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# Goodbaby

International

## Goodbaby International Holdings Limited

好孩子國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 1086)

### ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

Financial Highlights	For the year ended		Year-on-year change
	2024	2023	
	31 December		
	(HK\$ in millions, unless specified)		
Revenue	8,765.9	7,927.3	10.6%
Gross profit	4,507.9	3,967.7	13.6%
Operating profit <sup>1</sup>	500.0	368.4	35.7%
Non-GAAP <sup>2</sup> operating profit	544.3	409.9	32.8%
Profit for the year	356.2	208.5	70.8%
Non-GAAP profit for the year	390.6	239.9	62.8%
Profit for the year attributable to owners of the parent	355.9	203.5	74.9%
Earnings per share (HK\$)			
– basic	0.21	0.12	75.0%
– diluted	0.21	0.12	75.0%

<sup>1</sup> Operating profit represents the total sum of gross profit, other income and gains, selling and distribution expenses, administrative expenses and other expenses.

<sup>2</sup> We adopted non-GAAP financial measures in order to more clearly illustrate our financial results, and to be more consistent with what we believe to be the industry practice. These unaudited non-GAAP financial measures should be considered in addition to, not as a substitute for, analysis of the Company's financial performance prepared in accordance with IFRS Accounting Standards. In addition, these non-GAAP financial measures may be defined differently from similar terms used by other companies. Please see "Non-GAAP Financial Measures" for details.

The board (the “**Board**”) of directors (the “**Directors**”, each a “**Director**”) of Goodbaby International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to present the consolidated results of the Group for the year ended 31 December 2024 (the “**Period**”), together with the comparative figures for the year ended 31 December 2023 as below.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*Year ended 31 December 2024*

	<i>Notes</i>	<b>2024</b> <i>(HK\$'000)</i>	2023 <i>(HK\$'000)</i>
Revenue	4	<b>8,765,905</b>	7,927,326
Cost of sales		<b>(4,258,005)</b>	(3,959,612)
Gross profit		<b>4,507,900</b>	3,967,714
Other income and gains	4	<b>34,432</b>	129,413
Selling and distribution expenses		<b>(2,456,521)</b>	(2,266,661)
Administrative expenses		<b>(1,568,300)</b>	(1,461,562)
Other expenses		<b>(17,590)</b>	(539)
Finance income	5	<b>26,732</b>	48,199
Finance costs	6	<b>(155,491)</b>	(215,552)
Share of profits and losses of:			
Joint ventures		<b>8,408</b>	(4,192)
An associate		<b>–</b>	(390)
<b>PROFIT BEFORE TAX</b>	7	<b>379,570</b>	196,430
Income tax (expense)/credit	8	<b>(23,354)</b>	12,031
<b>PROFIT FOR THE YEAR</b>		<b>356,216</b>	208,461
Attributable to:			
Owners of the parent		<b>355,846</b>	203,496
Non-controlling interests		<b>370</b>	4,965
		<b>356,216</b>	208,461
<b>EARNINGS PER SHARE</b>			
<b>ATTRIBUTABLE TO</b>			
<b>ORDINARY EQUITY HOLDERS</b>			
<b>OF THE PARENT:</b>	<i>10</i>		
Basic			
For profit for the year (HK\$)		<b>0.21</b>	0.12
Diluted			
For profit for the year (HK\$)		<b>0.21</b>	0.12

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024 (HK\$'000)	2023 (HK\$'000)
<b>PROFIT FOR THE YEAR</b>	<b><u>356,216</u></b>	<b><u>208,461</u></b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges		
Effective portion of changes in fair value of hedging instruments arising during the year	36,524	(112,061)
Reclassification adjustments for (income)/loss included in the consolidated statement of profit or loss	(8,545)	105,831
Income tax effect	<u>(4,004)</u>	<u>715</u>
	23,975	(5,515)
Exchange differences on translation of foreign operations	<u>(198,698)</u>	<u>(99,987)</u>
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	<u>(174,723)</u>	<u>(105,502)</u>
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Actuarial income/(loss) of defined benefit plans	<u>819</u>	<u>(82)</u>
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	<u>819</u>	<u>(82)</u>
<b>OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX</b>	<b><u>(173,904)</u></b>	<b><u>(105,584)</u></b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b><u>182,312</u></b>	<b><u>102,877</u></b>
Attributable to:		
Owners of the parent	181,918	97,605
Non-controlling interests	<u>394</u>	<u>5,272</u>
	<b><u>182,312</u></b>	<b><u>102,877</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	<i>Notes</i>	<b>31 December 2024 (HK\$'000)</b>	31 December 2023 (HK\$'000)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		819,179	888,935
Right-of-use assets		281,486	276,546
Goodwill		2,532,832	2,608,675
Other intangible assets		2,000,469	2,045,025
Investments in joint ventures		4,958	5,191
Investment in an associate		–	8,333
Deferred tax assets		125,553	85,142
Other long-term assets		4,015	4,179
		<hr/>	<hr/>
Total non-current assets		5,768,492	5,922,026
<b>CURRENT ASSETS</b>			
Inventories	<i>11</i>	1,712,437	1,462,781
Trade receivables	<i>12</i>	1,084,452	1,175,812
Prepayments and other receivables		691,184	597,599
Due from related parties		545	6,397
Financial assets at fair value through profit or loss		–	55,011
Cash and cash equivalents		1,099,358	981,899
Pledged deposits		26,684	612,028
Time deposits		–	549,998
Derivative financial instruments	<i>13</i>	20,430	9,903
		<hr/>	<hr/>
Total current assets		4,635,090	5,451,428
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	<i>14</i>	1,457,628	1,304,386
Other payables and accruals		1,037,527	920,041
Income tax payable		77,990	55,405
Provision		46,637	48,550
Interest-bearing bank loans and other borrowings	<i>15</i>	475,886	2,705,829
Lease liabilities		95,981	107,127
Derivative financial instruments	<i>13</i>	12,063	42,013
Due to related parties		1,909	502
Defined benefit plan liabilities		240	379
		<hr/>	<hr/>
Total current liabilities		3,205,861	5,184,232
<b>NET CURRENT ASSETS</b>		<hr/>	<hr/>
		1,429,229	267,196
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<hr/>	<hr/>
		7,197,721	6,189,222

	<i>Notes</i>	<b>31 December 2024 (HK\$'000)</b>	31 December 2023 (HK\$'000)
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank loans and other borrowings	15	<b>979,171</b>	88,018
Provision		<b>21,338</b>	25,451
Defined benefit plan liabilities		<b>2,034</b>	2,775
Other liabilities		<b>971</b>	1,563
Lease liabilities		<b>164,468</b>	148,518
Deferred tax liabilities		<b>214,122</b>	295,164
		<hr/>	<hr/>
Total non-current liabilities		<b>1,382,104</b>	561,489
		<hr/>	<hr/>
<b>Net assets</b>		<b>5,815,617</b>	5,627,733
		<hr/>	<hr/>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		<b>16,680</b>	16,680
Reserves		<b>5,773,175</b>	5,585,685
		<hr/>	<hr/>
		<b>5,789,855</b>	5,602,365
		<hr/>	<hr/>
<b>Non-controlling interests</b>		<b>25,762</b>	25,368
		<hr/>	<hr/>
<b>Total equity</b>		<b>5,815,617</b>	5,627,733
		<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in the Cayman Islands on 14 July 2000 as an exempted company with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 24 November 2010.

The Group is principally engaged in design, research and development ("R&D"), manufacturing, marketing and distribution of products for children.

#### Information about subsidiaries

Particulars of the Company's principal subsidiaries as at the reporting date are as follows:

Name of company	Place and date of incorporation/ registration and place of operation	Percentage of equity interest attributable to the Company		Issued ordinary/ registered share capital	Principal activities
		Direct	Indirect		
<b>Subsidiaries</b>					
Goodbaby (Hong Kong) Limited ("GBHK")	Hong Kong, 23 July 1999	100%	–	Hong Kong Dollar ("HK\$") 1,001	Investment holding and sales agent company
Goodbaby Child Products Co., Ltd. ("GCPC") (Note (a), (b) and (c))	The People's Republic of China ("PRC/Mainland China"), 18 November 1994	–	100%	United States Dollar ("US\$") 66,660,000	Manufacture, distribution and sale of safety belts, cloth sets, car safety seats, car components for children, infant strollers and bicycles
Pingxiang Goodbaby Child Products Co., Ltd. ("GCPX") (Note (a) and (b))	PRC/Mainland China, 26 December 2011	–	100%	RMB2,000,000	Manufacture, distribution and sale of child cloth beds, infant strollers, bath chairs for children and stadium chairs
EQO Testing and Certification Services Co., Ltd. ("EQTC") (Note (a) and (b))	PRC/Mainland China, 30 November 2012	–	100%	RMB50,000,000	Testing of children's products, tools, electronic products and advisory service for risk valuation of product quality
Serena Merger Co., Inc. ("SERE")	The United States ("U.S."), 28 May 2014	–	100%	US\$1,000	Investment holding
Evenflo Company, Inc. ("EFCD")	U.S., 1 October 1992	–	100%	US\$86,500	Manufacture, distribution and sale of car safety seats, infant strollers and baby related products
Muebles Para Ninos De Baja, S.A. De C.V. ("EFMX")	Mexico, 29 June 1987	–	100%	Mexican Peso ("MXN") 1,720,000	Manufacture of baby related products
Goodbaby Canada Inc. ("EFCA")	Canada, 18 March 1991	–	100%	US\$7,000	Distribution and sale of baby related products

Name of company	Place and date of incorporation/ registration and place of operation	Percentage of equity interest attributable to the Company		Issued ordinary/ registered share capital	Principal activities
		Direct	Indirect		
<b>Subsidiaries</b>					
Columbus Trading-Partners GmbH & Co. KG (“CTPE”)	Germany, 26 February 2016	–	100%	Euro (“EUR”) 100	Distribution and sale of car safety seats, infant strollers and other parenting products
Goodbaby Czech Republic s.r.o. (“GBCZ”)	Czech Republic, 8 February 2016	–	100%	Czech Koruna (“CZK”) 200,000	IT services and a share service centre
Goodbaby (Europe) GmbH & Co KG (“GEGC”)	Germany, 28 January 2014	–	100%	EUR100	Investment holding
Cybex GmbH (“CBGM”)	Germany, 5 March 2014	–	100%	EUR33,400	Purchase, sale, holding and management of participating interests and development and production of child car-seats, strollers, child carrying systems, pushchairs, high chairs and other products for children
GB GmbH (“GBGM”)	Germany, 21 August 2015	–	100%	EUR25,000	Purchase, sale, holding and management of participating interests and development and production of child car-seats, strollers, child carrying systems, pushchairs, high chairs and other products for children
Columbus Trading Partners USA Inc. (“CBUS”)	U.S., 24 November 2014	–	100%	US\$1	Distribution and sale of car safety seats, infant strollers and other parenting products
Columbus Trading Partners Japan Limited (“CBJP”)	Japan, 20 February 2018	–	100%	Japanese Yen (“JPY”) 2,200,000	Distribution and sale of car safety seats, infant strollers and other parenting products
Cybex Retail GmbH (“CBRG”)	Germany, 20 October 2021	–	100%	EUR25,000	Wholesale and retail of children’s products
CYBEX Retail Store Paris (“CBRF”)	France, 29 May 2024	–	100%	EUR20,000	Wholesale and retail of children’s products
Goodbaby (China) Retail & Service Company (“GRCN”) (Note (a), (b) and (c))	PRC/Mainland China, 11 May 2016	–	100%	RMB50,000,000	Wholesale and retail of children’s products

Name of company	Place and date of incorporation/ registration and place of operation	Percentage of equity interest attributable to the Company		Issued ordinary/ registered share capital	Principal activities
		Direct	Indirect		
<b>Subsidiaries</b>					
Shanghai Goodbaby Children Fashion Co., Ltd. (“SHFS”) <i>(Note (a) and (b))</i>	PRC/Mainland China, 20 January 1998	–	100%	RMB22,000,000	Distribution and retail business of children’s products
Goodbaby Nantong Fashion Co., Ltd. (“NTFS”) <i>(Note (a) and (b))</i>	PRC/Mainland China, 19 March 2015	–	80%	RMB10,000,000	Wholesale and retail of children’s products
Goodbaby E-commerce (Kunshan) Co., Ltd. (“GECL”) <i>(Note (a) and (b))</i>	PRC/Mainland China, 12 April 2024	–	100%	RMB50,000,000	E-commerce of children’s products

*Note (a):* Limited liability companies established in the PRC

*Note (b):* English names for identification only

*Note (c):* Registered as wholly-foreign-owned enterprises in the PRC

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.



## 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) as issued by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for call and put options over non-controlling interests, derivative financial instruments and wealth management products which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

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

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

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

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

### 3. OPERATING SEGMENT INFORMATION

After years of development, to realign the Group's up to date core competence in different business sections, from 1 January 2024, the Group reclarified its product categories as below:

- (a) Wheeled goods segment, which engages in the research, design, manufacture and sale of wheeled goods, and accessories, including strollers, jogging strollers and other child conveyances that move on wheels, and accessories under the Group's own brands and third parties' brands. Products in this segment require a same set of technology and manufacturing knowhow and infrastructure;
- (b) Car seats segment, which engages in the research, design, manufacture and sale of car safety seats and accessories for child under the Group's own brands and third parties' brands; and
- (c) Other categories segment, which engages in the research, design, manufacture, outsource and sale of other children's products, including apparels, personal care and sanitary products, home textiles, toys, activities, kids ride-on products, home furniture for child and other similar products under the Group's own brands and third parties' brands.

In addition, from 1 January 2024, the Group redefined the geographical areas, namely Europe, Middle East, India and Africa ("EMEIA"), "Americas" and Asia Pacific ("APAC"), to reflect global market strategies. Comparative figures have been represented to conform with current period's presentation.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment revenue.

#### Year ended 31 December 2024

	Wheeled goods (HK\$'000)	Car seats (HK\$'000)	Other categories (HK\$'000)	Consolidated (HK\$'000)
<b>Segment revenue</b>				
Sales to external customers	3,671,942	3,873,957	1,220,006	8,765,905
<b>Segment results</b>				
Other income and gains	1,962,189	2,051,555	494,156	4,507,900
Corporate and other unallocated expenses				34,432
Other expenses				(4,033,563)
Other expenses				(17,590)
Finance income				26,732
Finance costs (other than interest on lease liabilities)				(146,749)
Share of profits and losses of joint ventures				8,408
Share of profits and losses of an associate				–
<b>Profit before tax</b>				379,570
<b>Other segment information:</b>				
Impairment losses recognised in the statement of profit or loss, net	9,823	9,955	(3,584)	16,194
Depreciation and amortisation	186,486	186,511	89,433	462,430

**Year ended 31 December 2023**

	<b>Wheeled goods</b> <i>(HK\$'000)</i>	<b>Car seats</b> <i>(HK\$'000)</i>	<b>Other categories</b> <i>(HK\$'000)</i>	<b>Consolidated</b> <i>(HK\$'000)</i>
<b>Segment revenue</b>				
Sales to external customers	3,207,218	3,316,707	1,403,401	7,927,326
<b>Segment results</b>				
Other income and gains	1,678,358	1,726,323	563,033	3,967,714
Corporate and other unallocated expenses				129,413
Other expenses				(3,740,049)
Finance income				(539)
Finance costs (other than interest on lease liabilities)				48,199
Share of profits and losses of joint ventures				(203,726)
Share of profits and losses of an associate				(4,192)
				(390)
<b>Profit before tax</b>				<b>196,430</b>
<b>Other segment information:</b>				
Impairment losses recognised in the statement of profit or loss, net	18,841	18,889	10,949	48,679
Depreciation and amortisation	197,472	182,271	85,282	465,025

**Geographical information**

(a) *Revenue from external customers*

	<b>EMEIA market</b> <i>(HK\$'000)</i>	<b>Americas market</b> <i>(HK\$'000)</i>	<b>APAC market</b> <i>(HK\$'000)</i>	<b>Total</b> <i>(HK\$'000)</i>
<b>Year ended 31 December 2024</b>				
<b>Segment revenue:</b>				
Sales to external customers	3,772,373	3,169,593	1,823,939	8,765,905
<b>Year ended 31 December 2023</b>				
<b>Segment revenue:</b>				
Sales to external customers	3,173,066	2,889,109	1,865,151	7,927,326

The revenue information above is based on the locations of the customers.

(b) *Non-current assets*

	<b>2024</b> <i>(HK\$'000)</i>	2023 <i>(HK\$'000)</i>
APAC	<b>3,593,925</b>	3,794,361
Americas	<b>1,147,712</b>	1,091,133
EMEIA	<b>892,329</b>	933,687
	<hr/>	<hr/>
Total non-current assets	<b>5,633,966</b>	5,819,181
	<hr/>	<hr/>

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets, other non-current assets, investments in joint ventures and investment in an associate.

Information about a major customer

During the year ended 31 December 2024, revenue from sales to a major third-party customer was HK\$1,273,107,000 (2023: revenue from sales to two major third-party customers were HK\$1,162,574,000 and HK\$871,598,000, respectively). The revenue from sales to the customers was derived from sales by wheeled goods, car seats and other categories segments, including sales to a group of entities which are known to be under common control with the customers.

#### 4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	<b>2024</b> <i>(HK\$'000)</i>	2023 <i>(HK\$'000)</i>
<i>Revenue from contracts with customers</i>		
Sale of goods	<b>8,734,457</b>	7,891,887
Rendering of testing services	<b>31,448</b>	35,439
	<hr/>	<hr/>
Total	<b>8,765,905</b>	7,927,326
	<hr/>	<hr/>

#### Revenue from contracts with customers

##### (i) Disaggregated revenue information

#### For the year ended 31 December 2024

Segments	Wheeled Goods <i>(HK\$'000)</i>	Car seats <i>(HK\$'000)</i>	Other categories <i>(HK\$'000)</i>	Total <i>(HK\$'000)</i>
<b>Type of goods or services</b>				
Sale of goods	3,671,942	3,873,957	1,188,558	8,734,457
Rendering of testing services	–	–	31,448	31,448
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<b>3,671,942</b>	<b>3,873,957</b>	<b>1,220,006</b>	<b>8,765,905</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	3,671,942	3,873,957	1,188,558	8,734,457
Services transferred at a point in time	–	–	31,448	31,448
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<b>3,671,942</b>	<b>3,873,957</b>	<b>1,220,006</b>	<b>8,765,905</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Revenue from contracts with customers</b>				
External customers	<b>3,671,942</b>	<b>3,873,957</b>	<b>1,220,006</b>	<b>8,765,905</b>
	<hr/>	<hr/>	<hr/>	<hr/>

**For the year ended 31 December 2023**

Segments	Wheeled Goods (HK\$'000)	Car seats (HK\$'000)	Other categories (HK\$'000)	Total (HK\$'000)
<b>Type of goods or services</b>				
Sale of goods	3,207,218	3,316,707	1,367,962	7,891,887
Rendering of testing services	–	–	35,439	35,439
Total	<u>3,207,218</u>	<u>3,316,707</u>	<u>1,403,401</u>	<u>7,927,326</u>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	3,207,218	3,316,707	1,367,962	7,891,887
Services transferred at a point in time	–	–	35,439	35,439
Total	<u>3,207,218</u>	<u>3,316,707</u>	<u>1,403,401</u>	<u>7,927,326</u>
<b>Revenue from contracts with customers</b>				
External customers	<u>3,207,218</u>	<u>3,316,707</u>	<u>1,403,401</u>	<u>7,927,326</u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2024 (HK\$'000)	2023 (HK\$'000)
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of goods	<u>138,626</u>	<u>122,868</u>

(ii) *Performance obligations*

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied upon delivery of goods and payment is generally due with 90 days from delivery.

Rendering of testing services

The performance obligation is satisfied upon completion of service and short-term advances are normally required before rendering the services.

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at 31 December 2024 are as follows:

	2024 (HK\$'000)	2023 (HK\$'000)
Amounts expected to be recognised as revenue:		
Within one year	<u>148,126</u>	<u>138,626</u>

All the remaining performance obligations are expected to be satisfied within one year.

## Other income and gains

	2024 (HK\$'000)	2023 (HK\$'000)
Other income and gains:		
Government grants ( <i>note (a)</i> )	17,740	11,324
Gain on sales of scrap materials ( <i>note (b)</i> )	8,973	9,365
Compensation income	3,325	3,144
Service fee income	1,732	5,297
Net gain on disposal of property, plant and equipment and right-of-use assets ( <i>note (c)</i> )	–	74,491
Net foreign exchange gain	–	18,128
Gain on wealth investment products	–	1,281
Gain on disposal of a subsidiary	–	678
Others	2,662	5,705
Total	<u>34,432</u>	<u>129,413</u>

*Note (a):* The amount represents subsidies received from local government authorities in connection with certain financial support to local business enterprises. These government subsidies mainly comprised subsidies for export activities, subsidies for development and other miscellaneous subsidies and incentives for various purposes.

*Note (b):* The amount represents the gain on sales of aluminium, plastics, cloth and other scrap materials.

*Note (c):* Included in the net gain on disposal of items of property, plant and equipment and right-of-use assets, was an amount of Nil (2023:HK\$77,930,000) arising from compensation income from local municipal authority in relation with the demolition and reallocation of certain Group's factory plant in Kunshan.

## 5. FINANCE INCOME

	2024 (HK\$'000)	2023 (HK\$'000)
Interest income on bank deposits	<u>26,732</u>	<u>48,199</u>

## 6. FINANCE COSTS

	2024 (HK\$'000)	2023 (HK\$'000)
Interest on bank loans, overdrafts and other loans	146,749	203,726
Interest on lease liabilities	<u>8,742</u>	<u>11,826</u>
Total	<u>155,491</u>	<u>215,552</u>



## 7. PROFIT BEFORE TAX

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

	<i>Notes</i>	<b>2024</b> <b>(HK\$'000)</b>	2023 <b>(HK\$'000)</b>
Cost of inventories sold*		<b>4,241,202</b>	3,940,935
Cost of services provided		<b>16,803</b>	18,677
Depreciation of property, plant and equipment		<b>271,760</b>	278,944
Depreciation of right-of-use assets		<b>108,634</b>	117,010
Amortisation of intangible assets		<b>82,036</b>	69,071
Research and development costs**		<b>430,483</b>	381,323
Lease payments not included in the measurement of lease liabilities		<b>9,856</b>	18,113
Auditors' remuneration		<b>9,479</b>	9,595
Employee benefit expense (including directors' remuneration):			
Wages, salaries and other benefits		<b>1,814,887</b>	1,631,438
Share option expense		<b>5,572</b>	1,827
Pension scheme costs (defined benefit plans) (including administrative expense)		<b>161</b>	154
Pension scheme contributions***		<b>97,538</b>	80,962
		<b>1,918,158</b>	1,714,381
Foreign exchange differences, net		<b>2,382</b>	(18,128)
Impairment of trade receivables, net	12	<b>(1,289)</b>	17,069
Provision of inventories		<b>17,483</b>	31,610
Product warranties and liabilities		<b>14,137</b>	14,006
Gain on wealth investment products		–	(1,281)
Net loss/(gain) on disposal of property, plant and equipment and right-of-use assets		<b>8,209</b>	(74,491)
Loss on disposal of intangible assets		<b>447</b>	665
Bank interest income		<b>(26,732)</b>	(48,199)

\* Cost of inventories sold include expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets and staff remuneration, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

\*\* Research and development costs include expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets and staff costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

\*\*\* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

## 8. INCOME TAX

The Company and its subsidiaries incorporated in the Cayman Islands and the British Virgin Islands (“BVI”), respectively, are exempted from taxation.

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2023: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

State income tax and federal income tax of the Group’s subsidiary in the United States have been provided for at the rates of state income tax and federal income tax on the estimated assessable profits of the subsidiary during the year. The state income tax rates are 2.5% to 9.5% in the respective states in which the subsidiary operates, and the federal income tax rate was lowered to 21% effective from 1 January 2018, as a result of U.S. tax reform enacted in December 2017.

The Group’s subsidiary registered in Japan is subject to income tax based on the taxable income at rates ranging from 15% to 23.2% on a progressive basis.

The Group’s subsidiaries registered in Germany are subject to corporation tax based on the taxable income at the rate of 15.825% and trade income tax on the taxable income at rates ranging from 13.65% to 17.15%.

The Group’s subsidiary registered in the Czech Republic is subject to income tax based on the taxable income at the rate of 21%.

The Group’s subsidiary registered in Canada is subject to Federal income tax based on the taxable income at the rate of 15% and provincial income tax at the rate of 11.5% in Ontario for a total of 26.5%.

The Group’s subsidiary registered in the United Arab Emirates is subject to income tax at the rate of 9% for taxable income above AED375,000.

All of the Group’s subsidiaries registered in the People’s Republic of China (the “PRC”), which only have operations in Mainland China, are subject to PRC enterprise income tax (“EIT”) on the taxable income as reported in their PRC statutory accounts adjusted in accordance with relevant PRC income tax laws, at the rate of 25%.

Pursuant to relevant tax rules under the EIT Law and with the approval from the relevant tax authorities in the PRC, two of the Group’s subsidiaries, Goodbaby Child Products Co., Ltd. (“GCPC”) and EQO Testing and Certification Services Co., Ltd. (“EQTC”), are qualified as “High and New Technology Enterprises” and are entitled to a preferential tax rate of 15% from 2023 to 2025.

The major components of income tax of the Group are as follows:

	2024 (HK\$'000)	2023 (HK\$'000)
Current income tax	123,465	73,218
Deferred income tax	(100,111)	(85,249)
Income tax expense/(credit) reported in the statement of profit or loss	<u>23,354</u>	<u>(12,031)</u>

A reconciliation of the tax expense/(credit) applicable to profit before tax using the applicable rate for the jurisdiction in which the Company and its subsidiaries are domiciled and/or operate to the tax charge at the effective tax rate is as follows:

	<b>2024</b> <i>(HK\$'000)</i>	2023 <i>(HK\$'000)</i>
Profit before tax	<b>379,570</b>	196,430
Tax calculated at the applicable income tax rate	<b>53,187</b>	21,906
Temporary difference and tax losses utilised from prior years	<b>(1,861)</b>	(3,691)
Temporary difference and tax losses not recognised	<b>1,006</b>	1,286
Tax credit arising from additional deduction of R&D expenditures of PRC subsidiaries	<b>(25,083)</b>	(36,746)
Tax effect on non-taxable income	<b>(12,203)</b>	(4,899)
Tax effect on non-deductible expenses	<b>8,308</b>	10,113
	<hr/>	<hr/>
Income tax expense/(credit)	<b>23,354</b>	(12,031)

### **Pillar Two income taxes**

The Group is within the scope of the Pillar Two model rules. Under the legislation, the Group is liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate. Pillar Two legislation for the subsidiaries of the Group, which are incorporated in certain jurisdictions, was enacted and came into effect from 1 January 2024. Given the complexities involved in calculating GloBE Income, the Group has conducted the Pillar Two assessment for all the entities in the Group using FY2024 financial information. Based on the assessment, all such subsidiaries within the Group have a jurisdictional effective tax rate in excess of 15% for 2024 and/or qualify for either 1) the Qualified Country-by-Country reporting based simplified effective tax rate safe harbour, 2) De Minimis-based Pillar Two safe harbour or 3) the Substance Based Income Exclusion/Routine Profits Test safe harbour. All the safe harbours apply on a jurisdictional basis.

Based on the above, there is no Pillar Two income tax expense arising for the year ended 31 December 2024 in any jurisdiction where the Group operates. Accordingly, the Group has not recognised any Pillar Two related income tax expense in the current period. The Group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

## **9. DIVIDENDS**

The Board recommended the payment of a dividend of HK\$0.07 per share for the year ended 31 December 2024 (2023: nil).

## **10. EARNINGS PER SHARE**

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,668,031,166 outstanding during the year (2023: 1,668,031,166).

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of earnings per share is based on:

	<b>2024</b> <i>(HK\$'000)</i>	2023 <i>(HK\$'000)</i>
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	<u>355,846</u>	<u>203,496</u>
	<b>Number of shares</b>	
	<b>2024</b>	2023
<b>Shares</b>		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	<b>1,668,031,166</b>	1,668,031,166
Effect of dilution – weighted average number of ordinary shares: Share options	<u>14,467,822</u>	<u>–</u>
Total	<u>1,682,498,988*</u>	<u>1,668,031,166</u>

\* The diluted earnings per share amounts are based on the profit attributable to ordinary equity holders of the parent of HK\$355,846,000, and the weighted average number of ordinary shares of 1,682,498,988 in issue outstanding during the year.

## 11. INVENTORIES

	<b>2024</b> <i>(HK\$'000)</i>	2023 <i>(HK\$'000)</i>
Raw materials	221,952	221,990
Work in progress	19,437	21,057
Finished goods	<u>1,471,048</u>	<u>1,219,734</u>
Total	<u>1,712,437</u>	<u>1,462,781</u>

## 12. TRADE RECEIVABLES

	<b>2024</b> <i>(HK\$'000)</i>	2023 <i>(HK\$'000)</i>
Trade receivables	1,115,910	1,232,046
Impairment of trade receivables	<u>(31,458)</u>	<u>(56,234)</u>
Net carrying amount	<u>1,084,452</u>	<u>1,175,812</u>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is up to three months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables of the Group, based on the invoice date net of provision, is as follows:

	<b>2024</b> <i>(HK\$'000)</i>	2023 <i>(HK\$'000)</i>
Within 3 months	<b>1,051,390</b>	1,135,850
3 to 6 months	<b>23,987</b>	20,628
6 months to 1 year	<b>6,225</b>	8,801
Over 1 year	<b>2,850</b>	10,533
	<hr/>	<hr/>
Total	<b>1,084,452</b>	1,175,812
	<hr/>	<hr/>

The movements in the loss allowance for impairment of trade receivables are as follows:

	<b>2024</b> <i>(HK\$'000)</i>	2023 <i>(HK\$'000)</i>
At beginning of year	<b>56,234</b>	42,709
Impairment losses, net	<b>(1,289)</b>	17,069
Amount written off as uncollectible	<b>(22,399)</b>	(3,742)
Exchange realignment	<b>(1,088)</b>	198
	<hr/>	<hr/>
At end of year	<b>31,458</b>	56,234
	<hr/>	<hr/>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

**As at 31 December 2024**

	<b>Within 3 months</b>	<b>3 to 6 months</b>	<b>6 months to 1 year</b>	<b>Over 1 year</b>	<b>Total</b>
Expected credit loss rate	0.29%	6.16%	12.53%	90.11%	2.82%
Gross carrying amount (HK\$'000)	1,054,409	25,561	7,117	28,823	1,115,910
Expected credit losses (HK\$'000)	3,019	1,574	892	25,973	31,458

**As at 31 December 2023**

	<b>Within 3 months</b>	<b>3 to 6 months</b>	<b>6 months to 1 year</b>	<b>Over 1 year</b>	<b>Total</b>
Expected credit loss rate	0.42%	4.72%	9.46%	82.44%	4.56%
Gross carrying amount (HK\$'000)	1,140,694	21,649	9,721	59,982	1,232,046
Expected credit losses (HK\$'000)	4,844	1,021	920	49,449	56,234

**13. DERIVATIVE FINANCIAL INSTRUMENTS**

	<b>2024</b>	
	<b>Assets (HK\$'000)</b>	<b>Liabilities (HK\$'000)</b>
Forward currency contracts	<b>20,430</b>	<b>10,711</b>
Foreign currency swaps	<b>–</b>	<b>1,352</b>
<b>Total</b>	<b>20,430</b>	<b>12,063</b>
	<b>2023</b>	
	<b>Assets (HK\$'000)</b>	<b>Liabilities (HK\$'000)</b>
Forward currency contracts	<b>9,903</b>	<b>42,013</b>

**Cash flow hedge – Foreign currency risk**

Forward currency contracts are designated as hedging instruments in respect of forecasted routine intragroup sales in foreign currencies. The forward currency contract balances vary with the levels of expected foreign currency sales and changes in foreign exchange forward rates.

Hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the forecasted sales and purchases and the hedging instruments
- Different interest rate curves applied to discount the hedged items and hedging instruments
- The counterparties' credit risks differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amounts of cash flows of hedged items and hedging instruments

The Group holds the following foreign exchange forward contracts:

	Maturity					
	Less than 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	Total
As at 31 December 2024						
Foreign currency forward contracts (highly probable forecasted sales)						
Notional amounts (HK\$'000)	110,831	236,377	79,545	–	–	426,753
Average forward rate (EUR/RMB)	7.7179	7.5328	7.5156	–	–	
Foreign currency forward contracts (highly probable forecasted sales)						
Notional amounts (HK\$'000)	2,107	–	–	–	–	2,107
Average forward rate (EUR/CHF)	0.9402	–	–	–	–	
Foreign currency forward contracts (highly probable forecasted sales)						
Notional amounts (HK\$'000)	7,567	7,958	6,030	4,106	1,045	26,706
Average forward rate (CZK/EUR)	0.0397	0.0395	0.0395	0.0394	0.0392	
Foreign currency forward contracts (highly probable forecasted sales)						
Notional amounts (HK\$'000)	46,149	63,037	55,835	50,751	52,604	268,376
Average forward rate (JPY/EUR)	0.0065	0.0063	0.0063	0.0063	0.0064	
Foreign currency forward contracts (highly probable forecasted sales)						
Notional amounts (HK\$'000)	46,584	46,584	40,761	40,761	–	174,690
Average forward rate (EUR/USD)	1.1079	1.1051	1.1132	1.1166	–	
Foreign currency forward contracts (highly probable forecasted sales)						
Notional amounts (HK\$'000)	11,599	–	–	–	–	11,599
Average forward rate (EUR/GBP)	0.8747	–	–	–	–	
Foreign currency forward contracts (highly probable forecasted sales)						
Notional amounts (HK\$'000)	34,481	35,240	25,240	15,189	5,088	115,238
Average forward rate (GBP/EUR)	1.1497	1.1532	1.1564	1.1597	1.1654	
Foreign currency forward contracts (highly probable forecasted sales)						
Notional amounts (HK\$'000)	6,310	6,362	6,498	6,613	2,225	28,008
Average forward rate (CHF/EUR)	1.0420	1.0409	1.0633	1.0819	1.0921	
Foreign currency forward contracts (highly probable forecasted sales)						
Notional amounts (HK\$'000)	1,606	–	–	–	–	1,606
Average forward rate (EUR/CZK)	25.1834	–	–	–	–	

	Maturity					Total
	Less than 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	
Foreign currency forward contracts (highly probable forecasted sales)						
Notional amounts (HK\$'000)	45,862	49,808	35,458	21,148	6,993	159,269
Average forward rate (PLN/EUR)	0.2257	0.2257	0.2249	0.2236	0.2218	
Foreign currency swap contract (3.86% EUR6,500,000 secured bank loan)						
Notional amounts (HK\$'000)	52,558	–	–	–	–	52,558
Hedged rate (EUR/RMB)	7.7910	–	–	–	–	
Foreign currency swap contract (3.91% EUR5,100,000 secured bank loan)						
Notional amounts (HK\$'000)	41,238	–	–	–	–	41,238
Hedged rate (EUR/RMB)	7.8627	–	–	–	–	

The impacts of the hedging instruments on the statement of financial position are as follows:

	Notional amounts (HK\$'000)	Carrying amounts (HK\$'000)	Line item in the statement of financial position (HK\$'000)
<b>As at 31 December 2024</b>			
Foreign currency forward contracts	476,494	20,430	Derivative financial instruments (assets)
Foreign currency forward contracts	737,858	(10,711)	Derivative financial instruments (liabilities)
Foreign currency Swap contracts	93,796	(1,352)	Derivative financial instruments (liabilities)

The impacts of the hedged items on the statement of financial position are as follows:

	Change in fair value used for measuring hedge ineffectiveness for the year (HK\$'000)	Hedging reserve (HK\$'000)
<b>As at 31 December 2024</b>		
Highly probable forecast sales	–	7,104
Secured bank loans in Euro	–	767
	–	7,871



The effects of the cash flow hedge on the statement of profit or loss and the statement of comprehensive income are as follows:

	Total hedging gains/(losses) recognised in other comprehensive income			Hedge ineffectiveness recognised in profit or loss	Line item in the statement of profit or loss	Amounts reclassified from other comprehensive income to profit or loss			Line item (gross amount) in the statement of profit or loss
	Gross amounts		Total	Gross amounts		Total			
	(HK\$'000)	Tax effects (HK\$'000)	(HK\$'000)	(HK\$'000)		(HK\$'000)	(HK\$'000)		
As at 31 December 2024									
Highly probable forecast sales	38,115	(5,525)	32,590	-	- Other income and gains	(11,038)	1,656	(9,382)	Revenue
Secured bank loans in Euro	(1,591)	239	(1,352)	-	- Other income and gains	2,493	(374)	2,119	Finance cost

#### 14. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>2024</b> <b>(HK\$'000)</b>	2023 <b>(HK\$'000)</b>
Within 3 months	<b>1,156,016</b>	1,021,642
3 to 12 months	<b>291,761</b>	273,753
1 to 2 years	<b>3,658</b>	3,455
2 to 3 years	<b>1,568</b>	3,401
Over 3 years	<b>4,625</b>	2,135
Total	<b>1,457,628</b>	1,304,386

The trade and bills payables are non-interest-bearing and normally settled on terms of 60 to 90 days. The carrying amounts of the trade and bills payables approximate to their fair values due to their short term maturity.

## 15. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS

		As at 31 December 2024		As at 31 December 2023	
		Maturity	HK\$'000	Maturity	HK\$'000
Current					
Bank overdrafts – secured	Note (a) and note (b)	On demand	225,659	On demand	185,684
Bank overdrafts – unsecured	Note (a)	On demand	6,611	On demand	2,971
Current portion of long-term bank loans – secured	Note (b)	2025	56,325	2024	1,666,510
Current portion of long-term bank loans – unsecured			–	2024	495,099
Bank borrowings – secured	Note (b)		–	2024	165,173
Bank borrowings – unsecured		2025	187,291	2024	190,392
Total – current			475,886		2,705,829
Non-current					
Bank borrowings – secured	Note (b)	2026-2027	979,171		–
Bank borrowings – unsecured			–	2025	88,018
Total – non-current			979,171		88,018
Total			1,455,057		2,793,847

The carrying amounts of borrowings are denominated in the following currencies:

	2024 (HK\$'000)	2023 (HK\$'000)
RMB	85,101	775,655
US\$	1,036,057	1,821,231
EUR	326,441	188,655
JPY	7,458	8,306
Total	1,455,057	2,793,847

An analysis of the carrying amounts of borrowings by type of interest rate is as follows:

	2024 (HK\$'000)	2023 (HK\$'000)
Fixed interest rate	178,896	550,110
Variable interest rate	1,276,161	2,243,737
Total	1,455,057	2,793,847

At the end of respective reporting periods, bank borrowings and overdrafts were repayable as follows:

	<b>2024</b> <i>(HK\$'000)</i>	2023 <i>(HK\$'000)</i>
Within one year	<b>475,886</b>	2,705,829
In the second year	<b>160,649</b>	88,018
In the third year	<b>818,522</b>	–
<b>Total</b>	<b><u>1,455,057</u></b>	<b><u>2,793,847</u></b>

*Note (a):* The bank overdraft facilities amounted to HK\$313,161,000 of which HK\$232,270,000 had been utilised as at the end of the reporting period. The bank overdraft facilities are revolving facilities with no termination date.

*Note (b):* As at 31 December 2024, certain of the Group's bank loans are secured by:

- (i) standby letters of credit and letters of guarantee from certain banks issued by a subsidiary of the Group; and
- (ii) the guarantee from the Company.

As at 31 December 2023, certain of the Group's bank loans are secured by:

- (i) standby letters of credit and letters of guarantee from certain banks issued by a subsidiary of the Group; and
- (ii) the guarantee from the Company.

*Note (c):* The effective interest rates of the bank loans and other borrowings range from 1.20% to 7.56% (2023: 1.05% to 7.61%).

*Note (d):* The secured syndicated loan with carrying amount of USD\$135,000,000 with maturity date in 2027 is subject to certain financial covenants, which are measured with reference to the financial performance of the Group and its certain subsidiary. The Group are required to conduct tests for these covenants assessment twice a year, at the end of each interim and annual period. The Group regularly monitors its compliance with these covenants and as at 31 December 2023 and 2024, the Group have complied with all financial covenants' tests.

## 16. SHARE OPTION SCHEME

The share option scheme adopted by the Company on 5 November 2010 (the “**2010 Share Option Scheme**”) was terminated and a new one was adopted by the Company following the termination of the 2010 Share Option Scheme at the annual general meeting of the Company held on 25 May 2020 (the “**2020 Share Option Scheme**”).

The purpose of the above share option schemes is to motivate the eligible participants to optimise their performance efficiency for the benefit of the Group; and attract and retain or otherwise maintain on-going business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group. Eligible participants of the share option schemes include full-time or part-time employees, executives or officers of the Company or any of its subsidiaries, any Directors (including non-executive and independent non-executive Directors) of the Company or any of its subsidiaries and advisers, consultants, suppliers, customers, agents and such other persons who in the sole opinion of the Board will contribute or have contributed to the Company or any of its subsidiaries as described in the share option schemes. The 2010 Share Option Scheme and the 2020 Share Option Scheme both have a term of 10 years. Upon termination of the 2010 Share Option Scheme mentioned above, no further options may be granted thereunder but the provisions of the 2010 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted prior to the termination.

The maximum number of share options originally permitted to be granted under the 2010 Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue as at 28 May 2018. The maximum number of share options currently permitted to be granted under the 2020 Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue as at 25 May 2020. The maximum number of shares issuable under share options to each eligible participant under the 2010 Share Option Scheme and 2020 Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue as at the date on which the share options are granted to the relevant eligible participants. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

Share options granted to a Director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue on the date of such grant or with an aggregate value (based on the closing price of the Company’s shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders’ approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 30 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors, and commences after a vesting period determined by the Directors and ends on a date which shall not be later than ten years from the date upon which the share options are deemed to be granted and accepted.

The exercise price of share options is determinable by the Directors, but may not be less than the higher of (i) the closing price of the Company’s shares as quoted on the Stock Exchange on the date of offer of the share options; (ii) the average closing price of the Company’s shares as quoted on the Stock Exchange for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the Company’s shares.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for each of the above share option schemes as an equity-settled plan.

Share options do not confer rights on the holders to dividends or to vote at shareholders’ meetings.

On 19 June 2020, the Board announced that the Company shall allow holders of the existing share options (the “**Existing Share Options**”) granted on 28 August 2017, 27 March 2018, 28 May 2018 and 23 May 2019 under the 2010 Share Option Scheme to exchange their Existing Share Options for new share options to be granted under the 2020 Share Option Scheme. As at 19 June 2020, none of the above share options was vested.

A total of 96,650,000 Existing Share Options were cancelled under the 2010 Share Option Scheme and replaced by a total of 26,084,500 new share options with an exercise price of HK\$0.96 per share under the 2020 Share Option Scheme (the “**Replacement Options**”).

The exchange ratio of the Replacement Options to Existing Share Options were based on their fair values on the modification date, i.e. 19 June 2020.

**(a) 2010 Share Option Scheme**

The following share options were outstanding under the 2010 Share Option Scheme during the year:

	<b>Weighted average exercise price</b> <i>HK\$ per share</i>	<b>Number of options</b> <i>'000</i>
At 1 January 2023	3.996	103,870
Forfeited during the year	3.602	<u>(3,690)</u>
At 31 December 2023 and 1 January 2024	4.010	100,180
Forfeited during the year	3.878	<u>(35,680)</u>
At 31 December 2024	4.083	<u><u>64,500</u></u>

No share options were exercised or cancelled during the years ended 31 December 2024 and 2023.

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

## 2024

Number of options '000	Exercise price <i>HK\$ per share</i>	Exercise period
2,266	3.75	7 October 2018 to 6 October 2025
2,267	3.75	7 October 2019 to 6 October 2025
2,267	3.75	7 October 2020 to 6 October 2025
4,300	4.54	27 September 2020 to 27 March 2028
6,450	4.54	27 September 2021 to 27 March 2028
10,750	4.54	27 September 2022 to 27 March 2028
620	5.122	28 May 2021 to 27 May 2028
930	5.122	28 May 2022 to 27 May 2028
1,550	5.122	28 May 2023 to 27 May 2028
6,620	3.75	23 May 2022 to 22 May 2029
9,930	3.75	23 May 2023 to 22 May 2029
16,550	3.75	23 May 2024 to 22 May 2029
<hr/>		
64,500		
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## 2023

Number of options '000	Exercise price <i>HK\$ per share</i>	Exercise period
7,127	3.58	29 September 2017 to 28 September 2024
8,626	3.58	29 September 2018 to 28 September 2024
7,926	3.58	29 September 2019 to 28 September 2024
2,267	3.75	7 October 2018 to 6 October 2025
2,267	3.75	7 October 2019 to 6 October 2025
2,267	3.75	7 October 2020 to 6 October 2025
6,300	4.54	27 September 2020 to 27 March 2028
9,450	4.54	27 September 2021 to 27 March 2028
15,750	4.54	27 September 2022 to 27 March 2028
720	5.122	28 May 2021 to 27 May 2028
1,080	5.122	28 May 2022 to 27 May 2028
1,800	5.122	28 May 2023 to 27 May 2028
6,920	3.75	23 May 2022 to 22 May 2029
10,380	3.75	23 May 2023 to 22 May 2029
17,300	3.75	23 May 2024 to 22 May 2029
<hr/>		
100,180		
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(b) 2020 Share Option Scheme

	<b>Weighted average exercise price <i>HK\$ per share</i></b>	<b>Number of options <i>'000</i></b>
At 1 January 2023	0.943	28,431
Forfeited during the year	0.973	<u>(1,908)</u>
At 31 December 2023 and 1 January 2024	0.941	26,523
Granted during the year	0.485	113,594
Forfeited during the year	0.684	<u>(8,182)</u>
At 31 December 2024	0.564	<u>131,935</u>

No share options were exercised or cancelled during the years ended 31 December 2024 and 2023.

The exercise prices and exercise periods of the above share options outstanding at the end of the reporting period are as follows:

**2024**

<b>Number of options <i>'000</i></b>	<b>Exercise price <i>HK\$ per share</i></b>	<b>Exercise period</b>
46	0.96	28 August 2020 to 27 August 2027
47	0.96	28 August 2021 to 27 August 2027
47	0.96	28 August 2022 to 27 August 2027
1,579	0.96	27 September 2020 to 27 March 2028
2,369	0.96	27 September 2021 to 27 March 2028
3,948	0.96	27 September 2022 to 27 March 2028
148	0.96	28 May 2021 to 27 May 2028
222	0.96	28 May 2022 to 27 May 2028
370	0.96	28 May 2023 to 27 May 2028
2,164	0.96	23 May 2022 to 22 May 2029
3,245	0.96	23 May 2023 to 22 May 2029
5,410	0.96	23 May 2024 to 22 May 2029
612	1.01	11 December 2023 to 10 December 2030
919	1.01	11 December 2024 to 10 December 2030
1,485	1.01	11 December 2025 to 10 December 2030
100	1.042	16 June 2025 to 15 June 2032
150	1.042	16 June 2026 to 15 June 2032
250	1.042	16 June 2027 to 15 June 2032
59,408	0.485	2 July 2025 to 1 July 2034
9,617	0.485	2 July 2026 to 1 July 2034
19,290	0.485	2 July 2027 to 1 July 2034
11,374	0.485	2 July 2028 to 1 July 2034
9,135	0.485	2 July 2029 to 1 July 2034
<u>131,935</u>		

**2023**

Number of options '000	Exercise price <i>HK\$ per share</i>	Exercise period
93	0.96	28 August 2020 to 27 August 2027
93	0.96	28 August 2021 to 27 August 2027
93	0.96	28 August 2022 to 27 August 2027
2,107	0.96	27 September 2020 to 27 March 2028
3,161	0.96	27 September 2021 to 27 March 2028
5,268	0.96	27 September 2022 to 27 March 2028
160	0.96	28 May 2021 to 27 May 2028
240	0.96	28 May 2022 to 27 May 2028
400	0.96	28 May 2023 to 27 May 2028
2,307	0.96	23 May 2022 to 22 May 2029
3,459	0.96	23 May 2023 to 22 May 2029
5,487	0.96	23 May 2024 to 22 May 2029
705	1.01	11 December 2023 to 10 December 2030
919	1.01	11 December 2024 to 10 December 2030
1,531	1.01	11 December 2025 to 10 December 2030
100	1.042	16 June 2025 to 15 June 2032
150	1.042	16 June 2026 to 15 June 2032
250	1.042	16 June 2027 to 15 June 2032
<hr/>		
26,523		

The fair value of the share options granted during the year ended 31 December 2024 was HK\$22,357,000, of which the Group recognised share option expenses of HK\$5,272,000 during the year ended 31 December 2024.

The fair value of equity-settled share options granted was estimated as at the date of grant using a binomial tree model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	<b>Share options granted on 2 July 2024</b>
Fair value under binomial model (HK\$)	22,357,000
Dividend yield (%)	0.00
Spot stock price (HK\$ per share)	0.485
Historical volatility (%)	46.29
Risk-free interest rate (%)	3.665
Expected life of options (year)	10

The risk-free rate for periods within the contractual life of the option is based on the yield of Hong Kong Exchange Fund Notes.

The expected life of the options is based on the historical data over the past three years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.



The Group overall recognised a share option expense of HK\$5,572,000 (2023: HK\$1,827,000) for the year ended 31 December 2024.

At the end of the reporting period, the Company had 64,500,000 and 131,934,500 share options outstanding under the 2010 Share Option Scheme and 2020 Share Option Scheme, respectively. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 196,434,500 additional ordinary shares of the Company and additional share capital of HK\$1,964,345 and share premium of HK\$335,852,000 (before issue expenses).

At the date of approval of these financial statements, the Company had 53,450,000 and 129,047,500 share options outstanding under the 2010 Share Option Scheme and 2020 Share Option Scheme respectively, which represented approximately 3.20% and 7.74% of the Company's shares in issue as at that date.

## 17. EVENTS AFTER THE REPORTING PERIOD

As announced by the Company on 26 March 2025, the Board has resolved to adopt a new share option scheme (the “**2025 Share Option Scheme**”) to replace the 2020 Share Option Scheme at an extraordinary general meeting of the Company to be convened immediately after the forthcoming annual general meeting of the Company on 27 May 2025. The adoption of the 2025 Share Option Scheme will be conditional upon:

- (i) the passing of the necessary resolutions by the shareholders of the Company to approve and adopt the rules of Share Option Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of and permission to deal in the shares which may fall to be issued pursuant to the exercise of options to be granted under the 2025 Share Option Scheme.

Please refer to the announcement of the Company issued on 26 March 2025 regarding the proposed adoption of the 2025 Share Option Scheme and the termination of the 2020 Share Option Scheme for details.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

#### **Positive Business Momentum throughout the Year**

During the Period, persisting macro dynamics and uncertainties continued to impose pressure on the Group's business. While the world underwent weaker yet more diverging global economic growth in 2024 than 2023, the Group, with its business outside of China in particular, was affected by logistic disruptions, including sea freight cost increase (mainly in the second half of 2024), longer lead time and lack of containers, arising from prolonged geopolitical conflicts, consumer insecurities due to continued regional conflicts in Europe and unfavorable foreign exchange fluctuations.

Amidst dynamics and uncertainties, the Group delivered very positive business momentum throughout the Period. The Group recorded double-digit revenue growth, with accelerated momentum into the second half of the year. Sustainable and robust demands for our products despite of global consumer insecurities drove volumes to our factories and amplified continued production efficiency improvement. Gross margin improved to a record 51.4%, demonstrating the Group's efforts in improving brand premium, product competitiveness and operational efficiency; such positive momentum was partially offset by increased sea freight cost in the second half of the Period and unfavorable foreign exchange rate fluctuations. Resultingly, our operating profit margin improved to 5.7%. The Group continued to generate solid operating cash flow, and thus reduced net debt. We also significantly paid down debts and restructured loan facilities, which optimized the Group's debt structure and improved financing cost. The Group consistently delivered its commitments on profitability improvement and cash flow management.

The continued growth momentum derived from the Group's global competitiveness:

1. The one-dragon vertically integrated platform of own diversified brands, globally balanced omni-channel distribution platforms, own manufacturing and operational services, which enabled the Group to outperform competition and minimize risks in any one territory;
2. Continuing dedicated and strategic investments in brand building, product innovation, global omni-channel infrastructure and digital.

Our revenue for the Period increased by 10.6% to approximately HK\$8,765.9 million from approximately HK\$7,927.3 million for the corresponding period in 2023. Foreign exchange rate fluctuated between the Period and the corresponding period in 2023, particularly between RMB and HKD, and between EUR and HKD. Such fluctuations led to the difference between the Group's overall revenue growth in the original currencies and the growth in the Group's reporting currency in HKD after currency translation. On a constant currency basis, our revenue for the Period recorded an 8.6% increase as compared to the corresponding period in 2023. Reported gross profit increased by 13.6% to approximately HK\$4,507.9 million for the Period from approximately HK\$3,967.7 million for the corresponding period in 2023. Reported operating profit increased by 35.7% to approximately HK\$500.0 million from approximately HK\$368.4 million for the corresponding period in 2023 and on a non-GAAP basis, our operating profit increased by 32.8% to approximately HK\$544.3 million for the Period from approximately HK\$409.9 million for the corresponding period in 2023. Reported net profit increased by 70.8% to approximately HK\$356.2 million from approximately HK\$208.5 million for the corresponding period in 2023 and on a non-GAAP basis, our net profit increased by 62.8% to approximately HK\$390.6 million for the Period from approximately HK\$239.9 million for the corresponding period in 2023.

Summary of the Group's revenue:

<i>(HK\$ million)</i>	For the year ended 31 December				Change (%)	Change on a constant currency basis (%)
	2024		2023			
<b>Group Revenue</b>	\$8,765.9		\$7,927.3		+10.6%	+8.6%
<b>By Brand</b>	<b>Amount</b>	<b>% of Revenue</b>	<b>Amount</b>	<b>% of Revenue</b>	<b>Change (%)</b>	<b>Change on a constant currency basis (%)</b>
<b>Strategic brands</b>	\$7,770.7	88.6%	\$7,137.5	90.0%	+8.9%	+6.8%
CYBEX	\$4,467.3	51.0%	\$3,696.9	46.6%	+20.8%	+17.4%
Evenflo	\$2,385.3	27.2%	\$2,279.6	28.8%	+4.6%	+3.7%
gb	\$918.1	10.5%	\$1,161.0	14.6%	-20.9%	-21.1%
<b>Blue Chip and other business</b>	\$995.2	11.4%	\$789.8	10.0%	+26.0%	+25.4%

## EXECUTIVE SUMMARY

During the Period, the Group's strategic brands performed as follows:

- **CYBEX** brand delivered milestone achievements by recording another all-time high revenue and profitability despite a tough macro environment. Backed by strong market demand for its products, the brand achieved an outstanding performance across its core categories, channels and key markets. CYBEX recorded strong growth of 20.8% (a 17.4% increase on a constant currency basis) in the Period to approximately HK\$4,467.3 million from approximately HK\$3,696.9 million for the corresponding period of 2023. With such strong revenue momentum, CYBEX continued to outperform competition and gain market shares globally. The sustained outstanding performance was a result of CYBEX's very strong and continuously enhanced brand position, continued new launches and upgrade of existing products, consequent entering in new product categories and further expansion and fortification of global omni-channel distribution network with industry leading self-owned wholesale, e-commerce and own offline flagship store infrastructure. During the Period, CYBEX introduced 11 launches, which have all been well accepted by the market. During the Period, CYBEX opened a self-owned flagship store in Paris, enhancing its leadership in "Big Platinum Cities" and enriching its omni-channel distribution network and redefining luxurious functionality and contemporary aesthetics. CYBEX continued to proudly receive awards from prominent international organizations for its product design, safety and functionality. The brand continued to reinforce its global leading position as the premium "technical-lifestyle" brand.
- **Evenflo** brand recorded moderate growth of 4.6% (a 3.7% increase on a constant currency basis) in the Period to approximately HK\$2,385.3 million from approximately HK\$2,279.6 million for the corresponding period of 2023. The brand increased market shares in digital channels and the car seat category in its mother market US during the Period. The positive revenue performance was mainly driven by significant growth in digital channels, positive consumer acceptance of innovative products, mainly car seats, continued new product launches and elevated brand image, partially offset by sales declines of low-margin products. Evenflo continued to invest in brand, products, digital strategy and talents. The brand continued to shift towards digital and offer innovative products that make parenting more enjoyable and convenient.
- **gb** brand recorded a decline of 20.9% (a 21.1% decrease on a constant currency basis) in the Period to approximately HK\$918.1 million from approximately HK\$1,161.0 million for the corresponding period of 2023 as a result its continued yet-to-be-successful brand transformation. In order to better execute the transformation and turn around the business, gb restructured its management team towards the end of the Period. Progress have been achieved in the execution of the new business model: sales revenue from the livestreaming channel increased significantly; self-owned offline retail stores recorded strong revenue growth. The brand continued to receive multiple prominent international awards in recognition of its commitment to product design and innovation.

During the Period, our Blue Chip and other business recorded revenue increase of 26.0% (a 25.4% increase on a constant currency basis) to approximately HK\$995.2 million in the Period as compared to approximately HK\$789.8 million for the corresponding period of 2023. The revenue increase was primarily driven by the significant rebound of Blue Chip business as destocking of the Group's Blue Chip customers had ended, offsetting the decline of tactical brands resulting from the Group's continued portfolio rationalization in other business. The Group's relationship with its Blue Chip customers remained healthy and stable.

## **OUTLOOK**

Looking into 2025, continued geopolitical conflicts and tensions in Europe and the Middle East may lead to persisting logistics disruptions, which would not only impose direct cost pressures but also cause product availability issues for us. As a global company, the Group would also be affected by uncertainties, reduced market efficiency and further disrupted global supply chains and related cost increases due to resurfaced trade restrictions and protectionist policies (e.g. tariffs). Continued birth rate declines in our major markets add to the downsides risks. Besides, global climate change could cause business discontinuity and logistics disruptions. That said, the Group stands ready to grasp and take advantage of any opportunities and inspirations derived from the challenges and restructurings they cause.

Overall, we remain very confident of and will continue our vertically integrated one-dragon, brand-driven strategy through sustained strategic investments to maintain and consolidate our global competitiveness, which will continue to inject momentum into the Group's business and enhance its resilience in the face of uncertainties. Under the strategy, focus will continue to be given to our strategic brands of CYBEX, Evenflo and gb and the ongoing development of our Blue Chip business:

- **CYBEX** will leverage its powerful brand momentum and omni-channel infrastructure to grow globally with full speed ahead. The strong momentum will enable the brand to continue to take market shares aggressively across the globe;
- **Evenflo** will continue to invest in brand, products, digital strategy and talents, and work to further consolidate its business foundation;
- **gb** will continue the brand transformation and turn around its business in the China market;
- **Blue Chip** business will continue to develop steadily as the Group continues to deliver services that meet demands of our customers.

On a global basis, we will continue to expand and deepen brand building and omni-channel distribution network and infrastructure in existing and new markets to ensure that we maintain a direct relationship with our fans and consumers and provide them with a world-class omni-channel experience. We will continue to optimize and consolidate our global supply chain strategies as we embrace supplier partnerships and broaden our global footprint to ensure we are quicker to market and leverage regional capabilities through mother market operations.

Brand-driven strategy supported by world-class technology, manufacturing, supply chain excellence, innovation, mother market operations, digital and cost optimization will remain the core of our vision of becoming an outstanding enterprise with global and future-ready competitiveness and achieving sustained profitable growth.

## **FINANCIAL REVIEW**

### **Revenue**

For the Period, the total revenue of the Group increased by 10.6% to approximately HK\$8,765.9 million from approximately HK\$7,927.3 million for the year of 2023. During the Period, foreign exchange rate fluctuated, particularly exchange rate between RMB and HKD, and between EUR and HKD. Such fluctuations led to the difference between the Group's overall revenue growth in the original currencies and the growth in the Group's reporting currency in HKD after currency translation. On a constant currency basis, our revenue for the Period recorded a 8.6% increase compared to the corresponding period in 2023.

For the revenue breakdown analysis, please refer to the section of "Management Discussion And Analysis – Overview" in this announcement.

### **Cost of Sales, Gross Profit and Gross Profit Margin**

Cost of sales increased by 7.5% to approximately HK\$4,258.0 million for the Period from approximately HK\$3,959.6 million for the year of 2023. Gross profit for the Group increased to approximately HK\$4,507.9 million for the Period from approximately HK\$3,967.7 million for the year of 2023, and the gross profit margin increased by 1.3 percentage points to 51.4% for the Period from approximately 50.1% for the year of 2023. The increase in gross profit was mainly a mixed result of the increase in revenue and improvement in gross margin driven by favorable brand revenue mix and production cost improvements, partially offset by an increase in the sea freight costs in the second half of 2024 and unfavorable foreign exchange rate fluctuations.

### **Other Income and Gains**

Other income and gains of the Group decreased by approximately HK\$95.0 million to approximately HK\$34.4 million for the Period as compared to approximately HK\$129.4 million for the year of 2023, which was mainly attributable to the decrease in net gain on disposal of property, plant and equipment and foreign exchange gain, partially offset by the increase in government grants. For the detailed information, please refer to Note 4 Revenue, other income and gains of the section "Notes to the financial statements" in this announcement.

### **Selling and Distribution Expenses**

The Group's selling and distribution expenses primarily consist of marketing expenses, personnel costs, rental and commission and warehousing and transportation costs. The selling and distribution expenses increased by approximately HK\$189.8 million to approximately HK\$2,456.5 million for the Period from approximately HK\$2,266.7 million for the year of 2023. The increase was mainly attributable to the increase in marketing expenses which supported revenue growth and in logistics costs and personnel costs, which was the result of increased revenue.

## **Administrative Expenses**

The Group's administrative expenses primarily consist of personnel costs, R&D costs, professional service expenses, depreciation and amortization cost and other office expenses. The administrative expenses increased by approximately HK\$106.7 million to approximately HK\$1,568.3 million for the Period from approximately HK\$1,461.6 million for year of 2023. The increase was mainly due to the increase in R&D costs, personnel costs and legal costs.

## **Other Expenses**

Other expenses of the Group increased to approximately HK\$17.6 million for the Period from approximately HK\$0.5 million for the year of 2023, which was mainly attributable to the increase in net loss on disposal of property, plant and equipment and in foreign exchange loss.

## **Operating Profit**

As a result of the foregoing, the Group's operating profit increased by approximately 35.7% or HK\$131.6 million, to approximately HK\$500.0 million for the Period from approximately HK\$368.4 million for the year of 2023.

## **Finance Income**

For the Period, the Group's finance income decreased by 44.6% or HK\$21.5 million, to approximately HK\$26.7 million from approximately HK\$48.2 million for the year of 2023. The Group's finance income mainly represents interest income from bank deposits.

## **Finance Costs**

For the Period, the Group's finance costs decreased by approximately HK\$60.1 million to approximately HK\$155.5 million from approximately HK\$215.6 million for the year of 2023. The net finance costs decrease aligned with the decrease in the balance of interest-bearing bank loans and other borrowings.

## **Profit Before Tax**

As a result of the foregoing, the profit before tax of the Group increased by 93.3% to approximately HK\$379.6 million for the Period from a profit before tax of approximately HK\$196.4 million for the year of 2023.

## **Income Tax**

The Group's income tax expense was approximately HK\$23.4 million for the Period, and the income tax credit was approximately HK\$12.1 million for the year of 2023. The increase in the amount of income tax expense was aligned with the increase of the profit before tax of the Group.

## **Profit for the Year**

Profit of the Group for the Period increased by 70.8% or approximately HK\$147.7 million to approximately HK\$356.2 million from approximately HK\$208.5 million for the year of 2023.

The non-GAAP profit of the Group increased by 62.8% to approximately HK\$390.6 million for the Period from approximately HK\$239.9 million for the year in 2023.

## **Non-GAAP Financial Measures**

To supplement the consolidated results of the Group prepared in accordance with IFRS Accounting Standards, certain non-GAAP financial measures, including non-GAAP operating profit, non-GAAP operating margin, non-GAAP profit before tax, non-GAAP profit for the year and non-GAAP net margin, are presented in this announcement. The Company's management believes that the non-GAAP financial measures provide investors with a more meaningful view on the Group's financial results, and with useful supplementary information to assess the performance of the Group's strategic operations by excluding certain non-cash items, certain impact of merger and acquisition transactions and certain one-off bad debt provision and operating loss. Nevertheless, the use of these non-GAAP financial measures has limitations as an analytical tool. These unaudited non-GAAP financial measures should be considered in addition to, not as a substitute for, analysis of the Company's financial performance prepared in accordance with IFRS Accounting Standards. In addition, these non-GAAP financial measures may be defined differently from similar terms used by other companies.



The following tables set forth the reconciliations of the Company's non-GAAP financial measures for the year ended 31 December 2024 and 2023 to the nearest measures prepared in accordance with IFRS Accounting Standards:

	Year ended 31 December 2024			
	As reported (HK\$ million)	Adjustments		Non-GAAP (HK\$ million)
		Equity-settled share option expenses (HK\$ million)	Amortization of intangible assets (a) (HK\$ million)	
Operating profit	500.0	5.6	38.7	544.3
Profit before tax	379.6	5.6	38.7	423.9
Profit for the year	356.2	5.6	28.8	390.6
Operating margin	5.7%			6.2%
Net margin	4.1%			4.5%

  

	Year ended 31 December 2023			
	As reported (HK\$ million)	Adjustments		Non-GAAP (HK\$ million)
		Equity-settled share option expenses (HK\$ million)	Amortization of intangible assets (a) (HK\$ million)	
Operating profit	368.4	1.8	39.7	409.9
Profit before tax	196.4	1.8	39.7	237.9
Profit for the year	208.5	1.8	29.6	239.9
Operating margin	4.6%			5.2%
Net margin	2.6%			3.0%

*Note:*

(a) Amortization of intangible assets arising from acquisitions, net of related deferred tax.

## Working Capital and Financial Resources

	<b>As at 31 December 2024 (HK\$ million)</b>	As at 31 December 2023 (HK\$ million)
	<b>Year 2024</b>	Year 2023
Trade and notes receivables (including trade receivables due from related parties)	<b>1,085.0</b>	1,182.2
Trade and notes payables (including trade payables due to related parties)	<b>1,459.5</b>	1,304.9
Inventories	<b>1,712.4</b>	1,462.8
Trade and notes receivables turnover days <sup>(1)</sup>	<b>47</b>	50
Trade and notes payables turnover days <sup>(2)</sup>	<b>117</b>	113
Inventories turnover days <sup>(3)</sup>	<b>134</b>	153

### Notes:

- (1) Trade and notes receivables turnover days = Number of days in the reporting period x (average balance of trade and notes receivables at the beginning and at the end of the period)/revenue in the reporting period.
- (2) Trade and notes payables turnover days = Number of days in the reporting period x (average balance of the trade and notes payables at the beginning and at the end of the period)/cost of sales in the reporting period.
- (3) Inventories turnover days = Number of days in the reporting period x (average balance of inventories at the beginning and at the end of the period)/cost of sales in the reporting period.

Trade and notes receivables remained stable, and the turnover days of trade and notes receivables continued to maintain a healthy level, which was in line with the overall business operation status of the Group, reflecting the effective implementation of credit management policies and the stability of customer collection cycles.

Trade and notes payables remained stable, and the turnover days of trade and notes payables continued to maintain a healthy level, which was in line with the overall business operation status of the Group, reflecting the effective implementation of credit management policies and the stability of the payment cycle for suppliers.

The increase of inventories was mainly attributable to the increase in inventory in transit caused by the logistics disruption, which was mainly a result of geopolitical crisis in the Red Sea region, together with the Group's proactive increase in safety stock reserves in response to the logistics disruption. The decrease of inventory turnover days was a combined result of working capital improvement together with the fact that the inventory at the end of year 2023 and at the end of year 2024 was substantially lower than the inventory at the beginning of year 2023.

## **Liquidity and Financial Resources**

As at 31 December 2024, the Group's monetary assets, including cash and cash equivalents, time deposits and pledge deposits and financial assets designated at fair value through profit or loss, were approximately HK\$1,126.0 million (31 December 2023: approximately HK\$2,198.9 million).

As at 31 December 2024, the Group's interest-bearing bank loans and other borrowings were approximately HK\$1,455.1 million (31 December 2023: approximately HK\$2,793.8 million), including short-term bank loans and other borrowings of approximately HK\$475.9 million (31 December 2023: approximately HK\$2,705.8 million) and long-term bank loans and other borrowings with repayment terms ranging from two to three years of approximately HK\$979.2 million (31 December 2023: approximately HK\$88.0 million). Among the Group's interest-bearing bank loans and other borrowings, approximately HK\$178.9 million were at fixed interest rates (31 December 2023: approximately HK\$550.1 million) and approximately HK\$1,276.2 million were at variable interest rates (31 December 2023: approximately HK\$2,243.7 million).

As a result, as at 31 December 2024, the Group's net debt position was approximately HK\$329.1 million (31 December 2023: approximately HK\$594.9 million).

## **Contingent Liabilities**

In the ordinary course of the Group's business, it may from time to time be involved in legal proceedings and litigations. The Group records a liability when the Group believes that it is both probable that a loss has been incurred by the Group and the amount can be reasonably estimated. With respect to the Group's outstanding legal matters, notwithstanding that the outcome of such legal matters is inherently unpredictable and subject to uncertainties, the Group believes that, based on its current knowledge, the amount or range of reasonably possible loss will not, either individually or in the aggregate, have a material adverse effect on the Group's business, financial position, results of operations, or cash flows.

As at 31 December 2024, the Group had no material contingent liabilities (as at 31 December 2023: nil).

## **Exchange Rate Fluctuations**

The Group is a multinational enterprise with operations in different countries and the money that it used to conduct its business and transaction is denominated in various currencies, and the Group uses Hong Kong dollar ("HK\$") as its reporting currency, which is pegged to US\$. The Group's revenue is mainly denominated in US\$, RMB and EUR. The Group's procurement and OPEX are mainly denominated in RMB, US\$ and EUR. The net exposures to foreign currency risks of the Group's operating results are mainly the US\$ and EUR revenue against RMB procurement and OPEX. The Group would benefit from the appreciation of US\$ and EUR against RMB but would suffer losses if US\$ or EUR depreciates against RMB. The Group uses forward contracts to eliminate the foreign currency exposures.

## **Pledge of Assets**

As at 31 December 2024, no bank deposits (31 December 2023: HK\$552.0 million) were pledged for certain standby letter of credit from banks and for guarantee, and bank deposits of approximately HK\$24.5 million (31 December 2023: HK\$23.5 million) were pledged for interest reserve.

## **Gearing Ratio**

As at 31 December 2024, the Group's gearing ratio (calculated by net debt divided by the sum of adjusted capital and net debt; the amount of net debt is calculated by the sum of trade and bills payables, other payables and accruals, payables due to related parties and interest-bearing bank loan and other borrowings (current and non-current) less monetary assets, including cash and cash equivalents, time deposits and pledge deposits; and financial assets designated at fair value through profit or loss; the amount of adjusted capital is calculated by equity attributable to owner of the parent minus hedging reserve) was approximately 32.8% (31 December 2023: approximately 33.4%) or 34.8% after taking into consideration the lease liabilities (current and non-current) impact of IFRS Accounting Standards 16 (as at 31 December 2023: approximately 35.4%).

## **Employees and Remuneration Policy**

As at 31 December 2024, the Group had a total of 6,231 full-time employees (31 December 2023: 6,224). For the Period, costs of employees, excluding Directors' emoluments, amounted to a total of approximately HK\$1,876.2 million (year ended 31 December 2023: approximately HK\$1,683.0 million). The Group determined the remuneration packages of all employees with reference to their position, competency, performance, value and market salary trend. The Group provides its employees in the PRC and other countries and regions with welfare schemes as required by applicable local laws and regulations.

The Company has adopted share option schemes to incentivize or reward eligible participants for their contribution to the Group for the purpose of motivating the eligible participants to optimize their performance efficiency for the benefit of the Group, and attracting and retaining or otherwise maintaining on-going business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group.

The 2010 Share Option Scheme was terminated and replaced by the 2020 Share Option Scheme at the annual general meeting of the Company held on 25 May 2020. Following the termination of the 2010 Share Option Scheme, no further options could be granted thereunder but the provisions of the 2010 Share Option Scheme would remain in force to the extent necessary to give effect to the exercise of any option granted prior to its termination.

As at 31 December 2024, there were 196,434,500 outstanding share options in total under the 2010 Share Option Scheme and the 2020 Share Option Scheme (31 December 2023: 126,703,250 share options).

## **Significant Acquisition, Disposal or Investment**

During the Period, the Group did not have any material acquisition or disposals of subsidiaries and associated companies, and investment.

## **OTHER INFORMATION**

### **Annual General Meeting**

The annual general meeting of the Company (the “AGM”) will be held on Tuesday, 27 May 2025. A notice convening the AGM will be published and despatched to the shareholders of the Company in the manner required by Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) in due course.

### **Important Events After the Period**

Saved as disclosed in this announcement, there were no other important events that required additional disclosure or adjustments occurred after the end of the Period and up to the date of this announcement.

### **Dividend**

At the meeting of the Board held on 26 March 2025, the Board has resolved to declare the payment of a final dividend of HK\$0.07 per share for the year ended 31 December 2024 (2023: nil). Subject to the approval of shareholders of the Company at the AGM, the final dividend will be paid on Monday, 23 June 2025 to the shareholders whose names appear on the register of members of the Company on Friday, 6 June 2025. The record date for determining the entitlement to the proposed final dividend is Friday, 6 June 2025.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purposes of ascertaining the Shareholders’ eligibility to attend and vote at the AGM, and the entitlement to the proposed final dividend for the Period, the Company’s register of members will be closed as set out below:

(i) For ascertaining the Shareholders’ eligibility to attend and vote at the AGM:

- |   |  |
|---|--|
| – Latest time to lodge transfers documents for registration | 4:30 p.m. on 21 May 2025 (Wednesday)                                 |
| – Closure of register of members                            | 22 May 2025 (Thursday) to 27 May 2025 (Tuesday), both days inclusive |
| – Record date   | 27 May 2025 (Tuesday)  |

(ii) For determining entitlement to the final dividend for the Period:

- |   |                                     |
|---|-------------------------------------|
| – Ex-dividend date  | 4 June 2025 (Wednesday)             |
| – Latest time to lodge transfers documents for registration | 4:30 p.m. on 5 June 2025 (Thursday) |
| – Closure of register of members                            | 6 June 2025 (Friday)                |
| – Record date   | 6 June 2025 (Friday)                |

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the AGM, and to qualify for the final dividend for the Period, all duly stamped instruments of transfers, accompanied by the relevant share certificates must be lodged for registration with the Company’s share registrar in Hong Kong, namely Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong no later than the latest time as stated above.

### **Corporate Governance**

For the year ended 31 December 2024, the Company had complied with all the code provisions (“**CG Code**”) as set out in Part 2 of Appendix C1 to the Listing Rules save for the incident relating to Columbus Trading Partners Japan Limited as disclosed in the announcement of the Company dated 15 November 2024 and the deviation from code provision C.5.1.

Code provision C.5.1 stipulates that, among others, the Board should meet at least four times a year at approximately quarterly intervals. The Board held three physical Board meetings during the Period. As members of the Board are located in various countries and time zones, to efficiently and timely deal with affairs of the Company, in lieu of physical meeting, the Company adopted written resolutions as permitted under its articles of association. For the year ended 31 December 2024, in addition to the matters considered at physical Board meetings, all affairs of the Company had been properly dealt with by means of written Board resolutions, which have been carefully considered and approved by all the Directors.

Further information of the above incident (including the remedial actions taken), the reasons for the deviation from the CG Code and the corporate governance practice of the Company will be set out in the corporate governance report in the annual report of the Company for the year ended 31 December 2024.

## **Purchase, Sale and Redemption of listed securities**

There was no purchase, sale or redemption of any listed securities (including sale of treasury shares (as defined under the Listing Rules)) of the Company by the Company or any of its subsidiaries during the year ended 31 December 2024.

## **Model Code for Securities Transactions by Directors**

Since the listing of the Company on the Main Board of the Stock Exchange on 24 November 2010, the Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code for the dealings in securities transactions by the Directors. Having made specific enquiries, all Directors have confirmed that they complied with the required standard of dealings set out in the Model Code for the year ended 31 December 2024.

## **Audit Committee**

The audit committee of the Company (the “**Audit Committee**”), chaired by Ms. Chiang Yun, reviewed and considered the annual results of the Company for the year ended 31 December 2024.

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been agreed by the Group’s independent auditor, Ernst & Young.

The Audit Committee has also reviewed the accounting policies and practices adopted by the Company and discussed risk management and internal control with senior management members.

After the close of the Board meeting which was held on the next day of the Audit Committee meeting i.e. 26 March 2025, Mr. Wong Shun Tak, an independent non-executive Director, was appointed as the chairman of the Audit Committee to replace Ms. Chiang Yun’s role as the chairlady of the Audit Committee with immediate effect. Please refer to the announcement of the Company issued on even date regarding, among others, the change in composition of Board committees for details.

## **Appreciation**

The chairman of the Group would like to take this opportunity to thank his fellow Directors for their invaluable advice and guidance, and to each and every one of the staff of the Group for their hard work and loyalty to the Group.

## **Publication of Financial Results and Annual Report**

This annual results announcement is published on the websites of the Stock Exchange (<http://www.hkex.com.hk>) and the Company (<http://www.gbinternational.com.hk>). The annual report of the Company for the year ended 31 December 2024 containing all the information required by the Listing Rules will be despatched (if necessary) to shareholders of the Company and made available for review on the same websites in due course.

By order of the Board  
**Goodbaby International Holdings Limited**  
**Song Zhenghuan**  
*Chairman*

Hong Kong, 26 March 2025

*As at the date of this announcement, the executive Directors are Mr. SONG Zhenghuan, Mr. LIU Tongyou and Mr. Martin POS; the non-executive Directors are Ms. FU Jingqiu and Mr. HO Kwok Yin, Eric; and the independent non-executive Directors are Ms. CHIANG Yun, Mr. WONG Shun Tak, Mr. SHI Xiaoguang, Mr. JIN Peng and Mr. SO Tak Young.*