especially on any material matters including but not limited to financial, operational and compliance controls that have arisen from the Audit Committee's review on the risk management and internal control processes on a quarterly basis. The Board has also conducted an annual review of the effectiveness of the Group's risk management and internal control systems, including changes in the nature and severity of principal risks for the year, the Group's ability to cope with external environmental changes, the ability to monitor the scope and quality of the risk management and internal control systems, internal audit work, the major weaknesses detected and their related impacts, the Group's financial reports and compliance with the relevant regulations, and concluded that they are adequate and effective.

INTERNAL CONTROL AND RISK MANAGEMENT (Continued)

Risk Management Framework

The Company has put in place the policy and procedures, including the parameters of delegated authority, which provide a framework for the identification and management of risks. The procedures are designed to identify, evaluate, manage and minimise risks that could adversely impact the achievement of the Group's business objectives but do not provide absolute assurance against material misstatement, errors, losses, fraud or non–compliance.

The Group's risk management and internal control systems are characterised by a clear governance structure, policy procedures and reporting mechanism to facilitate the management of the Group's business risks.

Responsible Unit	Function
Board	• Has overall responsibility for the Group's risk management system • Formulate final decision, guidance and instruction on the risk management system and its mitigation
Audit Committee	• Oversee the implementation of the control on risk management • Report the results of risk management to the Board
Internal Audit Department	• Co-ordinate the operation of risk management mechanism • Conduct independent review on the mechanism • Oversee the control and follow up of the risk and report the result to the Audit Committee
Internal risk management committee	• Establish and continuously modify the risk management system • Execute identification and estimation of risks • Manage, monitor and control risks • Report on risk management
Risk management unit	• Implement risk management system • Co-ordinate and assist the internal risk management committee • Implement mitigation of risks • Arrange training for and introduce risk management
Functional and operation unit	• Facilitate communication between risk management unit and departments • Guide, structure and co-ordinate risk management work • Identify risks, assess and review mitigation, and investigate risk management work and its improvement

INTERNAL CONTROL AND RISK MANAGEMENT (Continued)

Process

The Group's methodology for its risk assessment comprises four core stages:

(a) *Risk Identification*
Department/functional heads identify risks in the operations they are responsible for as well as risks they believe are relevant to the Group as a whole. All the identified risks are consolidated into a risk inventory.

(b) *Risk Assessment*
Risks in the risk inventory are evaluated by assessment participants from the Group using predefined risk assessment criteria associated with two risk dimensions – (i) impact of each risk; and (ii) the Group's vulnerability to each risk. The risk scoring and prioritisation process is then performed.

(c) *Risk Response*
The prioritised risk ranking is then submitted to the internal risk management committee for review. Risk owners are assigned for each selected risk, with more significant risks being assigned to more senior individuals. Risk owners also formulate risk mitigation plans for the significant risks identified and relating to their areas of responsibility.

(d) *Risk Monitoring and Reporting*
Risk monitoring and reporting are key components of the enterprise risk management system as they enable the Board, the Audit Committee, the internal risk management committee and department/functional heads to determine whether the system is functioning effectively. This includes ensuring that risks are identified, prioritised and communicated to those responsible for taking actions to address them, and that such actions have been taken and are being operated effectively.

Risk owners are responsible for monitoring the implementation and effectiveness of risk mitigation plans. They provide periodic updates to the internal risk management committee regarding the progress of the implementation of their risk mitigation plans and on the performance of these plans, according to the frequency specified in each plan. Risk management monitoring activities and the effectiveness of the implementation of risk mitigation plans are made subject to review by the Internal Audit Department and are included in its internal audit plans.

Control Effectiveness

In respect of the year ended December 31, 2024, after reviewing the effectiveness of the risk management and internal control systems as reported by the Audit Committee, the Board considers the risk management and internal control systems to be effective and adequate.

INTERNAL CONTROL AND RISK MANAGEMENT (Continued)

Inside Information

The Company has adopted an Inside Information Policy in compliance with the SFO under which procedures are established for handling and disseminating inside information and to guard against possible mishandling of inside information within the Group.

The Board has delegated to its Disclosure Committee the authority to consider matters associated with compliance with the Company's continuous disclosure obligations. The Disclosure Committee members review the materiality of the relevant information and assess any possible impact on the Group in order to determine the appropriate course of actions and, if considered appropriate, a Board meeting may be convened to consider and decide whether or not the information constitutes inside information and disclosure shall be made immediately. The Board may seek independent professional advice, if and when appropriate, to ensure that the Company can timely comply with the disclosure requirements.

The Company has adopted the Employees Guidelines to prevent the mishandling of inside information. The Directors and relevant employees are notified of regular blackout periods and restrictions on securities dealings.

Whistleblowing Policy

The "Whistleblowing Policy" was established on March 14, 2022 and was subsequently amended on November 11, 2024, to (i) encourage and assist any employee(s) or external parties to raise the concern about any suspected fraud, malpractice, misconduct or irregularity (the "Concern") and disclose related information confidentially; (ii) provide reporting channels and guidance on whistleblowing to employees or external parties to raise the Concern rather than neglecting it; and (iii) reveal suspected fraud, malpractice or misconduct before these activities cause disruption or loss to the Group. The Audit Committee has the overall responsibility for Whistleblowing Policy, but has delegated the day-to-day responsibility for overseeing and implementing this policy to the head of Internal Audit Department. The Audit Committee is responsible for monitoring and reviewing the effectiveness of Whistleblowing Policy and the actions resulting from the investigation.

A report has been produced to the Audit Committee by the Internal Audit Department regarding the whistleblowing cases received during the year, which included the number and kind of the cases received and action taken. According to the report, there were 15 cases received during the year but none of them were found to involve serious misconduct or malpractice and needed to be brought to the attention of the Board.

Anti-bribery and anti-corruption

The Board had adopted the "Prevention of Bribery Policy" on March 15, 2022 to promote and support anti-corruption laws and regulations. The Company is committed to promoting the highest standards of business ethics and complying with all applicable laws, including the prevention of bribery legislations in the jurisdictions in which the Company operates and conducts business activities. The Company adopts a zero-tolerance attitude towards briberies in any form in any country in which the Company operates or conducts business activities.

For anti-corruption system, the head of human resources and general administration department of the Company shall from time to time identify and assess the risks of corruption in the context of the Company and develop mitigation measures accordingly (including the provision of appropriate training and explanations).

During the year, no concluded legal cases regarding corrupt practices against the Company or its employees had been reported.

INDEPENDENT AUDITOR'S REPORT

Deloitte. 德勤

TO THE MEMBERS OF
POU SHENG INTERNATIONAL (HOLDINGS) LIMITED
寶勝國際(控股)有限公司
(incorporated in Bermuda with limited liability)

Opinion

We have audited the consolidated financial statements of Pou Sheng International (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 76 to 157, which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. 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.

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill	
We identified the impairment assessment of goodwill allocated to several groups of cash generating units ("CGUs") which are engaged in the business of distribution and retailing of sportswear and footwear products and provision of large scale commercial spaces to retailers and distributors for commissions from concessionaire sales as a key audit matter due to the complexity and significant judgments and estimates involved in the assessment process of the management of the Group. As disclosed in note 16 to the consolidated financial statements, the carrying amount of goodwill as at December 31, 2024 was RMB522,163,000. Determining whether goodwill is impaired requires the management's estimation of the recoverable amounts of the relevant groups of CGUs to which the goodwill has been allocated, which is the value in use. In estimating the value in use of the above groups of CGUs, key inputs used by the management included discount rates, growth rates, budgeted sales and gross margin and their related cash inflow and outflow patterns. The management also engaged an independent valuer to determine the discount rate. The above groups of CGUs containing goodwill did not suffer any impairment during the year ended December 31, 2024.	Our procedures in relation to the impairment assessment of goodwill included: • Evaluating the competence, capabilities and objectivity of the independent valuer; • Evaluating the assumptions underpinning the discounted cash flow models, including growth rates, budgeted sales and gross margin in the forecasted future cash flows by reference to the future business plan of the Group as well as industry trend; • Involving our team of internal valuation experts to assess the discount rate applied underpinning the discounted cash flow models by performing re-calculations based on market data and certain company specific parameters, as well as evaluating the parameters applied by the independent valuer; • Evaluating the sensitivity analysis, and performing re-calculations to assess the extent of impact on the value in use; and • Evaluating the accuracy of historical forecasts of future cash flows by comparing them to actual results in the current year and understanding the causes for any significant variances.

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Assessment of net realisable value of obsolete and slow-moving inventories	
We identified the assessment of net realisable value of obsolete and slow-moving inventories as a key audit matter due to the significant judgments and estimates involved in the determination of the net realisable value of these obsolete and slow-moving inventories by the management of the Group. As disclosed in notes 19 and 8 to the consolidated financial statements, the carrying amount of inventories included in the inventories balances as at December 31, 2024 was RMB4,946,314,000 and the net changes in allowance for inventories credited to the consolidated income statement for the year ended December 31, 2024 was RMB16,556,000. Accumulated allowance made as at December 31, 2024 was RMB137,628,000. As explained in note 4(b)(ii) to the consolidated financial statements, the management of the Group reviewed the aging and saleability of the inventories at the end of the reporting period and made allowance for those inventories with carrying amounts higher than their respective net realisable values, including obsolete and slow-moving inventory items identified that are no longer saleable in the market. The management of the Group estimated the net realisable value for those items based primarily on inventories condition, the latest transaction prices and current market condition.	Our procedures in relation to assessment of net realisable value of obsolete and slow-moving inventories included: • Understanding the process performed by management of the Group on estimation of allowance for inventories and identification of obsolete and slow-moving inventories; • Evaluating the accuracy of aging analysis of inventories and checking, on a sample basis, to the invoices and other relevant supporting documents; • Based on historical sales data of inventories in different aging categories, evaluating the allowance for inventories made by the management of the Group; and • Performing retrospective review on actual sales performance in 2024 for those inventories as at December 31, 2023.

INDEPENDENT AUDITOR'S REPORT

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include 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 Directors and Those Charged with Governance 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 HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible 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 solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

We also provide those charged with governance 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 those charged with governance, 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 the independent auditor's report is Li Kin Fai.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
March 11, 2025

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2024

	NOTES	2024 RMB'000	2023 RMB'000
Revenue	5	18,453,923	20,064,497
Cost of sales		(12,144,973)	(13,308,517)
Gross profit		6,308,950	6,755,980
Other operating income and gains (losses)	6(a)	288,027	319,850
Selling and distribution expenses		(5,136,105)	(5,588,228)
Administrative expenses		(751,646)	(751,741)
Operating profit		709,226	735,861
Finance costs		(67,796)	(92,335)
Finance income		49,978	37,615
	6(b)	(17,818)	(54,720)
Other gains (losses)	6(c)	(3,200)	(24,432)
Profit before taxation		688,208	656,709
Income tax expense	7	(190,386)	(153,501)
Profit for the year	8	497,822	503,208
Attributable to:			
Owners of the Company		491,497	490,425
Non-controlling interests		6,325	12,783
		497,822	503,208
		RMB cents	RMB cents
Earnings per share	11		
– Basic		9.48	9.47
– Diluted		9.47	9.46

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024 RMB'000	2023 RMB'000
Profit for the year	497,822	503,208
Other comprehensive income (expense)		
An item that will not be reclassified to profit or loss		
Fair value gain on investments in equity instrument at fair value through other comprehensive income	1,256	79
An item that may be reclassified subsequently to profit or loss		
Exchange differences arising on the translation of foreign operations	3,240	(1,185)
Other comprehensive income (expense) for the year	4,496	(1,106)
Total comprehensive income for the year	502,318	502,102
Attributable to:		
Owners of the Company	495,993	489,319
Non-controlling interests	6,325	12,783
	502,318	502,102

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2024

	NOTES	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Investment properties	12	126,500	129,700
Property, plant and equipment	13	786,134	781,568
Right-of-use assets	14	1,398,364	1,743,073
Deposits paid for acquisition of property, plant and equipment		47,981	25,063
Rental deposits		109,213	125,098
Intangible assets	15	96,158	85,820
Goodwill	16	522,163	522,163
Interests in joint ventures	17	–	–
Equity instrument at fair value through other comprehensive income		3,088	1,921
Bank deposits over three months	21	437,840	250,000
Deferred tax assets	18	102,826	110,222
		3,630,267	3,774,628
CURRENT ASSETS			
Inventories	19	4,946,314	4,704,713
Trade and other receivables	20	2,124,515	2,101,577
Taxation recoverable		71,232	52,577
Bank deposits over three months	21	846,510	796,615
Cash and cash equivalents	21	1,419,052	1,827,563
		9,407,623	9,483,045
CURRENT LIABILITIES			
Trade and other payables	22	2,349,583	2,485,038
Contract liabilities	23	314,030	303,726
Taxation payable		12,396	17,928
Bank borrowings	24	39,273	39,202
Lease liabilities	25	538,548	625,826
		3,253,830	3,471,720
NET CURRENT ASSETS		6,153,793	6,011,325
TOTAL ASSETS LESS CURRENT LIABILITIES		9,784,060	9,785,953

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2024

	NOTES	2024 RMB'000	2023 RMB'000
NON-CURRENT LIABILITIES			
Deferred tax liabilities	18	21,293	22,931
Lease liabilities	25	891,971	1,152,441
		913,264	1,175,372
NET ASSETS		8,870,796	8,610,581
CAPITAL AND RESERVES			
Share capital	26	46,438	46,438
Reserves		8,728,047	8,471,693
Equity attributable to owners of the Company		8,774,485	8,518,131
Non-controlling interests		96,311	92,450
TOTAL EQUITY		8,870,796	8,610,581

The consolidated financial statements on pages 76 to 157 were approved and authorised for issue by the board of directors of the Company on March 11, 2025 and are signed on its behalf by:

Hu, Chia-Ho
EXECUTIVE DIRECTOR

Chen, Li-Chieh
EXECUTIVE DIRECTOR AND
CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2024

	Equity attributable to owners of the Company															
	Share capital RMB'000 (Note 26)	Share premium RMB'000	Special reserve RMB'000 (note (i))	Other reserve RMB'000 (note (ii))	Revaluation reserve RMB'000	Merger reserve RMB'000 (note (iii))	Property revaluation reserve RMB'000	Reserve on instruments at FVTOCI RMB'000	Shares held under share award scheme RMB'000	Share award reserve RMB'000	Non-distributable reserve RMB'000 (note (iv))	Translation reserve RMB'000	Accumulated profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At January 1, 2023	46,438	5,145,233	676,506	(1,484,754)	55,395	29,544	6,381	(434)	(207,701)	4,742	1,072,872	(13,572)	2,783,603	8,114,253	79,667	8,193,920
Fair value gain on investments in equity instrument at fair value through other comprehensive income	-	-	-	-	-	-	-	79	-	-	-	-	-	79	-	79
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-	(1,185)	-	(1,185)	-	(1,185)
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	490,425	490,425	12,783	503,208
Total comprehensive income (expense) for the year	-	-	-	-	-	-	-	79	-	-	-	(1,185)	490,425	489,319	12,783	502,102
Recognition of equity-settled share-based payments, net of amount lapsed relating to share awards not yet vested	-	-	-	-	-	-	-	-	-	2,442	-	-	-	2,442	-	2,442
Share award vested	-	-	-	-	-	-	-	-	3,513	(2,896)	-	-	(617)	-	-	-
Dividend recognised as distribution (Note 10)	-	-	-	-	-	-	-	-	-	-	-	-	(87,883)	(87,883)	-	(87,883)
Transfer	-	-	-	-	-	-	-	-	-	-	60,503	-	(60,503)	-	-	-
At December 31, 2023	46,438	5,145,233	676,506	(1,484,754)	55,395	29,544	6,381	(355)	(204,188)	4,288	1,133,375	(14,757)	3,125,025	8,518,131	92,450	8,610,581
Fair value gain on investments in equity instrument at fair value through other comprehensive income	-	-	-	-	-	-	-	1,256	-	-	-	-	-	1,256	-	1,256
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-	3,240	-	3,240	-	3,240
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	491,497	491,497	6,325	497,822
Total comprehensive income for the year	-	-	-	-	-	-	-	1,256	-	-	-	3,240	491,497	495,993	6,325	502,318
Recognition of equity-settled share-based payments, net of amount lapsed relating to share awards not yet vested	-	-	-	-	-	-	-	-	-	3,985	-	-	-	3,985	-	3,985
Share award vested	-	-	-	-	-	-	-	-	6,536	(4,782)	-	-	(1,754)	-	-	-
Deregistration of a non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,864)	(3,864)
Release upon deregistration of subsidiaries	-	-	-	-	-	-	-	-	-	-	(51,570)	-	51,570	-	-	-
Dividend recognised as distribution (Note 10)	-	-	-	-	-	-	-	-	-	-	-	-	(243,624)	(243,624)	-	(243,624)
Capital contribution by a non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,400	1,400
Transfer	-	-	-	-	-	-	-	-	-	-	29,778	-	(29,778)	-	-	-
At December 31, 2024	46,438	5,145,233	676,506	(1,484,754)	55,395	29,544	6,381	901	(197,652)	3,491	1,111,583	(11,517)	3,392,936	8,774,485	96,311	8,870,796

notes:

(i) The special reserve represents the difference between the nominal value of the share capital issued by the Company and the share premium and the nominal value of the share capital of the subsidiaries comprising the Group prior to the group reorganisation in 2008.

(ii) The other reserve represents the difference between the fair value of the consideration paid or received and the relevant share of carrying value of the subsidiaries' net assets/liabilities acquired from or disposed of to the non-controlling interests, after re-attribution of relevant reserve.

(iii) The merger reserve represents the difference in the fair value of the consideration paid to Yue Yuen (as defined in Note 1) for the acquisition of subsidiaries controlled by Yue Yuen and the share capital and premium of the acquired subsidiaries.

(iv) According to the relevant laws in the People's Republic of China (the "PRC"), the subsidiaries of the Company established in the PRC are required to transfer at least 10% of their net profit after taxation, as determined under the PRC accounting regulations, to a non-distributable reserve fund until the reserve balance reaches 50% of their registered capital. The transfer to this reserve must be made before the distribution of a dividend to equity owners. The non-distributable reserve fund can be used to offset the previous years' losses, if any.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024 RMB'000	2023 RMB'000
OPERATING ACTIVITIES		
Profit before taxation	688,208	656,709
Adjustments for:		
Depreciation of property, plant and equipment	324,456	363,636
Depreciation of right-of-use assets	758,336	882,475
Impairment loss on property, plant and equipment and right-of-use assets	–	27,781
Amortisation of intangible assets	11,393	9,067
Net changes in allowance for inventories	(16,556)	(78,882)
Impairment losses recognised on trade receivables, net	2,100	8,894
Impairment losses (reversal) recognised on other receivables, net	(978)	858
Interest expenses	67,796	92,335
Interest income	(49,978)	(37,615)
Recognition of equity-settled share-based payments, net of amount lapsed relating to share awards not yet vested	3,985	2,442
Loss on disposal of property, plant and equipment	10,110	29,712
Fair value changes on investment properties	3,200	24,800
Fair value gain on a currency swap contract	–	(368)
Operating cash flows before movements in working capital	1,802,072	1,981,844
(Increase) decrease in prepayments	(11,007)	158,291
Increase in trade and other receivables	(23,878)	(139,441)
(Increase) decrease in inventories	(225,045)	1,446,027
(Decrease) increase in trade and other payables	(159,038)	307,926
Increase (decrease) in contract liabilities	10,304	(144,190)
Cash generated from operations	1,393,408	3,610,457
Income tax paid	(208,815)	(206,299)
NET CASH FROM OPERATING ACTIVITIES	1,184,593	3,404,158

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024 RMB'000	2023 RMB'000
INVESTING ACTIVITIES		
Placement of bank deposits over three months	(1,273,740)	(1,146,615)
Payment/deposits paid for acquisition of property, plant and equipment	(349,664)	(311,082)
Payment for acquisition of intangible assets	(21,731)	(33,072)
Payments for right-of-use assets	(9,148)	(4,968)
Withdrawal of bank deposits over three months	1,036,000	100,000
Refund of rental deposits	26,710	37,903
Interest received	49,978	37,615
Proceeds from disposal of property, plant and equipment	7,229	4,555
Payment for a currency swap contract	–	(89,917)
Receipt for a currency swap contract	–	90,285
NET CASH USED IN INVESTING ACTIVITIES	(534,366)	(1,315,296)
FINANCING ACTIVITIES		
Repayments of bank borrowings	(273,539)	(942,491)
Repayments of lease liabilities, including related interests	(817,920)	(936,987)
Dividends paid	(243,624)	(87,883)
Interest paid on bank borrowings and advances from a related party	(2,082)	(8,178)
New bank borrowings raised	275,561	524,800
Capital contribution by non-controlling interests	1,400	–
NET CASH USED IN FINANCING ACTIVITIES	(1,060,204)	(1,450,739)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(409,977)	638,123
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	1,827,563	1,190,148
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	1,466	(708)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	1,419,052	1,827,563

1. GENERAL INFORMATION

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The immediate holding company of the Company is Major Focus Management Limited, a company incorporated in the British Virgin Islands ("BVI") and the ultimate parent of the Company is Pou Chen Corporation ("PCC"), a company incorporated in Taiwan and listed on the Taiwan Stock Exchange Corporation. The shares of an intermediate holding company of the Company, Yue Yuen Industrial (Holdings) Limited ("Yue Yuen"), an exempted company incorporated in Bermuda with limited liability, are also listed on the Stock Exchange.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

The Company is an investment holding company. The principal activities of the Group are set out in Notes 5 and 35.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual periods beginning on or after January 1, 2024 for the preparation of consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRSs	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after January 1, 2025
3 Effective for annual periods beginning on or after January 1, 2026
4 Effective for annual periods beginning on or after January 1, 2027

Except for the new HKFRSs mentioned below, the directors of the Company anticipate that the application of all amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 "Presentation and Disclosure in Financial Statements", which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 "Presentation of Financial Statements". This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 "Statement of Cash Flows" and HKAS 33 "Earnings per Share" are also made. HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated income statement from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Basis of consolidation (Continued)

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiary are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests. Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity (other reserve) and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 "Financial Instruments" or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Business combinations

A business is an integrated set of activities and assets which include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses, other than business combination under common control, are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred 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. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the "Conceptual Framework for Financial Reporting (the "Conceptual Framework") except for transactions and events within the scope of HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" or HK(IFRIC)-Int 21 "Levies", in which the Group applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income Taxes" and HKAS 19 "Employee Benefits" respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 "Share-based Payment" at the acquisition date (see the accounting policy below);

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard; and

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Business combinations (Continued)

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16 "Leases") as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low-value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

Goodwill

Goodwill arising on acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment assessment, goodwill is allocated to each of the Group's cash-generating units ("CGUs"), or groups of CGUs, that are expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Goodwill (Continued)

A CGU (or groups of CGUs) to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU (or groups of CGUs) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill, and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or groups of CGUs). Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU or any of the CGUs within the groups of CGUs, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the CGU (or a CGU within groups of CGUs), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the CGU) disposed of and the portion of the CGU (or the groups of CGUs) retained.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

Provision on customer loyalty programme

The Group operates a loyalty programme where retail customers accumulate points for purchases made which entitle them to redeem award points for cash discount in the future which provides a material right to the customers and gives rise to a separate performance obligation. The transaction price is allocated to the product and the award points, taking into account for the expected likelihood of redemption, on a relative stand-alone selling price basis. Revenue from the award points is recognised when the award points are redeemed. Contract liabilities are recognised until the award points are redeemed. Revenue for points that are not expected to be redeemed is recognised in proportion to the pattern of rights exercised by customers.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Except for those that are classified as investment properties and measured under fair value model, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the consolidated statement of financial position. Right-of-use assets that meet the definition of investment property are presented within "investment properties".

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period in which the event or condition that triggers the payment occurs.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever the lease term has changed in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, based on revised lease payments (including non-lease components) and lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets. When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plan, state managed retirement benefit schemes and the Mandatory Provident Fund Schemes ("MPF Schemes") are recognised as an expense when employees have rendered service entitling them to the contributions.

Employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Share award scheme

When the trustee of the share award scheme purchases the Company's shares from the open market, the consideration paid, including any directly attributable incremental costs, is presented as shares held under share award scheme and deducted from total equity.

The fair value of services received determined by reference to the fair value of shares awarded at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share award reserve).

At the end of each reporting period, service and non-market performance vesting conditions are included in the estimation about the number of share awards that are expected to vest, the Group revises its estimate of the number of share awards that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share award reserve.

When the trustee transfers the Company's shares to grantees upon vesting, the related costs of the granted shares vested are reversed from shares held under share award scheme. Accordingly, the related expense of the granted shares is reversed from the share award reserve. The difference arising from such transfer is debited/credited to accumulated profits.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation as reported in the consolidated income statement because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they related to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position, except for those that are classified and accounted for as investment properties under the fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

If a property becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant leasehold land classified as right-of-use assets) at the date of transfer is recognised in other comprehensive income and accumulated in revaluation reserve. On the subsequent sale or retirement of the property, the relevant revaluation reserve will be transferred directly to accumulated profits.

Depreciation is recognised to write off the cost of assets less their residual values, over their estimated useful lives, using the straight-line method. The estimated useful life, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties also include leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair values, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Intangible assets

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Intangible assets (Continued)

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss in the period when the asset is derecognised.

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (Continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro-rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include cash, which comprises of cash on hand and demand deposits and cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of short-term financial instruments, bank balances and cash as defined above.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a weighted average cost method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised at the date of inception of the lease at the directors' best estimate of the expenditure that would be required to restore the assets, estimates are regularly reviewed and adjusted as appropriate for new circumstances.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 "Business Combinations" applies.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instrument designated at FVTOCI

Investment in an equity instrument at FVTOCI is subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the FVTOCI reserve; and is not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investment, and will be transferred to accumulated profits.

Dividends from the investments in equity instrument is recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "Other operating income and gains (losses)" line item in profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "Other operating income and gains (losses)" line item.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and other receivables and bank balances) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, 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. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on bank balances has not increased significantly since initial recognition if the relevant bank is determined to have low credit risk at the reporting date. A bank is determined to have low credit risk if i) it has a low risk of default, ii) the bank has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the bank to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience and forward-looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

ECL for trade receivables is considered using provision matrix. The trade receivables are grouped on the basis of past-due status.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other operating income and gains (losses)' line item (Note 6a) as part of the net exchange gains/(losses);

- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains (losses)' line item as part of the fair value gain of a currency swaps contract (Note 6c);

- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the reserve on instruments at FVTOCI.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to accumulated profits.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments, including those through share award scheme, is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities, including amounts due to related parties, amount due to a non-controlling interest of a subsidiary, bank borrowings and trade and other payables are subsequently measured at amortised cost, using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other operating income and gain (losses)' line item in profit or loss (note 6a) as part of net exchange gains/(losses) for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgments in applying the Group's accounting polices

The following are the critical judgments, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Discount rates determination for lease liabilities

In determining the discount rates for lease liabilities, the Group is required to exercise considerable judgement in relation to determining the discount rates taking into account the nature of the underlying assets, the terms and conditions of the leases, credit worthiness of the relevant group entities and economic environment at both the commencement date and the effective date of the modification.

(b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amounts of several groups of CGUs which are engaged in the business of distribution and retailing of sportswear and footwear products and provision of large scale commercial spaces to retailers and distributors for commissions from concessionaire sales to which goodwill has been allocated, which is the higher of the value in use and fair value less costs of disposal. The value in use calculation requires the Group to estimate the present value of the future cash flows expected to arise from the above groups of CGUs containing goodwill using a suitable discount rate. Where actual cash flows are less than expected or changes in facts and circumstances which results in downward revision of future cash flows, or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

As at December 31, 2024, the carrying amount of goodwill is RMB522,163,000 (2023: RMB522,163,000). Details of the recoverable amount calculation are disclosed in Note 16.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Key sources of estimation uncertainty (Continued)

(ii) Allowance for inventories

The management of the Group reviews the aging and saleability of the inventories amounting to RMB4,946,314,000 (2023: RMB4,704,713,000) at the end of the reporting period, and makes allowance for those inventories with carrying amounts higher than their net realisable values, including obsolete and slow-moving inventory items identified that are no longer saleable in the market. The management of the Group estimates the net realisable value for such items based primarily on the inventories condition, latest transaction prices and current market condition. The Group carries out an inventory review on aging categories at the end of the reporting period and makes allowance for obsolete and slow-moving inventory items. Where the actual transaction prices are different from expected, the provision may be subject to change. The net changes in allowance for inventories credited to the consolidated income statement for the year ended December 31, 2024 was RMB16,556,000 (2023: credited of RMB78,882,000) upon review of saleability of the inventory balance remained at the end of the reporting period. Accumulated allowance made as at December 31, 2024 was RMB137,628,000 (2023: RMB154,252,000).

(iii) Income taxes

As at December 31, 2024, a deferred tax asset of RMB86,119,000 (2023: RMB86,932,000) in relation to unused tax losses for certain operating subsidiaries has been recognised in the consolidated statement of financial position. No deferred tax asset has been recognised on the tax losses of RMB1,694,163,000 (2023: RMB1,673,489,000) due to the unpredictability of future profit streams. The reliability of the deferred tax asset arising from the unused tax losses mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are less or more than expected, a material reversal or future recognition of deferred tax asset may further arise, which would be recognised in profit or loss for the period in which such reversal or future recognition takes place.

In addition, the Group provides deferred tax liabilities in relation to the earnings expected to be distributed from its subsidiaries in the PRC. Deferred tax liabilities have not been provided on all distributable profits of these entities as the Group plans to retain the profits in the respective entities for their daily operations and future developments. In case where the actual distribution of profits are larger than expected or changes in the Group's future development plan which affects the expected timing and amounts of future distributions, material tax liabilities may arise, which will be recognised in profit or loss in the period in which such events occur.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Key sources of estimation uncertainty (Continued)

(iv) Provision of ECL for trade receivables

The Group uses practical expedient in estimating ECL on the trade receivables which are not assessed individually using a provision matrix. The provision rates are based on aging status of trade receivables as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable, supportable and available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables that are credit-impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in Note 33(b) and Note 20.

(v) Estimated impairment of property, plant and equipment, right-of-use assets and intangible assets

Property, plant and equipment, right-of-use assets and intangible assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) if such event or indicator exists, whether the carrying value of an asset can be supported by the recoverable amount, which is the higher of value in use and fair value less costs of disposal; (3) the appropriate key inputs to be applied in estimating the recoverable amounts. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the CGU to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of CGUs, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

The Group has material leasehold improvements and right-of-use assets in the retail stores which are subject to impairment test in the event of performance being below expectation. In addition, intangible assets allocated to several groups of CGUs are subject to impairment assessment test when indicator exists in any of the CGU within the groups of CGUs in which the relevant intangible assets have been allocated to. Impairment assessments were carried out against retail stores which are still underperformed after one year's operation since open and the related groups of CGUs in which the intangible assets are allocated. As at December 31, 2024, the Group performed impairment assessment on certain CGUs/groups of CGUs with impairment indicators. No impairment losses on right-of-use assets and property, plant and equipment and intangible assets were recognised.

5. REVENUE AND SEGMENTAL INFORMATION

The Group is principally engaged in the distribution and retailing of sportswear and footwear products and provision of large scale commercial spaces to retailers and distributors for commissions from concessionaire sales ("the Retail Business"). The Group's results and revenue are reported as a whole on a regular basis to the chief operating decision maker, being the executive directors of the Company, for the purposes of performance assessment and resource allocation. No other discrete financial information is presented other than entity-wide disclosures.

The following is an analysis of the Group's revenue recognised at a point in time:

	2024 RMB'000	2023 RMB'000
Sales of sportswear and footwear products	18,342,410	19,946,875
Commissions from concessionaire sales	111,513	117,622
	18,453,923	20,064,497

The Group sells the sportswear and footwear products to the wholesale market and directly to customers through its own retail stores and counters in department stores and through internet sales. Revenue is recognised at the point when control of the goods has been physically transferred to customers.

For the commissions from concessionaire sales, revenue is recognised at the point upon the sale of goods by the relevant concessionaries.

Information about major customers

The directors of the Company are not aware of any customer that individually contributed over 10% of the consolidated revenue from external customers for both year ended December 31, 2024 and 2023.

5. REVENUE AND SEGMENTAL INFORMATION (Continued)

Geographical information

The Group's operations are mainly located in the PRC.

The following table provides an analysis of the Group's revenue by geographical location of customers, irrespective of the origin of the goods and information about its non-current assets by geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000
PRC	18,294,195	19,895,543	3,084,625	3,409,508
Other locations	159,728	168,954	1,888	2,977
	18,453,923	20,064,497	3,086,513	3,412,485

6. OTHER INCOME AND GAINS (LOSSES)

(a) Other operating income and gains (losses)

	2024 RMB'000	2023 RMB'000
Included in other operating income and gains (losses) are the following items:		
Net exchange loss	(15)	(616)
Subsidy income from governments	66,192	60,678
Loss on disposal of property, plant and equipment	(10,110)	(29,712)
Impairment losses recognised on trade receivables, net	(2,100)	(8,894)
Impairment losses reversal (recognised) on other receivables, net (note)	978	(858)

note: Impairment losses provision has been recognised based on the impairment assessment under ECL model at the end of each reporting period, having considered the relevant other receivables are credit-impaired due to deteriorated operating results of relevant debtors leading to financial difficulties for repayment. During the year ended December 31, 2024, net impairment losses reversal of RMB978,000 has been recognised (2023: net impairment losses of RMB858,000 recognised).

6. OTHER INCOME AND GAINS (LOSSES) (Continued)

(b) Finance income and costs

	2024 RMB'000	2023 RMB'000
Interest expense on:		
– bank borrowings	(2,002)	(6,605)
– advance from a non-controlling interest of a subsidiary	(102)	(120)
– lease liabilities	(65,692)	(85,610)
	(67,796)	(92,335)
Interest income from:		
– bank deposits	49,978	37,615
	(17,818)	(54,720)

(c) Other gains (losses) arising other than operating activities

	2024 RMB'000	2023 RMB'000
Fair value gain on a currency swap contract	–	368
Fair value changes on investment properties	(3,200)	(24,800)
	(3,200)	(24,432)

7. INCOME TAX EXPENSE

	2024 RMB'000	2023 RMB'000
Taxation attributable to the Company and its subsidiaries:		
PRC Enterprise Income Tax ("EIT")		
– current year	183,834	112,594
– overprovision in prior years	(14,460)	(14,723)
Withholding tax on dividend	15,254	6,169
Current tax charge	184,628	104,040
Deferred tax charge (Note 18)	5,758	49,461
	190,386	153,501

7. INCOME TAX EXPENSE (Continued)

PRC EIT is calculated based on the statutory rate of 25% of the assessable profit for those subsidiaries established in the PRC, as determined in accordance with the relevant enterprise income tax law, implementation rules and notices in the PRC (the "EIT Law of PRC"), except for certain subsidiaries eligible for PRC EIT of 15% from local tax bureaus.

Dividend distributed from the PRC subsidiaries are subject to withholding tax of 5%.

The income tax expense for the year can be reconciled to the profit before taxation per the consolidated income statement as follows:

	2024 RMB'000	2023 RMB'000
Profit before taxation	688,208	656,709
Tax at the applicable domestic rates to profit of taxable entities in the countries concerned	220,660	138,821
Tax effect of expenses not deductible for tax purposes	18,215	31,492
Tax effect of income not taxable for tax purposes	(11,734)	(28,152)
Effect of tax losses not recognised	1,506	22,151
Utilisation of tax losses previously not recognised	(39,055)	(2,257)
Overprovision of tax in prior years	(14,460)	(14,723)
Withholding tax on dividend	15,254	6,169
Income tax expenses for the year	190,386	153,501

note: The Group operates in regions with different statutory tax rates, separate reconciliations using the domestic tax rate in each individual tax jurisdiction have been aggregated.

8. PROFIT FOR THE YEAR

	2024 RMB'000	2023 RMB'000
Profit for the year has been arrived at after charging (crediting):		
Directors' and the chief executives' emoluments (Note 9(a))	4,921	4,696
Retirement benefit scheme contributions, excluding directors and the chief executives	337,424	322,169
Equity-settled share-based payments, excluding directors and the chief executives	3,673	2,022
Other staff costs	1,804,779	1,951,107
Total staff costs	2,150,797	2,279,994
Auditor's remuneration	5,896	5,418
Depreciation of property, plant and equipment	324,456	363,636
Depreciation of right-of-use assets	758,336	882,475
Amortisation of intangible assets (included in selling and distribution expenses)	11,393	9,067
Impairment loss on property, plant and equipment and right-of-use assets (included in selling and distribution expenses) (Note 14)	–	27,781
Gross rental income from investment properties, net of direct expenses	(5,736)	(4,000)
Net changes in allowance for inventories	(16,556)	(78,882)

For the years ended December 31, 2024 and 2023, cost of inventories recognised as an expense, including net changes in allowance for inventories, represents cost of sales as shown in the consolidated income statement.

9. DIRECTORS', CHIEF EXECUTIVES' AND EMPLOYEES' EMOLUMENTS AND INTEREST OF DIRECTORS

(a) Directors' and chief executives' emoluments

Details of emoluments of each of the nine (2023: ten) directors, former directors and chief executives of the Company for the year disclosed pursuant to the applicable Listing Rules and CO, are set out as follows:

	Fees RMB'000	Salaries and other allowances RMB'000	Performance related bonus RMB'000	Retirement benefit scheme contributions RMB'000	Equity-settled share-based payments RMB'000	Total RMB'000
For the year ended December 31, 2024						
Executive directors:						
Yu Huan-Chang	–	715	–	–	134	849
Hu, Chia-Ho	–	438	–	–	–	438
Chen, Li-Chieh (note i)	–	740	–	–	–	740
Non-executive directors:						
Tsai Patty, Pei Chun	–	–	–	–	–	–
Li I-nan	137	–	–	–	–	137
Independent non-executive directors:						
Liu, Hsi-Liang	274	–	–	–	–	274
Chen, Huan-Chung	274	–	–	–	–	274
Feng Lei Ming	274	–	–	–	–	274
Chief executive officer:						
Wang Jun (note ii)	–	900	654	203	178	1,935
	959	2,793	654	203	312	4,921

9. DIRECTORS', CHIEF EXECUTIVES' AND EMPLOYEES' EMOLUMENTS AND INTEREST OF DIRECTORS (Continued)

(a) Directors' and chief executives' emoluments (Continued)

	Fees RMB'000	Salaries and other allowances RMB'000	Performance related bonus RMB'000	Retirement benefit scheme contributions RMB'000	Equity-settled share-based payments RMB'000	Total RMB'000
For the year ended December 31, 2023						
Executive directors:						
Yu Huan-Chang	–	704	–	–	271	975
Hu, Chia-Ho	–	420	–	–	–	420
Liao, Yuang-Whang (note iii)	–	290	–	–	–	290
Chen, Li-Chieh (note i)	–	204	–	–	–	204
Non-executive directors:						
Tsai Patty, Pei Chun	–	–	–	–	–	–
Li I-nan	135	–	–	–	–	135
Independent non-executive directors:						
Liu, Hsi-Liang	271	–	–	–	–	271
Chen, Huan-Chung	271	–	–	–	–	271
Feng Lei Ming	271	–	–	–	–	271
Chief executive officer:						
Wang Jun (note ii)	–	769	758	183	149	1,859
	948	2,387	758	183	420	4,696

note i: Chen, Li-Chieh has been appointed as an executive director of the Company with effect from September 4, 2023.

note ii: Wang Jun has been appointed as the acting chief executive officer of the Company with effect from July 1, 2022 and was re-designated as the chief executive officer of the Company with effect from March 15, 2023.

note iii: Liao, Yuang-Whang has resigned as an executive director of the Company with effect from September 4, 2023.

9. DIRECTORS', CHIEF EXECUTIVES' AND EMPLOYEES' EMOLUMENTS AND INTEREST OF DIRECTORS (Continued)

(a) Directors' and chief executives' emoluments (Continued)

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The non-executive directors' and independent non-executive directors' emoluments shown above were for their services as directors of the Company.

Except for disclosed above, other executive directors or former directors either did not receive any salary from the Group or is a member of a pension scheme outside Hong Kong, for which the Group was exempted from making contribution to the pension scheme in Hong Kong or other jurisdictions for these directors and former directors.

(b) Emoluments of senior management

Of the eight (2023: nine) senior management of the Company for the year ended December 31, 2024, three (2023: four) of them were executive directors of the Company and their remuneration has been disclosed in Note 9(a). The emoluments of the remaining five (2023: five) individuals for the year are within the following bands.

	2024 Number of employees	2023 Number of employees
Less than Hong Kong dollars ("HK$") $1,000,000	–	–
HK$1,000,001 to HK$1,500,000	1	1
HK$2,000,001 to HK$2,500,000	2	2
HK$2,500,001 to HK$3,000,000	–	2
HK$3,000,001 to HK$3,500,000	2	–
HK$3,500,001 to HK$4,000,000	–	–
	5	5

9. DIRECTORS', CHIEF EXECUTIVES' AND EMPLOYEES' EMOLUMENTS AND INTEREST OF DIRECTORS (Continued)

(c) Five highest paid employees

Of the five (2023: five) employees with the highest emoluments in the Group for the year ended December 31, 2024, none of them are directors of the Company (2023: none of them). The emoluments of the five (2023: five) individuals for the year are as follows:

	2024 RMB'000	2023 RMB'000
Salaries and other allowances	5,065	4,624
Bonus	7,041	6,136
Retirement benefit scheme contributions	595	545
Equity-settled share-based payment	695	480
	13,396	11,785

Their emoluments were within the following bands:

	2024 Number of employees	2023 Number of employees
HK$2,000,001 to HK$2,500,000	–	1
HK$2,500,001 to HK$3,000,000	3	4
HK$3,000,001 to HK$3,500,000	2	–
	5	5

During both years, no emoluments were paid by the Group to any of the directors or the five highest paid employees (including directors and the chief executive and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors nor the chief executive has waived any emoluments during both years.

9. DIRECTORS', CHIEF EXECUTIVES' AND EMPLOYEES' EMOLUMENTS AND INTEREST OF DIRECTORS (Continued)

(d) Transactions, arrangements or contracts in which directors of the Company have interests

The Company and Yue Yuen entered into a framework agreement on November 11, 2021, pursuant to which, the Company may, through its subsidiaries, jointly controlled entities and associates purchase from Yue Yuen's subsidiaries, jointly controlled entities and associates, and/or any factories operated and/or appointed by members of the Yue Yuen's subsidiaries, jointly controlled entities and associates footwear products, for three years from January 1, 2022 to December 31, 2024, subject to the various annual caps.

Mr. Yu Huan-Chang was interested in 120,000 (2023: 120,000) shares in Yue Yuen, and 90,000 (2023: 90,000) of them were awarded shares which remained unvested and subject to certain vesting conditions as at December 31, 2024.

Mr. Hu, Chia-Ho was interested in 458,000 (2023: 380,000) shares in Yue Yuen, and 45,000 (2023: 45,000) of them were awarded shares which remained unvested and subject to certain vesting conditions as at December 31, 2024.

Mr. Liao, Yuang-Whang (resigned from executive director of the Company on September 4, 2023) was interested in 120,000 shares in Yue Yuen, and 90,000 of them were awarded shares which remained unvested and subject to certain vesting conditions during the year ended December 31, 2023.

Yue-Shen (Taicang) Footwear Co., Ltd. Dongguan Branch ("Yue-Shen Taicang"), a branch of an indirect wholly-owned subsidiary of the Company, entered into a lease agreement dated December 5, 2023 with Hung Tak Investment Limited ("Hung Tak"), pursuant to which Hung Tak agreed to lease a factory building located in Guangdong Province, PRC to Yue-Shen Taicang for logistics and storage purposes from January 1, 2024 to December 31, 2024. The operating lease payment was based on the open market rates which were referenced to valuation performed by an independent professional valuer. Hung Tak was a wholly-owned subsidiary of Godalming Industries Limited, a company owned as to approximately 85.45% by a discretionary trust and its sub-funds for the benefits of Tsai's family members (including Ms. Tsai Patty, Pei-Chun, a non-executive director of the Company). For the year ended December 31, 2024, the operating lease payment paid by the Group to Hung Tak was amounting to approximately RMB1,706,000 (2023: RMB3,386,000).

10. DIVIDENDS

	2024 RMB'000	2023 RMB'000
Dividend recognised as distribution during the year:		
2023 final dividend of HK$0.012 per share (2023: Nil)	56,652	–
2024 interim dividend of HK$0.02 per share (2023: 2023 interim dividend of HK$0.0185 per share)	93,486	87,883
2024 special dividend of HK$0.02 per share (2023: Nil)	93,486	–
	243,624	87,883

Subsequent to the end of the reporting period, final dividend in respect of the year ended December 31, 2024 of HK$0.01 per share (2023: HK$0.012) and a special dividend of HK$0.01 per share (2023: Nil) in respect of the year ended December 31, 2024 have been proposed by the directors of the Company and will be paid to the shareholders of the Company whose names appear on the register of members of the Company on June 3, 2025.

11. EARNINGS PER SHARE

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

	2024 RMB'000	2023 RMB'000
Earnings:		
Earnings for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share	491,497	490,425

	2024	2023
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	5,182,147,102	5,177,341,013
Effect of dilutive potential ordinary shares: – unvested awarded shares	6,830,008	4,664,831
Weighted average number of ordinary shares for the purpose of diluted earnings per share	5,188,977,110	5,182,005,844

The weighted average number of ordinary shares shown above has been arrived at after deducting the shares held by the trustee of the share award scheme of the Company (see Note 27).

The computation of diluted earnings per share for the year ended December 31, 2024 did not consider the effect arising from the unvested awarded shares granted that otherwise would result in an increase in earnings per share.

12. INVESTMENT PROPERTIES

	RMB'000
FAIR VALUE	
At January 1, 2023	87,700
Transfer from right-of-use assets and property, plant and equipment (Note 14)	66,800
Decrease in fair value recognised in profit or loss	(24,800)
At December 31, 2023	129,700
Decrease in fair value recognised in profit or loss	(3,200)
At December 31, 2024	126,500

12. INVESTMENT PROPERTIES (Continued)

The Group leases out various shopping mall spaces under operating leases. The leases typically run for an initial period of 2 to 15 years. The leases of retail stores contain minimum annual lease payment that are fixed over the lease term.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities.

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

As at December 31, 2024, 2023 and date of transfer from right-of use assets and property, plant and equipment, the fair value of the Group's investment properties situated in the PRC has been arrived at based on a valuation carried out by APAC Asset Valuation and Consulting Limited ("APAC Asset Valuation") which is an independent qualified professional valuer not connected with the Group. The fair value was determined based on the income approach, where the market rentals of all lettable units of the properties are assessed and discounted at the market yield expected by investors for this type of properties. The market rentals are assessed by reference to the rentals achieved in the lettable units of the properties as well as other lettings of similar properties. The market yield is determined by reference to the yields derived from analysing the rental and market price of similar properties in the PRC.

In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change from the valuation technique used in the prior year.

All of the Group's investment properties are commercial properties located in the PRC and classified as Level 3 fair value hierarchy. There were no transfers into or out of Level 3 during the year.

One of the key inputs used in valuing the investment properties was the market yield, which ranged from 4.40% to 7.50% (2023: 4.30% to 7.30%) per annum. A significant increase in the market yield used would result in a significant decrease in fair value measurement of the respective investment properties, and vice versa.

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings RMB'000	Office and shopping mall buildings RMB'000	Buildings and warehouses RMB'000	Plant and machinery RMB'000	Leasehold improvements RMB'000	Furniture, fixture and equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
COST								
At January 1, 2023	58,523	74,097	359,538	40,644	2,017,156	507,836	23,756	3,081,550
Additions	–	–	–	82	277,680	32,012	840	310,614
Disposals	–	–	–	(545)	(632,323)	(108,962)	(2,778)	(744,608)
Transfer to investment properties (Note 12)	–	(26,916)	–	–	–	–	–	(26,916)
Exchange realignment	–	–	–	–	455	337	19	811
At December 31, 2023	58,523	47,181	359,538	40,181	1,662,968	431,223	21,837	2,621,451
Additions	–	–	–	731	325,682	18,998	1,032	346,443
Disposals	–	–	–	–	(280,841)	(23,427)	(1,684)	(305,952)
Exchange realignment	–	–	–	–	(328)	(462)	(16)	(806)
At December 31, 2024	58,523	47,181	359,538	40,912	1,707,481	426,332	21,169	2,661,136
DEPRECIATION AND IMPAIRMENT								
At January 1, 2023	22,237	14,751	211,129	35,837	1,517,090	376,983	17,127	2,195,154
Provided for the year	1,249	2,019	11,862	521	299,039	47,323	1,623	363,636
Impairment loss (Note 14)	–	17,755	–	–	–	–	–	17,755
Eliminated on disposals	–	–	–	(140)	(603,178)	(104,755)	(2,268)	(710,341)
Transfer to investment properties (Note 12)	–	(26,916)	–	–	–	–	–	(26,916)
Exchange realignment	–	–	–	–	289	287	19	595
At December 31, 2023	23,486	7,609	222,991	36,218	1,213,240	319,838	16,501	1,839,883
Provided for the year	1,249	1,396	10,741	516	270,127	38,723	1,704	324,456
Eliminated on disposals	–	–	–	–	(264,115)	(23,046)	(1,453)	(288,614)
Exchange realignment	–	–	–	–	(300)	(409)	(14)	(723)
At December 31, 2024	24,735	9,005	233,732	36,734	1,218,952	335,106	16,738	1,875,002
CARRYING VALUE								
At December 31, 2024	33,788	38,176	125,806	4,178	488,529	91,226	4,431	786,134
At December 31, 2023	35,037	39,572	136,547	3,963	449,728	111,385	5,336	781,568

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

All buildings, office and shopping mall buildings and factory buildings and warehouses are erected on land with medium-term land use rights in the PRC.

In addition, the Group owns several office buildings. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements as at December 31, 2024 was RMB16,967,000 (2023: RMB53,054,000).

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold land and buildings/office and shopping mall buildings/buildings and warehouses	2% – 3% or shorter of the lease term
Plant and machinery	5% – 15%
Leasehold improvements	10% – 50% or shorter of the lease term
Furniture, fixture and equipment	20% – 30%
Motor vehicles	20% – 30%

14. RIGHT-OF-USE ASSETS

	Leasehold lands RMB'000	Retail stores RMB'000	Warehouses RMB'000	Office buildings RMB'000	Total RMB'000
As at December 31, 2024					
Carrying amount	19,108	1,237,061	62,260	79,935	1,398,364
As at December 31, 2023					
Carrying amount	19,703	1,588,778	71,284	63,308	1,743,073
For the year ended December 31, 2024					
Depreciation charge	595	701,392	19,582	36,767	758,336
For the year ended December 31, 2023					
Depreciation charge	3,207	818,182	23,933	37,153	882,475

	2024 RMB'000	2023 RMB'000
Expense relating to short-term leases	66,602	25,266
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	341	482
Variable lease payments not included in the measurement of lease liabilities	923,544	1,117,518
Total cash outflow for leases	1,817,555	2,085,221
Additions to right-of-use assets, net of early termination and modification	413,628	420,824

14. RIGHT-OF-USE ASSETS (Continued)

The Group leases various leasehold lands, retail stores, warehouses and office buildings for its operations. Majority of the lease contracts are entered into for lease term of 2 to 5 years (2023: 2 to 5 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for properties. As at December 31, 2024, the size of portfolio of short-term leases increased compared to those entered in 2023. The short-term lease expense were approximately RMB66,602,000 during the year ended December 31, 2024 (2023: RMB25,266,000).

Leases of properties are either with only fixed lease payments or contain variable lease payment that are based on certain percentage of sales and minimum annual lease payment that are fixed over the lease term. Some variable payment terms include cap clauses.

The overall financial effect of using variable payment terms is that higher rental costs are incurred by stores with higher sales. Variable rent expenses are expected to continue to represent a similar proportion of store sales in future years.

Lease committed

As at December 31, 2024, the Group entered into new leases for several retail stores, warehouses and office buildings that have not yet commenced, with average non-cancellable period ranging from 1 to 6 years (2023: 1 to 3 years), the total future undiscounted cash flows over the non-cancellable period amounted to RMB41,028,000 (2023: RMB5,720,000).

Impairment assessment of property, plant and equipment and the right-of-use assets

Giving the adverse performance of certain of the Group's retail stores, the management concluded there was indication for impairment and performed impairment assessment for certain retail stores in the PRC. The Group estimates the recoverable amount of the cash-generating unit to which the assets belong to when it is not possible to estimate the recoverable amount individually including allocation of corporate assets when reasonable and consistent basis can be established. Each cash-generating unit represents the Group's retail store in PRC. The recoverable amount of cash generating unit has been determined based on a value in use calculations using cash flow projections based on forecasts approved by the management of the Group covering the remaining lease terms as at December 31, 2024. The forecasted revenue and gross profit margin have been determined with reference to the expected market development and the past performance of the retail stores. The management conducted impairment assessment on recoverable amounts of the property, plant and equipment and the right-of-use assets which were impaired to their recoverable amounts as disclosed in this note and Note 13.

14. RIGHT-OF-USE ASSETS (Continued)

Impairment assessment of property, plant and equipment and the right-of-use assets (Continued)

Based on the result of the assessment, management of the Group determined that the recoverable amounts of certain cash-generating units are higher than the corresponding carrying amounts. No impairment losses on right-of-use assets and property, plant and equipment and intangible assets were recognised for the year ended December 31, 2024 and 2023 after the impairment assessment.

During the year ended December 31, 2023, certain retail properties held by the Group ceased to be owner-occupied and are being leased to external third parties for rental income. As such, the Group determined the fair value of these properties at the date of transfer and recognised impairment losses on property, plant and equipment and right of use assets of RMB17,755,000 and RMB10,026,000, respectively. Details of the fair value measurement is disclosed in Note 12.

15. INTANGIBLE ASSETS

	Brand names RMB'000	Licensing agreements RMB'000	Non-compete agreements RMB'000	Computer software RMB'000 (note)	Total RMB'000
COST					
At January 1, 2023	467,340	37,325	158,534	–	663,199
Additions	–	–	–	33,072	33,072
At December 31, 2023	467,340	37,325	158,534	33,072	696,271
Additions	–	–	–	21,731	21,731
Write off	–	–	(9,434)	–	(9,434)
At December 31, 2024	467,340	37,325	149,100	54,803	708,568
AMORTISATION AND IMPAIRMENT					
At January 1, 2023	467,340	37,325	96,719	–	601,384
Provided for the year	–	–	9,067	–	9,067
At December 31, 2023	467,340	37,325	105,786	–	610,451
Provided for the year	–	–	6,551	4,842	11,393
Write off	–	–	(9,434)	–	(9,434)
At December 31, 2024	467,340	37,325	102,903	4,842	612,410
CARRYING VALUE					
At December 31, 2024	–	–	46,197	49,961	96,158
At December 31, 2023	–	–	52,748	33,072	85,820

15. INTANGIBLE ASSETS (Continued)

note: As at December 31, 2023, the computer software were not yet ready for use and hence, not subject to amortisation. As at December 31, 2023, capital expenditure in respect of acquisition of computer software amounted to RMB10,503,000 had been contracted for but not provided in the consolidated financial statements.

The management of the Group considers brand names, licensing agreements, non-compete agreements and computer software have finite useful lives and are amortised on a straight-line basis over the following periods:

Brand names	5 years
Licensing agreements	10 years
Non-compete agreements	5 to 20 years
Computer software	10 years

16. GOODWILL

	RMB'000
COST	
At January 1, 2023	532,999
Exchange realignment	167
At December 31, 2023	533,166
Exchange realignment	(534)
At December 31, 2024	532,632
IMPAIRMENT	
At January 1, 2023	10,836
Exchange realignment	167
At December 31, 2023	11,003
Exchange realignment	(534)
At December 31, 2024	10,469
CARRYING VALUE	
At December 31, 2024	522,163
At December 31, 2023	522,163

For the purpose of impairment assessment, goodwill of the Group is allocated to several groups of CGUs which are engaged in the business of distribution and retailing of sportswear and footwear products and provision of large scale commercial spaces to retailers and distributors for commissions from concessionaire sales.

16. GOODWILL (Continued)

The basis of recoverable amount of each of the above groups of CGUs has been determined based on its value in use calculation, and assessed by the management as at December 31, 2024 and 2023.

These calculations use cash flow projections based on financial budgets approved by management covering a five-year period and pre-tax discount rates ranging from 19% to 20% (2023: 20% to 22%), determined by an independent qualified professional valuer, APAC Asset Valuation for the groups of CGUs. The cash flows beyond the five-year period are extrapolated using a steady growth rate of 2% (2023: 2%) for all of the above groups of CGUs. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows which included budgeted sales and gross margin, such estimation is based on above groups of CGUs' past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the recoverable amount of the above groups of CGUs to fall below its carrying amount.

17. INTERESTS IN JOINT VENTURES

	2024 RMB'000	2023 RMB'000
Cost of unlisted investments in joint ventures	27,100	27,100
Share of post-acquisition losses, net of dividends received	(27,100)	(27,100)
	–	–

18. DEFERRED TAX ASSETS/LIABILITIES

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2024 RMB'000	2023 RMB'000
Deferred tax assets	(102,826)	(110,222)
Deferred tax liabilities	21,293	22,931
	(81,533)	(87,291)

18. DEFERRED TAX ASSETS/LIABILITIES (Continued)

The followings are the major deferred tax liabilities (assets) recognised and movements thereon during current and prior years:

	Undistributed earnings of PRC entities RMB'000	Fair value adjustments of intangible assets on business combination RMB'000	Right-of-use assets RMB'000	Lease liabilities RMB'000	Tax losses RMB'000	Total RMB'000
At January 1, 2023	9,746	14,823	520,650	(553,281)	(128,690)	(136,752)
(Credit) charge to profit or loss (Note 7)	–	(1,638)	(108,373)	117,714	41,758	49,461
At December 31, 2023	9,746	13,185	412,277	(435,567)	(86,932)	(87,291)
(Credit) charge to profit or loss (Note 7)	–	(1,638)	(80,354)	86,937	813	5,758
At December 31, 2024	9,746	11,547	331,923	(348,630)	(86,119)	(81,533)

As at December 31, 2024, the Group had unused tax losses of approximately RMB2,020,635,000 (2023: approximately RMB2,021,214,000) available for offset against future profits with majority that will gradually expire in five years' time. A deferred tax asset has been recognised in respect of RMB326,472,000 (2023: RMB347,725,000) of such losses. No deferred tax asset has been recognised in respect of the remaining tax losses of approximately RMB1,694,163,000 (2023: approximately RMB1,673,489,000) due to unpredictability of future profit streams.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from January 1, 2008. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to approximately RMB8,548 million (2023: approximately RMB8,392 million) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

19. INVENTORIES

	2024 RMB'000	2023 RMB'000
Sportswear and footwear products	4,946,314	4,704,713

20. TRADE AND OTHER RECEIVABLES

	2024 RMB'000	2023 RMB'000
Trade receivables	973,701	978,919
Deposits, prepayments and other receivables	1,150,814	1,122,658
	2,124,515	2,101,577
Deposits, prepayments and other receivables represent:		
Rental deposits and prepaid rentals	116,469	129,952
Deposits and prepayments paid to suppliers	544,482	636,410
Value-added tax recoverable	371,313	245,829
Other prepaid expenses	81,710	82,919
Other deposits and receivables	36,840	27,548
	1,150,814	1,122,658

Before accepting any new wholesale customer, the Group has assessed the potential customer's credit quality and defines credit limits for each wholesale customer. Limits attributed to customers are reviewed periodically. For the sales through counters in department stores, the Group periodically reviews the settlement status of these department stores.

The Group generally allows credit periods of 30 days to 60 days which are agreed with each of its trade customers. The aged analysis of the Group's trade receivables, net of allowance for doubtful debts, presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates, is as follows:

	2024 RMB'000	2023 RMB'000
0 – 30 days	955,328	955,025
31 – 90 days	18,373	23,546
Over 90 days	–	348
	973,701	978,919

As at December 31, 2023, included in the Group's trade receivable balance were debtors with aggregate carrying amount of RMB224,000 (2024: Nil) which are past due over 60 days at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. Trade receivables which are neither past due nor impaired are in good quality with satisfactory repayment history in the past.

Details of impairment assessment of trade and other receivables for the year ended December 31, 2024 and 2023 are set out in Note 33(b).

21. CASH AND CASH EQUIVALENTS/BANK DEPOSITS OVER THREE MONTHS

Cash and cash equivalents include demand deposits, short-term time deposits and short term financial instruments for the purpose of meeting the Group's short-term cash commitments, which are interest-bearing at market interest rates. All deposits have an original maturity of three months or less except for the deposits amounting to RMB437,840,000 (2023: RMB250,000,000) with original maturity over 12 months and therefore classified as non-current assets.

As at December 31, 2024, the bank deposits carried variable interest rates ranging from 0.01% to 2.25% (2023: 0.01% to 2.75%) per annum.

The bank deposits with original maturing over three months carry interests at market rates from 0.92% to 3.00% (2023: 1.80% to 3.45%) per annual with maturity:

	2024 RMB'000
Within one year	846,510
Within a period of more than one year but not exceeding two years	437,840
	1,284,350

The short-term financial instruments of nil (2023: RMB149,996,000) comprise national debt reverse repurchase products, being highly liquid debt securities with fixed maturities (within three months from subscription date) and determinable returns, and subject to insignificant risk of changes in value.

The Group's cash and cash equivalents that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

	2024 RMB'000	2023 RMB'000
United States dollars ("USD")	9,823	11,746
HK$	487	550
RMB	4,412	4,533
	14,722	16,829

22. TRADE AND OTHER PAYABLES

	2024 RMB'000	2023 RMB'000
Trade payables	971,990	1,252,834
Deposits from customers	298,477	306,340
Amounts due to related parties (note i)	4,096	3,794
Accrued staff costs	240,654	283,244
Sales discount and rebate to customers	132,256	137,238
Renovation costs payables	99,910	80,213
Short-term leases, leases of low-value assets and variable lease payables	37,741	50,191
Storage fee payables	22,379	14,636
Sales received on behalf of concessionary sales customers	157,865	158,743
Other tax payables	57,174	14,316
Interest payables	194	172
Accrued operating expenses	326,847	183,317
	2,349,583	2,485,038

note:

(i) The amounts represent amount due to a non-controlling interest of a subsidiary of RMB2,800,000 (2023: RMB2,800,000) which is unsecured, expected to be repaid within one year and carries fixed interest rate of 3.45% (2023: 3.65%) per annum and amount due to Yue Yuen and its subsidiaries of RMB1,296,000 (2023: RMB994,000), which are unsecured, interest-free and repayable on demand.

The aged analysis of the Group's trade payables, presented based on the invoice date at the end of the reporting period, is as follows:

	2024 RMB'000	2023 RMB'000
0 – 30 days	954,011	1,252,501
31 – 90 days	12,968	257
Over 90 days	5,011	76
	971,990	1,252,834

The credit period for payment of purchases of goods is ranging from 30 days to 60 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

23. CONTRACT LIABILITIES

Contract liabilities mainly included prepayments received from wholesale customers when they sign the sale and purchase agreements. They are expected to be recognised as revenue within one year upon receipt, and were recognised as revenue in current period upon the satisfaction of performance obligation, i.e. the delivery of goods to customers. The increase (2023: decrease) in contract liabilities in the current year was mainly due to the decreased (2023: increased) utilisation of customer deposit before the period end.

As at January 1, 2023, contract liabilities amounted to RMB447,916,000.

24. BANK BORROWINGS

The bank borrowings amounting to RMB39,273,000 (2023: RMB39,202,000) are unsecured, interest-bearing, and repayable within one year.

	2024 RMB'000	2023 RMB'000
Fixed rate borrowings	39,273	39,202

The range of effective interest rates (which are also equal to contracted interest rates) on the Group's bank borrowings are as follows:

	2024	2023
Effective interest rate:		
Fixed rate borrowings	2.03% – 3.75%	1.78% – 4.10%

25. LEASE LIABILITIES

	2024 RMB'000	2023 RMB'000
Lease liabilities payable:		
Within one year	538,548	625,826
Within a period of more than one year but not exceeding two years	368,866	417,990
Within a period of more than two years but not exceeding five years	466,262	579,592
Within a period of more than five years	56,843	154,859
	1,430,519	1,778,267
Less: Amount due for settlement within one year shown under current liabilities	(538,548)	(625,826)
Amount due for settlement after one year shown under non-current liabilities	891,971	1,152,441

The incremental borrowing rates applied to lease liabilities in the PRC, Hong Kong and Taiwan range from 3.45% to 3.95% (2023: from 2.30% to 4.20%).

26. SHARE CAPITAL

	Number of shares	Nominal value HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At January 1, 2023, December 31, 2023 and 2024	30,000,000,000	300,000
Issued and fully paid:		
At January 1, 2023, December 31, 2023 and 2024	5,326,179,615	53,261

	RMB'000
Shown in the consolidated financial statements as at December 31, 2024 and 2023	46,438

27. SHARE AWARD SCHEME

The Company's share award scheme (the "Share Award Scheme") was adopted on May 9, 2014, amended on November 11, 2016, and further amended and restated on November 13, 2023 by the Board upon the recommendation by the remuneration committee of the Board (the "Remuneration Committee"). The objective of the Share Award Scheme is to recognise the contributions by certain persons, including directors of the Company and employees of the Group (the "Selected Participants") and to provide incentives to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group. The Share Award Scheme became effective on May 9, 2014 and, unless otherwise terminated or amended, was originally in force for 10 years. Given the original term of the Share Award Scheme was due to expire by the end of May 8, 2024, the Board held a meeting on November 13, 2023, upon recommendation by the Remuneration Committee, resolved to extend the Share Award Scheme for a further term of 10 years commencing on May 9, 2024 by amending and restating the rules and trust deed relating to the Share Award Scheme, which also came into effect on May 9, 2024.

The Share Award Scheme is operated through a trustee which is independent of the Group. After the notification and instruction by the Company, the trustee has the right to, among other conditions, in its sole discretion, determine whether the shares are to be purchased on or off the Stock Exchange from time to time, unless during the year at which the directors of the Company are prohibited by the Listing Rules or any corresponding codes or securities dealing restrictions adopted by the Company.

The board of directors of the Company would notify the trustee of the Share Award Scheme in writing upon the making of any award to any participants. Upon the receipt of such notice, the trustee would set aside the appropriate number of awarded shares in the pool of shares. The relevant awarded shares shall vest in accordance with the conditions and timetable as set out in the relevant letter of award issued to the Selected Participant. Vesting of the award shares will be conditional on the Selected Participants remaining an employee of the Group on a vesting date and the board of directors has not determined to vary or cancel such an award for any reason (including but not limited to exceptionally poor performance, misconduct or material breach of the terms of employment or rules or policies of the Company). An award shall automatically lapse forthwith when a Selected Participant has taken unpaid leave of absence and does not return to work before the expiry of 24 months from the original vesting date, or ceases to be an employee of the Group, or the subsidiary employing the Selected Participant ceases to be a subsidiary of the Company, or an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company, or Selected Participant's employment is terminated for cause if the award has not been vested.

27. SHARE AWARD SCHEME (Continued)

The Company has not purchased any share for share award scheme during the years ended December 31, 2024 and 2023. A total of 142,464,760 ordinary shares of the Company were held by the trustee of the Share Award Scheme as at December 31, 2024 (2023: 147,176,160 ordinary shares).

The following table discloses movements in the Company's share awards under the Share Award Scheme during the years ended December 31, 2024 and 2023:

	Date of grant	Vesting period	Number of share awards outstanding at January 1, 2023	Vested during the year	Lapsed/ cancelled during the year	Number of share awards outstanding at December 31, 2023	Granted during the year	Vested during the year	Lapsed/ cancelled during the year	Number of share awards outstanding at December 31, 2024
Director/Chief Executive Officer										
Yu Huan-Chang	11.11.2022	11.11.2022-10.11.2023	360,000	(360,000)	–	–	–	–	–	–
	11.11.2022	11.11.2022-10.11.2024	360,000	–	–	360,000	–	(360,000)	–	–
	11.11.2022	11.11.2022-10.11.2025	480,000	–	–	480,000	–	–	–	480,000
Wang Jun (note i)	24.03.2021	24.03.2021-23.09.2023	144,000	(144,000)	–	–	–	–	–	–
	24.03.2021	24.03.2021-23.03.2024	240,000	–	–	240,000	–	(240,000)	–	–
	19.08.2024	19.08.2024-18.08.2025	–	–	–	–	500,000	–	–	500,000
	19.08.2024	19.08.2024-18.08.2026	–	–	–	–	500,000	–	–	500,000
Employees	24.03.2021	24.03.2021-23.09.2023	1,759,500	(1,651,200)	(108,300)	–	–	–	–	–
	24.03.2021	24.03.2021-23.03.2024	2,932,500	–	(180,500)	2,752,000	–	(2,752,000)	–	–
	13.08.2021	13.08.2021-12.02.2023	377,400	(377,400)	–	–	–	–	–	–
	13.08.2021	13.08.2021-12.02.2024	566,100	–	(42,900)	523,200	–	(515,400)	(7,800)	–
	13.08.2021	13.08.2021-12.08.2024	943,500	–	(71,500)	872,000	–	(844,000)	(28,000)	–
	19.08.2024	19.08.2024-18.08.2025	–	–	–	–	10,500,000	–	(200,000)	10,300,000
	19.08.2024	19.08.2024-18.08.2026	–	–	–	–	10,500,000	–	(200,000)	10,300,000
Total			8,163,000	(2,532,600)	(403,200)	5,227,200	22,000,000	(4,711,400)	(435,800)	22,080,000

note i: Wang Jun was appointed as the acting chief executive officer of the Company with effect from July 1, 2022 and was re-designated as the chief executive officer of the Company with effect from March 15, 2023.

The closing price of the Company's shares immediately before the grant of the share awards on August 19, 2024 was HK$0.620 per share.

During the year ended December 31, 2024, the Group recognised a net expense of RMB3,985,000 (2023: RMB2,442,000) as equity-settled share-based payments in the consolidated income statement under the Share Award Scheme with reference to the share awards' respective vesting periods and the share awards lapsed prior to their vesting dates.

28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities RMB'000	Bank borrowings RMB'000	Dividend payable RMB'000	Interest payables RMB'000 (Note 22)
At January 1, 2023	2,213,791	456,162	–	1,625
Financing cash flows	(936,987)	(417,691)	(87,883)	(8,178)
New leases/lease modification/ lease termination	415,856	–	–	–
Foreign exchange translation	(3)	731	–	–
Interest expenses	85,610	–	–	6,725
Dividend declared	–	–	87,883	–
At December 31, 2023	1,778,267	39,202	–	172
Financing cash flows	(817,920)	2,022	(243,624)	(2,082)
New leases/lease modification/ lease termination	404,480	–	–	–
Foreign exchange translation	–	(1,951)	–	–
Interest expenses	65,692	–	–	2,104
Dividend declared	–	–	243,624	–
At December 31, 2024	1,430,519	39,273	–	194

29. RETIREMENT BENEFIT PLANS

The employees employed in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes.

The Group also operates a MPF Schemes for all its qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. Under the rule of the MPF Schemes, the employer and its employees are each required to make contributions to the scheme at rate specified in the rules.

The total cost of RMB337,627,000 (2023: RMB322,352,000) charged to profit or loss represents contribution paid or payable to the above retirement benefit plans by the Group for the year.

During the year ended December 31, 2024 and 2023, the Group had no forfeited contributions under the retirement benefits schemes utilised to reduce future contributions.

At the end of the reporting period, the Group had no significant obligation apart from the contribution as stated above.

30. OPERATING LEASING ARRANGEMENTS

The Group as lessor

Certain of the Group's properties have committed leases for its tenants for undiscounted lease payments receivables over non-cancellable period from two years to fifteen years as follow:

	2024 RMB'000	2023 RMB'000
Within one year	7,876	8,485
In the second year	6,757	7,475
In the third year	5,933	6,439
In the fourth year	5,187	5,947
In the fifth year	4,940	4,988
Over five years	8,014	13,020
	38,707	46,354

31. RELATED PARTY DISCLOSURES

(a) Transactions

Other than as disclosed elsewhere in these consolidated financial statements, the Group had the following significant related party transactions:

Relationship	Nature of transactions	2024 RMB'000	2023 RMB'000
PCC and its subsidiaries other than members of the Group	Other service income received by the Group	–	111
Yue Yuen and its subsidiaries	Operating lease payment paid by the Group	1,170	1,258
	Management fees charged to the Group	4,810	5,571
Companies owned by a trust set up for the benefits of the family members of a director of the Company and the director is one of the ultimate beneficiaries of the trust:			
Hung Tak Investment Limited	Operating lease payment paid by the Group	1,706	3,386
Non-controlling interest of a subsidiary	Sales of sportswear products by the Group	28,941	30,688
	Commission from concessionaire sales by the Group	1,142	1,138
	Other operating income received by the Group	336	332
	Interest expense charged to the Group	102	120

31. RELATED PARTY DISCLOSURES (Continued)

(b) Compensation of key management personnel

	2024 RMB'000	2023 RMB'000
Short term benefits	21,308	17,428
Equity-settled share-based payments	1,282	1,001
	22,590	18,429

The remuneration of directors and key executives is determined having regard to the performance of the individuals.

32. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts, which include the bank borrowings disclosed in Note 24, lease liabilities in Note 25, and equity attributable to owners of the Company, comprising issued share capital, various reserves and accumulated profits.

The directors of the Company review the capital structure on a regular basis. As part of this review, directors of the Company assess the annual budget prepared by the accounting, treasury and all functional departments and consider and evaluate the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, the issue of new shares as well as the issue of new debt or the redemption of the existing debt.

33. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2024 RMB'000	2023 RMB'000
Financial assets		
Amortised cost	3,783,012	3,934,027
Equity instrument at FVTOCI	3,088	1,921
Financial liabilities		
Amortised cost	1,573,506	1,870,074
Lease liabilities	1,430,519	1,778,267

(b) Financial risk management objectives and policies

The Group's major financial instruments include an equity instrument at FVTOCI, trade and other receivables, bank balances, short-term financial instruments, bank deposits over three months and cash, trade and other payables, amounts due to related parties, amount due to a non-controlling interest of a subsidiary, bank borrowings and lease liabilities. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. There has been no changes to the policies on how to mitigate these risks.

Market risk

(i) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances (Note 21). Management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The Group is also exposed to fair value interest rate risk in relation to fixed-rate, bank borrowings (Note 24) and lease liabilities (Note 25).

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. Fluctuations of Hong Kong Interbank Offered Rate and Loan Prime Rate are the major sources of the Group's cash flow interest rate risks.

The management considers the exposure of interest rate risk is not significant. Accordingly, no sensitivity analysis is performed.

33. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, bank balances and other receivables. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group's concentration of credit risk by geographical locations is mainly in the PRC, which covered over 99% (2023: over 99%) of its total receivables as at December 31, 2024. There is no significant concentration of credit risk on trade receivables.

The Group's customer base is diverse and the trade receivables consist of a large number of customers. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals for its wholesale customers, and for other monitoring procedures to ensure that follow-up actions are taken to recover overdue debts for both wholesale customers and shopping malls. In addition, the Group performs impairment assessment under ECL model on trade balances based on provision matrix.

The Group's internal credit risk grading assessment on trade receivables and other financial assets comprise the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit -impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit -impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit -impaired	Lifetime ECL – not credit -impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit -impaired	Lifetime ECL – credit -impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

33. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	Internal credit rating	12m or lifetime ECL	Gross carrying amount 2024 RMB'000	Gross carrying amount 2023 RMB'000
Financial assets at amortised cost					
Trade receivables	20, 6(a)	(note 2)	Lifetime ECL (Provision matrix)	973,701	978,919
		Loss	Credit-impaired	38,065	36,920
				1,011,766	1,015,839
Bank balances	21	(note 1)	12m ECL	1,418,973	1,677,474
Short-term financial instruments	21	(note 1)	12m ECL	–	149,996
Bank deposits over three months	21	(note 1)	12m ECL	1,284,350	1,046,615
Other receivables	20, 6(a)	Low risk/ watch list	12m ECL	105,909	80,930
		Loss	Credit-impaired	2,309	3,400
				108,218	84,330

notes:

1. The credit risk on bank balances, short-term financial instruments and bank deposits is limited because the counterparties are banks and a financial institution with reputable credit ratings.

2. The Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors that are credit-impaired, the Group determines the ECL on these items by using a provision matrix, grouped by aging of receivables. The directors of the Company considered the loss allowance at lifetime ECL on trade receivables calculated based on provision matrix is insignificant.

33. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Provision matrix – trade receivables' aging

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers in relation to its Retail Business because these customers consist of debtors with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix as at December 31, 2024 and 2023 within lifetime ECL (not credit-impaired).

Trade receivables	2024 RMB'000	2023 RMB'000
Current (not past due)	955,328	964,022
1 – 120 days past due	18,373	14,897
	973,701	978,919

The average loss rates are estimated based on historical observed default rates over the expected life of the trade receivables and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about trade receivables is updated.

Debtors that are credit-impaired with gross carrying amounts of RMB38,065,000 (2023: RMB36,920,000) were assessed individually.

33. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Provision matrix – trade receivables' aging (Continued)

The following table shows the movement in lifetime ECL (credit-impaired) that has been recognised for trade receivables under the simplified approach.

	Trade receivables RMB'000
As at January 1, 2023	28,075
– Impairment losses recognised	8,894
– Write-offs	(49)
As at December 31, 2023	36,920
– Impairment losses recognised	2,100
– Write-offs	(955)
As at December 31, 2024	38,065

The Group considers the trade receivables are credit-impaired mainly when they are past due for more than 120 days based on past experience, and writes off a trade receivable when there is information indicating that the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The Group has taken legal action to recover certain trade receivables that have been written off.

Liquidity risk

With regard to the Group's liquidity risk, the management monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

33. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The following table details the contractual maturity of the Group's financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rates, the undiscounted amount is based on the interest rate at the end of the reporting periods.

	Weighted average interest rate %	0 to 30 days RMB'000	31 to 90 days RMB'000	91 to 365 days RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
As at December 31, 2024								
Non-interest bearing	–	1,513,454	12,968	5,011	–	–	1,531,433	1,531,433
Fixed interest rate instruments	2.49	26,109	13,216	2,872	–	–	42,197	42,073
Lease liabilities	3.90	58,642	114,754	412,165	894,010	58,049	1,537,620	1,430,519
		1,598,205	140,938	420,048	894,010	58,049	3,111,250	3,004,025

	Weighted average interest rate %	0 to 30 days RMB'000	31 to 90 days RMB'000	91 to 365 days RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
As at December 31, 2023								
Non-interest bearing	–	1,827,739	257	76	–	–	1,828,072	1,828,072
Fixed interest rate instruments	2.26	27,672	11,571	2,877	–	–	42,120	42,002
Lease liabilities	3.90	51,982	207,917	427,667	1,086,474	164,630	1,938,670	1,778,267
		1,907,393	219,745	430,620	1,086,474	164,630	3,808,862	3,648,341

The amounts included above for variable interest rate instruments are subject to changes if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

(c) Fair value measurements of financial instruments

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values at the end of the reporting period.

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	212	192
Investments in subsidiaries	4,399,880	4,396,031
	4,400,092	4,396,223
CURRENT ASSETS		
Other receivables	13,883	9,842
Amounts due from subsidiaries	2,570,294	2,732,503
Cash and cash equivalents	244,187	526,901
	2,828,364	3,269,246
CURRENT LIABILITIES		
Other payables	7,918	6,957
Amounts due to subsidiaries	2,633,245	3,082,071
	2,641,163	3,089,028
NET CURRENT ASSETS	187,201	180,218
NET ASSETS	4,587,293	4,576,441
CAPITAL AND RESERVES		
Share capital (Note 26)	46,438	46,438
Reserves (note)	4,540,855	4,530,003
	4,587,293	4,576,441

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

note:

Movements in the Company's reserves:

	Reserves RMB'000	Accumulated profits RMB'000	Total RMB'000
At January 1, 2023	4,160,332	481,197	4,641,529
Loss and total comprehensive expense for the year	–	(26,085)	(26,085)
Recognition of equity-settled share-based payment, net of amounts lapsed relating to share awards not yet vested	2,442	–	2,442
Dividend recognised as distribution	–	(87,883)	(87,883)
At December 31, 2023	4,162,774	367,229	4,530,003
Profit and total comprehensive income for the year	–	250,491	250,491
Recognition of equity-settled share-based payment, net of amounts lapsed relating to share awards not yet vested	3,985	–	3,985
Dividend recognised as distribution	–	(243,624)	(243,624)
At December 31, 2024	4,166,759	374,096	4,540,855

35. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries as at December 31, 2024 and 2023:

Name of subsidiary	Country/place of incorporation or establishment/ operation	Issued and fully paid share capital/ registered capital	Attributable equity interests held (note i)		Principal activities
			2024	2023	
Bao Sheng Dao Ji (Beijing) Trading Company Ltd. 寶盛道吉(北京)貿易有限公司 (note ii)	PRC	US$65,000,000	100%	100%	Retailing of sportswear
Guangzhou Baoyuen Trading Company Limited# 廣州寶元貿易有限公司 (note ii)	PRC	US$23,310,000	100%	100%	Retailing of sportswear
Hainan Baoxun Electronic Commerce Co., Ltd.# 海南寶迅電子商務有限公司 (note iv)	PRC	RMB15,000,000	100%	100%	Retailing of sportswear
Hainan Shengwei Electronic Commerce Co., Ltd.# 海南勝偉電子商務有限公司 (note iv)	PRC	RMB15,000,000	100%	100%	Retailing of sportswear
Hainan Shengzhuo E-commerce Co., Ltd# 海南勝卓電子商務有限公司 (note iv)	PRC	RMB5,000,000	72%	N/A	Retailing of sportswear
Harbin Baosheng Sports Goods Company Limited# 哈爾濱寶勝體育用品有限公司 (note ii)	PRC	RMB22,000,000	100%	100%	Retailing of sportswear
Hebei Zhanxin Sports Development Company Limited# 河北展新體育發展有限公司 (note iv)	PRC	RMB18,180,000	100%	100%	Retailing of sportswear
Hefei Baoxun Sports Goods Trading Company Limited# 合肥寶勛體育用品商貿有限公司 (note iv)	PRC	RMB1,000,000	100%	100%	Retailing of sportswear
Kunshan bao han Culture Sportsevolution Co., Ltd. 昆山寶悍體育文化發展有限公司 (note ii)	PRC	US$10,000,000	100%	100%	Sports marketing and organisation of sports events
Kunshan Baowei Information Technology Co., Ltd 昆山寶唯信息科技有限公司 (note iv)	PRC	RMB600,000,000	100%	100%	Retailing of sportswear

35. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Country/place of incorporation or establishment/ operation	Issued and fully paid share capital/ registered capital	Attributable equity interests held (note i) 2024	2023	Principal activities
Kushan Taisong Trading Co., Ltd 昆山泰崧精品貿易有限公司 (note iii)	PRC	US$26,500,000	100%	100%	Retailing of sportswear
Kunshan YYsports E-Commerce Co., Ltd 昆山勝道信息技術有限公司 (note ii)	PRC	US$3,000,000	100%	100%	Retailing of sportswear
Nanning Pou Guan Sporting Goods Company Limited# 南寧寶冠體育用品有限公司 (note ii)	PRC	US$1,300,000	100%	100%	Retailing of sportswear
PCG Bros (Holdings) Co. Limited	BVI	US$6,400,000	100%	100%	Investment holding
PCG BROS Sports Management Co. Ltd.# 寶悍運動平台股份有限公司	Taiwan	NTD360,000,000	100%	100%	Sports marketing and organisation of sports events
Pou Sheng (China) Investment Group Co., Ltd. 常勝投資集團有限公司 (note ii)	PRC	US$152,922,400	100%	100%	Investment holding
Pou Sheng International Sports Development Company Limited	HK	HK$100	100%	100%	Investment holding
Qingdao Pou Sheng International Sporting Goods Company Limited# 青島寶勝國際體育用品有限公司 (note iv)	PRC	RMB20,000,000	72%	72%	Retailing of sportswear
Shaanxi Pousheng Trading Company Ltd 陝西寶勝貿易有限公司 (note ii)	PRC	US$66,000,000	100%	100%	Retailing of sportswear
Shanghai Baokun Zhilian Information Technology Co., Ltd.# 上海寶錕智鏈信息科技有限公司 (note iv)	PRC	RMB500,000	100%	100%	Provision of technical advisory services
Shanghai Dongzhijie Sporting Goods Development Co., Ltd.# 上海東之杰體育用品發展有限公司 (note iv)	PRC	RMB1,000,000	100%	100%	Retailing of sportswear
Shanghai Pouyuen Sports Trading Co. Ltd# 上海寶原體育用品商貿有限公司 (note ii)	PRC	US$50,000,000	100%	100%	Retailing of sportswear

35. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Country/place of incorporation or establishment/ operation	Issued and fully paid share capital/ registered capital	Attributable equity interests held (note i) 2024	2023	Principal activities
Shanghai Shengdao Sports Goods Company Limited# 上海勝道體育用品有限公司 (note iv)	PRC	RMB5,100,000	100%	100%	Retailing of sportswear
Shanghai Shengjie Sports Goods Co., Ltd# 上海勝杰體育用品有限公司 (note iv)	PRC	RMB15,000,000	100%	100%	Retailing of sportswear
Shengdao (Chengdu) Trading Co. Ltd.# 勝道(成都)商貿有限公司 (note ii)	PRC	US$22,400,000	100%	100%	Retailing of sportswear
Shenyang Baoyi Trading Company Limited# 瀋陽寶益貿易有限公司 (note iv)	PRC	RMB40,000,000	100%	100%	Retailing of sportswear
Tianjin Baosheng Sports Goods Company Limited# 天津寶勝體育用品銷售有限公司 (note iv)	PRC	RMB1,000,000	100%	100%	Retailing of sportswear
TREASURE CHAIN INTERNATIONAL LIMITED	BVI	US$1	100%	100%	Investment holding
WINNING TEAM HOLDINGS LIMITED	BVI	US$1	100%	100%	Investment holding
Wuxi Pouyuen Sports Goods Trading Company Limited# 無錫寶原體育用品商貿有限公司 (note iv)	PRC	RMB1,000,000	100%	100%	Retailing of sportswear
Yue Cheng (Kunshan) Sports Co., Ltd 裕晟(昆山)體育用品有限公司 (note ii)	PRC	US$142,200,000	100%	100%	Retailing of sportswear
YY Sports Holdings Limited ("YY Sports") (note i)	BVI	US$1	100%	100%	Investment holding

\# The English names are for information purpose only.

35. PRINCIPAL SUBSIDIARIES (Continued)

notes:

(i) The Company directly holds the interest in YY Sports. All other interests shown are indirectly held by the Company.

(ii) These entities are wholly-foreign owned enterprises established/operated in the PRC.

(iii) These entities are sino-foreign owned enterprises established/operated in the PRC.

(iv) These entities are wholly-domestic owned enterprises established/operated in the PRC.

The above table lists the subsidiaries of the Company which, in the opinion of directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities during the year or at the end of the year.

FINANCIAL SUMMARY

Below financial information is extracted from annual reports of the Company:

RESULTS

	For the year ended December 31,				
	2020 RMB'000	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
Revenue	25,611,125	23,350,235	18,638,021	20,064,497	18,453,923
Profit for the year	314,660	375,755	100,238	503,208	497,822
Attributable to:					
Owners of the Company	302,840	356,587	89,164	490,425	491,497
Non-controlling interests	11,820	19,168	11,074	12,783	6,325
	314,660	375,755	100,238	503,208	497,822

ASSETS AND LIABILITIES

	As at December 31,				
	2020 RMB'000	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
Total assets	17,022,269	16,658,980	13,598,861	13,257,673	13,037,890
Total liabilities	(9,146,239)	(8,456,784)	(5,404,941)	(4,647,092)	(4,167,094)
	7,876,030	8,202,196	8,193,920	8,610,581	8,870,796
Equity attributable to:					
Owners of the Company	7,770,201	8,095,464	8,114,253	8,518,131	8,774,485
Non-controlling interests	105,829	106,732	79,667	92,450	96,311
	7,876,030	8,202,196	8,193,920	8,610,581	8,870,796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寶勝國際（控股）有限公司

POU SHENG INTERNATIONAL (HOLDINGS) LIMITED

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