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Grown Up Group Investment Holdings Limited

植華集團投資控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1842)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

	Year ended 31 December	
	2024	2023
Financial Results	HK\$'000	HK\$'000
Revenue	307,364	291,560
(Loss)/profit for the year	(4,447)	1,088
Basic (loss)/earnings per share (HK cents)	(0.37)	0.09
Diluted (loss)/earnings per share (HK cents)	(0.37)	0.09
	As at 31 December	
	2024	2023
Statement of Financial Position	HK\$'000	HK\$'000
Non-current assets	60,904	69,694
Current assets	199,695	183,211
Total assets	260,599	252,905
Current liabilities	128,720	113,398
Non-current liabilities	714	3,031
Total liabilities	129,434	116,429
Net assets	131,165	136,476
Ratio Analysis		
Current ratio (times)	1.6	1.6
Gearing ratio	39.0%	30.3%

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Grown Up Group Investment Holdings Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2024 (the “**Reporting Period**”), together with the comparative figures for the year ended 31 December 2023. These results have been reviewed by the Company’s audit committee (the “**Audit Committee**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 HK\$'000	2023 HK\$'000
Revenue	4	307,364	291,560
Cost of sales	6	<u>(256,785)</u>	<u>(249,259)</u>
Gross profit		50,579	42,301
Other income and gains, net	5	3,003	14,046
Selling and distribution expenses	6	(11,456)	(11,949)
Administrative expenses	6	(43,518)	(42,180)
Expected credit losses (“ ECL ”) allowance of trade receivables	6	<u>(66)</u>	<u>–</u>
(Loss)/profit from operations		(1,458)	2,218
Finance income	7	1,715	1,842
Finance costs	7	<u>(3,596)</u>	<u>(4,236)</u>
Finance costs, net	7	<u>(1,881)</u>	<u>(2,394)</u>
Loss before income tax		(3,339)	(176)
Income tax (expense)/credit	8	<u>(1,108)</u>	<u>1,264</u>
(Loss)/profit for the year		<u>(4,447)</u>	<u>1,088</u>

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Other comprehensive (loss)/income			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		<u>(864)</u>	<u>1,157</u>
Other comprehensive (loss)/income for the year		<u>(864)</u>	<u>1,157</u>
Total comprehensive (loss)/income for the year		<u><u>(5,311)</u></u>	<u><u>2,245</u></u>
		2024 <i>HK cents</i>	2023 <i>HK cents</i>
(Loss)/earnings per share for (loss)/profit attributable to owners of the Company			
Basic and diluted	9	<u><u>(0.37)</u></u>	<u><u>0.09</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment	<i>10</i>	16,945	17,182
Right-of-use assets		2,343	4,183
Financial assets at fair value through profit or loss (“FVTPL”)	<i>13</i>	27,691	34,058
Investment property		1,400	1,400
Intangible assets	<i>11</i>	9,458	9,798
Deferred tax assets		3,067	3,073
		<u>60,904</u>	<u>69,694</u>
Current assets			
Inventories		26,395	27,969
Trade and other receivables	<i>12</i>	85,678	66,792
Financial assets at FVTPL	<i>13</i>	16,869	20,185
Tax recoverable		–	358
Pledged deposits		16,697	16,289
Cash at bank and on hand		54,056	51,618
		<u>199,695</u>	<u>183,211</u>
Total assets		<u>260,599</u>	<u>252,905</u>
EQUITY			
Capital and reserves			
Share capital	<i>16</i>	12,000	12,000
Other reserves		52,522	53,386
Retained earnings		66,643	71,090
Total equity		<u>131,165</u>	<u>136,476</u>

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Lease liabilities		<u>714</u>	<u>3,031</u>
Current liabilities			
Trade and other payables	<i>14</i>	67,792	65,959
Contract liabilities		7,289	3,401
Lease liabilities		2,317	2,639
Bill payables		1,764	4,119
Bank borrowings and bank overdrafts	<i>15</i>	49,335	37,280
Tax payables		<u>223</u>	<u>–</u>
		<u>128,720</u>	<u>113,398</u>
Total liabilities		<u>129,434</u>	<u>116,429</u>
Total equity and liabilities		<u>260,599</u>	<u>252,905</u>
Net current assets		<u>70,975</u>	<u>69,813</u>
Total assets less current liabilities		<u>131,879</u>	<u>139,507</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Grown Up Group Investment Holdings Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands. The address of registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. Its principal place of business in Hong Kong is located at Flat D, 7/F., Block 2, Tai Ping Industrial Centre, 55 Ting Kok Road, Tai Po, New Territories, Hong Kong.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The principal activity of the Company is investment holding. The principal activities of its subsidiaries (collectively, the “**Group**”) are designing, developing, sourcing, manufacturing and selling full range of bag, luggage and accessories, as well as medical related products, tool storage and tool accessories. The Group’s operations are based in Hong Kong, Denmark, the People’s Republic of China (the “**PRC**”) and the United Arab Emirates (“**UAE**”). The Group’s principal markets for its business are Europe, North America and Asia-Pacific.

The consolidated financial statements are presented in the thousands of Hong Kong dollars (“**HK\$000**”), unless otherwise stated.

2 MATERIAL ACCOUNTING POLICY INFORMATION

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements, unless otherwise states.

Basis of preparation

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) which collective term includes all individual HKFRs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

3 APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

Application of amendments to HKFRSs

In the current year, the Group has applied for the first time the following amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5(2020) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement

The application of the amendments to HKFRSs had no material impact on the Group's financial performance and positions for the current and prior periods have been prepared and presented.

New and amendments to HKFRSs issued but not yet effective

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

Amendments to HKAS 21	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ Effective for annual periods beginning on or after a date to be determined

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements (“**HKFRS 18**”), which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and HKFRS 7 Financial Instruments: Disclosures. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

Except for the impact of HKFRS 18, the directors of the Company considers that the adoption of the above mentioned new and amendments are not expected to have a material impact on the Group’s consolidated financial statements in future reporting periods when they become effective.

4 REVENUE AND SEGMENT INFORMATION

Chief Operating Decision Maker (“CODM”) of the Group, which consists of the chief executive officer, the chief financial officer and the chief operating officer, examines the Group’s performance from product perspective and has identified private label product segment as the Group’s reportable and operating segment of its business. The private label products segment — private label products are produced and sold under both Original Equipment Manufacturer (“OEM”) and Original Design Manufacturer (“ODM”) businesses to the brand owners or their licensees.

The Group’s operating activities are attributable to a single reportable and operating segment focusing primarily on the designing, developing, sourcing, manufacturing and selling full range of bag, luggage and accessories, as well as medical related products, tool storage and tool accessories under the private label products segment. This operating segment has been identified on the basis of internal management reports reviewed by the CODM. The CODM mainly reviews revenue derived from the private label products segment. The CODM reviews the overall results of the Group as a whole to make decisions about resources allocation. Accordingly, other than the entity-wide disclosure, no segment analysis is presented.

	2024	2023
	HK\$’000	HK\$’000
Sales of goods	<u>307,364</u>	<u>291,560</u>
Timing of revenue recognition		
— At a point in time	<u>307,364</u>	<u>291,560</u>

The Group used the practical expedient where the transaction price allocated to the performance obligations that are unsatisfied, or partially satisfied, are not disclosed as substantially all related contracts have a duration of one year or less.

The Group’s non-current assets (other than financial instruments and deferred tax assets) are divided into the following geographical areas:

	2024	2023
	HK\$’000	HK\$’000
Europe	42	470
The PRC	18,971	20,677
Hong Kong	11,110	11,416
Others	23	—
	<u>30,146</u>	<u>32,563</u>

The geographical location of the non-current assets is based on the physical location of the asset in the case of property, plant and equipment, right-of-use assets and investment property, and the location to which they are managed in the case of intangible assets.

5 OTHER INCOME AND GAINS, NET

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Rental income	485	348
Gain on disposal of property, plant and equipment	–	2,083
Gain arising from sale and leaseback transaction	–	15,892
Unrealised fair value gains/(losses) on financial assets at FVTPL, net	3,840	(4,552)
Realised fair value losses on financial assets at FVTPL, net	(1,671)	(272)
Others	349	547
	<u>3,003</u>	<u>14,046</u>

6 EXPENSES BY NATURE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Cost of inventories sold	224,851	216,245
Employee benefit expenses	49,383	49,099
Transportation and freight charges	6,237	6,324
Amortisation of intangible assets	340	426
Depreciation of right-of-use assets	1,840	2,094
Depreciation of property, plant and equipment	1,293	1,311
Directors' emoluments	9,640	8,504
Expenses related to short-term leases	292	288
Auditor's remuneration:		
— Audit services	800	893
— Non-audit services	15	42
ECL allowance of trade receivables	66	–
Legal and professional fees	2,895	2,383
Sample costs	2,195	2,359
Sales and marketing expenses	2,368	2,696
Design and development expenses	–	282
Exchange differences	524	811
Others	9,086	9,631
	<u>311,825</u>	<u>303,388</u>

Representing in consolidated statement of profit or loss and other comprehensive income:

Cost of sales	256,785	249,259
Selling and distribution expenses	11,456	11,949
Administrative expenses	43,518	42,180
ECL allowance of trade receivables	66	–
	<u>311,825</u>	<u>303,388</u>

7 FINANCE COSTS, NET

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Finance income		
— Interest income from bank deposits	<u>1,715</u>	<u>1,842</u>
Finance costs		
— Interest expenses on bank borrowings and bank overdrafts	(3,370)	(4,001)
— Interest expenses on lease liabilities	<u>(226)</u>	<u>(235)</u>
	<u>(3,596)</u>	<u>(4,236)</u>
Finance costs, net	<u><u>(1,881)</u></u>	<u><u>(2,394)</u></u>

8 INCOME TAX EXPENSE/(CREDIT)

Hong Kong Profits Tax has been provided for at the rate of 16.5% (2023: 16.5%) on the estimated assessable profit for the year ended 31 December 2024, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2 million of the estimated assessable profits of qualifying entities are taxed at 8.25%, and the estimated assessable profits above HK\$2 million are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis for the year ended 31 December 2024 and 2023.

The Group's PRC subsidiaries are subject to the China Corporate Income Tax ("CIT") at the rate of 25% (2023: 25%) for the year ended 31 December 2024. Certain PRC subsidiaries of the Group that qualify as small and thin-profit enterprises with an annual taxable income of Renminbi ("RMB") not exceed RMB3 million is applicable to the effective CIT rate of 5% (2023: 5%), whereas the excess portion will be subject to the effective CIT rate of 25% (2023: 25%) for the year ended 31 December 2024. The Group's subsidiaries in Denmark are subject to income tax at the rate of 22% (2023: 22%) for the year ended 31 December 2024. The Group's subsidiary in the UAE is subject to a corporate tax rate of 9%. Under the UAE corporate tax regime, the first AED 375,000 of estimated assessable profits for qualifying entities are taxed at 0% (2023: 0%), while any estimated assessable profits exceeding AED 375,000 are taxed at 9% (2023: 9%) for the year ended 31 December 2024.

The amount of income tax charged/(credited) to the consolidated statement of profit or loss and other comprehensive income represents:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current income tax		
— CIT	1,404	804
— UAE corporate tax	18	—
— Over-provision from prior years	(320)	(1,324)
Deferred income tax	<u>6</u>	<u>(744)</u>
	<u><u>1,108</u></u>	<u><u>(1,264)</u></u>

9 (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share are calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares deemed to be in issue during the years ended 31 December 2024 and 2023.

The calculation of the basic (loss)/earnings per share attributable to owners of the Company is based on the following data:

	2024	2023
(Loss)/profit for the purpose of basic (loss)/earnings per share (<i>HK\$'000</i>)	(4,447)	1,088
Weighted average number of ordinary shares in issue (<i>thousands of shares</i>)	<u>1,200,000</u>	<u>1,200,000</u>
Basic (loss)/earnings per share (<i>HK cents</i>)	<u>(0.37)</u>	<u>0.09</u>

Diluted (loss)/earnings per share is the same as basic (loss)/earnings per share as there were no potential dilute ordinary shares issued during the year ended 31 December 2024 and 2023.

10 PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2024, the Group had approximately HK\$1,606,000 (2023: HK\$1,279,000) additions to property, plant and equipment and disposed of property, plant and equipment with a total net carrying amount of nil (2023: HK\$1,057,000).

11 INTANGIBLE ASSETS

During the years ended 31 December 2024 and 2023, the Group had no addition to intangible assets. There was no impairment adjusted to the carrying amount of intangible assets during the years ended 31 December 2024 and 2023.

12 TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables, net of ECL allowance	68,762	56,709
Prepayments, deposits and other receivables	16,916	10,083
	<u>85,678</u>	<u>66,792</u>

Note: Prepayments, deposits and other receivables mainly represented prepayments for purchases from suppliers, other receivable from disposal of investment of Cheung Chau Project and PRC tax receivable amounted to approximately HK\$5,593,000 (2023: HK\$5,308,000), HK\$6,500,000 (2023: nil) and HK\$982,000 (2023: HK\$1,816,000) respectively.

Majority of payment terms with customers are within 60 to 90 (2023: 60 to 90) days and certain major customers were granted with longer credit terms on discretion. As at 31 December 2024 and 2023, the aging analysis of trade receivables and net of ECL allowance based on invoice date is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 to 30 days	47,781	46,465
31 to 60 days	7,019	4,710
61 to 90 days	10,190	2,759
91 to 120 days	572	140
Over 120 days	3,200	2,635
	<u>68,762</u>	<u>56,709</u>

13 FINANCIAL ASSETS AT FVTPL

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current		
— Key management insurance contracts	27,691	26,946
— Investment in Cheung Chau Project	—	7,112
	<u>27,691</u>	<u>34,058</u>
Current		
— Listed equity investments in Hong Kong	7,141	9,001
— Listed equity investment in Australia	291	1,933
— Unlisted equity investment outside Hong Kong	9,437	9,251
	<u>16,869</u>	<u>20,185</u>
	<u>44,560</u>	<u>54,243</u>

14 TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	60,781	56,700
Accruals and other payables	7,011	9,259
	<u>67,792</u>	<u>65,959</u>

Majority of payment terms with suppliers are within 60 to 90 (2023: 60 to 90) days. As at 31 December 2024 and 2023, the aging analysis of trade payables of the Group by invoice date is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 to 30 days	24,405	18,078
31 to 60 days	17,630	20,475
61 to 90 days	11,253	10,176
Over 90 days	7,493	7,971
	<u>60,781</u>	<u>56,700</u>

15 BANK BORROWINGS AND BANK OVERDRAFTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Secured and repayable on demand		
— Bank overdrafts	1,203	4,300
— Bank borrowings	48,132	32,980
	<u>49,335</u>	<u>37,280</u>

As at 31 December 2024 and 2023, the interest rates of the bank borrowings ranged from 3.8% to 5.7% and 5.0% to 6.9% per annum, respectively.

For the years ended 31 December 2024 and 2023, the interest rates of the bank borrowings ranged from 3.8% to 6.9% and 4.4% to 6.9% per annum, respectively.

16 SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Authorised:		
As at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	<u>10,000,000</u>	<u>100,000</u>
Issued and fully paid:		
As at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	<u>1,200,000</u>	<u>12,000</u>

17 DIVIDENDS

For the years ended 31 December 2024 and 2023, the Company did not declare any dividend.

18 EVENTS AFTER THE REPORTING PERIOD

On 3 March 2025, Ricktake Development Limited (“**Ricktake Development**”), an indirect wholly-owned subsidiary of the Company, entered into a share redemption agreement (the “**Share Redemption Agreement**”) with Legend Gainer Limited (“**Legend Gainer**”), pursuant to which, Ricktake Development agreed to sell and Legend Gainer agreed to acquire 1,100 Preferred Shares held by Ricktake Development in Legend Gainer at the redemption price of US\$1,233,000 (equivalent to approximately HK\$9,589,000).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

We are one of the leading global corporates with over three decades of experience in the industry of designing, developing, sourcing, manufacturing and selling and distributing a full range of bags, luggage and accessories as well as medical related products, tool storage and tool accessories. Leveraging on the Group's design and development competence and advanced manufacturing knowhow with multiple geographical manufacturing capabilities, the Group has been able to offer comprehensive supply chain solutions which ensure a stable and quality supply with product design optimisation to our diverse and global customer portfolio.

During the Reporting Period, the Group's performance was continuously impacted by geopolitical tensions and economic uncertainties, including global hikes in inflation and interest rates. Despite these challenges, the Group showed an overall improvement in the profitability of the Group's core business operations during the Reporting Period. If the amounts of the One-Off Gain (as defined under paragraph headed "Other Income and Gains, Net" below) and Fair Value Changes (as defined under paragraph headed "Other Income and Gains, Net" below) were to be excluded in the applicable years, the Group's net loss for the Reporting Period is approximately HK\$6.6 million, compared to a net loss of approximately HK\$10.0 million for the year ended 31 December 2023. In order to maintain the competitive position in the bags and luggage industry, the Group will keep on diversifying its customer base and optimising its cost structure and supply chain network to achieve profitability and sustainable growth of the Group.

This improvement was primarily attributable to increased revenue and gross profit margin growth. The revenue of our private label products business for the Reporting Period slightly increased by approximately HK\$15.8 million or approximately 5.4%, from approximately HK\$291.6 million for the year ended 31 December 2023 to approximately HK\$307.4 million for the Reporting Period. Additionally, we also improved the operational efficiency of the Group, with the gross profit margin increasing from approximately 14.5% for the year ended 31 December 2023 to approximately 16.5% for the Reporting Period. The breakdown of the revenue by product portfolio and product category are set out as below:

	Year ended 31 December			
	2024		2023	
	Revenue HK\$'000	%	Revenue HK\$'000	%
Private label products				
Backpack and others	207,715	68	137,588	47
Tool bags	29,272	10	54,441	19
Luggage	22,892	7	34,552	12
Medical bags and related supplies	47,485	15	64,979	22
Total	<u>307,364</u>	<u>100</u>	<u>291,560</u>	<u>100</u>

Cost of Sales and Gross Profit

Our cost of sales slightly increased by approximately HK\$7.5 million or approximately 3.0% from approximately HK\$249.3 million for the year ended 31 December 2023 to approximately HK\$256.8 million for the Reporting Period. During the Reporting Period, our overall gross profit margin increased to 16.5% from 14.5% for the year ended 31 December 2023.

Selling and Distribution Expenses

Our selling and distribution expenses mainly include salaries and benefits of sales and marketing staff, marketing and promotion and travelling expenses.

In spite of the revenue increase for the Reporting Period, there was a slight decrease of approximately HK\$0.4 million of the selling and distribution expenses from approximately HK\$11.9 million for the year ended 31 December 2023 to approximately HK\$11.5 million for the Reporting Period, owing primarily to the Group's initiatives to optimize sales and marketing networks.

Administrative Expenses

Our administrative expenses increased by approximately HK\$1.3 million from approximately HK\$42.2 million for the year ended 31 December 2023 to approximately HK\$43.5 million for the Reporting Period. This increase was primarily due to the set up of a new overseas office for business development during the Reporting Period.

Finance Costs, net

Our finance costs, net decreased by approximately HK\$0.5 million from approximately HK\$2.4 million for the year ended 31 December 2023 to approximately HK\$1.9 million for the Reporting Period. Such decrease was mainly driven by the reduction of global interests rate and improved Group financing structure during the Reporting Period.

Other Income and Gains, Net

Our other income and gains, net, significantly decreased by approximately HK\$11.0 million from approximately HK\$14.0 million for the year ended 31 December 2023 to approximately HK\$3.0 million for the Reporting Period.

Such decrease was mainly due to the gain (“**One-Off Gain**”) arising from a sale and leaseback transaction of HK\$15.9 million completed on 25 September 2023, which was partially offset by the changes in fair value on financial assets at FVTPL (“**Fair Value Changes**”) of approximately HK\$7.0 million, from loss (both realised and unrealised) of approximately HK\$4.8 million for the year ended 31 December 2023 to gain (both realised and unrealised) of approximately HK\$2.2 million during the Reporting Period.

The sale and leaseback transaction was completed outside the Reporting Period, please refer to the Company’s announcements dated 14 April 2023 and 25 September 2023 for details.

Income Tax

For the Reporting Period, the Group’s income tax expenses amounted to approximately HK\$1.1 million, as compared with approximately HK\$1.3 million income tax credit for the year ended 31 December 2023.

Loss for the year

The Group reported a net loss of approximately HK\$4.4 million during the Reporting Period as compared to a net profit of approximately HK\$1.1 million for the year ended 31 December 2023.

CAPITAL STRUCTURE, LIQUIDITY, FINANCIAL RESOURCES AND GEARING

The Group funds its business and working capital requirements by using a balanced mix of internal resources, bank borrowings, a partial portion of the proceeds from the initial public offering and proceeds from the Company’s equity fund raising exercises. The funding mix will be adjusted depending on the costs of funding and the actual needs of the Group.

As at 31 December 2024, the Group had net current assets of approximately HK\$71.0 million (31 December 2023: HK\$69.8 million), cash and bank balances and pledged deposits amounted to approximately HK\$70.8 million (31 December 2023: HK\$67.9 million) and bank borrowings and bank overdrafts amounted to approximately HK\$49.3 million (31 December 2023: HK\$37.3 million). The Group’s cash and bank balances as at 31 December 2024 were mainly denominated in Renminbi (“**RMB**”), Hong Kong Dollars (“**HK\$**”) and United States Dollars (“**USD**”). The Group’s borrowings carried interest at rates ranging from 3.8% to 5.7% per annum as at 31 December 2024 (31 December 2023: 5.0% to 6.9%), and from 3.8% to 6.9% per annum during the Reporting Period (2023: 4.4% to 6.9%).

The Group’s gearing ratio as at 31 December 2024 was 39.0% (31 December 2023: 30.3%), calculated by dividing total debt by total equity multiplied by 100%. Total debt is defined as the sum of bank borrowings, bank overdrafts and bill payables.

CONTINGENT LIABILITIES

As at 31 December 2024 and 2023, the Group did not have any significant contingent liabilities.

EVENT AFTER THE REPORTING PERIOD

As at the date of this announcement, particulars of the Company's significant event affecting the Company or any of its subsidiaries after the year ended 31 December 2024 are listed below:

Redemption of Preferred Shares

On 3 March 2025, Ricktake Development Limited ("**Ricktake Development**"), an indirect wholly-owned subsidiary of the Company, and Legend Gainer Limited ("**Legend Gainer**") entered into a share redemption agreement (the "**Share Redemption Agreement**"), pursuant to which Ricktake Development agreed to sell and Legend Gainer agreed to acquire 1,100 preferred shares (the "**Preferred Shares**") in Legend Gainer (the "**Redemption**") at the redemption price of US\$1,233,000 (equivalent to approximately HK\$9,589,000) (the "**Redemption Price**") under the Share Redemption Agreement. The Redemption Price was paid by Legend Gainer within 7 Business Days from the date of execution of the Share Redemption Agreement. The Redemption was completed on 3 March 2025. As at the date of this announcement, the Group received the full amount of the Redemption Price.

The net proceeds from the Redemption was approximately HK\$9,569,000 (after deducting all the professional fees and expenses) and the Company intends to apply the net proceeds from the Redemption for the general working capital of the Group.

The Redemption constituted a discloseable transaction of the Company under chapter 14 of Rules governing (the “**Listing Rules**”) the Listing of Securities on the Stock Exchange. For details of this discloseable transaction, please refer to the Company’s announcement dated 3 March 2025.

CAPITAL COMMITMENTS

The Group did not have any significant capital commitments as at 31 December 2024 and 2023.

EMPLOYEE INFORMATION

As at 31 December 2024, the Group had approximately 406 employees. Salaries and benefits of the Group’s employees were kept at a market level and employees were rewarded on a performance-related basis. Remuneration is reviewed annually. Staff benefits include contribution to mandatory contribution fund, discretionary bonus and share options. As at the date of this announcement, no share option has been granted or agreed to be granted to employees of the Group.

MATERIAL ACQUISITIONS AND DISPOSALS

There was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group during the Reporting Period.

SIGNIFICANT INVESTMENT HELD

Save for the key management insurance contracts of approximately HK\$27.7 million (31 December 2023: HK\$26.9 million) held as financial assets at FVTPL as disclosed in note 13, there were no other material investments (i.e. accounting for 5% of the total asset of the Group) held by the Group (31 December 2023: nil) as at 31 December 2024.

As at 31 December 2024, the key management insurance contracts of HK\$27.7 million represented approximately 10.6% of the Group’s total assets (31 December 2023: 10.6%). The key management insurance contracts were pledged as collateral for the Group’s bank borrowings. The beneficiary of the key management insurance contracts is Grown-Up Manufactory Limited, an indirect wholly-owned subsidiary of the Company. For details of the key management insurance contracts, please refer to the Company’s announcement dated 8 August 2022.

CHARGE ON ASSETS

As at 31 December 2024 and 2023, the following assets were pledged to banks to secure general banking facilities granted to the Group:

- (i) Pledged deposits of approximately HK\$16.7 million (2023: approximately HK\$16.3 million); and
- (ii) Financial assets at FVTPL of HK\$27.7 million (2023: HK\$26.9 million).

FOREIGN CURRENCY EXPOSURE

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD and RMB. Any significant fluctuation in the exchange rates between USD and RMB may affect the profitability. The Group currently does not have a foreign currency hedging policy. The Group will continue to monitor its foreign currency exposure closely and consider hedging significant foreign currency exposure should the need arise.

DIVIDEND

The Board did not recommend the payment of a final dividend by the Company for the Reporting Period (2023: nil).

CONNECTED TRANSACTIONS

Continuing connected transaction

On 31 December 2021, Grown-Up Manufactory Limited (“**GPM**”), a subsidiary of the Company, entered into a framework supply agreement (the “**Previous Framework Supply Agreement**”) with Grown-Up Licenses Limited (“**GPL HK**”), pursuant to which GPM and its subsidiaries agreed to sell and GPL HK and its subsidiaries (“**GPL Group**”) agreed to purchase backpack, bags and luggage products (the “**Products**”). GPL HK was a former subsidiary of the Group, which is now indirectly and wholly-owned by Mr. Berg, an executive Director and the chairman of the Board. The term of the Previous Framework Supply Agreement was from 1 January 2022 to 31 December 2024.

On 1 November 2024, the Company proposed (i) to revise the annual cap under the Previous Framework Supply Agreement for the year ending 31 December 2024 from HK\$70.0 million (“**2024 Existing Annual Cap**”) to HK\$85.0 million (“**2024 Revised Annual Cap**”); and (ii) to enter into a new framework supply agreement (“**New Framework Supply Agreement**”) between GPM and GPL HK with an annual cap of HK\$100.0 million for the period from 1 January 2025 to 31 December 2027, as the 2024 Existing Annual Cap under the Previous Framework Supply Agreement would be insufficient and the Previous Framework Supply Agreement was set to expire on 31 December 2024.

Pursuant to Chapter 14A of the Listing Rules, GPL HK is a connected person of the Company and the transactions contemplated under the Previous Framework Supply Agreement and the New Framework Supply Agreement constituted continuing connected transactions of the Company.

The resolutions to consider and approve (i) the 2024 Revised Annual Cap; and (ii) the entering into the New Framework Supply Agreement and all the transactions (together with the annual caps) contemplated thereunder were duly passed at the extraordinary general meeting of the Company held on 22 November 2024 (“**EGM**”).

For the Reporting Period, the 2024 Revised Annual Cap and the actual transaction amounts under the Previous Framework Supply Agreement were as follows:

	Total amount for the Reporting Period	
	2024 Revised Annual Cap	Actual transaction amount
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Sales of Products by the Group to GPL Group	<u>85,000</u>	<u>70,444</u>

The pricing of the Products is agreed between the Group and GPL Group, which shall be determined in the ordinary course business on normal commercial terms, negotiated on arm’s length basis by both parties and based on the prevailing market price at the time of the transaction (which shall be on terms no less favourable than those offered by the Group to the independent third parties and/or prevailing in the market for the Products of similar type and quality).

Confirmation from independent non-executive Directors

These continuing connected transactions have been reviewed by the independent non-executive Directors who have confirmed that the transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

Confirmation from the auditor

Prism Hong Kong Limited (“**Prism**”), the Company's independent auditor, was engaged to report on the continuing connected transaction in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 (Revised) “Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants.

Prism has issued an unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above pursuant to Rule 14A.56 of the Listing Rules.

Prism has confirmed in a letter to the Board that, nothing has come to their attention that causes the auditor to believe that the continuing connected transactions: (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and (iv) have exceeded the annual cap.

For further details of (i) the 2024 Revised Annual Cap and the New Framework Supply Agreement; and (ii) poll results of the EGM, please refer to (i) the announcements of the Company dated 1 November and 22 November 2024; and (ii) the circular of the Company dated 5 November 2024.

Save as disclosed above, the Group had not entered into any connected transaction during the Reporting Period, which is required to be disclosed under Chapter 14A of the Listing Rules.

NOTIFIABLE TRANSACTION

On 27 December 2024, Ricktake Development Limited (“**Ricktake Development**”), an indirect wholly-owned subsidiary of the Company entered into a deed of assignment and novation (the “**Deed**”), with NexusPeak Ventures Limited, a company incorporated in the British Virgin Islands with limited liability (the “**Successor Party**”) and Cheung Chau Culture Company Limited, a company incorporated in the British Virgin Islands with limited liability (“**CCC**”), pursuant to which all of the rights, benefits and obligations of Ricktake Development under the Cooperation Framework Agreement (as defined below) are to be assigned, assumed by and novated to the Successor Party in substitution for Ricktake Development, and on which CCC releases and discharges Ricktake Development from the Cooperation Framework Agreement (as defined below) (the “**Assignment and Novation**”) for a consideration of HK\$6,500,000.

On 19 December 2022, Ricktake Development and CCC entered into a cooperation framework agreement (the “**Cooperation Framework Agreement**”) in relation to the investment in the development of the theme park for the promotion of tourism in Cheung Chau by Ricktake Development.

The Assignment and Novation was completed on 27 December 2024.

The net proceeds from the Assignment and Novation was approximately HK\$6,470,000 (after deducting all relevant fees and expenses) and the Company intends to apply the net proceeds from the Assignment and Novation for the general working capital of the Group.

The Assignment and Novation constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details of this discloseable transaction, please refer to the Company’s announcement dated 27 December 2024.

Save as disclosed above, the Group had not entered into any notifiable transaction during the Reporting Period, which is required to be disclosed under Chapter 14 of the Listing Rules.

OUTLOOK AND PROSPECTS

In 2025, the Group expects global economic recovery to continue, with gradual improvements in key indicators such as GDP growth and employment rates. However, it is anticipated that recovery may be uneven across regions, and the challenges we face could potentially impact the pace of recovery, especially within the US market. The evolving landscape, including tariffs and economic uncertainties, requires us to adopt a strategic approach to sustain our progress and seize new opportunities.

The Group will closely monitor market conditions and adjust its strategies accordingly. As we move into the new financial year, the Group expects to continue to diversify our supply chain network outside of China, especially in the Southeast Asia region, including but not limited to Vietnam, Thailand, Cambodia, and Indonesia. We aim to achieve quality and reliable supply with high competitiveness across a wide range of our products. To further solidify our position and capitalize on emerging opportunities, we will also strategically focus on market penetration and diversifying our customer base. The Group will continue to take prudent and responsible measures to preserve a healthy financial position that will allow it to sustain its operations and pursue new possibilities with the goal of expanding its business scope and generating diversified returns in the future.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company (the “**AGM**”) will be held on Friday, 13 June 2025 and the notice of AGM will be published and despatched in the manner as required by the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Monday, 9 June 2025 to Friday, 13 June 2025, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 6 June 2025.

CORPORATE GOVERNANCE

During the Reporting Period, the Company has complied with the code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules on the Stock Exchange, except for the deviation as described below.

The code provision F.2.2 of the CG Code provides that the chairman of the board of directors of a listed issuer should attend the annual general meeting. As Mr. Thomas Berg, the chairman of the Board, attended the annual general meeting of the Company held on 21 June 2024 (the “**2024 AGM**”) via virtual means, Mr. Tsang Hing Suen, an independent non-executive Director, who attended the 2024 AGM in person, was elected by the Directors to chair the 2024 AGM.

MODEL CODE OF CONDUCT OF DIRECTORS' SECURITIES TRANSACTIONS

The Company 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 its own code of conduct regarding the Directors’ securities transactions. Having made specific enquiries of the Directors, all the Directors have confirmed that they have complied with the requirements of the Model Code.

RETIREMENT SCHEMES

The Group participated in the Mandatory Provident Fund Scheme for its employees in Hong Kong. The Group also made monthly contributions to state-sponsored defined contribution scheme for its employees in the PRC, and contributed to the occupational pension scheme to its employees in Denmark, respectively.

During the Reporting Period and the year ended 31 December 2023, no contributions were forfeited by the Group on behalf of its employees who left the scheme prior to vesting fully in such contributions. Hence, no forfeited contributions were used by the Group to reduce the existing level of contributions as described in paragraph 26 of Appendix D2 to the Listing Rules.

COMPETING INTERESTS

Neither the Directors, the controlling shareholders of the Company nor their respective close associates is interested in a business apart from the Group’s business which competes or is likely to compete, directly or indirectly, with the Group’s business during the Reporting Period, and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES OR SALE OF TREASURY SHARES

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s securities (including sale of treasury shares (as defined under the Listing Rules)).

As at 31 December 2024, there were no treasury shares (as defined under the Listing Rules) held by the Company.

AUDIT COMMITTEE

The Company has established the Audit Committee in accordance with Rule 3.21 of the Listing Rules with the written terms of reference in compliance with the CG Code. The Audit Committee consists of three independent non-executive Directors, namely, Mr. Tsang Hing Suen, Mr. Wong Kai Hing and Mr. Chan Ting Leuk Arthur. Mr. Tsang Hing Suen is currently serving as the chairman of the Audit Committee.

The Group's consolidated financial statements for the Reporting Period have been reviewed and approved by the Audit Committee. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of this announcement of the Group's results for the Reporting Period have been agreed by the Company's external auditor, Prism, to the amounts set out in the Group's audited consolidated financial statements for the Reporting Period. The work performed by Prism in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by Prism on this announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the Company's website at www.grown-up.com and the website of the Stock Exchange at www.hkexnews.hk. The annual report of the Company for the Reporting Period will be despatched to shareholders of the Company who wish to receive a printed copy of the corporate communication and will also be published on the aforesaid websites of the Stock Exchange and the Company in due course.

By order of the Board
Grown Up Group Investment Holdings Limited
Thomas Berg
Chairman and executive Director

Hong Kong, 21 March 2025

As at the date of this announcement, the executive Directors of the Company are Mr. Thomas Berg, Ms. Shut Ya Lai and Mr. Jan Ankersen and the independent non-executive Directors of the Company are Mr. Tsang Hing Suen, Mr. Wong Kai Hing and Mr. Chan Ting Leuk Arthur.