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Blue Moon Group Holdings Limited

藍月亮集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6993)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

FINANCIAL SUMMARY

	2023	2022
	HK\$'000	HK\$'000
Revenue	7,323,532	7,946,733
Gross profit	4,540,240	4,595,441
Gross profit margin	62.0%	57.8%
Profit for the year/Profit attributable to equity holders of the Company	325,309	611,366

The Board recommended the payment of annual dividend of HK6.0 cents per share.

ANNUAL RESULTS

The board of directors (the “**Board**” or the “**Directors**”) of Blue Moon Group Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2023, together with comparative information, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	<i>Note</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue	4	7,323,532	7,946,733
Cost of sales	5	<u>(2,783,112)</u>	<u>(3,351,292)</u>
Gross profit		4,540,420	4,595,441
Other income and other gains/(losses), net		36,780	(100,076)
Selling and distribution expenses	5	(3,244,135)	(2,650,965)
General and administrative expenses	5	(1,114,251)	(1,108,612)
Provision for impairment losses of financial assets		<u>(88,379)</u>	<u>(66,899)</u>
Operating profit		130,435	668,889
Finance income		272,188	178,752
Finance costs		<u>(6,714)</u>	<u>(9,584)</u>
Finance income, net		<u>265,474</u>	<u>169,168</u>
Profit before income tax		395,909	838,057
Income tax expense	6	<u>(70,600)</u>	<u>(226,691)</u>
Profit for the year		<u>325,309</u>	<u>611,366</u>
Profit attributable to equity holders of the Company		<u>325,309</u>	<u>611,366</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<i>Note</i>	2023 HK\$'000	2022 <i>HK\$'000</i>
Profit for the year		<u>325,309</u>	<u>611,366</u>
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences from translation of financial statements of subsidiaries		(88,374)	(729,886)
<i>Item that will not be reclassified subsequently to profit or loss</i>			
Changes in the fair value of financial assets at fair value through other comprehensive income		<u>(5,138)</u>	<u>—</u>
Other comprehensive loss for the year, net of tax		<u>(93,512)</u>	<u>(729,886)</u>
Total comprehensive income/(loss) for the year		<u>231,797</u>	<u>(118,520)</u>
Total comprehensive income/(loss) attributable to equity holders of the Company		<u>231,797</u>	<u>(118,520)</u>
Earnings per share attributable to equity holders of the Company			
Basic	7	<u>HK5.84 cents</u>	<u>HK10.92 cents</u>
Diluted	7	<u>HK5.84 cents</u>	<u>HK10.87 cents</u>

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2023

		As at 31 December	
		2023	2022
	Note	HK\$'000	HK\$'000
ASSETS			
Non-current assets			
Intangible assets		114,842	140,556
Property, plant and equipment	9	1,455,289	1,487,737
Right-of-use assets		461,319	514,062
Prepayments for property, plant and equipment		46,561	100,736
Deferred income tax assets		399,323	96,696
Financial asset at fair value through other comprehensive income		9,796	15,113
		<u>2,487,130</u>	<u>2,354,900</u>
Current assets			
Inventories		258,160	272,900
Trade and bills receivables	10	1,404,647	2,050,546
Prepayments, deposits and other receivables		570,878	349,006
Fixed deposits		2,989,298	—
Cash and cash equivalents		4,342,528	7,702,373
		<u>9,565,511</u>	<u>10,374,825</u>
Total assets		<u><u>12,052,641</u></u>	<u><u>12,729,725</u></u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	11	58,630	58,621
Other reserves		9,073,699	9,065,932
Retained earnings		1,246,714	1,948,227
Total equity		<u><u>10,379,043</u></u>	<u><u>11,072,780</u></u>

CONSOLIDATED BALANCE SHEET (continued)
AS AT 31 DECEMBER 2023

		As at 31 December	
		2023	2022
	<i>Note</i>	HK\$'000	HK\$'000
LIABILITIES			
Non-current liabilities			
Deferred government grant		55,765	57,934
Deferred income tax liabilities		87,721	45,886
Lease liabilities		101,552	126,779
		<u>245,038</u>	<u>230,599</u>
Current liabilities			
Trade and bills payables	12	578,074	481,161
Contract liabilities		26,061	74,558
Accruals and other payables		647,396	742,327
Amounts due to a related company		290	227
Current income tax liabilities		119,395	55,292
Lease liabilities		57,344	72,781
		<u>1,428,560</u>	<u>1,426,346</u>
Total liabilities		<u>1,673,598</u>	<u>1,656,945</u>
Total equity and liabilities		<u>12,052,641</u>	<u>12,729,725</u>
Net current assets		<u>8,136,951</u>	<u>8,948,479</u>
Total assets less current liabilities		<u>10,624,081</u>	<u>11,303,379</u>

NOTES

1 General information

Blue Moon Group Holdings Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) are principally engaged in the design, research, development, manufacture and sale of (i) personal hygiene products, (ii) home care products, and (iii) fabric care products in the People’s Republic of China (the “**PRC**”).

The Company is a limited liability company incorporated in the Cayman Islands on 27 December 2007. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The ordinary shares of the Company (the “**Shares**”) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 16 December 2020.

Ms. PAN Dong is the ultimate controlling shareholder of the Company and Mr. LUO Qiuping, the Chief Executive Officer of the Company, is the husband of Ms. PAN Dong.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated and have been approved for issue by the Board on 26 March 2024.

2 Basis of preparation and changes in accounting policies

2.1 Basis of preparation

(a) *Compliance with HKFRS and the HKCO*

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622 (“**HKCO**”).

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

(b) *Historical cost convention*

The consolidated financial statements have been prepared on a historical cost basis, except for the financial asset at fair value through other comprehensive income (“**FVOCI**”), which is measured at fair value.

(c) *Certain new standard and amendments to existing standards adopted by the Group*

The Group has applied the following new standard and amendments to existing standards for the first time for their annual reporting period commencing 1 January 2023:

HKFRS 17	Insurance contract
HKAS 8 (Amendments)	Definition of accounting estimates
HKAS 12 (Amendments)	International Tax Reform — Pillar Two Model Rules
HKAS 12 (Amendments)	Deferred tax related to assets and liabilities arising from a single transaction
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of accounting policies

The new standard and amendments to existing standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(d) *Certain new standard, amendments to existing standards and interpretation issued not yet adopted*

Certain new accounting standard, amendments to existing standards and interpretation issued have been published that are not mandatory for 31 December 2023 reporting period and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
HKAS 1 (Amendments)	Classification of liabilities as current or non-current	1 January 2024
HKAS 1 (Amendments)	Non-current liabilities with covenants	1 January 2024
HKAS 7 and HKFRS 7 (Amendments)	Supplier finance arrangements	1 January 2024
HKAS 16 (Amendments)	Lease liabilities in a sales and leaseback	1 January 2024
Hong Kong Interpretation 5 (2020) Presentation of Financial Statements	Classification by the borrower of a term loan that contains a repayment on demand clause	1 January 2024
HKAS 21 (Amendments)	Lack of exchangeability	1 January 2025
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The directors of the Company are of the opinion that the adoption of the above new standard, amendments to existing standards and interpretation issued would not have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. The Group intends to adopt the above new standard and amendments to existing standards when they become effective.

2.2 Changes in accounting policies

In June 2022, the Hong Kong Government enacted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “**Amendment Ordinance**”) which will be effective from 1 May 2025 (the “**Transition Date**”). Under the Amendment Ordinance, any accrued benefits attributable to the employer’s mandatory contributions under mandatory provident fund scheme (“**MPF Benefits**”) of an entity would no longer be eligible to offset against its obligations on long service payment (“**LSP**”) for the portion of the LSP accrued on or after the Transition Date. There is also a change in the calculation basis of last monthly wages for the portion of the LSP accrued before the Transition Date.

In July 2023, the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) published “Accounting implications of the abolition of the mandatory provident fund — long service payment offsetting mechanism in Hong Kong” that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism. To better reflect the substance of the abolition of the offsetting mechanism, the Group has changed its accounting policy in connection with its long service payment liability and has applied the above HKICPA guidance. This has no material impact on the Group’s results and financial position for the prior periods.

3 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (“CODM”).

The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors of the Company that make strategic decisions.

The CODM reviews the performance of the Group on a regular basis.

As substantial business operations of the Group relate to the manufacturing, selling and distribution of cleaning products, the CODM makes decisions about resources allocation and performance assessment based on the entity-wide consolidated financial information. Accordingly, there is only one single operating segment for the Group qualified as reportable segment under HKFRS 8. No separate segmental analysis is presented in the consolidated financial statements.

An analysis of the Group’s non-current assets excluding deferred income tax assets, by geographical locations, is as follows:

	2023 <i>HK\$’000</i>	2022 <i>HK\$’000</i>
Hong Kong	18,728	21,283
Mainland China	<u>2,069,079</u>	<u>2,236,921</u>
	<u><u>2,087,807</u></u>	<u><u>2,258,204</u></u>

4 Revenue

(a) Revenue by products

	2023 <i>HK\$’000</i>	2022 <i>HK\$’000</i>
Revenue recognised at a point in time:		
Fabric care products	6,500,671	6,821,397
Personal hygiene products	447,008	619,015
Home care products	<u>375,853</u>	<u>506,321</u>
	<u><u>7,323,532</u></u>	<u><u>7,946,733</u></u>

(b) Revenue from external parties contributing 10% or more of the total revenue of the Group

	2023 <i>HK\$’000</i>	2022 <i>HK\$’000</i>
Customer A	<u><u>837,844</u></u>	<u><u>940,667</u></u>

Except for customer A, no other customers individually contributed to more than 10% of the Group’s total revenue for the year ended 31 December 2023 and 2022.

All of the Group’s revenue was generated from customers in the PRC for the years ended 31 December 2023 and 2022, accordingly, no revenue by geographical location is presented.

5 Expenses by nature

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Cost of inventories sold	2,465,826	3,036,104
Employee benefits expense	1,817,757	1,819,456
Promotion expenses	1,290,058	589,607
Transportation expenses	575,628	618,473
Advertising expenses	353,662	400,489
Depreciation of property, plant and equipment (Note 9)	133,149	133,130
Other tax expenses	95,377	90,345
Depreciation of right-of-use assets	89,424	85,476
Travelling expenses	45,153	41,902
Utility expenses	35,894	32,829
Amortisation of intangible assets	31,179	33,918
Consulting fee	26,651	30,430
Maintenance expenses	18,767	28,692
Rental expenses related to short term leases	16,960	23,540
Motor expenses	15,818	15,715
Property management fee	11,315	16,231
Manufacturing overheads (excluding depreciation)	11,029	13,111
Provision for impairment of property, plant and equipment (Note 9)	9,383	—
Telecommunication expenses	8,821	9,372
Consumables	6,334	7,229
Donation	5,897	28,197
Office expenses	5,792	3,765
Training expenses	5,204	4,215
Auditor's remuneration		
— Audit services	4,000	4,000
— Non-audit services	2,109	1,617
Recruitment fee	4,393	4,047
Others	55,918	38,979
	<u>7,141,498</u>	<u>7,110,869</u>

6 Income tax expense

The amount of income tax charged to the consolidated profit or loss is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current income tax		
— PRC corporate income tax	276,554	294,266
— Under/(over)-provision in prior years	1,982	(2,517)
Deferred income tax credit	<u>(207,936)</u>	<u>(65,058)</u>
Income tax expense	<u>70,600</u>	<u>226,691</u>

(a) Hong Kong profits tax

No provision for Hong Kong profits tax has been made as the Company and its subsidiaries have no assessable profit arising in or deriving from Hong Kong during the year ended 31 December 2023 (2022: Nil).

6 Income tax expense (continued)

(b) PRC corporate income tax ("CIT")

Current income tax expense primarily represents the provision for CIT for subsidiaries operating in the PRC. These subsidiaries are subject to CIT on their taxable income as reported in their respective statutory financial statements in accordance with the relevant tax laws and regulations in the PRC.

Blue Moon (Chongqing) Co., Ltd. has been qualified as a Western Region Encouragement Industrial Enterprise and enjoyed a preferential income tax rate of 15% since 2017 until 2030.

7 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company of approximately HK\$325,309,000 (2022: HK\$611,366,000) by the weighted average number of ordinary shares in issue less shares held under the 2021 Share Award Plan (as defined below) during the year of approximately 5,570,307,000 shares (2022: 5,600,321,000 shares).

	2023	2022
Profit attributable to equity holders of the Company used in calculating basic and diluted earnings per share (<i>HK\$'000</i>)	325,309	611,366
Weighted average number of ordinary shares in issue less shares held under the 2021 Share Award Plan during the year (<i>'000</i>)	5,570,307	5,600,321
Basic earnings per share (<i>HK cent per share</i>)	<u>5.84</u>	<u>10.92</u>

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares. The Company has two categories of potential ordinary shares: share options and shares held under the 2021 Share Award Plan (as defined below) during the year.

A reconciliation of the weighted average number of ordinary shares used in calculating the basic and diluted earnings per share is as follows:

	2023 '000	2022 '000
Weighted average number of ordinary shares used in calculating basic earnings per share	5,570,307	5,600,321
Weighted average number of ordinary shares assumed to have been issued at no consideration on deemed exercise of all options outstanding during the year	438	17,897
Adjustment for 2021 Share Award Plan	<u>3,405</u>	<u>3,908</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>5,574,150</u>	<u>5,622,126</u>
	2023 <i>HK cent</i>	2022 <i>HK cent</i>
Diluted earnings per share attributable to the ordinary equity holders of the Company	<u>5.84</u>	<u>10.87</u>

8 Dividends

2023
HK\$'000

2022
HK\$'000

Proposed final dividend of HK6.0 cents per share (2022: final dividend of HK16.8 cents per share) (*Note*)

334,262 936,026

Note:

A final dividend in respect of the year ended 31 December 2023 of HK6.0 cents per share (2022: HK16.8 cents per share) was proposed by the Board on 26 March 2024 and to be approved by the shareholders in the forthcoming annual general meeting.

This proposed final dividend, amounting to HK\$334,262,000, has not been recognised as a liability in the consolidated financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2024.

9 Property, plant and equipment

	Buildings HK\$'000	Leasehold improvements HK\$'000	Plant and machinery HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Construction- in-progress HK\$'000	Total HK\$'000
As at 1 January 2023							
Cost	1,193,311	24,918	761,177	210,194	35,655	45,465	2,270,720
Accumulated depreciation	(184,837)	(13,108)	(447,749)	(120,492)	(16,797)	—	(782,983)
Net book amount	<u>1,008,474</u>	<u>11,810</u>	<u>313,428</u>	<u>89,702</u>	<u>18,858</u>	<u>45,465</u>	<u>1,487,737</u>
Year ended 31 December 2023							
Opening net book amount	1,008,474	11,810	313,428	89,702	18,858	45,465	1,487,737
Additions	19	21,154	3,483	27,875	850	85,047	138,428
Disposals	(2,573)	—	(972)	(639)	(3,145)	—	(7,329)
Transfer	6,686	—	58,638	655	—	(65,979)	—
Depreciation	(35,651)	(3,659)	(67,609)	(23,698)	(2,532)	—	(133,149)
Impairment	—	—	—	(9,383)	—	—	(9,383)
Exchange differences	(13,981)	(308)	(4,468)	(1,236)	(242)	(780)	(21,015)
Closing net book amount	<u>962,974</u>	<u>28,997</u>	<u>302,500</u>	<u>83,276</u>	<u>13,789</u>	<u>63,753</u>	<u>1,455,289</u>
As at 31 December 2023							
Cost	1,180,563	45,572	793,960	207,534	30,963	63,753	2,322,345
Accumulated depreciation and impairment	(217,589)	(16,575)	(491,460)	(124,258)	(17,174)	—	(867,056)
Net book amount	<u>962,974</u>	<u>28,997</u>	<u>302,500</u>	<u>83,276</u>	<u>13,789</u>	<u>63,753</u>	<u>1,455,289</u>

10 Trade and bills receivables

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables	1,465,597	2,026,342
Bills receivables	<u>114,534</u>	<u>111,600</u>
Trade and bills receivables	1,580,131	2,137,942
Less: Loss allowance	<u>(175,484)</u>	<u>(87,396)</u>
Trade and bills receivables, net	<u><u>1,404,647</u></u>	<u><u>2,050,546</u></u>

The Group generally allows a credit period of up to 60 days to its key account clients and major online e-commerce customers, as well as certain offline distributors with good credit history on a discretionary basis.

The aging analysis of trade and bills receivables as at the year end date, based on invoice date, is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0–30 days	712,252	970,375
31–60 days	266,192	398,400
61–180 days	408,351	540,366
Over 180 days	<u>193,336</u>	<u>228,801</u>
	<u><u>1,580,131</u></u>	<u><u>2,137,942</u></u>

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and bills receivables.

11 Share capital

	Number of shares	Share capital HK\$'000
<u>Authorised ordinary shares of HK\$0.01 each:</u>		
At 1 January and 31 December 2022, and 1 January and 31 December 2023	10,000,000,000	100,000
<u>Ordinary shares of HK\$0.01 each, issued and fully paid:</u>		
At 1 January 2022	5,859,575,000	58,595
Issuance of ordinary shares upon — exercise of share options (<i>Note</i>)	2,541,906	26
At 31 December 2022 and 1 January 2023	5,862,116,906	58,621
Issuance of ordinary shares upon — exercise of share options (<i>Note</i>)	876,500	9
At 31 December 2023	5,862,993,406	58,630

Note:

For the year ended 31 December 2023, 876,500 (2022: 2,541,906) share options were exercised at weighted average exercise price of HK\$3.76 (2022: HK\$3.76) per share, resulting in the issuance of 876,500 (2022: 2,541,906) additional ordinary shares of the Company and additional share capital and share premium of approximately HK\$9,000 (2022: HK\$26,000) and HK\$3,286,000 (2022: HK\$9,532,000) respectively.

12 Trade and bills payables

	2023 HK\$'000	2022 HK\$'000
Trade and bills payables	578,074	481,161

At 31 December 2023, the aging analysis of the trade and bills payables based on invoice date is as follows:

	2023 HK\$'000	2022 HK\$'000
Up to 3 months	575,935	480,655
3 to 6 months	1,056	—
6 months to 1 year	125	506
Over 1 year	958	—
	578,074	481,161

BUSINESS REVIEW

With the easing of the control on pandemic prevention and the normalisation of the society and economic activities, the trend of the recovery of consumption is promising and has brought about the overall recovery of the economy in 2023. Changes in the market environment and modes of consumption have brought about opportunities and challenges to the Group.

In 2023, the Group continued to focus on its consumers and proactively seize market opportunities and address challenges through optimising business operations with its multiple core strategies, such as products, sales and distribution network, knowledge-based marketing and digitalization.

- **Products:** the Group remained focused on comprehensive product development and persisted in debuting targeted and functional new products through research and development. The Group continued to consolidate the leading position in fabric care while actively expanding its presence in personal hygiene and home care product categories. In the second half of 2023, the Group made a breakthrough in its product range by launching the JingXiang foaming body wash (淨享泡沫沐浴露), which was gradually rolled out in the market. Also, the Group continued to promote the sales of its best-selling products such as underwear liquid laundry detergent (內衣專用洗衣液), bacteria and odour removal liquid laundry detergent (除菌去味洗衣液) and liquid laundry detergent for sportswear (運動型洗衣液) to diversify its product portfolio.
- **Sales and Distribution Network:** the Group has strived to enhance and expand its sales and distribution channels and optimise its omni-channel sales strategy. It also focused on reaching new customers, improving distributors' operational efficiency and increasing brand exposure.

To systematically increase its market footprint, the Group has leveraged its distribution network to penetrate into China's counties and townships and to expand its offline sales coverage. The Group has also stratified point of sales and formulated standards for resources allocation based on shop types. Business targets are set with metrics such as distributor coverage, store coverage, exclusive shelf coverage and brand penetration to clarify objectives, monitor sales advancement and guide the attainment of operational goals. In particular:

Offline Distributors: The Group optimizes its sales chain management system and reviews distributors and stores inventory, stores supply plans and retail plans through relevant systems, which helps the Group formulate appropriate stocking plans and thereby gradually optimising its inventory status. Besides, the Group leveraged incentive programs to encourage distributors' sales representatives to participate in store merchandise operation, thereby increasing the number of point of sales covered and boosting sales.

Direct Sales to Key Account: the Group adjusted its channel operation strategy in response to market changes, and actively sought opportunities for growth while maintaining stable business development. The Group has reduced sales to credit-based key accounts, and focused on reducing the level of its receivables, in particular overdue receivables, to mitigate risk exposure.

Online Sales Channels: in addition to leveraging leading traditional e-commerce platforms, the Group has also been expanding emerging online channels and optimising its product mix and marketing strategies across various e-commerce platforms. In 2023, the Group have maintained top rankings on platforms such as JD.com (京東)¹ and Douyin (抖音)² during the “618 Shopping Festival” and “Double 11 Shopping Festival”.

- **Knowledge-based Marketing:** the Group promoted cleaning products and services through knowledge-based marketing to provide consumers better service and experience.
- **Digitalisation:** the Group has been advancing its consumer data analytics capabilities to deepen its understanding of consumer needs. The Group has also been strengthening digital infrastructures and digitalising operational flow.
- **Talent Management:** the Group has also prioritised achievement of its strategic objectives by improving its talent management system and establishing standardised objectives.

Through the Group’s relentless efforts in providing its consumers top quality products for fabric care, personal hygiene and home care, the Group’s products have earned positive reception and recognition from customers. The Group’s liquid laundry detergent and liquid soap have ranked first in the China Brand Power Index for 13 consecutive years (2011–2023)³. Its liquid laundry detergent and liquid soap have ranked first in comprehensive market share among similar products for 14 consecutive years (2009–2022) and 11 consecutive years (2012–2022) respectively⁴.

Sources:

¹ The Group ranked No. 1 in terms of sales of full-cycle fabric cleaning category on JD.com (京東).

² The Group ranked No. 1 in the fabric cleaning category of the Douyin (抖音) 618 best-selling brand list on that day, and ranked No. 1 in the brand list and peak shop list according to Double 11 household cleaning industry bulletin

³ Chnbrand (Beijing) Brand Consulting Co., Ltd. (中企品研(北京)品牌顧問股份有限公司)

⁴ China General Chamber of Commerce and China National Commercial Information Center (中國商業聯合會及中華全國商業信息中心)

FINANCIAL REVIEW

For the year ended 31 December 2023, the Group recorded revenue of approximately HK\$7,323.5 million, which represents a decrease of approximately 7.8% in HK\$ terms as compared to approximately HK\$7,946.7 million for the year ended 31 December 2022. In Renminbi (“RMB”) terms, though the Group recorded a slight decrease in revenue of 2.9% for the year ended 31 December 2023 as compared to the year ended 31 December 2022, the Group recorded an increase of 4.5% for the second half of 2023 as compared to the second half of 2022. Such increase was mainly contributed by the strong performance of emerging online channels and recovery of offline distributors.

The Group recorded profit of approximately HK\$325.3 million, which represents a decrease of approximately 46.8% as compared to that of the year ended 31 December 2022.

Revenue

For the year ended 31 December 2023, the Group recorded revenue of approximately HK\$7,323.5 million, which represents a decrease of approximately 7.8% in HK\$ terms as compared to approximately HK\$7,946.7 million for the year ended 31 December 2022. The decrease in revenue of the Group for the year ended 31 December 2023 was partially driven by the depreciation of RMB against HK\$, which is the presentation currency of the Group. As a result, the decrease in the Group’s revenue in HK\$ terms of approximately 7.8% is larger than that in RMB terms of approximately 2.9%. Such slight decrease was mainly due to the decrease in sales to offline distributors and direct sales to key account clients partially offset by the increase in sales via online sales channels.

The following table sets forth a breakdown of the Group’s revenue from sales of products by product categories for the periods indicated.

	Year ended 31 December				Change (%)
	2023		2022		
	Revenue <i>HK\$’000</i>	Total (%)	Revenue <i>HK\$’000</i>	Total (%)	
Fabric care products	6,500,671	88.8	6,821,397	85.8	(4.7)
Personal hygiene products	447,008	6.1	619,015	7.8	(27.8)
Home care products	375,853	5.1	506,321	6.4	(25.8)
Total	<u>7,323,532</u>	<u>100.0</u>	<u>7,946,733</u>	<u>100.0</u>	<u>(7.8)</u>

The sales of fabric care products decreased by approximately 4.7% to HK\$6,500.7 million as compared to HK\$6,821.4 million for the year ended 31 December 2022 due to the depreciation of RMB in 2023, while the sales remained stable in RMB terms compared to the year ended 31 December 2022. The sales of personal hygiene products and home care products experienced a decrease in the year ended 31 December 2023 as compared to the year ended 31 December 2022, primarily due to the drop in demand for antiseptic products after the pandemic.

The following table sets forth a breakdown of the Group's revenue contribution by channels for the periods indicated.

	Year ended 31 December				Change (%)
	2023		2022		
	Revenue <i>HK\$'000</i>	Total (%)	Revenue <i>HK\$'000</i>	Total (%)	
Online sales channels	3,805,208	52.0	3,756,951	47.3	1.3
Offline distributors	2,754,941	37.6	3,252,591	40.9	(15.3)
Direct sales to key account clients	763,383	10.4	937,191	11.8	(18.5)
Total	<u>7,323,532</u>	<u>100.0</u>	<u>7,946,733</u>	<u>100.0</u>	<u>(7.8)</u>

The slight increase in sales via online channel is mainly due to the strong performance of the Group sales via emerging online channels offset by the depreciation of RMB against HK\$, which is the presentation currency of the Group. The Group's sales via online channels recorded an increase of 6.7% in RMB terms compared to the year ended 31 December 2022. The sales via offline distributors decreased by around 15.3% for the year ended 31 December 2023 compared to the year ended 31 December 2022 due to the normalisation of inventory level of such customers after the pandemic. The sales to key account clients decreased by around 18.5% for the year ended 31 December 2023 compared to the year ended 31 December 2022, primarily due to the reduced sales to certain credit-based customers to optimise trade receivables balance and mitigate risk exposures.

Cost of Sales

Cost of sales decreased by approximately 17.0% to approximately HK\$2,783.1 million for the year ended 31 December 2023 as compared to approximately HK\$3,351.3 million for the year ended 31 December 2022, primarily due to the decrease of cost of major raw materials consumed.

Gross Profit

The Group's gross profit decreased by approximately 1.2% to approximately HK\$4,540.4 million for the year ended 31 December 2023 as compared to approximately HK\$4,595.4 million for the year ended 31 December 2022. The gross profit margin increased from 57.8% for the year ended 31 December 2022 to 62.0% for the year ended 31 December 2023.

Other Income and Other Gains/(Losses), Net

The Group recorded other income and other gains, net of approximately HK\$36.8 million for the year ended 31 December 2023 compared to other income and other losses, net of approximately HK\$100.1 million for the year ended 31 December 2022, primarily due to the decrease of net foreign exchange losses recognised during the year compared with 2022. The net foreign exchange impact was reduced as the Group held majority of its offshore bank deposits in United States Dollar (“USD”) during the year.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased by approximately 22.4% from approximately HK\$2,651.0 million for the year ended 31 December 2022 to approximately HK\$3,244.1 million for the year ended 31 December 2023, primarily due to the increase of promotion via different sales channels, multimedia, omni-channel and consumer education to enhance the coverage of various sales and distribution channels and new products.

General and Administrative Expenses

General and administrative expenses remained stable at approximately HK\$1,114.3 million for the year ended 31 December 2023 as compared to approximately HK\$1,108.6 million for the year ended 31 December 2022.

Provision for Impairment Losses of Financial Assets

Additional provision for impairment losses of financial assets amounted to approximately HK\$88.4 million was provided for the year, primarily due to the increase of credit risk of certain customers.

Operating Profit

As a result of the foregoing, the Group's operating profit decreased by approximately 80.5% from approximately HK\$668.9 million for the year ended 31 December 2022 to approximately HK\$130.4 million for the year ended 31 December 2023.

Finance Income and Costs

Finance income increased by approximately 52.3% from approximately HK\$178.8 million for the year ended 31 December 2022 to approximately HK\$272.2 million for the year ended 31 December 2023, due to the increase in short-term deposit placed and the increase of USD fixed deposit rate during the year.

Finance costs decreased by approximately 29.9% from approximately HK\$9.6 million for the year ended 31 December 2022 to approximately HK\$6.7 million for the year ended 31 December 2023, primarily due to the decrease of interest expense on bank borrowing as a result of the repayment of bank loan in the first half of 2022 and no borrowings were made up to 31 December 2023.

Profit before Income Tax

As a result of the foregoing, the Group's profit before income tax decreased by approximately 52.8% from approximately HK\$838.1 million for the year ended 31 December 2022 to approximately HK\$395.9 million for the year ended 31 December 2023.

Income Tax Expense

The Group's income tax expenses decreased by approximately 68.9% from approximately HK\$226.7 million for the year ended 31 December 2022 to approximately HK\$70.6 million for the year ended 31 December 2023. The effective income tax rate decreased from approximately 27.0% for the year ended 31 December 2022 to approximately 17.8% for the year ended 31 December 2023, primarily due to the impact of increase in non-taxable offshore interest income and the recognition of deferred tax assets in relation to tax losses in prior years which the management considered that they can be utilised in the future according to the business plan.

Profit for the Year and Profit attributable to Equity Holders of the Company

As a result of the foregoing, the Group's profit as well as the profit attributable to equity holders of the Company decreased by approximately 46.8% from approximately HK\$611.4 million for the year ended 31 December 2022 to approximately HK\$325.3 million for the year ended 31 December 2023.

Basic and Diluted Earnings Per Share

Earnings per share (basic and diluted) for the year ended 31 December 2023 was approximately HK5.84 cents and HK5.84 cents respectively.

Note:

The Group disclosed unaudited non-HKFRS financial measures for the year ended 31 December 2022, which included adjusted profit for the year, EBITDA, adjusted EBITDA and adjusted earnings per share. The non-HKFRS financial measures were disclosed in 2022, as a significant portion of the decrease in profit for the year was attributable to the changes in net foreign exchange differences, which were unrelated to the Group's principal business operations and were non-indicative of its business performance.

As the impact of foreign exchange difference ceased to materially affect the financial performance of the Group during the year ended 31 December 2023, the Group has no longer disclosed the non-HKFRS measures for the year ended 31 December 2023.

Liquidity and Financial Resources

As at 31 December 2023, the total bank deposits and cash of the Group, comprising the Group's cash and cash equivalents and fixed deposits, which were denominated mainly in RMB, USD and HK\$, amounted to approximately HK\$7,331.8 million, representing a decrease of approximately HK\$370.6 million from approximately HK\$7,702.4 million as at 31 December 2022. The decrease in bank deposits and cash was mainly due to the payment of 2022 final dividend during the year partially offset by the cash receipt from trade receivables during the year.

As at 31 December 2023, the net current assets of the Group were approximately HK\$8,137.0 million (31 December 2022: approximately HK\$8,948.5 million). The Group's current ratio (current assets/current liabilities) was approximately 6.70 times (31 December 2022: approximately 7.27 times).

As at 31 December 2023, the Group had no borrowings (31 December 2022: Nil). Gearing ratio, which is calculated using total bank borrowings divided by total equity, is not applicable as at 31 December 2023 and 31 December 2022.

Capital Expenditure and Capital Commitment

During the year ended 31 December 2023, the capital expenditure of the Group was approximately HK\$85.3 million, which was primarily used to finance the Group's production capacity expansion for its existing production base.

As at 31 December 2023, the capital commitment of the Group amounted to approximately HK\$63.3 million, which was primarily related to the acquisition of machinery and equipment for production facilities under construction and the expansion in capacity at certain existing production facilities and was funded by net cash flows from operating activities and net proceeds from the initial public offering.

Pledge of Assets of the Group

As at 31 December 2023 and 2022, the Group did not have any pledge on assets.

Exposure to Foreign Exchange

The majority of the Group's subsidiaries are operating in the PRC with most of the transactions and assets (other than the unutilised proceeds raised from the Global Offering (as defined in the prospectus of the Company dated 4 December 2020 (the "**Prospectus**"))) denominated in RMB. The conversion of RMB into foreign currencies is subject to the rules and regulations of the foreign exchange control promulgated by the PRC government. Due to the simplicity of the Group's financial structure and current operations, save as aforementioned, no hedging activities are undertaken by management of the Group.

Contingent Liabilities

As at 31 December 2023, the Group had no material contingent liabilities.

Significant Investments, Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The Company did not have significant investments, acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2023.

Future Plan for Material Investments or Capital Assets

Save as disclosed in this announcement under "Capital Expenditure and Capital Commitment" and "Use of Net Proceeds from the Company's Global Offering", the Group did not have any existing plan for acquiring other material investments or capital assets.

AWARDS

The Group has received numerous awards and recognitions in recognition of its brand, business operations, products and corporate social responsibility achievements. The table below sets forth a summary of significant awards and recognitions that the Group has received:

Awards/Certifications	Awarding Year	Awarding Body
Blue Moon liquid laundry detergent and liquid soap brands ranked first in China Brand Power Index (C-BPI) (藍月亮洗衣液、洗手液獲中國品牌力指數(C-BPI)第一名)	2011–2023	Chnbrand (Beijing) Brand Consulting Co., Ltd. (中企品研(北京)品牌顧問股份有限公司)
Blue Moon liquid laundry detergent & liquid soap ranked first in the comprehensive market share of similar products (藍月亮洗衣液及洗手液榮列同類產品市場綜合佔有率第一位)	2009–2022 (liquid laundry detergent) 2012–2022 (liquid soap)	China General Chamber of Commerce and China National Commercial Information Center (中國商業聯合會、中華全國商業信息中心)
Most Valuable Brand Award in Guangdong-Hong Kong-Macao Greater Bay Area (粵港澳大灣區最具品牌價值獎)	2023	Hong Kong Ta Kung Wen Wei Media Group (香港大公文匯傳媒集團)
Listed Company Awards of Excellence 2023 (上市公司卓越大獎 2023)	2022–2023	Hong Kong Economic Journal (信報財經新聞)
Hong Kong Outstanding Listed Enterprises (香港傑出上市企業大獎)	2021–2023	Economic Digest (經濟一周)
2023 Best ESG Practices for China Listed Companies (2023 年度中國上市公司 ESG 最佳實踐獎)	2023	Wind Information Technology Co., Ltd. (萬得信息技術股份有限公司)
Responsible Brand Award at the 13th China Philanthropy Festival (第十三屆中國公益節年度責任品牌獎)	2015–2023	The 13th China Philanthropy Festival Organizing Committee (第十三屆中國公益節組委會)
BDO ESG Awards 2023 — Best in Reporting Awards (Merits) (2023 年 BDO 環境、社會及管治(ESG)大獎 — 最佳 ESG 報告大獎優異獎)	2023	BDO Limited (香港立信德豪會計師事務所)

Awards/Certifications	Awarding Year	Awarding Body
ALB China Top 15 In-house Teams (ALB China 十五佳公司法務團隊)	2023	Asian Legal Business (亞洲法律雜誌)
Green Leader Enterprise (綠色領跑企業)	2023	China Environmental United Certification Center (中環聯合(北京)認證中心)
Caring Company (商界展關懷)	2021–2023	The Hong Kong Council of Social Services (香港社會服務聯會)

RESEARCH AND DEVELOPMENT

The Group's business has benefited from its strong track record in research and development. The Group has a two-pronged research and development focus, including (i) introducing new products to meet evolving consumer preferences and to elevate user experience, and (ii) developing and sharing scientific and practical cleaning methods with consumers.

The Group established its Research and Development Technology Centre since the inception of its operation and the Blue Moon Applied Sciences and Laundry Academy dedicated to the development and assessment of laundry products and methods in 2015. As at 31 December 2023, the Group had obtained a total of 1,169 registered trademarks, 335 patents and 234 copyrights in the PRC.

HUMAN RESOURCES

The Group had approximately 7,957 employees as at 31 December 2023. Salaries of employees are maintained at competitive levels.

2021 Share Award Plan

On 3 June 2021, the Board approved the adoption of the 2021 Share Award Plan to recognise and reward the contribution of certain eligible participants to the growth and development of the Group.

Pursuant to the rules relating to the 2021 Share Award Plan, the Board may, acting through the Awards Committee, during the continuation of the 2021 Share Award Plan, at its absolute discretion select any eligible participant (other than an excluded participant) to participate in the 2021 Share Award Plan as a selected participant and determine the awards to be granted, subject to such terms and conditions as it may in its absolute discretion determine (including but not limited to, where applicable, the vesting schedule of the awarded shares to the selected participant).

As at 31 December 2023, 21,414,999 share awards have been granted pursuant to the 2021 Share Award Plan to 366 employees and no share awards have been granted to any connected persons (as defined under the Listing Rules) of the Company. As at the date of this announcement, 8,621,514 share awards granted have been vested in accordance with the 2021 Share Award Plan and the relevant grant notices.

2022 Share Award Plan

On 29 March 2022, the Board approved the adoption of the 2022 Share Award Plan to recognise and reward the contribution of certain eligible participants who are executive Directors of the Company or directors of the subsidiaries of the Group to the growth and development of the Group and to give incentives in order to retain them for the continual operation and development of the Group.

Pursuant to the rules relating to the 2022 Share Award Plan, the Board may, make an award out of the share pool to any of the eligible participants such number of issued Shares of the Company as it shall determine. The eligibility of any of the eligible participants under the 2022 Share Award Plan to an award shall be determined by the Board from time to time on the basis of the Board's opinion as to his or her contribution and/or the anticipated future contribution to the development and growth of the Group and the grant of an award to eligible participants who are executive Directors of the Company shall be approved by members of the remuneration committee of the Company (other than by himself or herself).

As at 31 December 2023, no share awards have been granted pursuant to the 2022 Share Award Plan.

The Board has approved amendments to the 2021 Share Award Plan and the 2022 Share Award Plan, the details of which are set out in the announcement of the Company dated 26 March 2024.

OUTLOOK, FUTURE PROSPECTS AND STRATEGIES

In 2024, the Group will continue to leverage its advantages and leadership in the industry to continue to provide excellent products and services to its consumers and pioneer the innovation and development of the industry under the everchanging market conditions. Following the gradual economic recovery, improvement in employment levels and the introduction of policies to promote consumption in various region, the Group is confident in the consumer industry. In the future, the Group plans to:

- Provide comprehensive household cleaning solutions: the Group will further diversify and launch new products in its three existing product categories. The Group will also focus on the needs of consumers and continue to innovate and promote the Group's long-term development.
- Enhance omni-channel sales and distribution network and product penetration: for online channels, the Group will seek to increase the scale and speed of market penetration in major e-commerce platforms by improving product structure. The Group will also increase its presence in emerging new online sales and distribution platforms with emphasis on promoting best-selling products. For offline channels, the Group will utilise and enhance synergies between different sales and distribution channels to boost product sales in offline channel. The Group will also continue to deepen channel cultivation and focus on sales via different point of sales to boost sales.
- Knowledge-based marketing: the Group intends to provide a wider variety of products and more customised services and improve its loyalty programme to improve customer experience.
- Accelerate digitalisation and upgrade manufacturing network to improve operational efficiency.
- Dividend: the Group will continue to review its dividend policy to provide more sustainable return to its shareholders.
- Adhere to social responsibilities and sustainable development principles: under the Group's environmental, social and governance principles of "better products (services), healthier environment, and greater society", the Group adheres to a green and low-carbon development strategy throughout its product development, manufacturing and packaging processes to promote sustainable development of the industry.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIVIDEND

The Board has resolved to recommend the payment of a final dividend of HK6.0 cents per Share for the year ended 31 December 2023.

CORPORATE GOVERNANCE

The Company's corporate governance practices are based on the principles and code provisions of the Corporate Governance Code, as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange during the year ended 31 December 2023 (the "**Listing Rules**") (the "**CG Code**"), and the Company has adopted the CG Code as its own corporate governance code.

The Board is of the view that the Company has complied with all applicable code provisions as set out in the CG Code during the year ended 31 December 2023.

The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its code of conduct for Directors' securities transactions. Each Director had been given a copy of the code of conduct regarding security transactions upon his/her appointment, and the Company issues two reminders each year thereafter, being 30 days prior to the Board meeting approving the interim results of the Company and 60 days prior to the Board meeting approving the annual results of the Company, reminding the Directors that they (including their respective spouse, minor child and others whose dealings are treated as dealings by them under the Model Code) are not allowed to deal in the securities of the Company prior to and on the day of publication of the announcement of the results (the periods during which the Directors are prohibited from dealing in shares), and that all transactions must be conducted according to the Model Code.

After having made specific enquiries, each Director has confirmed that he/she has complied with the requirements of the Model Code during the year ended 31 December 2023.

REVIEW OF ANNUAL RESULTS

The audit committee of the Company (the "**Audit Committee**") has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2023. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group and its internal controls and financial reporting matters.

The figures in respect of the Group's consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in this results announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers 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 HKICPA and consequently no assurance has been expressed by PricewaterhouseCoopers on this results announcement.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the amended and restated articles of association of the Company, or the applicable laws of the Cayman Islands where the Company is incorporated, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2023 and up to the date of this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

SUFFICIENCY OF PUBLIC FLOAT

The Company has obtained a waiver from the Stock Exchange and the Stock Exchange has accepted, under Rule 8.08(1)(d) of the Listing Rules, a lower public float percentage of 24.06% at the issued share capital of the Company.

Based on the information that is publicly available to the Company and within the knowledge of the Directors, during the year ended 31 December 2023 and up to the date of this announcement, the Company has maintained the prescribed minimum public float permitted by the Stock Exchange.

ANNUAL GENERAL MEETING

The annual general meeting of the Company ("AGM") will be held on Friday, 7 June 2024. The notice of AGM will be published and issued to the shareholders of the Company (the "Shareholders") on Friday, 26 April 2024.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed as follows:

- (a) For the purpose of ascertaining the Shareholder's eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 4 June 2024 to Friday, 7 June 2024, both days inclusive. In order to be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, for registration no later than 4:30 p.m. on Monday, 3 June 2024.
- (b) The final dividend will be payable on or about Monday, 24 June 2024 to the Shareholders whose names appear on the register of members of the Company on Tuesday, 18 June 2024. For the purpose of ascertaining Shareholder's eligibility for the final dividend, the register of members of the Company will be closed from Friday, 14 June 2024 to Tuesday, 18 June 2024, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the above mentioned final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, for registration by no later than 4:30 p.m. on Thursday, 13 June 2024.

The address of Computershare Hong Kong Investor Services Limited is Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

USE OF NET PROCEEDS FROM THE COMPANY'S GLOBAL OFFERING

The net proceeds (the “**Net Proceeds**”) from the initial public offering of the Shares of the Company in December 2020 (together with the issuance of Shares pursuant to the full exercise of the Over-allotment Option (as defined in the Prospectus) in January 2021), after deducting the underwriting commission and other estimated expenses, of HK\$11,004 million have been partially utilised and is expected to be continued to be utilised in the manner and timeline as stated below.

Intended use of Net Proceeds as stated in the Prospectus	Net Proceeds⁽¹⁾ approximately HK\$ million	As at 31 December 2022 Unutilised amount approximately HK\$ million	For the year ended 31 December 2023 Utilised amount approximately HK\$ million	As at 31 December 2023 Unutilised amount approximately HK\$ million
Financing business expansion including production capacity expansion plans and to purchase equipment and machinery to facilitate such expansion plan as well as the development of the Group's laundry services	3,918	3,475	95	3,380 ⁽²⁾
Raising brand awareness, further strengthening the Group's sales and distribution network and increasing product penetration	5,766	3,588	1,927	1,661 ⁽³⁾
Working capital and for other general corporate purposes	1,100	—	—	—
Enhancing research and development capabilities	220	141	52	89 ⁽⁴⁾
Total	11,004	7,204	2,074	5,130

Notes:

- (1) The net proceeds amount of approximately HK\$11,004 million include approximately HK\$2,500 million net proceeds utilised in the financial year ended 31 December 2021 and HK\$1,300 million net proceeds utilised in the financial year ended 31 December 2022, and approximately HK\$7,204 million net proceeds brought forward from the financial year ended 31 December 2022 which were utilised in the manner set out in the table above. The net proceeds have not been fully utilised in the financial year ended 31 December 2023 and were brought forward.
- (2) The balance of unutilised amount on financing business expansion including production capacity expansion plans and to purchase equipment and machinery to facilitate such expansion plan as well as the development of the Group's laundry services is expected to be fully utilised by the end of 2025.
- (3) The balance of unutilised amount on raising brand awareness, further strengthening the Group's sales and distribution network and increasing product penetration is expected to be fully utilised by the end of 2025.
- (4) The balance of unutilised amount on enhancing research and development capabilities is expected to be fully utilised by the end of 2025.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.bluemoon.com.cn), respectively. The annual report of the Company will be published on the websites of the Stock Exchange and the Company, respectively.

By Order of the Board
Blue Moon Group Holdings Limited
PAN Dong
Chairman & Executive Director

Hong Kong, 26 March 2024

As at the date of this announcement, the Board comprises Ms. PAN Dong, Mr. LUO Qiuping, Ms. LUO Dong, Mr. POON Kwok Leung and Ms. XIAO Haishan as Executive Directors; and Mr. Bruno Robert MERCIER, Ms. NGAN Edith Manling and Mr. HU Yebi as Independent Non-executive Directors.