

reDress Limited

Financial statements for the year ended 31 December 2024

Report of the directors

The directors submit herewith the annual report together with the audited financial statements for the year ended 31 December 2024.

Principal place of business

reDress Limited (“the company”) is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at G/F, 78 Apliu Street, Sham Shui Po, Kowloon, Hong Kong.

Principal activity

The principal activity of the company is the advancement of education of the general public in recycling, responsible consumerism and the effects of pollution generally on overall health of the Hong Kong community.

Business review

The company falls within reporting exemption for the financial year. Accordingly, the company is exempted from preparing a business review.

State of affairs and appropriations

The results of the company for the year ended 31 December 2024 and the state of the company’s affairs as at that date are set out in the financial statements on pages 6 to 14.

Directors

The directors during the financial year and up to the date of this report were:

CORNELIUS William Charles
DEAN Christina Emily
GOH-LIVORNESS Ostiane May Hua
KIRSTEIN Gabrielle Edel Mary
LEE Ming Wai Anderson
LEI Hio

At no time during the year was the company a party to any arrangement to enable the directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

Permitted indemnity provision

At no time during the year and up to the date of this report was or is there any permitted indemnity provision being in force for the benefit of the directors of the company (whether made by the company or otherwise).

Directors' interests in transactions, arrangements or contracts

No transaction, arrangement or contract of significance to which the company was a party and in which a director of the company had a material interest, subsisted at the end of the year or at any time during the year.

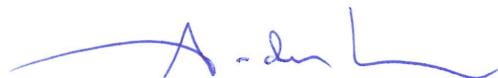
Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the company were entered into or existed during the year.

Auditor

Jack H.W. Ng CPA Limited retires and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Jack H.W. Ng CPA Limited as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



LEE Ming Wai Anderson
Director
Hong Kong, 10 NOV 2025

Jack H.W. Ng CPA Limited

Independent auditor's report to the members of reDress Limited

(Incorporated in Hong Kong, limited by guarantee)

Opinion

We have audited the financial statements of reDress Limited (“the company”) set out on pages 6 to 14, which comprise the statement of financial position as at 31 December 2024, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the company are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard (“SME-FRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKASs”) and with reference to Practice Note 900 (Revised), *Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard* issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Jack H.W. Ng CPA Limited

Independent auditor's report to the members of reDress Limited (continued)

(Incorporated in Hong Kong, limited by guarantee)

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors and those charged with governance for the financial statements

The directors are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report to the members of reDress Limited (continued)

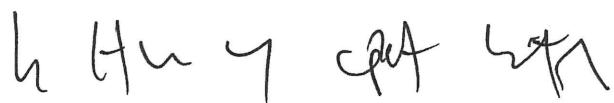
(Incorporated in Hong Kong, limited by guarantee)

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Jack H.W. Ng CPA Limited

Unit 903 - 906A, 9/F, Kowloon Centre
33 Ashley Road
Tsim Sha Tsui
Hong Kong, 10 NOV 2025

Income statement
for the year ended 31 December 2024
(Expressed in Hong Kong dollars)

	<i>Note</i>	2024	2023
		\$	\$
Revenue			
Sponsorship and donation income	3	3,048,242	3,223,918
Grant received for reDress Design Award	3	5,520,399	5,065,495
Other revenue	4	<u>4,696,509</u>	<u>3,050,810</u>
		<u>13,265,150</u>	<u>11,340,223</u>
Expenditure			
reDress Design Award expenses		(6,848,343)	(5,860,095)
Administrative and other expenses		<u>(6,881,470)</u>	<u>(5,371,060)</u>
		<u>(13,729,813)</u>	<u>(11,231,155)</u>
(Deficit)/surplus for the year	5	(464,663)	109,068
		=====	=====

The notes on pages 8 to 14 form part of these financial statements.

Statement of financial position at 31 December 2024
(Expressed in Hong Kong dollars)

	<i>Note</i>	<i>2024</i>	<i>2023</i>
		\$	\$
Non-current assets			
Property, plant and equipment	8	104,940	143,628
		-----	-----
Current assets			
Grants receivables		2,008,663	6,027,088
Sponsorship receivables		537,840	462,118
Prepayment and deposits		590,854	446,396
Cash and cash equivalents		<u>6,682,362</u>	<u>2,956,188</u>
		9,819,719	9,891,790
		-----	-----
Current liabilities			
Trade and other payables		556,292	202,388
		-----	-----
Net current assets		<u>9,263,427</u>	<u>9,689,402</u>
NET ASSETS		<u>9,368,367</u>	<u>9,833,030</u>
		=====	=====
Represented by:			
Accumulated funds	9	<u>9,368,367</u>	<u>9,833,030</u>
		=====	=====
Approved and authorised for issue by the board of directors on 10 NOV 2025 .			
 LEE Ming Wai Anderson			
 KIRSTEIN Gabrielle Edel Mary			
)))) Directors))))			

The notes on pages 8 to 14 form part of these financial statements.

Notes to the financial statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Reporting entity

reDress Limited (the “company”) was incorporated on 5 September 2007 as a company limited by guarantee.

The principal activities of the company are to advance the education of the general public about recycling, responsible consumerism, and the effects of pollution generally on the overall health of the Hong Kong community.

2 Basis of preparation and accounting policies

The company qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statement in accordance with the Small and Medium-sized Entity Financial Reporting Standard (“SME-FRS”) issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the company is a going concern.

The measurement basis adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements.

(a) Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the company and when the revenue can be measured reliably, on the following bases:

- (i) Sponsorship income is recognised on an accrual basis;
- (ii) Donation income is recognised when cash is received up to the end of the reporting period;
- (iii) Government grant is recognised when cash is received up to the end of the reporting period and in the statement of financial position initially when there is reasonable assurance that they will be received and that the company will comply with the conditions attaching to them. Grants that compensate the company for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred;
- (iv) Sundry income is recognised on a time-apportioned basis;
- (v) Bank interest income is recognised as it accrues using the effective interest method;
- (vi) Rental income is recognised on a straight-line basis over the lease terms; and
- (vii) Sales of donated clothes is recognised when the clothes are delivered and the risk and rewards of the ownership have passed to the customers.

2 Basis of preparation and accounting policies (continued)

(b) *Trade and other payables*

Trade and other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(c) *Leases*

Leases that transfer substantially all the rewards and risks of ownership of assets to the company are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the income statement on a straight-line basis over the lease term.

(d) *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(e) *Property, plant and equipment*

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of computer equipment and leasehold improvement are allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation are as follows:

- Computer equipment	20 %
- Leasehold improvement	20 %

(f) *Impairment of assets*

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

2 Basis of preparation and accounting policies (continued)

(g) *Employee benefits*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(h) *Related parties*

- (a) A person, or a close member of that person's family, is related to the company if that person:
 - (i) has control or joint control over the company;
 - (ii) has significant influence over the company; or
 - (iii) is a member of the key management personnel of the company or the company's parent.
- (b) An entity is related to the company if any of the following conditions applies:
 - (i) The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of the company of which it is a part, provides key personnel services to the company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3 Revenue

The principal activity of the company is the advancement of education of the general public in recycling, responsible consumerism and the effects of pollution generally on overall health of the Hong Kong community.

	2024	2023
	\$	\$
Sponsorship income	1,890,095	2,127,286
Sponsorship in kind	808,000	553,000
Donation	<u>350,147</u>	<u>543,632</u>
	3,048,242	3,223,918
	=====	=====
Grant - reDress Design Award 2022	(65,347)	-
Grant - reDress Design Award 2023	-	989,720
Grant - reDress Design Award 2024	1,018,943	4,075,775
Grant - reDress Design Award 2025	<u>4,566,803</u>	<u>-</u>
	5,520,399	5,065,495
	=====	=====

The company reached an agreement with CreateSmart Initiative for the reDress Design Award 2025 on 7 November 2024 and the first payment received on 12 December 2024.

4 Other revenue

	2024	2023
	\$	\$
Bank interest income	43,563	43,180
Rental income	30,000	45,000
Sale of donated clothes	4,621,762	2,959,210
Sundry income	<u>1,184</u>	<u>3,420</u>
	4,696,509	3,050,810
	=====	=====

5 (Deficit)/surplus for the year

(Deficit)/surplus for the year is arrived at after charging:

	2024	2023
	\$	\$
(a) Staff costs:		
Contributions to defined contribution retirement plan	271,317	267,322
Salaries, wages and other benefits	<u>6,783,460</u>	<u>6,176,714</u>
	7,054,777	6,444,036
	=====	=====

5 (Deficit)/surplus for the year (continued)

(Deficit)/surplus for the year is arrived at after charging: (continued)

	2024	2023
	\$	\$
(b) Other items:		
Depreciation	61,539	55,565
	=====	=====
Operating lease charges: minimum lease payments	867,085	858,003
	=====	=====
Net foreign exchange loss	581	5,542
	=====	=====
Auditors' remuneration - audit services	33,000	26,000
	=====	=====

6 Directors' remuneration

Directors' remuneration disclosed pursuant to section 383(1) of the Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2024	2023
	\$	\$
Fees		
Other emoluments	-	-
Employer's contribution to MPF scheme	-	-
	=====	=====
	-	-
	=====	=====

7 Income tax expense

The company is exempted from Hong Kong profits tax in accordance with Section 88 of the Inland Revenue Ordinance.

8 Property, plant and equipment

	<i>Computer equipment</i> \$	<i>Leasehold improvement</i> \$	<i>Total</i> \$
<i>Cost:</i>			
At 1 January 2024	73,471	221,409	294,880
Additions	<u>22,851</u>	-	<u>22,851</u>
At 31 December 2024	96,322	221,409	317,731
	-----	-----	-----
<i>Accumulated depreciation:</i>			
At 1 January 2024	27,948	123,304	151,252
Charge for the year	<u>17,257</u>	<u>44,282</u>	<u>61,539</u>
At 31 December 2024	45,205	167,586	212,791
	-----	-----	-----
<i>Net book value:</i>			
At 31 December 2024	51,117	53,823	104,940
At 31 December 2023	<u>45,523</u>	<u>98,105</u>	<u>143,628</u>
	=====	=====	=====

9 Changes in accumulated funds

	<i>Accumulated funds</i> \$
Balance at 1 January 2024	9,833,030
Change in accumulated funds	
Deficit for the year	<u>(464,663)</u>
Balance at 31 December 2024	9,368,367
	=====

10 Related party transactions

(a) Transactions with key management personnel

Members of key management personnel are directors of the company, and the remuneration is disclosed in note 6.

10 Related party transactions (continued)

(b) *Transactions with other related party*

During the year, the company entered into the following material related party transactions:

	2024	2023
	\$	\$
Rental income from related party	30,000	45,000
	=====	=====

No outstanding balance arises from the above transaction at the end of the year (2023: Nil).

11 Capital management

The company's objective is to establish and maintain as a non-profit-making entity. The company is not subject to externally imposed capital requirements.

The accumulated funds of the company are managed according to the financial management guidelines and procedures of the company in meeting the objective of the company with the view of safeguarding the company's ability to continue as a going concern.

12 Liability of members

Under the provisions of the company's articles of association, every member shall, in the event of the company being wound up, contribute such amount as may be required to meet the liabilities of the company but not exceeding \$10 per member.

13 Commitments

The company had the following total future minimum lease payments under non-cancellable operation lease:

	2024	2023
	\$	\$
Not later than one year	682,830	825,660
Later than one year	<u>45,000</u>	<u>727,830</u>
	727,830	1,553,490
	=====	=====

14 Comparative figures

Certain comparative figures have been adjusted to conform to current year's presentation.