晶苑國際集團有限公司*
CRYSTAL INTERNATIONAL GROUP LIMITED

(Incorporated in Bermuda with limited liability and registered by way of continuation in the Cayman Islands)

(Stock code: 2232)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

- Revenue for the year ended 31 December 2024 amounted to US$2,470 million (2023: US$2,177 million).
- Net profit for the year ended 31 December 2024 amounted to US$201 million (2023: US$164 million).
- Proposed to declare a final dividend of HK19.0 cents (approximately US2.4 cents) per ordinary share.
- In celebration of the 55th anniversary of the Group, the Board is pleased to propose a special dividend of HK5.5 cents per ordinary share. Altogether, total dividend per ordinary share for the year would amount to HK38.3 cents (2023: HK18.0 cents).

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Crystal International Group Limited (the "**Company**") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (together, the "**Group**" or "**Crystal**") for the year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023.

* *For identification purposes only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	**2024** *US$'000*	2023 *US$'000*
Revenue	3	**2,469,629**	2,177,329
Cost of sales		**(1,983,406)**	(1,759,548)
Gross profit		**486,223**	417,781
Other income, gains or losses		**30,360**	21,383
Impairment losses under expected credit loss model, net of reversal		**(3,255)**	2,036
Selling and distribution expenses		**(39,209)**	(26,924)
Administrative expenses		**(181,390)**	(174,365)
Research and development expenses		**(32,441)**	(32,395)
Finance costs		**(11,238)**	(13,316)
Share of results of associates		**(940)**	885
Profit before tax	4	**248,110**	195,085
Income tax expense	5	**(47,282)**	(30,963)
Profit for the year		**200,828**	164,122
Other comprehensive expense			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**(13,667)**	(11,520)
Fair value changes on trade receivables at fair value through other comprehensive income		**(978)**	(1,133)
Impairment loss on trade receivables at fair value through other comprehensive income under expected credit loss model		**55**	–
		(14,590)	(12,653)
Items that will not be reclassified to profit or loss:			
Surplus on revaluation of properties		**10,718**	4,320
Deferred tax expense arising on revaluation of properties		**(2,586)**	(1,011)
		8,132	3,309
Other comprehensive expense for the year		**(6,458)**	(9,344)
Total comprehensive income for the year		**194,370**	154,778

	NOTE	2024 US$'000	2023 US$'000
Profit for the year attributable to:			
Owners of the Company		**200,498**	163,479
Non-controlling interests		**330**	643
		200,828	164,122
Total comprehensive income for the year attributable to:			
Owners of the Company		**194,040**	154,135
Non-controlling interests		**330**	643
		194,370	154,778
Basic earnings per share for profit attributable to the owners of the Company (US cents)	6	**7.03**	5.73

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

	NOTES	**2024** *US$'000*	2023 *US$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**599,409**	550,590
Right-of-use assets		**115,174**	100,428
Deposits paid for acquisition of property, plant and equipment		**22,295**	20,758
Goodwill		**74,941**	74,941
Intangible assets		**66,191**	71,108
Interests in associates		**11,793**	16,949
Loan receivables		**686**	15
Deferred taxation assets		**3,627**	4,753
		894,116	839,542
Current assets			
Inventories		**281,434**	238,990
Right-of-use assets		**1,465**	1,545
Trade, bills and other receivables	8	**206,086**	118,803
Trade receivables at fair value through other comprehensive income	9	**294,586**	164,491
Amounts due from related companies		**218**	216
Loan receivables		**227**	204
Tax recoverable		**2,862**	3,627
Short-term bank deposits		**146,744**	63,700
Bank balances and cash		**426,715**	543,444
		1,360,337	1,135,020
Total assets		**2,254,453**	1,974,562

	NOTE	2024 US$'000	2023 US$'000
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		**3,654**	3,654
Reserves		**1,527,002**	1,430,788
Equity attributable to owners of the Company		**1,530,656**	1,434,442
Non-controlling interests		**4,790**	4,460
Total equity		**1,535,446**	1,438,902
Non-current liabilities			
Other payables	10	**352**	65
Lease liabilities		**17,415**	16,831
Deferred taxation liabilities		**36,308**	37,625
		54,075	54,521
Current liabilities			
Trade and other payables	10	**477,694**	380,904
Lease liabilities		**10,313**	9,355
Amounts due to associates		**6,663**	8,025
Tax liabilities		**23,291**	19,155
Bank borrowings		**146,971**	63,700
		664,932	481,139
Total equity and liabilities		**2,254,453**	1,974,562

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

The Company was previously incorporated in Bermuda as an exempted company with limited liability and registered by way of continuation in the Cayman Islands as an exempted company with limited liability. The Company is directly held by its controlling shareholders, Mr. LO Lok Fung Kenneth and Mrs. LO CHOY Yuk Ching Yvonne, both executive directors of the Company. The address of the registered office of the Company is Ugland House, P.O. Box 309, Grand Cayman, KY1-1104, Cayman Islands and the principal place of business of the Company is 5-7/F., AXA Tower, Landmark East, No. 100 How Ming Street, Kowloon, Hong Kong.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 3 November 2017.

The consolidated financial statements are presented in United States dollars ("**US$**"), which is also the functional currency of the Company.

2. APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board ("**IASB**"), for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the Group's consolidated financial statements:

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

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

(a) Revenue

The Group is principally engaged in the manufacturing and trading of garments. All revenue generated by the Group is recognised at the point when control of the goods has transferred to the customers, being when the goods have arrived at the specific location (delivery).

(b) Segment information

Information reported to the chief executive officer of the Group, being the chief operating decision maker ("**CODM**"), for the purposes of resource allocation and assessment of segment performances, focuses on types of products.

(i) Lifestyle wear

(ii) Sportswear and outdoor apparel

(iii) Denim

(iv) Intimate

(v) Sweater

These operating segments also represent the Group's reportable segments. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segments:

Year ended 31 December 2024

	Lifestyle wear *US$'000*	Sportswear and outdoor apparel *US$'000*	Denim *US$'000*	Intimate *US$'000*	Sweater *US$'000*	Total *US$'000*
SEGMENT REVENUE						
External sales	**694,237**	**554,603**	**518,920**	**434,782**	**267,087**	**2,469,629**
Segment profit	**134,591**	**114,490**	**85,047**	**90,473**	**61,622**	**486,223**
Other income, gains or losses						**30,360**
Impairment losses under expected credit loss model, net of reversal						**(3,255)**
Selling and distribution expenses						**(39,209)**
Administrative expenses						**(181,390)**
Research and development expenses						**(32,441)**
Finance costs						**(11,238)**
Share of results of associates						**(940)**
Profit before tax						**248,110**

Year ended 31 December 2023

	Lifestyle wear *US$'000*	Sportswear and outdoor apparel *US$'000*	Denim *US$'000*	Intimate *US$'000*	Sweater *US$'000*	Total *US$'000*
SEGMENT REVENUE						
External sales	607,618	477,521	473,181	396,359	222,650	2,177,329
Segment profit	116,978	96,182	76,001	81,310	47,310	417,781
Other income, gains or losses						21,383
Impairment losses under expected credit loss model, net of reversal						2,036
Selling and distribution expenses						(26,924)
Administrative expenses						(174,365)
Research and development expenses						(32,395)
Finance costs						(13,316)
Share of results of associates						885
Profit before tax						195,085

Segment profit represents the profit earned by each segment without allocation of other income, gains or losses, impairment losses under expected credit loss model, net of reversal, selling and distribution expenses, administrative expenses, research and development expenses, finance costs and share of results of associates. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

Certain amounts of depreciation of property, plant and equipment and right-of-use assets are included in the measure of segment results in each segment. No further analysis is presented for certain items included or excluded in the measure of segment results as such information is not regularly provided to the CODM.

Segment assets and liabilities

No analysis of segment assets or segment liabilities is presented as such information is not regularly provided to the CODM.

Revenue from major customers

Revenue from a customer individually contributing over 10% of the Group's revenue is as follows:

	Segment	**2024** ***US$'000***	2023 *US$'000*
Customer A	Lifestyle wear, Sportswear and outdoor apparel, Denim, Intimate and Sweater	**898,614**	712,836

Geographical information

Information about the Group's revenue is presented below by geographical location based on port of discharge:

	2024	2023
	US$'000	*US$'000*
Asia Pacific *(note a)*	**982,088**	877,298
North America	**942,461**	843,110
Europe *(note b)*	**480,265**	386,039
Other countries/regions	**64,815**	70,882
	2,469,629	2,177,329

Notes:

(a) Asia Pacific primarily includes Japan, the People's Republic of China (the "**PRC**") and South Korea.

(b) Europe primarily includes the United Kingdom (the "**U.K.**"), France, Germany and the Netherlands.

Information about the Group's non-current assets other than defined benefit assets, deferred taxation and financial instruments is presented below by geographical location of the assets:

	2024	2023
	US$'000	*US$'000*
Asia Pacific *(note a)*	**876,766**	818,500
Europe *(note b)*	**137**	149
	876,903	818,649

Notes:

(a) Asia Pacific primarily includes Bangladesh, Cambodia, Hong Kong, the PRC, Singapore, Sri Lanka and Vietnam.

(b) Europe primarily includes the U.K..

4. PROFIT BEFORE TAX

	2024	2023
	US$'000	*US$'000*
Profit before tax has been arrived at after charging (crediting):		
Directors' emoluments	**6,460**	5,692
Other staff costs	**530,846**	459,919
Redundancy costs *(note a)*	**–**	863
Retirement benefit schemes contributions for other staff	**57,692**	50,269
Total staff costs *(note d)*	**594,998**	516,743
Auditors' remuneration:		
– audit services	**824**	956
– non-audit services	**214**	339
Cost of inventories recognised as expenses (including write-down of inventories amounting to US$15,244,000 (2023: US$15,293,000)) *(note d)*	**1,983,406**	1,757,802
Depreciation of property, plant and equipment *(note d)*	**63,065**	66,035
Depreciation of right-of-use assets *(note d)*	**16,439**	13,433
Amortisation of intangible asset (included in selling and distribution expenses)	**4,917**	4,917
Impairment loss on interest in an associate	**125**	–
Impairment loss recognised in respect of property, plant and equipment *(note b)*	**–**	2,042
Deficit on revaluation of property, plant and equipment	**–**	411
(Gain) loss on disposals of property, plant and equipment	**(515)**	124
Gain on termination of leases	**–**	(1)
Net loss arising from changes in fair value of derivative financial instruments	**154**	496
Interest income	**(23,020)**	(18,271)
Net foreign exchange loss	**7,022**	11,093
Government grants *(note c)*	**(5,913)**	(4,342)
Finance costs:		
– interest expense on lease liabilities	**1,364**	1,333
– interest on bank borrowings	**3,131**	4,176
– interest on factoring arrangement	**6,743**	7,807

Notes:

(a) During the year ended 31 December 2023, the Group had performed a review of all production sites in the PRC and Bangladesh and had decided a rightsizing plan to improve business performance and profitability. As a result, redundancy cost amounting to US$863,000 was charged to profit or loss.

(b) During the year ended 31 December 2023, as a result of the rightsizing of production sites in the PRC and Bangladesh, an impairment loss amounting to approximately US$2,042,000 in respect of property, plant and equipment was recognised and charged to profit or loss, in which US$1,746,000 and US$296,000 were included in the "cost of sales" and "administrative expenses" line items respectively.

(c) During the year ended 31 December 2024, the Group recognised government grants of US$5,913,000 (2023: US$4,342,000) from government authorities in different countries to support the operations of subsidiaries of the Company.

(d) Cost of inventories recognised as expenses include staff costs, depreciation of property, plant and equipment and depreciation of right-of-use assets used for production, which amounts are also included in the respective total amounts disclosed separately above.

5. INCOME TAX EXPENSE

	2024	2023
	US$'000	*US$'000*
The income tax expense comprises:		
Hong Kong Profits Tax		
– current year	**24,593**	17,744
– over-provision in prior years	**(121)**	(183)
Overseas taxation		
– current year	**25,094**	18,442
– under-provision in prior years	**112**	634
	49,678	36,637
Deferred taxation	**(2,396)**	(5,674)
	47,282	30,963

In March 2018, the Hong Kong Government introduced the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity are taxed at 8.25%, and profits above HK$2 million are taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime continue to be taxed at a flat rate of 16.5%.

The directors of the Company consider the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Certain subsidiaries incorporated in Cambodia are exempted from tax on profit in both years while they fulfil certain requirements pursuant to the relevant laws and regulations in Cambodia.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective. However, as the Group's estimated effective tax rates of all the jurisdictions in which the Group operates are higher than 15%, after taking into account the adjustments under the Pillar Two Rules based on management's best estimate, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

The Group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

6. EARNINGS PER SHARE

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

	2024	2023
	US$'000	*US$'000*
Earnings:		
Profit for the year attributable to the owners of the Company for the purpose of calculating basic earnings per share	**200,498**	163,479
	'000	*'000*
Number of shares:		
Number of ordinary shares for the purpose of calculating basic earnings per share	**2,852,822**	2,852,822

No diluted earnings per share was presented for the years ended 31 December 2024 and 2023 as there were no potential dilutive ordinary shares in issue during both years.

7. DIVIDENDS

	2024	2023
	US$'000	*US$'000*
Final, paid – HK13.0 cents per ordinary share for 2023 (2023: HK11.8 cents per ordinary share for 2022)	**47,434**	42,988
Interim, paid – HK13.8 cents per ordinary share for 2024 (2023: HK5.0 cents per ordinary share for 2023)	**50,392**	18,187
	97,826	61,175

Subsequent to the end of the reporting period, a special dividend of HK5.5 cents (2023: nil) per ordinary share in total of approximately HK$156,905,000 (equivalent to approximately US$20,209,000) (2023: nil) has been proposed by the directors of the Company and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

A final dividend of HK19.0 cents (2023: HK13.0 cents) per ordinary share in total of approximately HK$542,036,000 (equivalent to approximately US$69,814,000) (2023: HK$370,867,000 (equivalent to approximately US$47,434,000)), in respect of the year ended 31 December 2024 has been proposed by the directors of the Company and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

8. TRADE, BILLS AND OTHER RECEIVABLES

	2024	2023
	US$'000	*US$'000*
Trade receivables – contracts with customers	**159,209**	88,437
Less: allowance for expected credit losses	**(4,801)**	(5,408)
	154,408	83,029
Bills receivable	**1,473**	413
Temporary payments to suppliers	**13,988**	8,884
Other receivables, deposits and prepayments	**36,217**	26,477
	206,086	118,803

The following is an aged analysis of trade receivables, net of allowance for credit losses, based on invoice dates.

	2024	2023
	US$'000	*US$'000*
Within 60 days	**121,978**	80,060
61 to 90 days	**31,242**	2,730
91 to 120 days	**1,077**	202
Over 120 days	**111**	37
	154,408	83,029

9. TRADE RECEIVABLES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

As part of the Group's cash flow management, the Group factors certain trade receivables to financial institutions before the receivables are due for payment. The factored trade receivables are derecognised on the basis that the Group has transferred substantially all the risks and rewards to the relevant counterparties. Such trade receivables that are held for the collection of contractual cash flows and sale of financial assets, have been classified as trade receivables at fair value through other comprehensive income ("**FVTOCI**").

The following is an aged analysis of trade receivables at FVTOCI based on invoice dates.

	2024	2023
	US$'000	*US$'000*
Within 60 days	**236,485**	121,708
61 to 90 days	**45,972**	37,705
91 to 120 days	**9,834**	4,472
Over 120 days	**2,295**	606
	294,586	164,491

10. TRADE AND OTHER PAYABLES

	2024	2023
	US$'000	*US$'000*
Trade payables	**176,404**	125,496
Bills payable	**3,476**	7,781
	179,880	133,277
Accrued staff cost	**122,280**	103,888
Other payables	**66,348**	53,815
Other accruals	**109,538**	89,989
Total trade and other payables	**478,046**	380,969

The total is analysed for reporting purposes as:

	2024	2023
	US$'000	*US$'000*
Current	**477,694**	380,904
Non-current	**352**	65
	478,046	380,969

At 31 December 2024, the non-current amounts are related to the purchase of property, plant and equipment and are unsecured, interest-free and repayable in 2026 (2023: repayable in 2025).

The following is an aged analysis of trade payables based on invoice dates.

	2024	2023
	US$'000	*US$'000*
Within 60 days	**160,336**	120,405
61 to 90 days	**17,689**	10,868
91 to 120 days	**1,140**	588
Over 120 days	**715**	1,416
	179,880	133,277

11. PLEDGE OF ASSETS

At the end of the reporting period, the Group had the following assets pledged to banks as security for general banking facilities granted to the Group:

	2024	2023
	US$'000	*US$'000*
Property, plant and equipment	**1,574**	1,705
Inventories	**3,333**	3,636
	4,907	5,341

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OVERVIEW

The garment manufacturing industry is positioned to capitalise on favourable growth opportunities in 2024, propelled by the resilient sales performance of brand customers and the gradual recovery in their procurement. This has intensified demand for production across the garment manufacturing industry.

Amid stable global economic growth, apparel imports in key developed countries have seen stable recovery. Data from the International Trade Administration of the United States of America ("**USA**"), the Statistical Office of the European Union and the National Statistics Center of Japan indicate that the quantity of apparel imported by the USA, the European Union and Japan increased by 6%, 9% and 3% year on year, respectively. Brand customers with globally diversified sales networks have been the primary beneficiaries of the overall growth in apparel demand and have maintained resilient sales momentum.

Garment manufacturing industry dynamics in 2023 were dominated by brand customers' efforts to reduce excess inventory. High inventory levels prompted them to implement aggressive procurement cuts to recalibrate their stock positions. By 2024, most core brand customers of the Group had successfully streamlined their inventories to optimal levels, rendering destocking strategies unnecessary. Additionally, a resurgence in end consumer demand for trending and innovative products drove brand customers to place additional chase orders, which led to a further increase in demand for garment production.

BUSINESS REVIEW

Benefiting from a favourable operating environment, the Group achieved strong growth, driven by increased penetration with brand customers and strategic capacity expansion initiatives.

The Group strengthened collaboration with its top customers and sportswear brand customers by raising the share of its existing product lines and successfully onboarding new product categories. Furthermore, the Group obtained certification for multiple types of upstream fabrics from brand customers. Through vertical integration, the Group was able to address a wider range of production demand and solidify its long-term partnerships with brand customers.

Capacity expansion has been a cornerstone for the Group to capitalise on market opportunities. Given the labour-intensive nature of the garment manufacturing industry, output is closely tied to workforce size. After hiring 5,000 employees in the first half of the year, the Group continued to expand its workforce by hiring another 5,000 employees in the second half of the year, bringing the total number of employees to around 75,000 at the end of 2024, compared to about 65,000 at the end of 2023. Achieving such rapid capacity growth while maintaining high operation efficiency was no small feat. This success was attributed to the unwavering dedication and perseverance of the Group's management teams at all levels, enabling the Group to meet escalating customer demand and fulfil additional chase orders.

The Group's revenue for the year ended 31 December 2024 increased by 13% to US$2,470 million (2023: US$2,177 million).

The Group's continuous investment in automation and the leadership of its experienced management team effectively mitigated initial efficiency challenges caused by the influx of new employees. These efforts ensured optimal production efficiency, driving the gross profit margin up to 19.7% (2023: 19.2%). The net profit margin increased along with the improvement in the gross profit margin. The net profit margin expanded to 8.1% (2023: 7.5%).

The Group's net profit for the year ended 31 December 2024 increased by 22% to US$201 million (2023: US$164 million).

Upholding the practice of sharing its operation results with shareholders, the Board has resolved to propose a final dividend of HK19.0 cents per ordinary share (2023: HK13.0 cents).

2025 marks the 55th anniversary of the Group's foundation in 1970. In view of the strong cash position at 31 December 2024, the Board has resolved to propose a special dividend of HK5.5 cents per ordinary share. Altogether, total dividend per ordinary share for the year would amount to HK38.3 cents (2023: HK18.0 cents).

During the reporting period, capital expenditure totaled US$160 million, approximately 60% of which was allocated to enhance garment production capacity and the remaining to support upstream fabric business development. Construction commenced on the Group's self-built fabric factory in northern Vietnam towards the end of 2024.

Following the release of its Crystal Sustainability Vision 2030 ("**CSV2030**") in 2023, the Group devised an action agenda and put an unwavering focus on progressing towards CSV2030, which consists of relevant goals associated with eight impact areas across the environmental, people and community dimensions, in alignment with the United Nations Sustainable Development Goals.

To ramp up its net zero efforts, the Group installed 8MW of solar photovoltaic ("**PV**") capacity in Bangladesh, Sri Lanka and China in 2024, expanding its total PV capacity to 20MW. In addition, the Group has planned over 200 energy efficiency measures, about 120 of which were completed by the end of the financial year, resulting in an estimated carbon reduction of 32,000 tonnes.

The Group received notable recognition for its sustainability achievements. The Group was honored to receive the Outstanding Company Award in the Ernst & Young's Sustainability Excellence Awards 2024, and the Outstanding ESG Award and Best in ESG Practices Award in Television Broadcasts Limited's ESG Awards 2024. The Group also won the Carbon Neutral Grand Award in the Hong Kong ESG Reporting Awards 2024, along with commendations for the Best ESG Report – Mid-cap, the Excellence in Environmental Positive Impact, and the Excellence in Social Positive Impact.

FINANCIAL REVIEW

Revenue

The Group's revenue for 2024 compared to 2023, by product category, each expressed as an absolute amount and as a percentage of total revenue was:

	For the year ended 31 December			
	2024		2023	
	US$'000	***%***	*US$'000*	*%*
Lifestyle wear	**694,237**	**28.1%**	607,618	27.9%
Sportswear and outdoor apparel	**554,603**	**22.5%**	477,521	21.9%
Denim	**518,920**	**21.0%**	473,181	21.7%
Intimate	**434,782**	**17.6%**	396,359	18.2%
Sweater	**267,087**	**10.8%**	222,650	10.3%
Total Revenue	**2,469,629**	**100.0%**	2,177,329	100.0%

With resilient sales momentum of our brand customers in 2024, our order demand has increased. As such, the Group's revenue increased by 13.4% compared to 2023.

The Group's sales analysed by geographic region based on port of discharge were:

	For the year ended 31 December			
	2024		2023	
	US$'000	**%**	*US$'000*	%
Asia Pacific *(note a)*	**982,088**	**39.8%**	877,298	40.3%
North America	**942,461**	**38.2%**	843,110	38.7%
Europe *(note b)*	**480,265**	**19.4%**	386,039	17.7%
Other countries/regions	**64,815**	**2.6%**	70,882	3.3%
Total Revenue	**2,469,629**	**100.0%**	2,177,329	100.0%

Notes:

(a) Asia Pacific primarily includes Japan, the PRC and South Korea.

(b) Europe mainly includes the U.K., France, Germany, and the Netherlands.

Gross Profit and Gross Profit Margin

	For the year ended 31 December			
	2024		2023	
	Gross Profit ***US$'000***	**Gross Profit** ***Margin %***	Gross Profit *US$'000*	Gross Profit *Margin %*
Lifestyle wear	**134,591**	**19.4%**	116,978	19.3%
Sportswear and outdoor apparel	**114,490**	**20.6%**	96,182	20.1%
Denim	**85,047**	**16.4%**	76,001	16.1%
Intimate	**90,473**	**20.8%**	81,310	20.5%
Sweater	**61,622**	**23.1%**	47,310	21.2%
Total Gross Profit	**486,223**	**19.7%**	417,781	19.2%

For Sweater, the increase in gross profit margin was mainly due to improvement in operating leverage and production efficiency. Performance sweaters for sportswear customers continued to deliver a promising gross margin.

Other Expenses and Finance Costs

Selling and distribution expenses remained stable at 1.6% in 2024, compared with 1.2% in 2023.

Administrative, research and development expenses, and other income decreased to 7.4% of revenue in 2024 compared with 8.5% in 2023, reflecting the cost-saving initiatives taken by the Group.

The effective borrowing rate for the Group in 2024 ranged from 4.61% to 6.65% compared to 3.12% to 6.96% in 2023. The Group had no fixed-rate borrowings at 31 December 2024. Finance costs amounted to 0.5% of revenue in 2024 compared to 0.6% in 2023.

Net Profit

With improvement in the gross profit margin, the Group achieved a net profit of US$201 million for the year ended 31 December 2024. Net profit as a percentage of revenue increased from 7.5% in 2023 to 8.1% in 2024.

Capital Management

The consolidated financial position of the Group remained sound throughout the year. The positive operating cash flow of US$106 million (2023: US$313 million) contributed to cash and cash equivalents of US$427 million at 31 December 2024, compared to US$543 million at 31 December 2023. The decrease in operating cash flow mainly comes from increase in trade receivables. The Group used less factoring arrangement for low risk customers, leading to a decrease in finance cost. Cash and cash equivalents were mainly denominated in HK$ and US$. Bank borrowings, mainly denominated in HK$ and US$, have increased from US$64 million at 31 December 2023 to US$147 million at 31 December 2024. All bank borrowings of US$147 million at 31 December 2024 contained a repayable on demand clause and US$147 million was repayable within one year.

The Group held a positive net cash position of US$427 million at 31 December 2024. The gearing ratio (total interest-bearing bank borrowings, less bank balances and cash, divided by total equity) at 31 December 2024 was nil (31 December 2023: nil).

Our conversion cycle has remained healthy and stable at 71 days in 2024, compared to 69 days in 2023. With less factoring arrangement for low risk customers, turnover of trade and bills receivables averaged 52 days in 2024, compared with 41 days average turnover throughout 2023. Inventory turnover averaged 48 days in 2024, compared with 54 days throughout 2023. Trade and bills payables turnover averaged 29 days in 2024 compared to 26 days throughout 2023.

Capital expenditure incurred, in the main, for the building, equipping and upgrading of production facilities, has been carefully managed. In 2024, capital expenditure amounted to US$160 million, compared to US$69 million in 2023. Capital commitments at 31 December 2024 were US$52 million compared to US$34 million at 31 December 2023.

Foreign currency exchange contracts are used to manage foreign currency exposure. The Group's policy is to monitor its foreign currency exposure and use foreign currency exchange contracts, as appropriate, to minimise its foreign currency risks.

Funding and Treasury Policy

The Group has adopted a prudent treasury policy and thus maintained a healthy liquidity position throughout the year. The Group strives to reduce credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. The Group regularly reviews its funding requirements to maintain adequate financial resources in order to support its current business operations as well as its future investments and expansion plans.

Pledge of Assets

At 31 December 2024, pledge of assets of the Group are set out in note 11 to the consolidated financial statements included at the start of this announcement.

Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

For the year ended 31 December 2024, the Group had no material acquisitions and disposals of subsidiaries, associates and joint ventures.

Significant Investment Held

For the year ended 31 December 2024, the Group held no significant investments.

Material Acquisitions and Future Plans for Major Investment

The Group continues to invest in vertical upstream integration. The Group did not have other future plans for major investments or acquisition for major capital assets at the date of this announcement.

Contingent Liabilities

At 31 December 2024, the Group had no material contingent liability (31 December 2023: Nil).

Subsequent Events after the Reporting Period

At the date of this announcement, no material event has occurred after the reporting period.

EMPLOYMENT, TRAINING AND DEVELOPMENT

The Group employed around 75,000 people at 31 December 2024. Total staff costs, including administrative and management staff, for the year ended 31 December 2024 equated to 24.1% of revenue, compared with 23.7% in 2023. The Group remunerates its staff according to their performance, qualifications, and industry practices, and conducts regular reviews of its remuneration policy. Employees may receive discretionary bonuses and monetary rewards based on their ratings in the annual performance appraisals. The Group also offers rewards or other incentives to motivate the personal growth and career development of its employees, such as ongoing opportunities for training to enhance their technical and product knowledge, as well as their knowledge of industry quality standards. Each new employee of the Group is required to attend an introductory course, and various types of training courses are available to all employees of the Group.

OUTLOOK AND PROSPECTS

Entering 2025, the Group made a strong start. It is confident in achieving ideal performance breakthroughs for the year.

The Group's core customers comprise leading apparel brands with substantial market influence. Growing alongside these key customers and continuously enhancing its penetration will remain the drivers of the Group's development.

The Group's brand customers have demonstrated exceptional business development capabilities in recent decades. With their global presence, they have the flexibility to mitigate the impact of regional economic and consumption fluctuations. The Group expects to gain more organic growth opportunities from the resilient business expansion of these brand customers.

The current market trend requires apparel brands to respond swiftly to market feedback and offer more choices. As a result, there is a growing preference for garment manufacturers that offer efficient replenishment and flexible production capabilities, so less competitive manufacturers may exit the market. With its comprehensive production portfolio, high operation efficiency, and leading research and development capabilities, the Group is well-positioned to capitalise on this shift.

Through its co-creation model, the Group collaborates closely with brand customers to explore new product categories. Additionally, vertical integration has enhanced production flexibility, enabling the Group to meet diverse customer needs. In 2025, the Group will focus on sportswear, lifestyle wear and intimate, and deepen collaboration with key brand customers.

The Group is poised to have sufficient production capacity in 2025 to accommodate growing order volume. The capacity expansion initiated in mid-2024 is expected to result in a full year of high-efficiency production in 2025.

Driven by economies of scale resulting from anticipated revenue growth, the Group's profitability is expected to continue to improve. The Group remains unwavering in its commitment to maintaining rigorous cost control, optimising resource allocation, and maximising its talent potential. By streamlining selling, general and administrative expenses and other operational expenses, the Group aims to achieve a growth rate in net profit that outpaces the growth rate of revenue.

Capital expenditure plans for 2025 are similar to those in 2024, focusing on upgrading automation equipment, expanding garment production capacity, and developing fabric factories. The Group's robust cash flow ensures its ability to fund these initiatives while maintaining solid dividend payouts. To uphold its commitment to shareholders, the Group will continue to share the results of its operational success. The Group has consistently aimed to provide shareholders with stable and growing returns through dividends. Based on the Group's projected cash flow position in the foreseeable future, there is room to enhance the dividend payout. With the objective of improving shareholder returns, the Group will actively review its dividend distribution framework on an annual basis to ensure alignment with its financial strength and long-term growth objectives.

OTHER INFORMATION

Final Dividend and Special Dividend

The Board has resolved to propose a final dividend of HK19.0 cents (approximately US2.4 cents) per ordinary share for the year ended 31 December 2024 and a special dividend of HK5.5 cents (approximately US0.7 cent) per ordinary share for the 55th anniversary of the Company.

The proposed final dividend and special dividend payment are subject to approval by the shareholders of the Company ("**Shareholders**") at the annual general meeting (the "**AGM**") to be held on Friday, 30 May 2025. If approved by Shareholders, the proposed final dividend and special dividend are expected to be paid on Friday, 4 July 2025 to Shareholders whose names appear on the register of members of the Company on Tuesday, 24 June 2025. At the date of this announcement, the Company does not hold any treasury shares (whether in the Central Clearing and Settlement System or otherwise).

Closure of Register of Members for Entitlement to Attend and Vote at AGM and to Receive the Final Dividend and Special Dividend

The forthcoming AGM will be held on Friday, 30 May 2025. Notice of the AGM will be made available (and sent, where applicable) to Shareholders in due course. For the purpose of determining Shareholders' eligibility 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 will be registered. In order to qualify to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 26 May 2025.

For the purpose of ascertaining Shareholders' entitlement to the proposed final dividend and special dividend, the register of members of the Company will be closed from Friday, 20 June 2025 to Tuesday, 24 June 2025, both days inclusive, during which period no transfer of shares will be registered. To qualify for the proposed final dividend and special dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 19 June 2025.

Corporate Governance Practices

The Group has complied with the Code Provisions set out in Part 2 of the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") for the year ended 31 December 2024.

Directors' Securities Transactions

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its code of conduct regarding directors' securities transactions. Upon specific enquiry being made of all Directors, each of them has confirmed their compliance with the required standards set out in the Model Code for the year ended 31 December 2024.

Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) for the year ended 31 December 2024.

Scope of Work of Messrs. Deloitte Touche Tohmatsu

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 the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on 20 March 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

Audit Committee and Review of the Annual Results

The Audit Committee (the "**AC**") has reviewed the Group's audited consolidated financial statements and reports relating to the year ended 31 December 2024 together with the external auditor satisfying itself as to the extent of work done by the external auditor, the consistent application of the Group's accounting policies, the appropriateness of financial judgements applied, and compliance with Board approved limits of connected transactions. The AC also reviewed the unaudited condensed consolidated financial statements and reports issued by the Group for the six months ended 30 June 2024. The AC is satisfied with the outcome of its various reviews.

PUBLICATION OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE

This announcement is published on the website of the Stock Exchange at http://www.hkexnews.hk and the website of the Company at http://www.crystalgroup.com, and the annual report of the Company for the year ended 31 December 2024 will be made available (and dispatched, where applicable) to Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board
Crystal International Group Limited
LO Lok Fung Kenneth
Chairman

Hong Kong, 20 March 2025

At the date of this announcement, the Board of Directors of the Company comprises Mr. LO Lok Fung Kenneth, Mrs. LO CHOY Yuk Ching Yvonne, Mr. LO Ching Leung Andrew, Mr. WONG Sing Wah and Mr. LO Howard Ching Ho, as executive Directors; Mr. WONG Chi Fai and Mr. LEE Kean Phi Mark, as non-executive Directors; and Mr. CHANG George Ka Ki, Mr. MAK Wing Sum Alvin, Mr. WONG Siu Kee and Mrs. MAK TANG Pik Yee Agnes, as independent non-executive Directors.