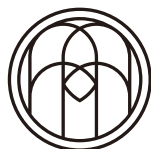


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FORWARD FASHION
HOLDINGS

Forward Fashion (International) Holdings Company Limited

尚晉(國際)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2528)

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

The board of directors (the “**Board**”) of Forward Fashion (International) Holdings Company Limited (the “**Company**”) is pleased to announce the audited consolidated financial statements of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023. The financial information has been approved by the Board.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2024

		Year ended 31 December	
		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	4	938,315	1,007,801
Cost of sales		<u>(517,540)</u>	<u>(539,996)</u>
Gross profit		420,775	467,805
Selling and marketing expenses		(394,542)	(391,404)
General and administrative expenses		(93,316)	(98,422)
Other income	5	–	18,858
Other gains – net	6	<u>1,311</u>	<u>3,280</u>
Operating (loss) profit		<u>(65,772)</u>	<u>117</u>
Finance income		1,989	1,236
Finance costs		<u>(17,139)</u>	<u>(19,597)</u>
Finance costs – net	8	<u>(15,150)</u>	<u>(18,361)</u>
Loss before income tax		(80,922)	(18,244)
Income tax expense	9	<u>(4,155)</u>	<u>(1,550)</u>
Loss for the year	7	<u>(85,077)</u>	<u>(19,794)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

		Year ended 31 December	
		2024	2023
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Other comprehensive expense			
Items that will not be reclassified subsequently to profit or loss:			
Change in the fair value of equity investment at fair value through other comprehensive income		(602)	(1,113)
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		<u>(1,715)</u>	<u>(2,032)</u>
Other comprehensive expense for the year		<u>(2,317)</u>	<u>(3,145)</u>
Total comprehensive expense for the year		<u>(87,394)</u>	<u>(22,939)</u>
Loss for the year attributable to:			
– Owners of the Company		(76,891)	(16,852)
– Non-controlling interests		<u>(8,186)</u>	<u>(2,942)</u>
		<u>(85,077)</u>	<u>(19,794)</u>
Total comprehensive expense for the year attributable to:			
– Owners of the Company		(79,665)	(20,165)
– Non-controlling interests		<u>(7,729)</u>	<u>(2,774)</u>
		<u>(87,394)</u>	<u>(22,939)</u>
Loss per share			
Basic and diluted (HK\$)	10	<u>(0.19)</u>	<u>(0.04)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		As of 31 December	
		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		111,388	135,600
Right-of-use assets		208,090	175,123
Intangible assets		3,785	5,509
Financial asset at fair value through other comprehensive income		–	602
Investment to insurance contract		–	–
Deferred tax assets		10,545	16,187
Prepayments		13,231	13,031
Other receivables and deposits		20,105	24,592
		367,144	370,644
Current assets			
Inventories		252,048	308,219
Trade receivables	11	61,698	47,953
Prepayments		22,317	24,827
Amounts due from related parties		5,840	1,088
Other receivables and deposits		25,313	23,477
Pledged bank deposits		5,556	16,359
Term deposits with initial term of over three months		36,308	46,303
Cash and cash equivalents		46,225	73,298
		455,305	541,524
Current liabilities			
Trade and other payables	12	198,770	208,073
Amounts due to related parties		32,158	155,902
Other current liabilities		7,736	9,005
Contract liabilities		11,558	4,665
Lease liabilities		91,162	89,588
Provisions		5,513	8,412
Income tax liabilities		–	3,129
Borrowings		72,263	56,800
		419,160	535,574
Net current assets		36,145	5,950
		403,289	376,594

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*Continued*)
AS AT 31 DECEMBER 2024

		As of 31 December	
		2024	2023
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Capital and reserves			
Share capital		4,000	4,000
Share premium		859,232	859,232
Reserves		(604,252)	(601,667)
Accumulated losses		(109,832)	(32,752)
		<hr/>	<hr/>
Equity attributable to owners of the Company		149,148	228,813
		<hr/>	<hr/>
Non-controlling interests		(17,898)	(10,169)
		<hr/>	<hr/>
Total equity		131,250	218,644
		<hr/>	<hr/>
Non-current liabilities			
Other payables	12	–	12,690
Amounts due to related parties		102,563	–
Other non-current liabilities		8,515	12,774
Lease liabilities		123,854	96,584
Provisions		12,794	11,113
Borrowings		24,210	22,672
Deferred tax liabilities		103	2,117
		<hr/>	<hr/>
		272,039	157,950
		<hr/>	<hr/>
		403,289	376,594
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Forward Fashion (International) Holdings Company Limited (the “**Company**”) was incorporated in the Cayman Islands on 16 May 2019. The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries (hereinafter collectively refer to as the “**Group**”) are principally engaged in the retail, wholesale, provision of store management and consignment service of fashion apparel of international brands ranging from established designer label brands, popular global brands to up-and-coming brands through its multi-brand and multi-store business model in Mainland China, Macau, Hong Kong and others and catering service in Macau.

The immediate and ultimate holding company of the Company is Gold Star Fashion Limited, a company incorporated in the British Virgin Islands (the “**BTI**”) and is wholly-owned by Mr. Fan Wing Ting (“**Mr. Fan**”), the ultimate controlling shareholder (the “**Controlling Shareholder**”) of the Group.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 13 January 2020.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

Other than those subsidiaries established in the Mainland China whose functional currency is Renminbi (“**RMB**”), the functional currency of the remaining subsidiaries is HK\$.

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“**IFRSs**”)

Application of amendments in IFRSs

In the current year, the Group has applied, for the first time, the following amendments to IFRSs issued by the International Accounting Standards Board (“**IASB**”) which are effective for the Group’s financial year beginning on 1 January 2024:

Amendments to IFRS 16	Lease Liability in a Sales and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to IFRSs in the current year has had no material impact on the financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

Impact on application of Amendments to IAS 1 Classification of Liabilities as Current or Non-current (the “**2020 Amendments**”) and Amendments to IAS 1 - Non-current Liabilities with Covenants (the “**2022 Amendments**”)

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

Upon adoption of the amendments, the Group has reassessed the terms and conditions of its loan arrangements. The application of the amendments has no material impact on the classification of the Group's liabilities.

The application of amendments to IAS 1 have no effect on the consolidated statement of profit or loss and other comprehensive income, cash flows and loss per share. The Group has provided additional disclosures about its liabilities subject to covenants.

New and amendments to IFRSs issued but not yet effective

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

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

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.

The directors anticipate that, except as describe below, the application of other new and amendments to IFRSs will have no material impact on the financial performance and the financial position of the Group.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace IAS 1 Presentation of Financial Statements. IFRS 18 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. Minor amendments to IAS 7 "Statement of Cash Flows" and IAS 33 "Earnings per Share" are also made.

IFRS 18, and the consequential amendments to other IFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of the IFRS 18 is not expected to have material impact on the financial position of the Group. The directors are in the process of making an assessment of the impact of IFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.

3. SEGMENT INFORMATION

The Group is principally engaged in the retail, wholesale, provision of store management and consignment service of fashion apparel of international brands ranging from established designer label brands, popular global brands to up-and-coming brands through its multi-brand and multi-store business model in Mainland China, Macau, Hong Kong and others and catering service in Macau. The performance of the Group's retail stores is subject to seasonal fluctuations and certain holiday seasons.

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the executive directors of the Company, being the chief operating decision-maker ("CODM"). The CODM considers the business from geographic perspective and assesses the performance of the geographical segments mainly based on segment revenues, segment result, segment assets and segment liabilities.

The revenues from external customers reported to CODM are measured as segment revenues, which are the revenues derived from customers of each segment.

Segment result is equal to revenue from external customers deducted by cost of sales and selling and marketing expenses from each segment.

The segment information for the years ended 31 December 2023 and 2024 are as follows:

	Year ended 31 December 2024			
	Mainland China HK\$'000	Macau HK\$'000	HK and others HK\$'000	Total HK\$'000
Segment revenue	396,554	490,901	91,450	978,905
Inter-segment revenue (<i>note</i>)	(6,843)	(23,697)	(10,050)	(40,590)
Revenue from external customers	389,711	467,204	81,400	938,315
Cost of sales	(234,482)	(223,421)	(59,637)	(517,540)
Selling and marketing expenses	(158,447)	(191,634)	(44,461)	(394,542)
Segment result	(3,218)	52,149	(22,698)	26,233
General and administrative expenses				(93,316)
Other gains – net				1,311
Finance income				1,989
Finance costs				(17,139)
Finance costs – net				(15,150)
Loss before income tax				(80,922)
Depreciation and amortisation	(36,554)	(93,990)	(16,285)	(146,829)
Impairment losses on property, plant and equipment and right-of-use assets	(2,776)	(5,995)	(5,771)	(14,542)
Reversal of provision for (provision for) impairment of inventories	1,856	(226)	–	1,630
Provision for impairment loss on trade receivables	(193)	(182)	(80)	(455)

	Year ended 31 December 2023			
	Mainland China <i>HK\$'000</i>	Macau <i>HK\$'000</i>	HK and others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	426,151	492,432	123,415	1,041,998
Inter-segment revenue (<i>note</i>)	<u>(16)</u>	<u>(10,863)</u>	<u>(23,318)</u>	<u>(34,197)</u>
Revenue from external customers	<u>426,135</u>	<u>481,569</u>	<u>100,097</u>	<u>1,007,801</u>
Cost of sales	(238,201)	(237,365)	(64,430)	(539,996)
Selling and marketing expenses	<u>(143,775)</u>	<u>(202,779)</u>	<u>(44,850)</u>	<u>(391,404)</u>
Segment result	<u>44,159</u>	<u>41,425</u>	<u>(9,183)</u>	<u>76,401</u>
General and administrative expenses				(98,422)
Other income				18,858
Other gains – net				3,280
Finance income				1,236
Finance costs				<u>(19,597)</u>
Finance costs – net				<u>(18,361)</u>
Loss before income tax				<u><u>(18,244)</u></u>
Depreciation and amortisation	(42,818)	(101,493)	(20,274)	(164,585)
Provision for impairment of property, plant and equipment and right-of-use assets	(666)	(2,383)	(658)	(3,707)
Reversal of provision for (provision for) impairment of inventories	(1,315)	12,472	519	11,676
Reversal of impairment loss on trade receivables	<u>–</u>	<u>140</u>	<u>–</u>	<u>140</u>

Note: The inter-segment revenue are sold at cost.

The Group has a large number of customers, and none of the revenue from these customers accounted for 10% or more of the Group's revenue during the year (2023: Nil).

4. REVENUE

(a) Disaggregation of revenue by business line and nature

	2024 HK\$'000	2023 HK\$'000
Revenue from contracts with customers within the scope of IFRS 15		
Retail	724,760	899,525
Store management and consignment service	136,312	64,999
Catering service	35,562	26,895
Wholesale	41,681	16,382
	<u>938,315</u>	<u>1,007,801</u>
Total	<u>938,315</u>	<u>1,007,801</u>

(b) Disaggregation of revenue from contracts with customers by timing of revenue recognition

	2024 HK\$'000	2023 HK\$'000
At a point in time	802,003	942,802
Overtime	136,312	64,999
	<u>938,315</u>	<u>1,007,801</u>
Total	<u>938,315</u>	<u>1,007,801</u>

5. OTHER INCOME

	2024 HK\$'000	2023 HK\$'000
Subsidies (<i>note a</i>)	–	18,796
Government grants (<i>note b</i>)	–	62
	<u>–</u>	<u>18,858</u>

Notes:

- (a) In 2023, government of Macau focused on developing culture and art and granted subsidies to shopping malls to hold art events. The subsidies were received from shopping malls for organisation after the events end. There are no unfulfilled conditions and other contingencies attached to the receipts of those subsidies.
- (b) In 2023, government grants represented subsidies received from government for anti-epidemic assistance. There are no unfulfilled conditions and other contingencies attached to the receipts of those subsidies.

6. OTHER GAINS – NET

	2024 HK\$'000	2023 HK\$'000
Net changes in cash surrender value of investment in insurance contracts	–	717
Gains on the early termination of right-of-use assets and lease liabilities	997	7,120
Net exchange (losses) gains	(358)	134
Net gain on disposal of property, plant and equipment	2,801	10,121
Loss on written off of property, plant and equipment	(510)	(13,205)
Others	(1,619)	(1,607)
	<u>1,311</u>	<u>3,280</u>

7. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging (crediting):

	2024 HK\$'000	2023 HK\$'000
Directors' emoluments	7,484	7,539
Salaries, allowances and other benefits (excluding directors' emoluments)	158,607	174,144
Contributions to retirement benefits scheme (excluding directors' emoluments)	14,035	14,382
Other social security costs, housing benefits and other employee benefits	2,573	5,763
Total staff costs	<u>182,699</u>	<u>201,828</u>
Auditor's remuneration	1,890	2,452
Cost of inventories (included in cost of sales)	449,866	492,235
Impairment loss on right-of-use assets	9,441	1,879
Impairment loss on property, plant and equipment	5,101	1,828
Provision for (reversal of) impairment loss on trade receivables	455	(140)
Reversal of provision for impairment on inventories (included in cost of sales)	(1,630)	(11,676)
Depreciation of property, plant and equipment	39,312	39,842
Amortisation of intangible assets	1,642	2,782
Amortisation of prepayment for franchising fee	5,640	2,889
Other current and non-current liabilities recognised in consolidation statement of profit or loss	(7,987)	(15,871)
Depreciation of right-of-use assets	<u>105,875</u>	<u>121,961</u>

8. FINANCE COSTS – NET

	2024 HK\$'000	2023 HK\$'000
Finance income		
– Interest income	<u>1,989</u>	<u>1,236</u>
Finance costs		
– Interest cost on lease liabilities	<u>(8,557)</u>	<u>(8,550)</u>
– Other interest cost	<u>(8,582)</u>	<u>(11,047)</u>
	<u>(17,139)</u>	<u>(19,597)</u>
Finance costs – net	<u><u>(15,150)</u></u>	<u><u>(18,361)</u></u>

9. INCOME TAX EXPENSE

	2024 HK\$'000	2023 HK\$'000
Current income tax		
– Macau	449	–
– Mainland China	<u>102</u>	<u>1,172</u>
	551	1,172
Deferred income tax related to the temporary differences	<u>3,604</u>	<u>378</u>
	<u><u>4,155</u></u>	<u><u>1,550</u></u>

10. LOSS PER SHARE

(a) Basic loss per share

	2024	2023
Loss for the year attributable to owners of the Company (HK\$'000)	(76,891)	(16,852)
Weighted average number of ordinary shares in issue ('000)	400,000	400,000
Basic loss per share (HK\$) (Note)	<u><u>(0.19)</u></u>	<u><u>(0.04)</u></u>

Note: Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

- (b) The diluted earnings per share is same as the basic earnings per share as there were no dilutive potential ordinary shares outstanding for both years.

11. TRADE RECEIVABLES

	As of 31 December	
	2024	2023
	HK\$'000	HK\$'000
Trade receivables	62,469	48,269
Less: allowance for impairment of trade receivables	(771)	(316)
	<u>61,698</u>	<u>47,953</u>

As at 31 December 2024, the gross amount of trade receivables arising from contracts with customers amounting to approximately HK\$62,469,000 (2023: HK\$48,269,000).

The credit terms of trade receivables granted by the Group are generally 1–3 months (2023: 1–3 months). The ageing analysis of the trade receivables, net of allowance for impairment, based on invoice date as at 31 December 2023 and 2024 is as follows:

	As of 31 December	
	2024	2023
	HK\$'000	HK\$'000
Within 3 months	60,653	47,776
Over 3 months and within 6 months	818	74
Over 6 months and within 1 year	227	103
	<u>61,698</u>	<u>47,953</u>

12. TRADE AND OTHER PAYABLES

	As of 31 December	
	2024	2023
	HK\$'000	HK\$'000
Current		
Trade payables (<i>note a</i>)	115,804	135,565
Salaries payable	23,458	24,255
Variable lease payable	17,046	8,766
Other taxes payable	7,742	9,833
License fee payable	8,359	8,359
Operating support fund	10,291	238
Renovation service fee payables	7,085	9,822
Other payables	8,985	11,235
	<u>198,770</u>	<u>208,073</u>
Non-current		
Operating support fund	–	12,690
	<u>198,770</u>	<u>220,763</u>

Notes:

- (a) Trade payables represent payables for inventories. The ageing analysis of the trade payables based on invoice date is as follows:

	As of 31 December	
	2024	2023
	HK\$'000	HK\$'000
Within 3 months	79,235	98,724
Over 3 months and within 1 year	13,755	17,585
Over 1 year	22,814	19,256
	<u>115,804</u>	<u>135,565</u>

13. DIVIDENDS

No dividends have been paid or declared or proposed by the Company during the year. The board of directors does not recommend any payment of final dividend for the year ended 31 December 2024 (2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group principally engages in the retail of fashion apparel of international brands ranging from established designer label brands, popular global brands to up-and-coming brands in Mainland China, Macau, Hong Kong and Taiwan (collectively, “**Greater China**”). The Group adopts a multi-brand and multi-store business model. As at 31 December 2024, the Group operated 157 self-operated retail stores in Greater China, of which 142 retail stores are mono-brand stores operated under the brand name of the merchandise to cater for the brand’s target customers, 13 retail stores are multi-brand stores that offer a broad assortment of the Group’s selected fashion apparel and lifestyle merchandise from different international brands and the Group’s own brands. In addition to its fashion brands, the Group also operates the Galeries Lafayette store in Macau and runs the American burger chain “Five Guys” in Macau. As at 31 December 2024, the Group’s brand portfolio had 205 brands, of which 202 brands were international brands owned by third-party brand owners or their master/authorised licensors.

The Greater China region retail environment in 2024 has remained challenging, with macroeconomic uncertainties persisting due to ongoing geopolitical tensions and inflationary pressures. The Group noticed that the recovery in customer consumption sentiment has further slowed down in 2024, and customers have continued to spend cautiously. As a result, the Group’s financial performance has been negatively impacted.

The Group’s retail sales have dropped with a year-on-year revenue decrease of 6.9% in 2024, out of the total revenue decrease of HK\$69.5 million, Macau recorded a decrease of HK\$14.4 million or 21% of the total revenue decrease. On the other hand, Mainland China recorded a decrease in revenue of HK\$36.4 million.

The Group has continued to implement stringent cost control measures to mitigate the impact of the tough operating environment. At the same time, we have taken proactive steps to optimize operations and improve efficiency across all aspects of our business. While the market remains volatile, the Group believes that these actions will enable us to weather the current challenges and emerge stronger when the retail sector eventually recovers.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased to HK\$938.3 million for 2024 (2023: HK\$1,007.8 million), representing a yoy 6.9% decrease. Both mono-brand stores and multi-brand stores recorded a decrease of 24.2% and 12.8% yoy, while the Group's online sales achieved a growth rate of 63.2%. Store management and consignment services also recorded a growth of 109.7% yoy and wholesale recorded an increase of 154.3% yoy. The Group's average sales floor area increased from 31,772 m² in 2023 to 32,156 m² in 2024, mainly due to the opening of the Galeries Lafayette (an international renowned French premium department store) in Macau.

Breakdown of revenue by sales channels:

	2024		2023		Change (%)
	HK\$ million	% of revenue	HK\$ million	% of revenue	
Retail					
Mono-brand stores	519.2	55.3	685.0	68.0	(24.2)
Multi-brand stores	166.0	17.7	190.3	18.9	(12.8)
Online sales	39.5	4.2	24.2	2.4	63.2
	724.7	77.2	899.5	89.3	(19.4)
Catering services	35.6	3.8	26.9	2.7	32.3
Store management & consignment services	136.3	14.5	65.0	6.4	109.7
Wholesale	41.7	4.5	16.4	1.6	154.3
Total	938.3	100.0	1,007.8	100.0	(6.9)

Movement of number, floor area and same store growth rate of retail stores:

	No. of retail stores				Sales floor area (m ²)						
	As at 31/12/2023	Open	Close	As at 31/12/2024	As at 31/12/2023	Open	Close	As at 31/12/2024	Average	No of same stores	Same store growth (%)
Macau	30	7	(11)	26	7,074	3,265	(1,891)	8,448	60	13	(26.9)
Mainland China	130	17	(24)	123	22,777	2,775	(3,767)	21,785	22,281	95	(15.2)
HK & Taiwan	9	1	(4)	6	1,463	64	(301)	1,226	1,347	4	(19.3)
Total/Overall	169	25	(39)	155	31,314	6,104	(5,959)	31,459	23,688	112	(19.4)

Revenue by geographical areas:

	2024		2023		Change (%)
	HK\$ million	% of revenue	HK\$ million	% of revenue	
Macau	467.2	49.8	481.6	47.8	(3.0)
Mainland China	389.7	41.5	426.1	42.3	(8.5)
HK & Taiwan	81.4	8.7	100.1	9.9	(18.7)
Total	938.3	100.0	1,007.8	100.0	(6.9)

Macau

The revenue generated from Macau for 2024 decreased to HK\$467.2 million, representing a yoy decrease of 3.0%. The Group opened 7 retail stores and closed 11 retail stores in 2024 with a negative same retail store sales growth of 26.9%.

Mainland China

The revenue generated from Mainland China recorded HK\$389.7 million in 2024, representing a yoy decrease of 8.5%. The Group has streamlined the store portfolio by retaining good performance stores to prevent loss of customers. The number of retail stores decreased to 123 in 2024 comparing with 130 in 2023 and achieved a negative same retail store growth rate of 15.2%. The Group opened 17 retail stores and closed 24 retail stores in 2024 with a decrease in the average floor area of 3.3% yoy.

Hong Kong and Taiwan

The revenue generated from the sales in Hong Kong and Taiwan recorded a yoy decrease of 18.5 % and 20.8 %, respectively. The Group has streamlined the store portfolio in the Taiwan market in 2024. The Group opened 1 retail store while closing 4 other retail stores in Hong Kong during 2024 with an increase of average floor area of 234.7 m², representing 21.1 % yoy increase.

Gross profit

The Group's cost of sales consisted of cost of inventory sold for the fashion apparel and lifestyle products and the cost of store management and consignment services rendered to the brand owners. The cost of sales decreased to HK\$517.5 million in 2024, or a yoy decrease of 4.2%, primarily attributable to the decrease in sales.

The gross profit in 2024 decreased by HK\$47.0 million, or a yoy decrease of 10.1%, to HK\$420.8 million and the gross profit margin decreased from 46.4% in 2023 to 44.8% in 2024. Among the Greater China areas, the gross profit margin of sales in Macau in 2024 recorded an increase of 147 basis points to 52.2% due to the lower discount offered. The gross profit margins of sales in Mainland China and Hong Kong and Taiwan collectively recorded a decrease of 427 basis points and 890 basis points in 2024 respectively resulting from the higher average discount rate offered in Mainland China and the clearance sale for store closure with higher average discount rate offered in Hong Kong.

Other income and other gains and losses, net

The Group had nil other income in 2024. The Group recorded net other gain of HK\$1.3 million, compared with net other gains of HK\$3.3 million in 2023, net gain on disposal of property, plant and equipment of HK\$2.8 million in 2024.

Operating expenses

Selling and marketing expenses increased to HK\$394.5 million in 2024, or a 0.8% yoy increase, primarily due to an increase in variable lease expenses of HK\$21.0 million and offset by a decrease in the depreciation of property, plant and equipment and right-of-use assets of HK\$13.5 million, and decrease in advertising and promotion expenses of HK\$5.3 million.

General and administrative expenses decreased to HK\$93.3 million in 2024, or a yoy decrease of 5.2%, primarily due to a decrease in advertising and promotion expenses of HK\$2.3million and a decrease in the depreciation of property, plant and equipment and right-of-use assets of HK\$2.9 million.

Finance costs

Net finance costs decreased to HK\$15.2 million in 2024, or a yoy decrease of 17.5%. The decrease was mainly due to an increase of interest income of HK\$0.8 million and the lower interest expenses on borrowing of HK\$2.4 million.

Income tax expenses

There were income tax expenses of HK\$4.2 million (2023: HK\$1.6 million).

Loss for the year

The Group recorded a net loss of HK\$85.1 million for 2024 comparing with a net loss of HK\$19.8 million in 2023.

SEASONALITY

The Group's sales performance is subject to seasonal fluctuations and it normally generates higher revenue during winter season than summer season as winter apparel generally has a higher unit price than summer apparel. The Group records higher revenue in festive seasons such as Christmas and the month before Chinese New Year and the traditional peak season in Mainland China long holidays. Normally revenue recorded in the first half and the second half of the year are of equal weighting as they have similar festivals and holidays.

FINANCIAL

Working capital structure

The Group's net current assets amounted to HK\$36.1 million as at 31 December 2024, representing an increase of HK\$30.2 million from that for 31 December 2023. Such increase was primarily the result of a decrease in current liabilities of HK\$116.4 million mainly resulting from a decrease in the amount due to related parties of HK\$123.7 million.

Liquidity and financial management

The Group strives to maintain a healthy financial position and liquidity for its normal operation, development needs and ad hoc events. As at 31 December 2024, the cash and cash equivalents were HK\$46.2 million, representing a decrease of HK\$27.1 million comparing with those of 31 December 2023, details are as follows:

The Group's current ratio (calculated as total current assets divided by total current liabilities) was 1.1 times as at 31 December 2024, compared to that of 1.0 times as at 31 December 2023. The current ratio is maintained mainly attributable to the decrease in both current assets and current liabilities.

The gearing ratio of the Group, which is calculated as net debt divided by total capital, was 74% as at 31 December 2024 compared to that of 59% as at 31 December 2023.

Pledge of assets

As at 31 December 2024, a building with net book value of HK\$56.0 million, and restricted cash of HK\$5.6 million were pledged for a first mortgage, credit loans and credit facilities of bank borrowings, respectively.

CAPITAL COMMITMENT

The Group had no material capital commitment contracted, but not provided for as at year end (2023: Nil).

CONTINGENT LIABILITIES

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

FOREIGN EXCHANGE RISK MANAGEMENT

Merchandise purchased by the Group is mainly denominated in Euros, United States Dollars (USD) and Renminbi (RMB) whereas the retail operation is mainly exposed to RMB, Macanese pataca (MOP), New Taiwan Dollars (TWD) and Hong Kong Dollars (HK\$). However, the Group did not expect foreign currency fluctuations to materially impact its operation. The Group did not hedge foreign exchange fluctuation by forward contracts. The Group managed the foreign exchange risk by reviewing its net foreign exchange exposures regularly and endeavored to shrink these exposures through reviewing the exchange rates with the suppliers, the brand owners periodically.

OUTLOOK

Despite the difficult circumstances, the Group has maintained a prudent approach to assessing and investing in new opportunities and has focused on projects with long-term potential that align with our strategic goals and will continue to prioritize initiatives that enhance the Group's competitiveness and shareholder value.

The Group remains committed to adapting swiftly to market changes and ensuring sustainable development. With the collective efforts of our team and the support of our stakeholders, we are confident in our ability to ride through these challenging times and position the Group for future growth.

USE OF PROCEEDS FROM THE LISTING

The shares of the Company (the “**Shares**”) were listed on the The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 13 January 2020 (the “**Listing Date**”) and the net proceeds from the global offering of its Shares (the “**Global Offering**”) amounted to HK\$140.0 million (the “**Net Proceeds**”).

As of 31 December 2024, the Company has used approximately 91.4% of the proceeds from the Global Offering and the net proceeds have been utilised in line with those set out in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated 30 December 2019 (the “**Prospectus**”).

The following sets forth a summary of the utilisation of the net proceeds from the Global Offering as of 31 December 2024:

	Percentage to total amount %	Planned use of the Net Proceeds <i>HK\$ million</i>	Utilised amount up to 31 December 2024 <i>HK\$ million</i>	Unutilised balance as at 31 December 2024 <i>HK\$ million</i>	Expected timeline for unutilised Net Proceeds
Expand the Group’s retail stores	50.3	70.4	70.4	–	
Upgrade the Group’s existing retail stores	9.2	12.9	12.9	–	
Explore new brands	24.0	33.6	21.5	12.1	On or before 31 December 2025
Set up and implement Centralised Retail Management System	10.8	15.1	15.1	–	On or before 31 December 2025
Strengthen the Group’s online sales	5.7	8.0	8.0	–	
	<u>100.0</u>	<u>140.0</u>	<u>127.9</u>	<u>12.1</u>	

It was disclosed in the Prospectus that the net proceeds will be applied by the Group in an expected timetable ending 31 December 2021. However, as a result of the outbreak of the COVID-19 Pandemic and its adverse impact on the global economy which includes the apparel retail market in Greater China, the Company has proposed to adjust the estimated time of using the unutilised net proceeds by extending to on or before 31 December 2025 in order to enhance flexibility for the future development of the Group. The expected timeline for using the unutilised amount of the Net Proceeds is based on the best estimation of the business market situations made by the Board. It might be subject to changes based on the market conditions. Further announcement(s) in respect of material change in the expected timeline, if any, will be made by the Company in accordance with the requirements of the Listing Rules as and when appropriate to update its Shareholders and potential investors.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There is no major acquisition or disposal in 2024.

EMPLOYEES AND REMUNERATION POLICIES

The Group adopts a competitive emolument policy to attract, retain and motivate high quality individuals. Remuneration packages are reviewed regularly to reflect the market practice and employees' performance. As at 31 December 2024, the Group employed around 1,138 employees (31 December 2023: 1,174). The total staff costs for 2024 were HK\$182.7 million (2023: HK\$201.8 million), a yoy decrease of 9.5%.

EVENTS AFTER THE REPORTING PERIOD

Up to the date of this announcement, the Directors are not aware of any significant events related to the business or financial performance of the Group after the reporting period.

OTHER INFORMATION

Scope of work of SHINEWING (HK) CPA Limited ("SHINEWING")

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by SHINEWING, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by SHINEWING 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 SHINEWING on the preliminary announcement.

Dividend

The board of the Company (the “**Board**”) does not recommend the declaration of a final dividend for the year ended 31 December 2024 (2024 interim dividend (in lieu of a final dividend): Nil).

Purchase, sale and redemption of listed securities

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

Disclosure of interests

Interests and short positions of directors and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations

As at 31 December 2024, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”)) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were deemed or taken to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix 10 of the Listing Rules were as follows:

Name of Director	Nature of interest	Number of Shares held/ interested	Approximately percentage of shareholding in the Company
Mr. Fan Wing Ting (“ Mr. Fan ”) (Note 1)	Interest in controlled corporation	300,000,000	75%

Note:

1. Mr. Fan owns the entire issued share capital of Gold Star Fashion Limited and he is deemed to be interested in the 300,000,000 Shares held by Gold Star Fashion Limited by virtue of the SFO.

Interests and short positions of substantial shareholders in the shares and underlying shares of the Company

So far as the Directors and chief executive of the Company are aware, as at 31 December 2024, the following shareholders of the Company (other than the interests of the Directors and the chief executives of the Company) had interests in the Shares or underlying Shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Shareholders	Capacity/ Nature of interest	Number of Shares held/ interested	Approximately percentage of shareholding in the Company
Gold Star Fashion Limited (<i>Note 1</i>)	Beneficial owner	300,000,000	75%
Ms. Cheng King Ling (<i>Note 2</i>)	Interest of spouse	300,000,000	75%

Notes:

1. Mr. Fan owns the entire issued share capital of Gold Star Fashion Limited.
2. Ms. Cheng King Ling is the spouse of Mr. Fan. Therefore, she is deemed to be interested in all the Shares in which Mr. Fan has interest in under the SFO.

Model code for securities transactions by directors

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 of the Listing Rules. The Company, having made specific enquiry of all the Directors, is not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors during the year ended 31 December 2024.

Arrangements to purchase shares or debentures

During the year ended 31 December 2024, neither the Company or any of its subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Competing interest

For the year ended 31 December 2024, Mr. Fan Wing Ting and Ms. Chen Xingyi held share interests and/or directorships in companies engage in fashion retail in China, further details of which are set out in the section headed “Directors’ Interests in Competing Business” of the 2024 annual report which will be published at the websites of the Company and the Stock Exchange in due course. Save as disclosed herein, the Directors are not aware of any business or interest of the Directors, the Controlling Shareholders, the management, the shareholders and their respective associates (as defined under the Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest.

Corporate Governance Code

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Company so as to achieve effective accountability.

The Company has adopted the code provisions of the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules issued by Stock Exchange.

The Company had complied with the code provisions in the CG Code for the year ended 31 December 2024. The Company is committed to the objective that the Board should include a balanced composition of Executive Directors and Independent Non-executive Directors so that there is a strong independent element on the Board which can effectively exercise independent judgement.

Audit Committee

The Audit Committee has reviewed with management of the Company the accounting principles and practices adopted, discussed risk management and internal controls and financial reporting matters including a general review of the audited financial results for the year ended 31 December 2024.

By Order of the Board
Forward Fashion (International) Holdings Company Limited
Fan Wing Ting
Chairman

Hong Kong, 31 March 2025

As at the date of this announcement, the Board comprises Mr. Fan Wing Ting, Ms. Chen Xingyi, Mr. Kevin Trantallis, Mr. Fong Yat Ming and Ms. Fan Tammy as the Executive Directors; and Mr. Yu Chun Kau, Mr. Ng Kam Tsun and Mr. Sze Irons as the Independent Non-executive Directors.

In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.