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## **King's Flair International (Holdings) Limited**

**科勁國際(控股)有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6822)**

### **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024**

The board (the “Board”) of directors (the “Directors”) of King’s Flair International (Holdings) Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred hereafter as the “Group”) for the year ended 31 December 2024, together with the comparative audited figures for the year ended 31 December 2023 as follows:

#### **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*For the year ended 31 December 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Revenue</b>	5	<b>833,909</b>	691,143
Cost of sales		<u>(626,974)</u>	<u>(511,470)</u>
<b>Gross profit</b>		<b>206,935</b>	179,673
Other income and gains and losses, net	6	<b>2,096</b>	(11,929)
Distribution expenses		<b>(41,192)</b>	(42,986)
Administrative expenses		<b>(128,061)</b>	(127,858)
Share of result of associates		<b>(592)</b>	1,550
Finance costs	7	<u><b>(8,075)</b></u>	<u>(7,660)</u>
<b>Profit/(loss) before income tax</b>	8	<b>31,111</b>	(9,210)
Income tax expenses	9	<u><b>(10,922)</b></u>	<u>(4,371)</u>
<b>Profit/(loss) for the year</b>		<u><b>20,189</b></u>	<u>(13,581)</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME** *(Continued)*  
*For the year ended 31 December 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Other comprehensive income</b>			
<b>Item that may be reclassified subsequently to profit or loss:</b>			
Exchange differences arising on translation of foreign operations		<u>(3,106)</u>	<u>(1,889)</u>
<b>Other comprehensive income for the year</b>		<u>(3,106)</u>	<u>(1,889)</u>
<b>Total comprehensive income for the year</b>		<u><b>17,083</b></u>	<u>(15,470)</u>
<b>Profit/(loss) for the year attributable to:</b>			
Owners of the Company		<b>21,835</b>	(14,829)
Non-controlling interests		<u>(1,646)</u>	<u>1,248</u>
		<u><b>20,189</b></u>	<u>(13,581)</u>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		<b>20,309</b>	(15,495)
Non-controlling interests		<u>(3,226)</u>	<u>25</u>
		<u><b>17,083</b></u>	<u>(15,470)</u>
		<i>HK cents</i>	<i>HK cents</i>
<b>Earnings/(loss) per share:</b>	<i>10</i>		
– Basic		<b>3.1</b>	(2.1)
– Diluted		<u><b>3.1</b></u>	<u>(2.1)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	<b>2023</b> <i>HK\$'000</i>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>133,057</b>	54,699
Investment properties		<b>109,800</b>	119,400
Goodwill		<b>76</b>	4,125
Other asset		<b>172</b>	172
Interests in associates		<b>21,000</b>	21,757
Intangible assets		<b>10,603</b>	10,603
Deposits paid for property, plant and equipment		<b>4,034</b>	76,004
Financial assets at fair value through other comprehensive income		<b>10</b>	–
Deferred tax assets		<b>3,918</b>	3,531
		<b>282,670</b>	290,291
<b>Current assets</b>			
Inventories	<i>12</i>	<b>90,708</b>	109,813
Trade receivables	<i>13</i>	<b>198,169</b>	135,641
Prepayments, deposits and other receivables		<b>41,212</b>	42,092
Financial assets at fair value through profit or loss		<b>29,469</b>	23,129
Amounts due from associates		<b>849</b>	793
Tax recoverable		–	7,474
Time deposit with original maturity over three months		–	19,368
Pledged bank deposits		<b>20,492</b>	19,920
Cash and bank balances		<b>116,720</b>	155,791
		<b>497,619</b>	514,021

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(Continued)*  
*As at 31 December 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Current liabilities</b>			
Trade payables	<i>14</i>	<b>39,918</b>	50,011
Other payables and accruals		<b>12,207</b>	12,928
Financial liabilities at fair value through profit or loss		<b>2,519</b>	–
Contract liabilities		<b>2,391</b>	4,713
Bank overdrafts		<b>28,612</b>	–
Bank borrowings		<b>68,100</b>	89,800
Lease liabilities		<b>8,876</b>	8,444
Loans from non-controlling interests		<b>3,885</b>	3,885
Amount due to an associate		<b>691</b>	1,995
Provision for tax		<b>4,879</b>	2,404
		<b>172,078</b>	174,180
<b>Net current assets</b>		<b>325,541</b>	339,841
<b>Total assets less current liabilities</b>		<b>608,211</b>	630,132
<b>Non-current liabilities</b>			
Lease liabilities		<b>22,234</b>	25,120
Deferred tax liabilities		<b>951</b>	416
		<b>23,185</b>	25,536
<b>Net assets</b>		<b>585,026</b>	604,596
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		<b>7,000</b>	7,000
Reserves		<b>566,722</b>	560,413
		<b>573,722</b>	567,413
<b>Non-controlling interests</b>		<b>11,304</b>	37,183
<b>Total equity</b>		<b>585,026</b>	604,596

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

### 1. GENERAL INFORMATION

King's Flair International (Holdings) Limited ("the Company") is a limited liability company incorporated in the Cayman Islands and domiciled in Hong Kong. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company's principal place of business in Hong Kong is 12/F, Yardley Commercial Building, 3 Connaught Road West, 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 and other particulars of the principal subsidiaries are trading of kitchenware and household products and raw materials. The Company and its subsidiaries' (collectively referred to as the "Group") principal places of business are Hong Kong, United States ("US") and the Mainland China. There were no significant changes in the Group's operations during the year.

As at 31 December 2024 and up to the date of authorisation of these consolidated financial statements, in the opinion of the directors, the Company's ultimate holding company is City Concord Limited, a company incorporated in the British Virgin Islands ("BVI"). The Company's controlling party is Dr. Wong Siu Wah, who is also the Chairman and Chief Executive Officer of the Company.

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

#### (a) Adoption of new and revised HKFRSs – first effective on 1 January 2024

In the current year, the Group has applied for the first time the following new and amendments to HKFRSs issued by Hong Kong Institute of Certified Public Accountants ("HKICPA") which are relevant to and effective for the Group's consolidated financial statements for annual period beginning on 1 January 2024:

Amendments to HKFRS 16	Leases Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

None of these amendments has a material impact on the Group's results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period.

## 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (b) New and revised HKFRSs that have been issued but are not yet effective

The following new and revised HKFRSs, potentially relevant to the Group’s consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

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

*Notes:*

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>4</sup> No mandatory effective date yet determined by available for adoption

#### ***Amendments to HKFRS 9 and HKFRS 7, Amendments to the Classification and Measurement of Financial Instruments***

The amendments clarify that a financial liability is derecognised on the ‘settlement date’ and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with Environmental, Social and Governance linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments.

#### ***HKFRS 18, Presentation and Disclosure in Financial Statements***

HKFRS 18 sets out significant new requirements for how financial statements are presented, with particular focus on the statement of profit or loss, including requirements for mandatory sub-totals to be presented, aggregation and disaggregation of information, as well as disclosures related to management-defined performance measures. The aim of HKFRS 18 is to improve comparability and transparency of companies’ performance reporting. HKFRS 18 has also resulted in narrow changes to the statement of cash flows.

#### ***Amendments to HKFRS Accounting Standards, Annual Improvements to HKFRS Accounting Standards – Volume 11***

The amendments include clarifications, simplifications, corrections, and changes intended to improve consistency in (i) HKFRS 1, First-time Adoption of International Financial Reporting Standards; (ii) HKFRS 7, Financial Instruments: Disclosures and Guidance on implementing HKFRS 7; (iii) HKFRS 9, Financial Instruments; (iv) HKFRS 10, Consolidated Financial Statements; and (v) HKAS 7, Statement of Cash Flows.

## 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### (b) New and revised HKFRSs that have been issued but are not yet effective (Continued)

#### *Amendments to HKFRS 9 and HKFRS 7, Contracts Referencing Nature-dependent Electricity*

The amendments include guidance on the ‘own-use’ exemption for purchasers of electricity under such power purchase agreements; and hedge accounting requirements for companies that hedge their purchases or sales of electricity using power purchase agreements.

#### *Amendments to HKFRS 10 and HKAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments clarify with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. When the transaction with an associate or joint venture that is accounted for using the equity method, any gains or losses resulting from the loss of control of a subsidiary that does not contain a business are recognised in the profit or loss only to the extent of the unrelated investors’ interests in that associate or joint venture. Similarly, any gains or losses resulting from the remeasurement of retained interest in any former subsidiary (that has become an associate or a joint venture) to fair value are recognised in the profit or loss only to the extent of the unrelated investors’ interests in the new associate or joint venture.

#### *Amendments to HKAS 21, Lack of Exchangeability*

The amendments clarify the requirements on determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not.

The directors of the Company have performed an assessment of the above amendments to standards and interpretations and have concluded on a preliminary basis that these amendments to standards would not have a significant impact on the Group’s consolidated financial statements in subsequent years.

Other than HKFRS 18, the Group does not expect these pronouncements issued by the HKICPA, but not yet effective, to have a material impact on the Group’s financial statements.

Even though HKFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a material effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation or disaggregation and labelling of information, and disclosure of management-defined performance measures.

## 3. BASIS OF PREPARATION

### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRS”) issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

### 3. BASIS OF PREPARATION (Continued)

#### (b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention except for investment properties and those financial instruments stated at fair values, which are measured at fair value.

It should be noted that accounting estimates and assumptions are used in the preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates.

#### (c) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company and all values are rounded to the nearest thousand ("HK\$'000") except when otherwise indicated.

### 4. SEGMENT INFORMATION

#### (i) Operating segment information

The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Company's executive directors for their decisions about resources allocation to the Group's business components and review of the components' performance. The Group is organised around differences in products. There are two (2023: two) business components in the internal reporting to the executive directors, which are (i) trading of kitchenware and household products, including drinkware, tools and gadgets, bakeware and accessories and food preparation products and (ii) trading of raw materials, including plastic and silicone.

There were no inter-segment sales between different business segments for the years ended 31 December 2024 and 2023.

	Trading of kitchenware and household products		Trading of raw materials		Total	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
<b>Segment revenue</b>						
Revenue from external customers	<u>786,580</u>	642,212	<u>47,329</u>	48,931	<u>833,909</u>	691,143
<b>Segment results</b>	<u>33,139</u>	<u>(3,925)</u>	<u>4,487</u>	<u>(2,004)</u>	<u>37,626</u>	<u>(5,929)</u>
Share of result of associates					(592)	1,550
Unallocated income					7	2
Unallocated expenses					<u>(5,930)</u>	<u>(4,833)</u>
Profit/(loss) before income tax					<u>31,111</u>	<u>(9,210)</u>



#### 4. SEGMENT INFORMATION (Continued)

##### (i) Operating segment information (Continued)

	Trading of kitchenware and household products		Trading of raw materials		Total	
	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	675,039	663,674	74,428	99,855	749,467	763,529
Tax recoverable					–	7,474
Deferred tax assets					3,918	3,531
Interests in associates					21,000	21,757
Unallocated corporate assets <sup>#</sup>					5,904	8,021
Consolidated total assets					<b>780,289</b>	<b>804,312</b>
Segment liabilities	188,825	196,412	432	312	189,257	196,724
Provision for tax					4,879	2,404
Deferred tax liabilities					951	416
Unallocated corporate liabilities					176	172
Consolidated total liabilities					<b>195,263</b>	<b>199,716</b>

<sup>#</sup> Unallocated corporate assets comprised prepayment and cash and bank balance held by headquarter which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

	Trading of kitchenware and household products		Trading of raw materials		Total	
	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Amounts included in the measure of segment profit or loss or assets:</b>						
Interest income	2,715	2,394	3	12	2,718	2,406
Interest expenses	(8,075)	(7,660)	–	–	(8,075)	(7,660)
Fair value loss on investment properties	(9,600)	(15,900)	–	–	(9,600)	(15,900)
Depreciation of property, plant and equipment	(21,302)	(19,921)	–	–	(21,302)	(19,921)
Research expenses	(1,048)	(5,058)	–	–	(1,048)	(5,058)
(Provision of impairment loss)/ reversal of impairment loss of trade receivables	(1,101)	491	(438)	(1,947)	(1,539)	(1,456)
Provision for inventories	–	(2,971)	–	–	–	(2,971)
Impairment loss of goodwill	(4,049)	(7,925)	–	–	(4,049)	(7,925)
Fair value gain of financial assets at fair value through profit or loss, net	3,821	2,248	–	–	3,821	2,248
Additions to non-current assets*	<b>14,870</b>	<b>18,067</b>	<b>–</b>	<b>–</b>	<b>14,870</b>	<b>18,067</b>

\* These consist of additions to property, plant and equipment and deposit paid for property, plant and equipment.

#### 4. SEGMENT INFORMATION (Continued)

##### (ii) Disaggregated revenue and geographical segment information

The management determines that the Group is domiciled in Hong Kong, which is the location of the Group's principal place of operations. The Group's revenue from external customers, recognised on point in time basis, is divided into the following geographical areas:

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
United States		<b>503,926</b>	340,399
Asia	(a)	<b>183,829</b>	206,401
Europe	(b)	<b>115,789</b>	118,570
Canada		<b>25,453</b>	21,401
Other locations	(c)	<b>4,912</b>	4,372
		<b>833,909</b>	<b>691,143</b>

*Notes:*

(a) Principally included the Mainland China\*, Hong Kong\* and Japan

(b) Principally included United Kingdom, Switzerland, Belgium and Germany

(c) Principally included Australia

\* Including revenue from the Mainland China and Hong Kong of HK\$158,097,000 (2023: HK\$181,534,000).

The geographical analysis of the Group's revenue from external customers is based on the location of customers. As at 31 December 2024, over 85% (2023: 84%) of the Group's non-current assets (other than financial instruments and deferred tax assets) are physically located in Hong Kong.

#### 4. SEGMENT INFORMATION (Continued)

##### (iv) Information about major customers

An analysis of revenue from customers with whom transactions have exceeded 10% of the Group's revenue for the year was as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Company A ( <i>notes a, b</i> )	119,827	131,682
Company B ( <i>notes a, b</i> )	111,080	90,955
Company C ( <i>notes b, c</i> )	N/A	81,859
Company D ( <i>notes a, c</i> )	248,932	N/A

The customers from these three customers were all derived by the segment engaging in trading of kitchenware and household products.

*Notes:*

- (a) As at 31 December 2024, 69.8% of the Group's trade receivables were due from the abovementioned three major customers.
- (b) As at 31 December 2023, 64.0% of the Group's trade receivables were due from the abovementioned three major customers.
- (c) Revenue from transactions with Company C (2023: Company D) did not exceed 10% of the Group revenue for the year ended 31 December 2024 and the respective amount was not disclosed accordingly.

#### 5. REVENUE

The Group is principally engaged in sales of kitchenware and household products and raw materials including plastic for certain of these products. Revenue from sales of kitchenware and household products and raw materials are recognised at a point in time when there is evidence that the control of goods has been transferred to the customer, the customer has adequate control over the goods and the Group has no unfulfilled obligations that affect customer accepting the goods. Revenue recognised during the year is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from contracts with customers		
– Sales of kitchenware and household products	786,580	642,212
– Sales of raw materials	47,329	48,931
	<u>833,909</u>	<u>691,143</u>

**6. OTHER INCOME AND GAINS AND LOSSES, NET**

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Bank interest income	<b>2,718</b>	2,406
Dividend income from listed equity securities	<b>1,794</b>	1,727
Recharge from customers	<b>1,540</b>	–
Government grants	<b>2,143</b>	4,279
Rental income	<b>3,122</b>	1,077
Fair value gain on financial assets at fair value through profit or loss, net	<b>3,821</b>	2,248
Fair value loss on investment properties	<b>(9,600)</b>	(15,900)
Impairment loss on goodwill	<b>(4,049)</b>	(7,925)
Gain on deemed disposal of a subsidiary	<b>43</b>	–
Others	<b>564</b>	159
	<b>2,096</b>	(11,929)

**7. FINANCE COSTS**

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Interest charges on financial liabilities at amortised cost:		
Bank borrowings	<b>4,424</b>	4,273
Bank overdrafts	<b>1,277</b>	768
Lease liabilities	<b>2,374</b>	2,619
	<b>8,075</b>	7,660

## 8. PROFIT/(LOSS) BEFORE INCOME TAX

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit/(loss) before income tax is arrived at after charging/(crediting):		
Auditor's remuneration	978	978
Cost of inventories sold recognised as expense	599,550	487,329
Provision for impairment of trade receivables	1,539	1,456
Provision for inventories ( <i>note d</i> )	–	2,971
Depreciation of property, plant and equipment ( <i>note a</i> )	21,302	19,921
Write-off of property, plant and equipment	7	10
Research expenses ( <i>note c</i> )	1,048	5,058
Short-term lease expenses	2,145	2,298
Low-value lease expenses	166	175
Marketing expenses ( <i>note b</i> )	10,139	10,812
Licensing fee ( <i>note b</i> )	2,150	3,846
Transportation cost ( <i>note b</i> )	8,229	9,250
Quality inspection expenses ( <i>note c</i> )	13,425	14,937
<b>Employee benefit expenses (including directors' remuneration) (<i>note e</i>)</b>		
Wages, salaries and other benefits	53,930	50,341
Discretionary bonuses	2,153	2,666
Contributions to defined contribution schemes ( <i>note f</i> )	4,759	4,823
	<b>60,842</b>	<b>57,830</b>
Exchange (gain)/loss, net	<b>(280)</b>	<b>489</b>

### Notes:

- (a) Depreciation charges are recognised in the consolidated statement of comprehensive income as distribution expenses of approximately HK\$94,000 (2023: approximately HK\$860,000) and administrative expenses of approximately HK\$21,208,000 (2023: approximately HK\$19,061,000) for the year ended 31 December 2024.
- (b) These items are included in distribution expenses in the consolidated statement of comprehensive income.
- (c) These items are included in administrative expenses in the consolidated statement of comprehensive income.
- (d) The item is included in cost of sales in the consolidated statement of comprehensive income.
- (e) Employee benefit expenses are recognised in the consolidated statement of comprehensive income as distribution expenses of approximately HK\$8,689,000 (2023: approximately HK\$8,635,000) and administrative expenses of approximately HK\$52,153,000 (2023: approximately HK\$49,195,000) for the year ended 31 December 2024.
- (f) The Group's contributions to defined contribution scheme vest fully and immediately with the employees. Accordingly, there are no forfeited contributions under the defined contribution scheme which may be used by the Group to reduce its existing level of contributions or contributions payable in future years as at and during each of the years ended 31 December 2024 and 2023.

## 9. INCOME TAX EXPENSES

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
The taxation attributable to the Group's operations comprises:		
Current tax		
– Hong Kong profits tax	<b>6,904</b>	2,310
– PRC withholding tax	<b>1,823</b>	–
– PRC Enterprise Income Tax	<b>1,333</b>	3,713
	<b>10,060</b>	6,023
Under provision in prior years		
– Hong Kong profits tax	<b>775</b>	121
	<b>10,835</b>	6,144
Deferred tax		
– Credit for the year	<b>87</b>	(1,773)
Income tax expenses	<b>10,922</b>	4,371

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

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 of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision of profits tax for this subsidiary was calculated at the same bases in 2023.

Enterprise income tax (“EIT”) for the year was calculated at 25% (2023: 25%) of the estimated assessable profits arising from the Mainland China. The income tax for other jurisdictions is calculated at the rates applicable in the respective jurisdictions.

PRC withholding tax represents tax charged by the PRC tax authority on dividends distributed by one of the Group's PRC subsidiaries in 2024 and 2023.

US income tax has not been provided as there is no assessable profit arising in US during the year ended 31 December 2024 and 2023.

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

The Group operates in certain jurisdictions where the Pillar Two Rules are enacted but not effective. However, as the Group's consolidated annual revenue is expected to be less than EUR750 million, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

## 10. EARNINGS/(LOSS) PER SHARE

### Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to owners of the Company for the year of HK\$21,835,000 (2023: a loss of HK\$14,829,000) and the weighted average of 700,000,000 (2023: 700,000,000) ordinary shares in issue during the year.

### Diluted earnings/(loss) per share

There were no potential ordinary shares outstanding during the years ended 31 December 2024 and 2023, and hence the diluted earnings/(loss) per share is the same as basic earnings/(loss) per share.

## 11. DIVIDENDS

Dividends to equity shareholders attributable to the year:

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Final dividend declared and paid in respect of the prior year of HK2.0 cents (2023: HK3.0 cents) per share	<b>14,000</b>	21,000

At the board meeting held on 24 March 2025, the Board resolved to recommend a final dividend of HK4.0 cents (2023: HK2.0 cents) per ordinary share. The proposed final dividend has not been recognised as a dividend payable as at 31 December 2024, but will be reflected as an appropriation of retained profits/share premium for the year ending 31 December 2025.

## 12. INVENTORIES

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Merchandises held for resale	<b>34,446</b>	30,305
Raw materials	<b>56,262</b>	79,508
	<b>90,708</b>	109,813

## 13. TRADE RECEIVABLES

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	<b>201,853</b>	137,786
Less: impairment loss allowance	<b>(3,684)</b>	(2,145)
	<b>198,169</b>	135,641

The Group's trading terms with customers are mainly on credit. The credit terms are generally 0 to 90 days from the invoice date.

### 13. TRADE RECEIVABLES (Continued)

The directors of the Company considered the fair values of trade receivables are not materially different from their carrying amounts because these amounts have short maturity periods on their inception. An ageing analysis of the Group's trade receivables (net of impairment allowance) as at the end of the reporting period, based on the invoices date, is as follows:

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–30 days	<b>51,874</b>	61,505
31–60 days	<b>82,467</b>	47,708
61–90 days	<b>51,614</b>	9,335
Over 90 days	<b>12,214</b>	17,093
	<b>198,169</b>	135,641

### 14. TRADE PAYABLES

Trade payables normally have a credit period of 0 to 90 days from the invoice date.

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	<b>39,918</b>	50,011

An ageing analysis of the Group's trade payables as at the end of the reporting period, based on the invoices date, is as follows:

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–90 days	<b>38,590</b>	49,248
91–180 days	<b>1,197</b>	61
181–365 days	<b>64</b>	632
Over 365 days	<b>67</b>	70
	<b>39,918</b>	50,011

The directors of the Company considered that the carrying amounts of trade payables approximate to their fair values.



## **FINAL DIVIDEND AND ANNUAL GENERAL MEETING**

The Directors resolved to recommend the payment of a final dividend of HK4.0 cents (2023: HK2.0 cents) per share for the year ended 31 December 2024. The payment of the proposed final dividend is subject to the approval of the Shareholders at the forthcoming annual general meeting (“AGM”) to be held on Friday, 30 May 2025 and are payable to Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 27 June 2025. It is expected that the proposed final dividend will be paid on or about Friday, 4 July 2025.

## **CLOSURES OF REGISTER OF MEMBERS**

### **Annual General Meeting**

In order to establish entitlements to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 27 May 2025 to Friday, 30 May 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be entitled to attend and vote at the AGM, all transfers of shares of the Company accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 26 May 2025.

### **Final Dividend**

In order to establish entitlements to the proposed final dividend, the register of members of the Company will be closed from Tuesday, 24 June 2025 to Thursday, 26 June 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be qualified for the proposed final dividend, all transfers of shares of the Company accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 23 June 2025.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

During the year 2024, the global market condition and operating environment remained unstable and unpredictable as inflation rate remained high, monetary policies remained tightened and worldwide geopolitical tensions remained unresolved. The fast-changing customers spending habits, in particular, the consumer demand for sustainability, health consciousness and innovation also resulted in a continued pressure on houseware and drinkware retail market for mid-priced to premium products in North America during the year. Eco-friendly materials such as bamboo, stainless steel, and BPA-free options dominate the drinkware market, alongside a growing preference for self-expression and personalization.

### **FINANCIAL REVIEW**

#### **Revenue**

During the year ended 31 December 2024, the Group recorded an increase in revenue from approximately HK\$691.1 million in 2023 to approximately HK\$833.9 million, representing an increase of approximately 20.7%. This uptick in revenue was driven by the increase in orders placed by the Group's customers in the US, resulting from shifts in customer spending trends towards more personalized products during the year. In addition, the increase in revenue proved to be the successful result of the Group's strategy to focus on high-quality and value business and to refine the sales mix to facilitate long-term development.

#### **Gross profit and gross profit margin**

Gross profit increased by approximately 15.1% to approximately HK\$206.9 million for year ended 31 December 2024 (2023: HK\$179.7 million), with gross profit margin decreased by approximately 1.2 percentage points to approximately 24.8% (2023: 26.0%). Despite an increase in gross profit as the revenue of the Group increased, the profit margin ratio slightly dropped mainly due to fluctuation of Renminbi during the year.

#### **Other income and gains and losses, net**

During the year ended 31 December 2024, other income and gains and losses turned positive at HK\$2.1 million (2023: other losses of HK\$11.9 million), primarily attributable to the decrease in the fair value loss on investment properties and impairment loss on goodwill during the year.

#### **Distribution expenses**

During the year ended 31 December 2024, distribution expenses decreased by approximately 4.2% to approximately HK\$41.2 million (2023: HK\$43.0 million). The decrease was mainly attributable to a decrease in marketing expenses due to better cost control.

## **Administrative expenses**

During the year ended 31 December 2024, administrative expenses remained steady at approximately HK\$128.1 million (2023: HK\$127.9 million). Owing to the continued tight cost control measures, the Group was able to maintain the administrative expenses at a relatively stable level, with a slight increase mainly due to the provision of impairment on trade receivables.

## **Finance costs**

During the year ended 31 December 2024, finance costs increased by approximately 5.2% to approximately HK\$8.1 million (2023: HK\$7.7 million), primarily due to the lease liabilities arising from the rental arrangement of the Advanced Manufacturing Centre in Tseung Kwan O Industrial Estate during the year and the continued high interest rate which put pressure on finance costs for the Group's borrowing during the year.

## **Profit/(loss) attributable to owners of the Company**

Profit attributable to owners of the Company for the year ended 31 December 2024 turned positive at approximately HK\$21.8 million (2023: loss attributable to owners of the Company HK\$14.8 million). The turnaround from loss to profit was mainly attributable to the increase in the Group's revenue during the year. In addition, there has been a decrease in fair value loss on the Group's investment properties, the value of which was adversely influenced by the unfavourable market conditions this year.

## **FUTURE STRATEGY**

Looking ahead to 2025, the global economic and political landscape is expected to be characterized by a slowdown in growth, increased regional divergence, alleviated inflationary pressures but divergent monetary policies, regionalization of supply chains, and heightened technological competition. At the same time, geopolitical tensions will continue to impact global stability. In the face of these challenges, the Group will maintain a prudent financial strategy and continue to optimize operational efficiency to cope with potential market fluctuations.

The uncertainties in the US tariff policies, in particular, have caused many customers becoming extremely conscious and conservative in placing orders with suppliers in China and putting pressure on the Group's performance. However, the Group has established a supply chain system outside of China to address such challenges and to alleviate the adverse impact to the Group caused by any changes in the US trade policies.

In addition, the Group will continue to focus on product innovation and diversification, especially in the fields of kitchenware and household products. We plan to launch a number of new products in 2025 covering the areas of drinkware and storage products, and explore integrating Internet of Things (IoT) technology into lifestyle products to meet the evolving consumer needs, expand market share, and increase customer reach. Meanwhile, the Group will continue to strengthen its cooperative relationships with existing customers and actively explore new markets, particularly in the Asia-Pacific region.

In the China market, the Group will continue to expand the gift product segment through cooperation with mainland chain retailers and increase its business scale in the Chinese market. We believe that with the recovery of the Chinese economy and consumption upgrading, the Group's business in the Chinese market will usher in new growth opportunities.

In terms of technological innovation, the Group's Nanofiber Production Center located in the Tseung Kwan O Industrial Estate was officially put into operation in 2024. This center not only enhances the Group's capabilities in the application research and commercialization of nanotechnology but also further consolidates our competitive edge in the field of high-end manufacturing. In addition, the Group's cooperation with research institutions such as the Hong Kong University of Science and Technology is continuously deepening, which is expected to bring more innovative achievements to the Group.

The Group will continue to adhere to a sound business strategy, actively respond to market changes, drive sustainable business growth, and create long-term value for shareholders.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2024, the Group had approximately 152 employees (2023: 154 employees). Total staff costs (including Directors' emoluments) were approximately HK\$60.8 million for the year ended 31 December 2024, as compared to approximately HK\$57.8 million for the year ended 31 December 2023.

The Group remunerates its employees based on their qualifications, performance, experience and prevailing industry practice. Competitive remuneration package is offered to retain elite employees including salaries, medical insurance, discretionary bonuses as well as mandatory provident fund schemes for employees in Hong Kong and state-run retirement benefit schemes for employees in the Mainland China.

The emoluments of the Directors are decided by the Remuneration Committee, taking into account of the Group's operating results, individual performance and comparable market statistics.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

The Group manages its capital structure with an aim to ensure the Group will be able to continue as a going concern, maximize the return to the shareholders of the Company and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The management reviews the capital structure regularly by considering the risk and benefit associated with each class of capital and adjusts the capital structure as it sees fit and appropriate.

## **Cash and bank balances and borrowing**

As at 31 December 2024, the Group had cash and bank balances amounted to approximately HK\$116.7 million (2023: HK\$155.8 million) which were mainly denominated in United States dollars (“USD”), Renminbi (“RMB”) and Hong Kong dollars (“HKD”). The Group had bank borrowings of approximately HK\$68.1 million (2023: approximately HK\$89.8 million) and had bank overdrafts of approximately HK\$28.6 million (2023: Nil) as at 31 December 2024. The annual interest rate of the bank overdrafts and bank borrowings during the year ended 31 December 2024 ranged from 4.3% to 6.9% (2023: ranged from 2.88% to 6.12%) and ranged from 5.66% to 7.47% (2023: ranged from 2.88% to 6.12%) respectively.

## **Gearing ratio**

The Group’s gearing ratio is calculated as total borrowings, which is the summation of bank overdrafts, bank borrowings, lease liabilities and loans from non-controlling interests, divided by total equity. The gearing ratio of the Group as at 31 December 2024 and 2023 were approximately 22.5% and 21.0%, respectively. Excluding the lease liabilities, the gearing ratio of the Group as at 31 December 2024 and 2023 were approximately 17.2% and 15.5%, respectively.

## **FOREIGN EXCHANGE EXPOSURE**

The Group’s revenue is mainly denominated in USD while its cost of sales is mainly denominated in HKD and RMB. The Group is exposed to foreign exchange risk with respect mainly to USD and RMB which may affect the Group’s financial performance. The Group’s treasury policies are designed to mitigate the impact of fluctuations in foreign currency exchange rates arising from the Group’s operations. The Group principally uses forward foreign exchange contracts to hedge the foreign exchange risks in the ordinary course of business.

## **PLEDGE OF ASSETS**

As at 31 December 2024, the Group’s leasehold land and buildings with an aggregate carrying amount of approximately HK\$14.5 million (2023: HK\$14.9 million), investment properties with an aggregate carrying amount of approximately HK\$109.8 million (2023: HK\$119.4 million) and pledged bank deposits of approximately HK\$20.5 million (2023: HK\$20.0 million) were pledged to secure general banking facilities granted to the Group.

## **CONTINGENT LIABILITIES**

As at 31 December 2024, the Group had no significant contingent liabilities (2023: Nil).

## **CAPITAL COMMITMENTS**

As at 31 December 2024, the Group has capital commitment of approximately HK\$2.0 million (2023: approximately HK\$16.0 million) for the purchase of and addition to property, plant and equipment.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS**

The Directors have 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 of conduct for Directors in dealing in the Company’s securities. Specific enquiries have been made to all Directors and all Directors have confirmed that they have fully complied with the required standard of dealings as set out in the Model Code during the year and up to the date of this announcement.

## **SCOPE OF WORK OF BDO LIMITED ON THIS PRELIMINARY ANNOUNCEMENT**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of comprehensive income and related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Group’s auditor, BDO Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by BDO Limited 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 BDO Limited on this announcement.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

## **CORPORATE GOVERNANCE CODE**

The Company is committed to maintaining high standards of corporate governance and has steered its development and protection of the interests of the shareholders of the Company (“Shareholders”) in an enlightened and open manner. The Board comprises two executive Directors and four independent non-executive Directors. The Board has adopted the code provisions of the Corporate Governance Code (“CG Code”) set out in Part 2 of Appendix C1 to the Listing Rules. During the year under review and up to the date of this announcement, the Company has complied with the CG Code, except for code provision C.2.1, which provides that, among other things, the role of chairman of the board and the chief executive officer of a listed issuer shall be separate and shall not be performed by the same individual.

Dr. Wong Siu Wah is both the chief executive officer and the chairman of the Board of the Company which deviates from code provision C.2.1. The Board considers that vesting the role of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by the current Board composition and structure taking into account the background and experience of the Directors and the number of independent non-executive Directors on the Board.

## **AUDIT COMMITTEE**

The Company has an audit committee (“Audit Committee”) which was established in accordance with the requirement of Rule 3.21 of the Listing Rules for the purposes to assist the Board in reviewing, supervising and providing an independent view of the effectiveness of the financial reporting process, internal control and risk management system, to oversee the audit process and to perform other duties as assigned by the Board. The Audit Committee, comprising Dr. Lau Kin Tak, Mr. Anthony Graeme Michaels and Ms. Leung Wai Ling, Wylie, has reviewed the audited financial results of the Group for the year ended 31 December 2024.

## **PUBLICATION OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE AND THE COMPANY**

The 2024 annual report of the Company containing all applicable information required by the Listing Rules will be despatched to the Shareholders and available on the Company’s website at [www.kingsflair.com.hk](http://www.kingsflair.com.hk) and Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) in due course.

By Order of the Board  
**King’s Flair International (Holdings) Limited**  
**Dr. Wong Siu Wah**  
*Chairman and Executive Director*

Hong Kong, 24 March 2025

*As at the date of this announcement, the Board comprises two executive directors, namely Dr. Wong Siu Wah and Ms. Wong Fook Chi; and four independent non-executive directors, namely Professor Lau Kin Tak, Mr. Anthony Graeme Michaels, Ms. Leung Wai Ling, Wylie and Professor Shyy Wei.*