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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the period ended 31 December 2024

(Expressed in RMB)

		2024 <i>RMB'000</i>	2023 <i>B'000</i>
Revenue	2	2,050,000	1,964,237
Cost of sales		<u>(1,037,238)</u>	<u>(969,321)</u>
Gross profit		1,012,762	994,916
Other income	3	39,462	30,502
Other expenses		(670,774)	(563,283)
Finance income		(139,343)	(159,506)
Finance expenses		<u>(28,544)</u>	<u>(26,384)</u>
Profit from operations		213,563	276,245
Finance income	4()	<u>(6,950)</u>	<u>(2,919)</u>
Profit before taxation	4	206,613	273,326
Income tax	5	<u>(46,183)</u>	<u>(61,738)</u>
Profit for the year		<u><u>160,430</u></u>	<u><u>211,588</u></u>
Attributable to:			
Equity holders of the Company		156,295	201,218
Non-controlling interests		<u>4,135</u>	<u>10,370</u>
Profit for the year		<u><u>160,430</u></u>	<u><u>211,588</u></u>
Earnings per share			
Basic earnings per share (B)	6	<u><u>0.34</u></u>	<u><u>0.46</u></u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

截至2024年12月31日止年度
(Euros in thousands)

	2024 <i>RMB'000</i>	2023 <i>B'000</i>
Profit for the year	<u>160,430</u>	<u>211,588</u>
Other comprehensive income for the year (after tax and reclassification adjustments)		
Loss on disposal of subsidiaries and associates Exchange differences on translation of financial statements (Financial instruments)	13,933	-
Loss on disposal of subsidiaries and associates Exchange differences on translation of financial statements (Cash and cash equivalents)	<u>(13)</u>	<u>-</u>
Other comprehensive income for the year	<u>13,920</u>	<u>-</u>
Total comprehensive income for the year	<u><u>174,350</u></u>	<u><u>211,588</u></u>
Attributable to:		
Equity holders of the Company Non-controlling interests	170,221	201,218
	<u>4,129</u>	<u>10,370</u>
Total comprehensive income for the year	<u><u>174,350</u></u>	<u><u>211,588</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(Expressed in Renminbi Yuan)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2024

(Expressed in Renminbi Yuan)

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

NOTES

(E, ...)

1 Base of preparation

(a) Statement of compliance

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(b) Basis of preparation of the financial statements

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(c) **Changes in accounting policies**

Our accounting policies have been updated to reflect the changes in accounting policies adopted by the Group in 2024. The changes are as follows:

- A change in the accounting policy for the recognition and measurement of financial assets, as required by IAS 1, (2020) (2022) (2022) (2022).
- A change in the accounting policy for the recognition and measurement of financial liabilities, as required by IAS 1, (2020) (2022) (2022) (2022).
- A change in the accounting policy for the recognition and measurement of financial assets, as required by IAS 1, (2020) (2022) (2022) (2022).

The changes in accounting policies have been applied retrospectively to the comparative financial statements for the year ended 31 December 2023. The impact of the changes in accounting policies on the Group's financial statements is as follows:

2 Revenue and segment reporting

(a) **Revenue**

The Group's revenue is derived from the sale of goods and services to customers. The revenue is recognized when the control of the goods or services is transferred to the customer. The revenue is measured at the fair value of the consideration received or receivable, net of discounts, trade allowances and other adjustments.

	2024 RMB'000	2023 B'000
Revenue from contracts with customers within the scope of IFRS 15		
Revenue from contracts with customers within the scope of IFRS 15	486,074	509,035
Revenue from contracts with customers within the scope of IFRS 15	321,796	351,170
Revenue from contracts with customers within the scope of IFRS 15	911,729	824,397
Revenue from contracts with customers within the scope of IFRS 15	294,612	262,886
Revenue from contracts with customers within the scope of IFRS 15	35,789	16,749
	2,050,000	1,964,237

The Group's revenue is derived from the sale of goods and services to customers. The revenue is recognized when the control of the goods or services is transferred to the customer. The revenue is measured at the fair value of the consideration received or receivable, net of discounts, trade allowances and other adjustments.

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(b) Segment reporting

Our Group's operations are organized into three segments: (1) Consumer Electronics, (2) Consumer Services, and (3) Consumer Appliances. The following table provides a breakdown of our Group's operations by segment for the periods indicated. All amounts are in RMB'000.

Direct sales to online customers consist of sales to our Group's e-commerce platforms, including JD.com, Suning.com, and Suning.com's mobile app.

Direct sales to offline customers consist of sales to our Group's offline distributors, including Suning.com's offline distributors.

Sales to offline distributors consist of sales to our Group's offline distributors, including Suning.com's offline distributors.

Direct sales to E-commerce platforms consist of sales to our Group's e-commerce platforms, including JD.com, Suning.com, and Suning.com's mobile app.

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(c) Inter-segment sales

For the periods indicated, the following table provides a breakdown of our Group's inter-segment sales by segment. All amounts are in RMB'000.

Our Group's inter-segment sales are primarily from our Consumer Electronics segment to our Consumer Services segment. The following table provides a breakdown of our Group's inter-segment sales by segment for the periods indicated. All amounts are in RMB'000.

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

2023

	D ₁ 2023 Disposal of subsidiaries B'000	D ₂ 2023 Disposal of subsidiaries B'000	2023 E- Disposal of subsidiaries B'000	D ₁ 2022 Disposal of subsidiaries B'000	D ₂ 2022 Disposal of subsidiaries B'000	2022 E- Disposal of subsidiaries B'000
Income tax	<u>824,397</u>	<u>351,170</u>	<u>509,035</u>	<u>262,886</u>	<u>16,749</u>	<u>1,964,237</u>
Gain on disposal	<u>370,891</u>	<u>234,178</u>	<u>250,434</u>	<u>132,386</u>	<u>7,027</u>	<u>994,916</u>

(ii) Disposal of subsidiaries (continued)

	2024 RMB'000	2023 B'000
Income tax	1,012,762	994,916
Gain on disposal	39,462	30,502
Disposal of subsidiaries	(670,774)	(563,283)
Disposal of subsidiaries	(139,343)	(159,506)
Disposal of subsidiaries	(28,544)	(26,384)
Disposal of subsidiaries	(6,950)	(2,919)
Complete disposal of subsidiaries	<u>206,613</u>	<u>273,326</u>

(iii) Gain on disposal

The Gain on disposal of subsidiaries is calculated by comparing the carrying amount of the subsidiaries with the proceeds from the disposal of subsidiaries. The carrying amount of the subsidiaries is determined based on the carrying amount of the subsidiaries at the end of the reporting period, less the carrying amount of the subsidiaries at the beginning of the reporting period.

3 Other net income

	2024 RMB'000	2023 B'000
Income tax	2,810	1,937
Income tax	4,601	3,390
Gain on disposal (see (i))	32,518	27,243
Disposal of subsidiaries	314	186
Disposal of subsidiaries	(214)	(1,668)
Disposal of subsidiaries	(567)	(586)
Complete disposal of subsidiaries	<u>39,462</u>	<u>30,502</u>

(i) Gain on disposal of subsidiaries is calculated by comparing the carrying amount of the subsidiaries with the proceeds from the disposal of subsidiaries. The carrying amount of the subsidiaries is determined based on the carrying amount of the subsidiaries at the end of the reporting period, less the carrying amount of the subsidiaries at the beginning of the reporting period.

4 Profit before taxation

	2024 RMB'000	2023 B'000
(a) Finance costs		
Interest expense	-	*
Interest expense on lease liabilities	6,950	2,919
	<u>6,950</u>	<u>2,919</u>
	<u><u>6,950</u></u>	<u><u>2,919</u></u>
* Interest expense on lease liabilities is B500.		
	2024 RMB'000	2023 B'000
(b) Staff costs#		
Salaries, wages, bonuses and allowances	277,596	274,965
Costs of short-term employee benefits	15,219	13,754
Employee share-based payments	-	4,816
	<u>292,815</u>	<u>293,535</u>
	<u><u>292,815</u></u>	<u><u>293,535</u></u>
	2024 RMB'000	2023 B'000
(c) Other items		
Amortisation of intangible assets	546	653
Depreciation of property, plant and equipment	24,888	18,770
Costs of long-term employee benefits	30,982	21,394
Impairment losses on financial assets	1,026	625
Impairment losses on non-current assets	2,038	1,361
Amortisation of investment properties	2,300	2,150
Amortisation of leasehold improvements	27	622
Amortisation of right-of-use assets	915	5,050
Costs of long-term contracts	-	37,323
Costs of research and development	937,133	887,341
# Costs of research and development are B107,563,000 (2023: B101,778,000) of which B107,563,000 (2023: B101,778,000) are capitalised and B10,000 (2023: B10,000) are expensed.		

5 Income tax in the consolidated statement of profit or loss

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

	2024 RMB'000	2023 B'000
Current tax		
Current tax payable/(receivable) at the end of the reporting period	66,602	60,307
Change in current tax payable/(receivable) during the reporting period	890	(52)
	67,492	60,255
Deferred tax		
Deferred tax payable/(receivable) at the end of the reporting period	(21,309)	1,483
	46,183	61,738

(Q) In the consolidated statement of profit or loss, the current tax payable for the reporting period is RMB67,492 thousand (2023: B60,255 thousand). The current tax payable is calculated based on the taxable income of the Group, which is subject to the Corporate Income Tax at the rate of 15% (2023: 25%) in the PRC.

As at the end of the reporting period, the Group has unrecognized tax benefits of RMB890 thousand (2023: B52 thousand). The unrecognized tax benefits are primarily due to the Group's uncertain tax positions in the PRC. The Group's unrecognized tax benefits are expected to be recognized in the consolidated statement of profit or loss in the reporting period ending 31 December 2024.

As at the end of the reporting period, the Group has unrecognized tax benefits of RMB21,309 thousand (2023: B1,483 thousand). The unrecognized tax benefits are primarily due to the Group's uncertain tax positions in the PRC. The Group's unrecognized tax benefits are expected to be recognized in the consolidated statement of profit or loss in the reporting period ending 31 December 2024.

(R) As at the end of the reporting period, the Group has unrecognized tax benefits of RMB890 thousand (2023: B52 thousand). The unrecognized tax benefits are primarily due to the Group's uncertain tax positions in the PRC. The Group's unrecognized tax benefits are expected to be recognized in the consolidated statement of profit or loss in the reporting period ending 31 December 2024.

As at the end of the reporting period, the Group has unrecognized tax benefits of RMB21,309 thousand (2023: B1,483 thousand). The unrecognized tax benefits are primarily due to the Group's uncertain tax positions in the PRC. The Group's unrecognized tax benefits are expected to be recognized in the consolidated statement of profit or loss in the reporting period ending 31 December 2024.

As at the end of the reporting period, the Group has unrecognized tax benefits of RMB890 thousand (2023: B52 thousand). The unrecognized tax benefits are primarily due to the Group's uncertain tax positions in the PRC. The Group's unrecognized tax benefits are expected to be recognized in the consolidated statement of profit or loss in the reporting period ending 31 December 2024.

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

	2024 RMB'000	2023 B'000
Accounting profit	<u>206,613</u>	<u>273,326</u>
Adjustments:		
Non-deductible expenses	51,036	68,332
Disallowed tax losses	2,822	4,274
Business entertainment expenses	(419)	-
Business gifts expenses	(5,300)	(4,584)
Provision for doubtful debts	(9)	(159)
Provision for bad debts	2,172	79
Provision for doubtful debts	(5,009)	(6,152)
Provision for doubtful debts	890	(52)
Adjusted profit	<u>46,183</u>	<u>61,738</u>

6 **Earnings per share**

(a) **Basic earnings per share**

	2024 RMB'000	2023 B'000
Profit attributable to equity holders of the Company	156,295	201,218
Adjusted profit attributable to equity holders of the Company	-	(3,733)
Profit attributable to equity holders of the Company	<u>156,295</u>	<u>197,485</u>

(ii) *Trade receivables*

	2024 '000	2023 '000
Trade receivables	465,500	86,700
Expected credit loss allowance	(4,488)	-
Trade receivables, net	-	(8,075)
Other receivables	-	346,800
Other receivables, net	-	1,753
Trade and other receivables, net	461,012	427,178

(b) *Diluted earnings per share*

For the year ended 31 December 2024, the diluted earnings per share of the Company is calculated as follows:

For the year ended 31 December 2023, the diluted earnings per share of the Company is calculated as follows:

7 **Trade and other receivables**

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

As at 31 December 2024, the trade receivables are primarily from the sales of products to customers in the PRC.

Ageing analysis

As at 31 December 2024, the ageing analysis of trade receivables is as follows:

	2024 RMB'000	2023 B'000
Guaranteed deposits	92,070	83,298
Trade receivables	297	-
Trade and other receivables	92,367	83,298

Trade receivables are generally on terms of 30, 60, 90 days credit.

8 Trade and other payables

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

(a) *Dividends, including dividends payable to the Company, are as follows:*

	2024 <i>RMB'000</i>	2023 <i>B'000</i>
Final dividends payable to the shareholders of the Company (2023: B184.5)	B21.5	()
Final dividends payable to the holders of the Company's H shares (2023: B36.9)	B36.9	()
	<u>100,077</u>	<u>160,000</u>

(b) *Share capital*

	2024		2023	
	No. of shares (<i>'000</i>)	<i>RMB'000</i>	No. of shares (<i>'000</i>)	<i>B'000</i>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2024, we continued to focus on our core brands and expanded our product portfolio. We achieved significant growth in our premium segments, driven by our dual ambassador strategy and comprehensive brand communication. Our focus on high-end mindshare and driving consumption resulted in a strong performance across all key metrics. We maintained our commitment to innovation and customer-centricity, ensuring that our brands remain at the forefront of the market. Our strategic initiatives have been well-received by consumers, leading to increased brand loyalty and market penetration. We are confident in our ability to continue this growth trajectory in the coming years.

1. Brand Management

In 2024, we implemented our dual ambassador strategy, featuring Gao Yanyan (高圆圆) and Wang Yibo (王一博). This approach successfully bridged generational gaps, appealing to both young and mature audiences. Our comprehensive brand communication strategy, including targeted advertising and social media engagement, strengthened our high-end mindshare and drove consumption. The result was a significant increase in brand awareness and sales volume, particularly in our premium segments. We also focused on product innovation and quality control to ensure our offerings met the highest standards of the market.

Dual Ambassador Strategy: Building Cross-generational Influence

Our dual ambassador strategy, featuring Gao Yanyan (高圆圆) and Wang Yibo (王一博), was a key driver of our brand's success in 2024. By leveraging the unique appeal of both stars, we effectively reached a broader audience base, from young adults to middle-aged consumers. This strategy not only enhanced our brand's image but also led to a noticeable increase in sales across various product lines. We continue to explore new ways to maximize the influence of our ambassadors and build a more robust brand identity.

In January 2024, we launched our new product line, featuring Gao Yanyan (高圆圆) as the brand ambassador. This initiative was part of our broader strategy to expand our product portfolio and attract new customers. The product line was well-received by the market, leading to a significant increase in sales. We also implemented a comprehensive brand communication strategy, including targeted advertising and social media engagement, to further strengthen our high-end mindshare and drive consumption. The result was a strong performance across all key metrics, demonstrating the effectiveness of our dual ambassador strategy and comprehensive brand communication.

In 2024, we continued to focus on our core brands and expanded our product portfolio. We achieved significant growth in our premium segments, driven by our dual ambassador strategy and comprehensive brand communication. Our focus on high-end mindshare and driving consumption resulted in a strong performance across all key metrics. We maintained our commitment to innovation and customer-centricity, ensuring that our brands remain at the forefront of the market. Our strategic initiatives have been well-received by consumers, leading to increased brand loyalty and market penetration. We are confident in our ability to continue this growth trajectory in the coming years.

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

Our full-scenario brand communication strategy, featuring Gao Yanyan (高圆圆) and Wang Yibo (王一博), was a key driver of our brand's success in 2024. By leveraging the unique appeal of both stars, we effectively reached a broader audience base, from young adults to middle-aged consumers. This strategy not only enhanced our brand's image but also led to a noticeable increase in sales across various product lines. We continue to explore new ways to maximize the influence of our ambassadors and build a more robust brand identity. Our comprehensive brand communication strategy, including targeted advertising and social media engagement, further strengthened our high-end mindshare and drove consumption. The result was a strong performance across all key metrics, demonstrating the effectiveness of our dual ambassador strategy and comprehensive brand communication.

The World's Largest EBN Factory: Trust Endorsement and Brand Potential Upgrade

EB C. 1. k

Introducing Hua & Hua Strategic Consulting (華與華戰略諮詢): Driving Systematic Brand Upgrade

C. H & H EB

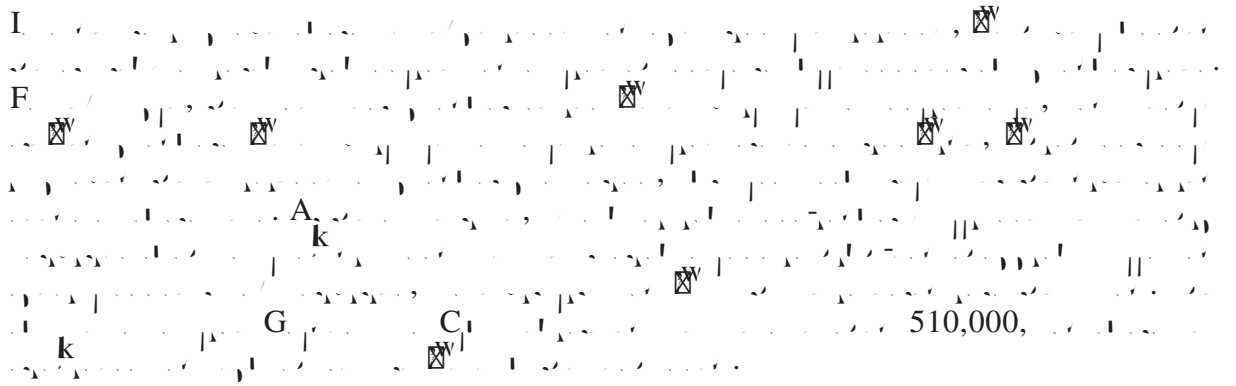
2. Channel Management

I. 2024, EB

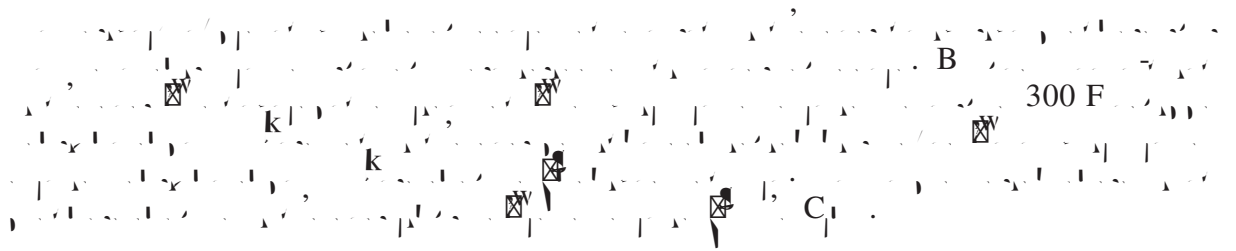
(i) E-commerce Channel

k A D 31, 2024, 39 52 JD, D A D 31, 2024, 26 F D 31, 2024, B1.24 60.6% G 12.5% 2023.

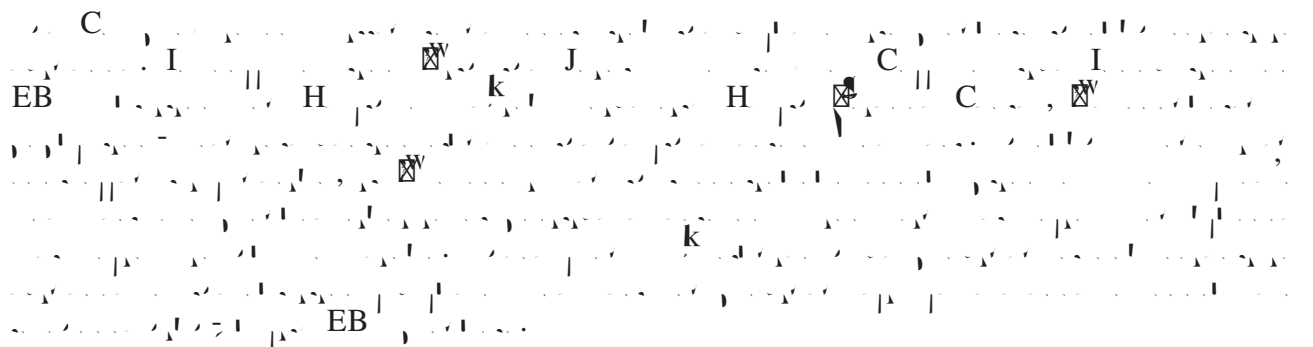
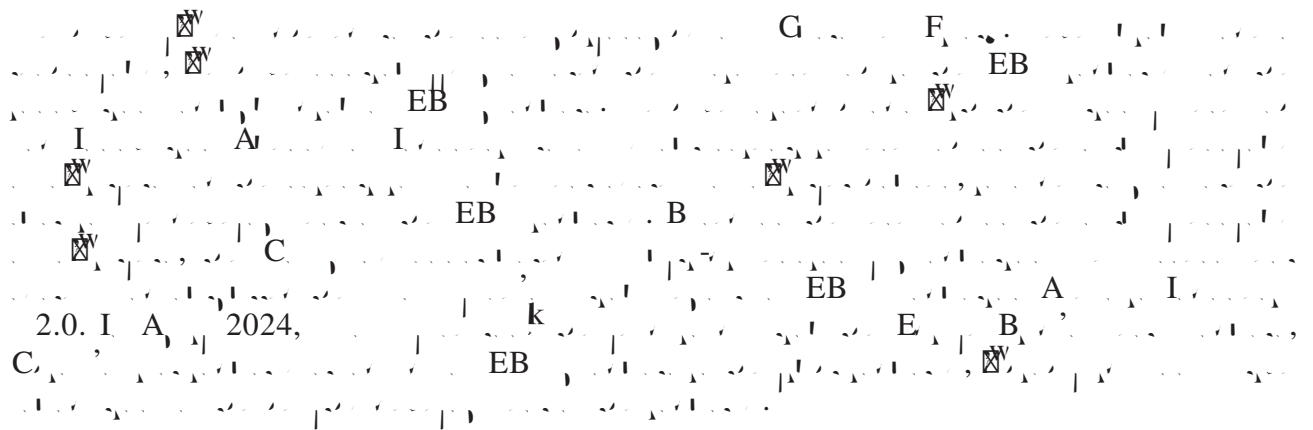
EB 2024 340 47.9% 2024 1.389 36.2%. A 2024 8.3 k



(iii) New Channel Layout



3. Products and R&D



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EBN+ and +EBN Products

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4. Supply Chain Management

In 2024, the company's supply chain management strategy focuses on optimizing procurement processes and strengthening relationships with key suppliers. The company has implemented a digital procurement platform, which has resulted in a 30% reduction in procurement cycle times. Additionally, the company has established strategic partnerships with leading suppliers in the industry, ensuring a stable and high-quality supply of raw materials. The company's supply chain management strategy is also focused on reducing costs and improving efficiency. The company has implemented a number of cost-saving measures, including renegotiating contracts with suppliers and optimizing logistics routes. As a result, the company has achieved a 5% reduction in procurement costs over the past year. The company's supply chain management strategy is also focused on improving transparency and accountability. The company has implemented a number of measures to improve transparency, including publishing a supplier code of conduct and conducting regular audits of suppliers. The company's supply chain management strategy is also focused on improving sustainability. The company has implemented a number of measures to improve sustainability, including sourcing raw materials from sustainable sources and reducing the company's carbon footprint.

The company's supply chain management strategy is also focused on improving risk management. The company has implemented a number of measures to improve risk management, including conducting regular risk assessments and developing contingency plans. The company's supply chain management strategy is also focused on improving customer service. The company has implemented a number of measures to improve customer service, including providing timely and accurate information to customers and resolving customer complaints quickly and effectively. The company's supply chain management strategy is also focused on improving employee satisfaction. The company has implemented a number of measures to improve employee satisfaction, including providing training and development opportunities and creating a positive work environment. The company's supply chain management strategy is also focused on improving the company's overall performance. The company has implemented a number of measures to improve the company's overall performance, including setting clear goals and objectives and monitoring progress regularly. The company's supply chain management strategy is also focused on improving the company's reputation. The company has implemented a number of measures to improve the company's reputation, including engaging in corporate social responsibility activities and maintaining a high level of transparency and accountability.

In 2024, the company's supply chain management strategy is also focused on improving the company's financial performance. The company has implemented a number of measures to improve the company's financial performance, including reducing procurement costs and improving efficiency. The company's supply chain management strategy is also focused on improving the company's operational performance. The company has implemented a number of measures to improve the company's operational performance, including optimizing procurement processes and strengthening relationships with key suppliers. The company's supply chain management strategy is also focused on improving the company's customer satisfaction. The company has implemented a number of measures to improve the company's customer satisfaction, including providing timely and accurate information to customers and resolving customer complaints quickly and effectively. The company's supply chain management strategy is also focused on improving the company's employee satisfaction. The company has implemented a number of measures to improve the company's employee satisfaction, including providing training and development opportunities and creating a positive work environment. The company's supply chain management strategy is also focused on improving the company's overall performance. The company has implemented a number of measures to improve the company's overall performance, including setting clear goals and objectives and monitoring progress regularly. The company's supply chain management strategy is also focused on improving the company's reputation. The company has implemented a number of measures to improve the company's reputation, including engaging in corporate social responsibility activities and maintaining a high level of transparency and accountability.

Outlook

The company's supply chain management strategy is also focused on improving the company's financial performance. The company has implemented a number of measures to improve the company's financial performance, including reducing procurement costs and improving efficiency. The company's supply chain management strategy is also focused on improving the company's operational performance. The company has implemented a number of measures to improve the company's operational performance, including optimizing procurement processes and strengthening relationships with key suppliers. The company's supply chain management strategy is also focused on improving the company's customer satisfaction. The company has implemented a number of measures to improve the company's customer satisfaction, including providing timely and accurate information to customers and resolving customer complaints quickly and effectively. The company's supply chain management strategy is also focused on improving the company's employee satisfaction. The company has implemented a number of measures to improve the company's employee satisfaction, including providing training and development opportunities and creating a positive work environment. The company's supply chain management strategy is also focused on improving the company's overall performance. The company has implemented a number of measures to improve the company's overall performance, including setting clear goals and objectives and monitoring progress regularly. The company's supply chain management strategy is also focused on improving the company's reputation. The company has implemented a number of measures to improve the company's reputation, including engaging in corporate social responsibility activities and maintaining a high level of transparency and accountability.

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G. $\frac{1}{k} \frac{dC}{dt} = \frac{1}{k} \frac{d}{dt} \left(\frac{1}{k} \frac{dC}{dt} \right)$

1. Upgrading the product matrix and focusing on the growth of single product

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FINANCIAL REVIEW

EB, 2023 年 12 月 31 日 4.37% 增加至 2024 年 12 月 31 日的 B2,050.0 千。

Revenue

EB, 2023 年 12 月 31 日 4.37% 增加至 2024 年 12 月 31 日的 B2,050.0 千。

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

(1) EB, 2023 年 12 月 31 日 18.82% 增加至 2024 年 12 月 31 日的 B28.0 千。

EB, 2023 年 12 月 31 日 0.06% 增加至 2024 年 12 月 31 日的 B1,795.4 千。

EB + (1) +EB, 2023 年 12 月 31 日 63.31% 增加至 2024 年 12 月 31 日的 B231.9 千。

EB, 2023 年 12 月 31 日 18.82% 增加至 2024 年 12 月 31 日的 B28.0 千。

Cost of sales

For the year ended 31, 2023, the cost of sales was RMB1,037.2 million, representing 7.01% of the revenue. For the year ended 31, 2024, the cost of sales was RMB969.3 million, representing 7.01% of the revenue. The increase in cost of sales is primarily due to the increase in revenue.

Gross profit and gross profit margin

For the year ended 31, 2023, the gross profit was RMB1,012.8 million, representing 50.65% of the revenue. For the year ended 31, 2024, the gross profit was RMB994.9 million, representing 49.40% of the revenue. The decrease in gross profit margin is primarily due to the increase in the cost of sales.

Selling and distribution expenses

For the year ended 31, 2023, the selling and distribution expenses were RMB670.8 million, representing 19.08% of the revenue. For the year ended 31, 2024, the selling and distribution expenses were RMB563.3 million, representing 19.08% of the revenue. The decrease in selling and distribution expenses is primarily due to the decrease in the number of sales staff and the decrease in the number of sales channels.

Administrative expenses

For the year ended 31, 2023, the administrative expenses were RMB139.3 million, representing 12.64% of the revenue. For the year ended 31, 2024, the administrative expenses were RMB159.5 million, representing 12.64% of the revenue. The increase in administrative expenses is primarily due to the increase in the number of employees and the increase in the number of sales channels.

Research and development expenses

For the year ended 31, 2023, the research and development expenses were RMB28.5 million, representing 8.19% of the revenue. For the year ended 31, 2024, the research and development expenses were RMB26.4 million, representing 8.19% of the revenue. The decrease in research and development expenses is primarily due to the decrease in the number of R&D staff and the decrease in the number of R&D projects.

Other net income

29.38% B39.5 B30.5 D 31, 2023 31, 2024, k

Finance cost

138.10% B7.0 B2.9 D 31, 2023 31, 2024, k

Income tax

25.20% B46.2 B61.7 D 31, 2023 31, 2024, k

Profit for the year

A B211.6 D 31, 2023 B160.4 24.18% D 31, 2024.

Liquidity, financial resources and capital structure

D 31, 2023 2024, k

G F k

G k

G k

D 31, 2024, G k

B1,154.5 D 31, 2023

B1,013.5 D 31, 2024, k

Cash flows

As at December 31, 2024, the Group's cash and cash equivalents were B537.1 million, an increase of 21.71% from B420.5 million as at December 31, 2023. The increase is primarily due to the net cash generated from operating activities.

Foreign exchange risk management

The Group is exposed to foreign exchange risk arising from its operations in various countries. The Group's foreign exchange risk management policy is to hedge its foreign exchange risk using forward contracts. The Group has entered into forward contracts to hedge its foreign exchange risk for the period from January 1, 2024 to December 31, 2024.

The Group's foreign exchange risk management policy is to hedge its foreign exchange risk using forward contracts. The Group has entered into forward contracts to hedge its foreign exchange risk for the period from January 1, 2024 to December 31, 2024.

Capital expenditure

The Group's capital expenditure for the period from January 1, 2024 to December 31, 2024 was B24.4 million, compared with B114.2 million for the period from January 1, 2023 to December 31, 2023. The decrease is primarily due to the completion of capital expenditure projects in 2023.

Capital commitments

As at December 31, 2023 and 2024, the Group has capital commitments of B33.9 million and B8.3 million, respectively. The decrease is primarily due to the completion of capital expenditure projects in 2024.

Contingent liabilities

As at December 31, 2024, the Group has contingent liabilities of B0.2 million, compared with B0.2 million as at December 31, 2023. The contingent liabilities are primarily due to the Group's operations in various countries.

Future plans for material investments and capital assets

As of December 31, 2024, the Company has no material investments or capital assets.

Material acquisitions and disposals and significant investments

As of December 31, 2024, the Company has no material acquisitions, disposals, or significant investments.

Pledge of assets

As of December 31, 2024, the Company has no pledged assets.

Net current assets

As of December 31, 2023 and 2024, the Company's net current assets were B594.4 and B402.0, respectively.

Borrowings and Indebtedness

The following table summarizes the Company's borrowings and indebtedness as of December 31, 2024 and 2023.

	As of December 31,	
	2024	2023
	(in B,000,000)	
Current indebtedness	<u>25,267</u>	<u>26,391</u>
Non-current indebtedness	<u>105,048</u>	<u>111,287</u>
Total	<u><u>130,315</u></u>	<u><u>137,678</u></u>

As of December 31, 2024, the Company has no borrowings or indebtedness.

Key financial ratios

	As of/for the year ended	
	December 31,	2023
	2024	
Profitability ratios		
Gross profit margin ⁽¹⁾	49.4%	50.7%
Operating profit margin ⁽²⁾	7.8%	10.8%
Net profit margin ⁽³⁾	20.5%	33.3%
Liquidity ratios		
Current ratio ⁽⁴⁾	1.7x	2.1x
Debt to capitalization ratio ⁽⁵⁾	17.0%	17.3%

Notes:

- (1) Gross profit margin is calculated as gross profit divided by net sales, expressed as a percentage of net sales.
- (2) Operating profit margin is calculated as operating profit divided by net sales, expressed as a percentage of net sales.
- (3) Net profit margin is calculated as net profit divided by net sales, expressed as a percentage of net sales.
- (4) Current ratio is calculated as current assets divided by current liabilities.
- (5) Debt to capitalization ratio is calculated as total debt divided by total debt plus total equity, expressed as a percentage of total debt plus total equity.

OTHER INFORMATION

Use of Proceeds

During the period from December 12, 2023 to December 31, 2023, the Company used proceeds from the offering of common stock to fund working capital and general corporate purposes. The Company also used proceeds from the offering of common stock to fund the acquisition of certain assets. The Company also used proceeds from the offering of common stock to fund the acquisition of certain assets. The Company also used proceeds from the offering of common stock to fund the acquisition of certain assets.

During the period from December 12, 2023 to December 31, 2023, the Company used proceeds from the offering of common stock to fund working capital and general corporate purposes. The Company also used proceeds from the offering of common stock to fund the acquisition of certain assets. The Company also used proceeds from the offering of common stock to fund the acquisition of certain assets. The Company also used proceeds from the offering of common stock to fund the acquisition of certain assets.

	Net proceeds from the Global Offering	Equivalent to RMB	Utilization from January 1, 2024 to December 31, 2024	Unutilized proceeds as of December 31, 2024	Expected timeline for fully utilizing the unutilized amount ⁽¹⁾
	(H D, 2024)	(B, 2024)	(B, 2024)	(B, 2024)	
Net proceeds from the Global Offering	25.6				
Utilization from January 1, 2024 to December 31, 2024					
Unutilized proceeds as of December 31, 2024					
Expected timeline for fully utilizing the unutilized amount ⁽¹⁾					

1. The first part of the text discusses the importance of understanding the context of a document. It emphasizes that without proper context, the meaning of the text can be completely lost. This is particularly true for historical documents, where the social and political environment of the time can significantly influence the author's perspective and the content of the text.

2. The second part of the text focuses on the role of the reader in interpreting the text. It suggests that readers should approach a text with an open mind and a willingness to engage with the author's ideas. This involves not only reading the words on the page but also considering the author's background, the time period, and the intended audience. The text encourages readers to ask questions and seek out additional information to deepen their understanding.

3. The third part of the text discusses the challenges of interpreting complex or ambiguous texts. It notes that many documents, especially those from the past, contain language that is difficult to understand or that has multiple possible meanings. This requires a careful and methodical approach to interpretation, often involving consultation with experts or the use of specialized tools and techniques. The text stresses the importance of being patient and thorough in the process of understanding a difficult text.

Sufficiency of Public Float

A. B. C. k
8.08(1) D. 31, 2024.

Compliance with Corporate Governance Code

C. CG C. CG C.

F. D. 31, 2024, C. CG C.

Compliance with the Model Code for Securities Transactions by Directors

C. C. k
C. C. J. 1, 2024 D. 31, 2024.

Review of Annual Results

A. C. C. (**Audit Committee**)
3.21 3.22
 CG C. k A. C.
B.

A. D. IA CHE A. A.
CHE A. C.

A. C.
G. G. D. 31, 2024
 A. C.

Scope of Work of the Auditor

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... D ... 31, 2024 ... G ... G ...
... G ...
D ... 31, 2024 ... 13.49(2) ... k ...
... G ... H ...
... A ... H ... E ... H ... I ... C ... A ...
... G ...

Events after the Reporting Period

J ... 3, 2025, ... B ... A ... I ... C ... E ... B ... k ... C ...
... D ... B ... A ... I ... C ... E ... B ... k ... I ...
B45 ... C ... E ... B ... k ... D ... I ...
I ... 3, 2025. J ... 6, 2025, ... B ... k ...
... D ... A ... II ... C ... E ... B ... k ... II ...
B50 ... C ... B ... E ... B ... k ... D ... II ...
... F ... 17, 2025. F ... 17, 2025, ... B ... k ... II ...
... D ... A ... III ... C ... E ... B ... k ... III ...
B50 ... C ... B ... E ... B ... k ... 5, 2025, ... B ... k ...
... D ... A ... I ... C ... E ... B ... k ... I ...
B30 ... C ... B ... E ... B ... k ... F ...
C ... 14, 2025.

A ... D ... F ... 9() ...

A ... C ...

AGM

I ... AG ... F ... 9, 2025. A ... AG ...
... H ... E ... k ... E ... (... k ... k) ...
... C ... (...) ...
C ...

Final Dividend

B. D. 31, 2024, C. 21, 2025, B2.15
AG AG
J. 5, 2025.

A. V. V.

Closure of Register of Members

In relation to the AGM

$\int_{-\infty}^{\infty} f(x) \delta(x-a) dx = f(a)$.

$\int_{-\infty}^{\infty} f(x) \delta(x-a) dx = f(a)$.

+EB

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X^v EB +EB k

EB EB EB

k EB

%.

B B

Xiamen Yan Palace Bird's Nest Industry Co., Ltd.
 廈門燕之屋燕窩產業股份有限公司

HUANG Jian

C E D

H. 14, 2025

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