



Shunten International (Holdings) Limited 順騰國際(控股)有限公司

incorporated in the Cayman Islands with limited liability
於開曼群島註冊成立之有限公司
Stock Code 股份代號: 932

INTERIM REPORT 2024/2025



御藥堂

中大
LEGEND

MeltyEnz
溶胞酵素

La Guste
綠斯圖

ChunmyeEnz
淨腸酵素

Contents

| | |
|---|----|
| Corporate Information | 2 |
| Financial Highlights | 4 |
| Management Discussion and Analysis | 6 |
| Report on Review of Condensed Consolidated Financial Statements | 14 |
| Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income | 16 |
| Condensed Consolidated Statement of Financial Position | 19 |
| Condensed Consolidated Statement of Changes in Equity | 21 |
| Condensed Consolidated Statement of Cash Flows | 22 |
| Notes to the Condensed Consolidated Financial Statements | 23 |
| Other Information | 36 |



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr. Cheung Siu Fai (*Chairman*)

Non-executive Director

Ms. So Tsz Kwan *CPA*

Independent Non-executive Directors

Mr. Leung Winson Kwan Yau *CPA (Australia)*

Ms. Dong Jian Mei

Mr. Lam Chik Shun Marcus *CFA*

(*appointed with effect from 1 October 2024*)

Mr. Liu Ying Shun *CPA*

(*resigned with effect from 1 October 2024*)

CHIEF EXECUTIVE OFFICER

Mr. Yeung Wai Lok Raymond

COMPANY SECRETARY

Ms. Chan Yuk Chi *FCCA (Practising), ACA, FCG, HKFCG*

AUTHORISED REPRESENTATIVES

Ms. So Tsz Kwan

Ms. Chan Yuk Chi

BOARD COMMITTEES

Audit Committee

Mr. Leung Winson Kwan Yau (*Chairman*)

Ms. Dong Jian Mei

Mr. Lam Chik Shun Marcus

(*appointed with effect from 1 October 2024*)

Mr. Liu Ying Shun

(*resigned with effect from 1 October 2024*)

Nomination Committee

Mr. Lam Chik Shun Marcus (*Chairman*)

(*appointed with effect from 1 October 2024*)

Mr. Leung Winson Kwan Yau

Ms. Dong Jian Mei

Mr. Liu Ying Shun (*Former Chairman*)

(*resigned with effect from 1 October 2024*)

Remuneration Committee

Mr. Lam Chik Shun Marcus (*Chairman*)

(*appointed with effect from 1 October 2024*)

Mr. Leung Winson Kwan Yau

Ms. Dong Jian Mei

Mr. Liu Ying Shun (*Former Chairman*)

(*resigned with effect from 1 October 2024*)

INDEPENDENT AUDITOR

Moore CPA Limited

Certified Public Accountants

Public Interest Entity Auditors

registered in accordance with

the Accounting and Financial Reporting

Council Ordinance

LEGAL ADVISOR

Patrick Chu, Conti Wong Lawyers LLP



CORPORATE INFORMATION (CONTINUED)

PRINCIPAL BANKERS

Bank of Communications (Hong Kong)
Limited

DBS Bank (Hong Kong) Limited

Bank of China (Hong Kong) Limited

THE CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited

Suite 3204, Unit 2A

Block 3, Building D, P.O. Box 1586

Gardenia Court, Camana Bay

Grand Cayman, KY1-1100, Cayman Islands

REGISTERED OFFICE

Cricket Square, Hutchins Drive

P.O. Box 2681, Grand Cayman

KY1-1111, Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit D, 7/F, KC100

100 Kwai Cheong Road

Kwai Chung

New Territories

Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER AGENT

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

STOCK CODE

932

COMPANY'S WEBSITE

www.shunten.com.hk

*(the contents of which do not form part of
this report)*



FINANCIAL HIGHLIGHTS

The board (“**Board**”) of directors (“**Director(s)**”) of Shunten International (Holdings) Limited (“**Company**”) is pleased to present the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2024 (“**Reporting Period**”), together with the comparative figures for the six months ended 30 September 2023 (“**Last Corresponding Period**”).

| | For the six months ended 30 September | | |
|---|--|--|---------|
| | 2024 HK\$'000 (unaudited) | 2023 HK\$'000 (unaudited) | Change |
| Results | | | |
| Revenue | | | |
| — Health and beauty supplements and products business | 100,191 | 126,004 | −20.5% |
| — Property investment business | 2,805 | 2,008 | +39.7% |
| Total | 102,996 | 128,012 | −19.5% |
| Gross profit | 79,655 | 98,164 | −18.9% |
| Gross profit margin (%) | 77.3% | 76.7% | +0.6% |
| (Loss)/profit for the period | (4,261) | 10,799 | −139.5% |
| (Loss)/profit for the period attributable to owners of the Company | (4,261) | 10,846 | −139.3% |
| Adjusted profit for the period attributable to owners of the Company (the “Adjusted Net Profit”)* | 2,739 | 14,746 | −81.4% |
| | | | |
| | As at 30 September 2024 HK\$'000 (unaudited) | As at 31 March 2024 HK\$'000 (audited) | Change |
| Financial Position | | | |
| Cash and cash equivalents | 18,704 | 12,700 | +47.3% |
| Net assets | 167,402 | 171,608 | −2.5% |
| Total equity attributable to owners of the Company | 168,681 | 172,887 | −2.4% |
| Number of shares in issue (in thousands) | 3,107,893 | 3,107,893 | Nil |
| Net assets per share (HK\$) | 0.05 | 0.06 | −16.7% |



FINANCIAL HIGHLIGHTS (CONTINUED)

* The adjustment process of Adjusted Net Profit:

| | For the six months ended 30 September | |
|--|--|---------------------------------|
| | 2024 HK\$'000 (unaudited) | 2023 HK\$'000 (unaudited) |
| (Loss)/profit for the period attributable to owners of the Company | (4,261) | 10,846 |
| Adjustment: | | |
| Fair value change of investment properties | 7,000 | 3,900 |
| Adjusted Net Profit | 2,739 | 14,746 |

The Adjusted Net Profit is arrived at by deducting the unrealised item relating to the fair value change of investment properties from the (loss)/profit for the period attributable to owners of the Company. The management of the Group considers that this adjusted item is not related to our daily operations and does not track such adjusted item as key operating or financial metrics internally when reviewing our performance. Therefore, by eliminating the impact of such item in the calculation of Adjusted Net Profit, it could better reflect our underlying operating performance and could better facilitate the comparison of operating performance from period to period.

The Adjusted Net Profit is not the measures of performance under Hong Kong Financial Reporting Standards (“HKFRSs”). These measures do not represent, and should not be used as substitutes for, net profit or cash flows from operations as determined in accordance with HKFRSs. These measures are not necessarily an indication of whether cash flow will be sufficient to fund our cash requirements. In addition, our definitions of these measures may not be comparable to other similarly titled measures used by other companies.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the sale, marketing and distribution of health and beauty supplements and products and property investment in Hong Kong.

The Group's revenue recorded a decrease of approximately 19.5% or approximately HK\$25.0 million to approximately HK\$103.0 million for the Reporting Period as compared to approximately HK\$128.0 million for the Last Corresponding Period. Overall, the Group generated a loss attributable to owners of the Company of approximately HK\$4.3 million (Last Corresponding Period: profit of approximately HK\$10.8 million). Despite the unrealised item in respect of the fair value change of investment properties, the Group recorded an Adjusted Net Profit of approximately HK\$2.7 million for the Reporting Period (Last Corresponding Period: approximately HK\$14.7 million).

Since the publication of the latest annual report for the year ended 31 March 2024, there was no material change to the Company's business.

Market overview

In recent years, the Hong Kong Government has been taking proactive steps to promote the tourism industry, and the number of visitor arrivals to Hong Kong has recorded a significant increase. With reference to the Hong Kong Tourism Board, the total visitor arrivals in the Reporting Period recorded a significant increase of approximately 13.0% to approximately 21,360,000 as compared to approximately 18,907,000 for the Last Corresponding Period, of which tourists from Mainland China accounted for a considerable portion of approximately 77.4% for the Reporting Period. In spite of the growth momentum of visitor arrivals, the spending power of visitors reduced due to various factors including the change of consumption pattern of visitors from shopping to other experience. Also, the relative strength of Hong Kong dollars against other non-US currencies in recent years has increased the cost of travelling.

Hong Kong's retail sector remained languishing during the Reporting Period. According to the statistics from the Census and Statistics Department of Hong Kong, the overall retail sales value and the retail sales value related to the category of Chinese drugs and herbs in Hong Kong recorded a decrease of approximately 10.8% and 16.5% respectively for the Reporting Period as compared to the Last Corresponding Period. Factors including the rising trend of Hong Kong residents heading north for shopping during their leisure time, the significant increase in outbound travel during long public holidays together with the unfavourable conditions including the global rise in interest rate and the continuous slump of the local stock and property markets have weakened local consumer's sentiment. The slow recovery of the economy and the tourism industry resulted in the pressure on the revenue growth of the Group. The management of the Group will continue to closely monitor the market condition and implement appropriate strategic initiatives to optimise the overall performance of the Group.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Market overview (Continued)

The property market sentiment remained sluggish in Hong Kong during the Reporting Period. Although the government removed the property cooling measures at the end of February 2024, the recovery of the residential property market has remained slow due to the unfavorable economic climate and lingering high interest rates. The Hong Kong industrial and commercial property market also continues to face challenges and grapple with declining rents and rising vacancies due to limited new demand and weak market sentiment. The management of the Group will maintain a cautious yet dynamic approach when navigating uncertainty to manage the Group's property investment business.

Health and beauty supplements and products business

The Group's health and beauty supplements and products are sold under the proprietary brands developed and managed by the Group ("**Proprietary Brands**") and a private label brand specifically developed for and owned by a renowned retail chain of health and beauty products in Hong Kong and Macau ("**Private Label Brand**"). The major Proprietary Brands include "Royal Medic", "Legend", "MellyEnz", "CleansingEnz", "La Gusto", "HARUKA" and "Mr. 75", and the Private Label Brand is "Health Proof". The Group mainly sells and distributes its products through a renowned local retail chain distributor, our special designated counters, the Hong Kong Brands and Products Expo, our own e-commerce online platform and designated cross-border e-commerce platforms in Mainland China.

During the Reporting Period, the Group has conducted a series of strategic brand positioning and marketing effort to rejuvenate its brand and product images. The Group has launched a series of brand image promotion advertisements with the theme of Olympic Game in summer 2024 through television channels, which has successfully reinforced the healthy and lively brand image of "Royal Medic". Besides, the Group has increased the intensity to promote the brands and products through social media platforms including Facebook, Instagram, YouTube and Xiaohongshu, to make commercial advertisements on major television channels in Hong Kong, and to host health seminars and road shows in shopping malls. The management of the Group believes that the advertising and promotion activities will help to enhance the brand image and reinforce the brand's public presence.

The management of the Group believes that widening sales channels is essential to maintain competitive advantages in the highly competitive health and beauty supplements market. During the Reporting Period, the Group has widened its sales channels by establishing flagship stores on Tmall and Douyin in order to tap into the Mainland China market and participated in various fairs and exhibitions in Hong Kong, such as 50+ Expo and HKTDC Food Expo. The management of the Group believes that this expansion will empower us to reach a larger consumer base.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Health and beauty supplements and products business (Continued)

The Group's first integrated customer relationship management system mobile application "RM Club" has officially launched since June 2024. RM Club members will be able to check their point balances and manage their point redemption through the mobile app conveniently, which offers a comprehensive digital service experience to our customers. The Group's management believes that the new mobile app will enable us to thoroughly understand the consumption characteristics of customers, which is essential for the management to formulate more targeted marketing strategies and product development proposals to enhance the profitability of the Group.

Property investment business

As at 30 September 2024, the Group continues its property investment business by owning:

- i. a 5-storey tenement building located at Sham Shui Po of Hong Kong being occupied for commercial and residential use;
- ii. a residential property located at mid-levels of Hong Kong; and
- iii. industrial properties located at Kwai Chung of Hong Kong.

As the property market sentiment remained weak in Hong Kong during the Reporting Period, the Group remains committed to prudent investment strategies in the property investment business. The Group will continue to closely monitor the conditions of the property market in Hong Kong and implement appropriate strategic initiatives to optimise the performance of the investment properties with the aim to deliver sustainable returns in the years ahead.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW

Revenue

The revenue of the Group represents income from sales of health and beauty supplements and products business and property investment business. An analysis of revenue is as follows:

| | For the six months ended 30 September | |
|--|--|---------------------------------|
| | 2024 HK\$'000 (unaudited) | 2023 HK\$'000 (unaudited) |
| Health and beauty supplements and products | 100,191 | 126,004 |
| Property investment | 2,805 | 2,008 |
| Total revenue | 102,996 | 128,012 |

The Group's health and beauty supplements and products business has declined by approximately 20.5% from approximately HK\$126.0 million for the Last Corresponding Period to approximately HK\$100.2 million for the Reporting Period, which was driven by the weak local retail market conditions and consumer sentiment in Hong Kong and Macau and the reduction of spending power and the change in consumption pattern of visitors.

Revenue from the property investment business increased by approximately 40.0% from approximately HK\$2.0 million for the Last Corresponding Period to approximately HK\$2.8 million for the Reporting Period. This change primarily reflected the additional rental income from the properties being let since February 2024 following the change in use of certain properties.

Cost of sales

The cost of sales of the Group decreased by approximately 21.8% to approximately HK\$23.3 million for the Reporting Period (Last Corresponding Period: approximately HK\$29.8 million). The decrease was in line with the drop in revenue for the Reporting Period. The gross profit margin remained relatively stable with a slight increase of approximately 0.6% to approximately 77.3% for the Reporting Period (Last Corresponding Period: approximately 76.7%).



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW (CONTINUED)

Selling and distribution expenses

The selling and distribution expenses of the Group decreased by approximately 13.7% to approximately HK\$22.6 million for the Reporting Period (Last Corresponding Period: approximately HK\$26.2 million). The decrease was primarily due to (i) the adoption of cautious cost control measures over advertising and promotion expenses and (ii) the decrease in commission expenses to promoters which was in line with the drop in sales in retail shops with the presence of promoters.

Administrative expenses

The administrative expenses of the Group decreased by approximately 2.5% to approximately HK\$49.8 million for the Reporting Period (Last Corresponding Period: approximately HK\$51.1 million). The decrease was mainly due to the decrease in rent from special designated counters located at the stores of a renowned retail chain distributor which is in line with the decline in sales from the special designated counters as the rent calculation is related to the gross sale proceeds from special designated counters.

Fair value change of investment properties

The Group recorded a fair value loss of investment properties of approximately HK\$7.0 million during the Reporting Period (Last Corresponding Period: approximately HK\$3.9 million) as a result of the recent deterioration of property market condition in Hong Kong. During the Reporting Period, the investment properties were fair-valued by reference to the valuation reports prepared by Ravia Global Appraisal Advisory Limited, an independent professional qualified valuer not connected with the Group.

Finance costs

The decrease in finance costs by approximately 7.7% from approximately HK\$3.9 million for the Last Corresponding Period to approximately HK\$3.6 million for the Reporting Period was mainly due to the decrease in the carrying amount of amount due to a shareholder.

Taxation

The overall decrease in taxation by approximately 50.0% from approximately HK\$2.8 million for the Last Corresponding Period to approximately HK\$1.4 million for the Reporting Period was principally due to the net effect of the decrease in current tax which is in line with the overall decrease in taxable operating profits of subsidiaries of the Company and the increase in deferred tax expense from accelerated tax depreciation for the Reporting Period.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW (CONTINUED)

(Loss)/profit for the period and Adjusted Net Profit

As a result of the above factors, the Group recorded a loss for the Reporting Period of approximately HK\$4.3 million (Last Corresponding Period: profit of approximately HK\$10.8 million) and the Adjusted Net Profit of approximately HK\$2.7 million (Last Corresponding Period: approximately HK\$14.7 million).

FINANCIAL POSITION AND LIQUIDITY

As at 30 September 2024, cash and bank balances of the Group amounted to approximately HK\$18.7 million (as at 31 March 2024: approximately HK\$12.7 million). The current ratio (current assets divided by current liabilities) of the Group was approximately 0.5 times as at 30 September 2024 (as at 31 March 2024: approximately 0.5 times). The Group's gearing ratio, representing amount due to a shareholder and bank and other borrowings divided by total equity, was approximately 79.1% as at 30 September 2024 (as at 31 March 2024: approximately 79.8%). In view of the Group's current level of cash and bank balances, funds generated internally from operations and the unutilised banking facilities available, the Board is confident that the Group will have sufficient resources to meet its financial needs for its operations. As at 30 September 2024, the Group had unutilised general banking facilities of approximately HK\$16.5 million (as at 31 March 2024: approximately HK\$40.0 million).

FOREIGN EXCHANGE EXPOSURE

Presently, the Group does not have a hedging policy with respect to the foreign exchange exposure. The Group is exposed to currency risk primarily through sales and purchases, which give rise to receivables and payables and cash balances that are denominated in foreign currencies, other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily United States dollar and Renminbi. In order to manage and minimise the foreign currency risk, the Group's management will continue to manage and monitor the foreign currency exposure to ensure appropriate measures are implemented in a timely and effective manner.

CAPITAL MANAGEMENT

The Group's objective in capital management is to ensure that entities in the Group will be able to continue as a going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. The management of the Group reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will optimise its overall capital structure through the payment of dividends, issue of new share as well as the issue of new debt or the redemption of existing debt as it sees fit and appropriate. The Group also monitors capital on the basis of the net gearing ratio. The Group's overall strategy remains unchanged throughout the Reporting Period.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

EMPLOYEE INFORMATION

As at 30 September 2024, the Group had 245 employees (as at 31 March 2024: 247). For the Reporting Period, staff costs including remuneration of the Directors were approximately HK\$36.1 million (Last Corresponding Period: approximately HK\$38.3 million).

MATERIAL ACQUISITIONS AND DISPOSALS

There were no material acquisitions or disposals of subsidiaries, associated companies and joint ventures during the Reporting Period.

SEGMENT INFORMATION

Segment information of the Group is set out in note 4 to the unaudited condensed consolidated financial statements in this interim report.

CHARGES ON ASSETS

As at 30 September 2024, the Group had secured bank borrowings of approximately HK\$121.5 million (as at 31 March 2024: approximately HK\$111.0 million). The banking facilities were secured by the Group's leasehold land and buildings and investment properties, having carrying amounts of approximately HK\$7.3 million (as at 31 March 2024: approximately HK\$7.5 million) and approximately HK\$200.1 million (as at 31 March 2024: approximately HK\$207.1 million) respectively as at 30 September 2024.

CONTINGENT LIABILITIES

The Group did not have material contingent liabilities as at 30 September 2024 (as at 31 March 2024: Nil).

CAPITAL COMMITMENT

As at 30 September 2024, the Group was committed to acquire certain property, plant and equipment with a total amount of approximately HK\$0.3 million (as at 31 March 2024: approximately HK\$0.3 million).

INTERIM DIVIDEND

The Board does not recommend any payment of an interim dividend for the Reporting Period (Last Corresponding Period: Nil).



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

OUTLOOK

To cope with the challenging and complex business environment for retailers in Hong Kong, the Group will keep pace with the market trends and continue to actively pursuing new revenue sources and enhancing its market presence in the health and beauty supplement segment by further expanding its sales channels and launching new products in order to capture the market of new customers from different ages and gender.

To capitalise on market opportunities and cater to evolving consumer needs, we will continue to promote our products through the designated cross-border e-commerce platforms to capture customers from Mainland China. This will involve the increased intensity of promotion of our products through social media platforms such as Xiaohongshu and live broadcasts by the key opinion leaders. We believe that the designated cross-border e-commerce platforms will help us to reach a broader spectrum of customers and capitalize on the immense potential that the Mainland China market offers.

Subsequent to the end of the Reporting Period, we have successfully launched the new “Legend Allergic Skin Care Patch”, the upgraded version “Royal Medic NMN Prime 32000+” and “Haruka Fish Oil 800 Plus”. In the second half of the year, the Group will continue to launch multiple new products and upgraded versions of best-selling products with different functions successively. We have invited the renowned child star Faye Wong (黃熙恩) to promote our new product “Legend Allergic Skin Care Patch” and launched relevant lively advertisements through television channels, social media and road shows since October 2024. With the aim of embracing our mission of “Being the Guardian of Your Health” to better serve our customers, our high calibre product development team will endeavour to conduct research and development to introduce a diverse range of new and upgraded products that cater to the evolving demands of our target markets.

Looking forward, in this rapid changing business environment with persistent macroeconomic uncertainties, the Group will closely monitor the dynamic economic environment and will be agile and responsive in navigating the changing retail landscape in Hong Kong. The Group is ready to forge ahead and strive to consolidate its position in the industry by grasping every new business opportunity to create higher and long-term value for our shareholders.

EVENTS AFTER REPORTING PERIOD

There are no material events occurred since the end of the Reporting Period and up to the date of this interim report.



REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



MOORE

Moore CPA Limited

801-806 Silvercord, Tower 1,
30 Canton Road, Tsimshatsui,
Kowloon, Hong Kong

T +852 2375 3180

F +852 2375 3828

www.moore.hk

大
華
馬
施
雲
會
計
師
事
務
所
有
限
公
司

**TO THE BOARD OF DIRECTORS OF
SHUNTEN INTERNATIONAL (HOLDINGS) LIMITED**
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Shuntan International (Holdings) Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 16 to 35, which comprise the condensed consolidated statement of financial position as of 30 September 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.



REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Moore CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditors
Hong Kong
28 November 2024



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

| | Notes | For the six months ended 30 September | |
|---|-------|--|---------------------------------|
| | | 2024 HK\$'000 (unaudited) | 2023 HK\$'000 (unaudited) |
| REVENUE | 3 | 102,996 | 128,012 |
| Cost of sales | | (23,341) | (29,848) |
| GROSS PROFIT | | 79,655 | 98,164 |
| Other income, gains or losses | | 194 | 239 |
| Selling and distribution expenses | | (22,574) | (26,191) |
| Administrative expenses | | (49,789) | (51,111) |
| Reversal of impairment loss under expected credit loss model on trade and other receivables | | 220 | 248 |
| Fair value change of investment properties | | (7,000) | (3,900) |
| PROFIT FROM OPERATIONS | | 706 | 17,449 |
| Finance costs | 5(c) | (3,599) | (3,893) |
| (LOSS)/PROFIT BEFORE TAXATION | 5 | (2,893) | 13,556 |
| Taxation | 6 | (1,368) | (2,757) |
| (LOSS)/PROFIT FOR THE PERIOD | | (4,261) | 10,799 |



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 September 2024

| | For the six months ended 30 September | |
|--|--|---------------------------------|
| | 2024 HK\$'000 (unaudited) | 2023 HK\$'000 (unaudited) |
| (LOSS)/PROFIT FOR THE PERIOD | (4,261) | 10,799 |
| OTHER COMPREHENSIVE INCOME/ (EXPENSE) FOR THE PERIOD | | |
| Item that will not be reclassified to profit and loss: | | |
| Change in fair value upon transfer from property, plant and equipment to investment property | — | 19,612 |
| Item that may be reclassified subsequently to profit or loss: | | |
| Exchange differences on translation of financial statements of foreign operations | 55 | (209) |
| TOTAL COMPREHENSIVE (EXPENSE)/ INCOME FOR THE PERIOD | (4,206) | 30,202 |
| (LOSS)/PROFIT FOR THE PERIOD | | |
| ATTRIBUTABLE TO: | | |
| Owners of the Company | (4,261) | 10,846 |
| Non-controlling interests | — | (47) |
| | (4,261) | 10,799 |



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 September 2024

| | Notes | For the six months ended 30 September | |
|---|-------|--|---------------------------------|
| | | 2024 HK\$'000 (unaudited) | 2023 HK\$'000 (unaudited) |
| TOTAL COMPREHENSIVE (EXPENSE)/ INCOME FOR THE PERIOD | | | |
| ATTRIBUTABLE TO: | | | |
| Owners of the Company | | (4,206) | 30,199 |
| Non-controlling interests | | — | 3 |
| | | (4,206) | 30,202 |
| (LOSS)/EARNINGS PER SHARE | | | |
| — Basic (HK cents) | 8 | (0.14) | 0.35 |
| — Diluted (HK cents) | 8 | (0.14) | 0.35 |



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

| | Notes | As at 30 September 2024 HK\$'000 (unaudited) | As at 31 March 2024 HK\$'000 (audited) |
|---|-------|--|--|
| NON-CURRENT ASSETS | | | |
| Investment properties | 9 | 200,100 | 207,100 |
| Property, plant and equipment | 10 | 11,848 | 12,719 |
| Right-of-use assets | 10 | 10,643 | 11,551 |
| Intangible assets | 10 | 21,575 | 16,325 |
| Prepayments and deposits | | 4,026 | 10,671 |
| Deferred tax assets | | 18 | 13 |
| | | 248,210 | 258,379 |
| CURRENT ASSETS | | | |
| Inventories | | 20,642 | 25,880 |
| Trade and other receivables, prepayments and deposits | 11 | 40,577 | 45,033 |
| Tax recoverable | | 3,572 | 2,342 |
| Cash and cash equivalents | | 18,704 | 12,700 |
| | | 83,495 | 85,955 |
| CURRENT LIABILITIES | | | |
| Trade payables, other payables and accruals | 12 | 16,932 | 21,094 |
| Contract liabilities | | 36 | 36 |
| Amount due to a shareholder | | 11,000 | 25,909 |
| Bank borrowings | 13 | 121,490 | 110,965 |
| Lease liabilities | | 4,751 | 4,754 |
| Refund liabilities | | 1,220 | 1,260 |
| Tax payable | | 1,811 | 1,482 |
| | | 157,240 | 165,500 |
| NET CURRENT LIABILITIES | | (73,745) | (79,545) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 174,465 | 178,834 |



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 September 2024

| | Note | As at 30 September 2024 HK\$'000 (unaudited) | As at 31 March 2024 HK\$'000 (audited) |
|--|------|--|--|
| NON-CURRENT LIABILITIES | | | |
| Lease liabilities | | 5,742 | 6,460 |
| Deferred tax liabilities | | 1,321 | 766 |
| | | 7,063 | 7,226 |
| NET ASSETS | | | |
| | | 167,402 | 171,608 |
| EQUITY | | | |
| Share capital | 14 | 7,770 | 7,770 |
| Reserves | | 160,911 | 165,117 |
| Equity attributable to owners of the Company | | 168,681 | 172,887 |
| Non-controlling interests | | (1,279) | (1,279) |
| TOTAL EQUITY | | | |
| | | 167,402 | 171,608 |



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

| | Attributable to owners of the Company | | | | | | | | Non-controlling interests HK\$'000 | Total equity HK\$'000 |
|---|---------------------------------------|---------------------------|----------------------------|-------------------------------|---------------------------------|--|--------------------------------|-------------------|---------------------------------------|--------------------------|
| | Share capital HK\$'000 | Share premium HK\$'000 | Merger reserve HK\$'000 | Statutory reserve HK\$'000 | Translation reserve HK\$'000 | Property revaluation reserve HK\$'000 | Accumulated losses HK\$'000 | Total HK\$'000 | | |
| At 1 April 2024 (audited) | 7,770 | 424,497 | (10) | 770 | 627 | 27,770 | (288,537) | 172,887 | (1,279) | 171,608 |
| Loss for the period | — | — | — | — | — | — | (4,261) | (4,261) | —* | (4,261) |
| Other comprehensive income for the period: | | | | | | | | | | |
| Exchange differences on translation of financial statements of foreign operations | — | — | — | — | 55 | — | — | 55 | —* | 55 |
| Total comprehensive income/(expense) for the period | — | — | — | — | 55 | — | (4,261) | (4,206) | —* | (4,206) |
| At 30 September 2024 (unaudited) | 7,770 | 424,497 | (10) | 770 | 682 | 27,770 | (292,798) | 168,681 | (1,279) | 167,402 |
| At 1 April 2023 (audited) | 7,770 | 424,497 | (10) | 462 | 584 | — | (287,296) | 146,007 | (2,597) | 143,410 |
| Profit/(loss) for the period | — | — | — | — | — | — | 10,846 | 10,846 | (47) | 10,799 |
| Other comprehensive income/(expense) for the period: | | | | | | | | | | |
| Change in fair value of investment property through other comprehensive income | — | — | — | — | — | 19,612 | — | 19,612 | — | 19,612 |
| Exchange differences on translation of financial statements of foreign operations | — | — | — | — | (259) | — | — | (259) | 50 | (209) |
| Total comprehensive (expense)/income for the period | — | — | — | — | (259) | 19,612 | 10,846 | 30,199 | 3 | 30,202 |
| Disposal of a subsidiary | — | — | — | — | — | — | 51 | 51 | — | 51 |
| At 30 September 2023 (unaudited) | 7,770 | 424,497 | (10) | 462 | 325 | 19,612 | (276,399) | 176,257 | (2,594) | 173,663 |

* The amount less than HK\$1,000.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

| | For the six months ended 30 September | |
|---|--|---------------------------------|
| | 2024 HK\$'000 (unaudited) | 2023 HK\$'000 (unaudited) |
| Operating activities | | |
| Operating cash flows before movements in working capital | 12,767 | 26,308 |
| Decrease/(increase) in inventories | 5,139 | (2,272) |
| Decrease in trade and other receivables, prepayments and deposits | 4,571 | 12,468 |
| Decrease in contract liabilities | — | (34) |
| Decrease in refund liabilities | (40) | — |
| Decrease in trade payables, other payables and accruals | (3,791) | (1,364) |
| Cash generated from operations | 18,646 | 35,106 |
| Hong Kong Profits Tax refunded | — | 1,366 |
| Hong Kong Profits Tax paid | (1,719) | (212) |
| Net cash from operating activities | 16,927 | 36,260 |
| Investing activities | | |
| Purchase of property, plant and equipment | (225) | (3,922) |
| Bank interest received | 5 | 26 |
| Purchase of right-of-use assets | — | (31) |
| Net cash used in investing activities | (220) | (3,927) |
| Financing activities | | |
| Repayment to a shareholder | (14,909) | (49,000) |
| Repayment of bank borrowings | (15,575) | (5,825) |
| Repayment of lease liabilities | (2,623) | (2,320) |
| Interest paid | (3,701) | (3,893) |
| New bank borrowings raised | 26,100 | 50,000 |
| Repayment of other borrowings | — | (13,000) |
| Net cash used in financing activities | (10,708) | (24,038) |
| Net increase in cash and cash equivalents | 5,999 | 8,295 |
| Cash and cash equivalents at beginning of the period | 12,700 | 13,108 |
| Effect of foreign exchange rate changes | 5 | (208) |
| Cash and cash equivalents at end of the period | 18,704 | 21,195 |



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

1. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the six months ended 30 September 2024 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Directors have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties, which are measured at fair values, as appropriate.

Other than the additional accounting policies resulting from application of amendments to HKFRSs and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2024 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 March 2024.

2.1 Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual periods beginning on or after 1 April 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 16
Amendments to HKAS 1

Amendments to HKAS 1
Amendments to HKAS 7
and HKFRS 7

Lease Liability in a Sale and Leaseback
Classification of Liabilities as Current or
Non-current and related amendments
to Hong Kong Interpretation 5
(2020)

Non-current Liabilities with Covenants
Supplier Finance Arrangements



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.1 Application of amendments to HKFRSs (Continued)

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE

Disaggregation of revenue from contracts with customers by major products or service lines and geographical locations of customers are detailed as follows:

| | For the six months ended 30 September 2024 (unaudited) | | |
|--|---|--|-------------------|
| | Health and beauty supplements and products business HK\$'000 | Property investment business HK\$'000 | Total HK\$'000 |
| Disaggregated by geographical locations of customers: | | | |
| Hong Kong (place of domicile) | 100,191 | 2,805 | 102,996 |
| Timing of revenue recognition: | | | |
| Point in time | 100,191 | — | 100,191 |
| Over time | — | 2,805 | 2,805 |
| | 100,191 | 2,805 | 102,996 |
| Principal | 100,191 | 2,805 | 102,996 |



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

3. REVENUE (CONTINUED)

| | For the six months ended 30 September 2023 (unaudited) | | |
|--|---|--|-------------------|
| | Health and beauty supplements and products business HK\$'000 | Property investment business HK\$'000 | Total HK\$'000 |
| Disaggregated by geographical locations of customers: | | | |
| Hong Kong (place of domicile) | 126,004 | 2,008 | 128,012 |
| Timing of revenue recognition: | | | |
| Point in time | 126,004 | — | 126,004 |
| Over time | — | 2,008 | 2,008 |
| | 126,004 | 2,008 | 128,012 |
| Principal | 126,004 | 2,008 | 128,012 |

4. SEGMENT REPORTING

Information reported to the Board, being the Chief Operating Decision Maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group’s reportable segments under HKFRS 8 *Operating Segments* are as follows:

- Health and beauty supplements and products business: development, manufacturing and sales of health and beauty supplements and products.
- Property investment business: leasing of investment properties.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

4. SEGMENT REPORTING (CONTINUED)

(i) Segment revenue and results

| | For the six months ended 30 September 2024 (unaudited) | | |
|---|--|--|-------------------|
| | Health and beauty supplements and products business HK\$'000 | Property investment business HK\$'000 | Total HK\$'000 |
| Segment revenue: | | | |
| Revenue from external customers | 100,191 | 2,805 | 102,996 |
| Segment results | 13,854 | (6,727) | 7,127 |
| Unallocated other income, gains or losses | | | 5 |
| Unallocated finance costs | | | (1,344) |
| Unallocated corporate expenses | | | (8,681) |
| Loss before taxation | | | (2,893) |

| | For the six months ended 30 September 2023 (unaudited) | | |
|---|--|--|-------------------|
| | Health and beauty supplements and products business HK\$'000 | Property investment business HK\$'000 | Total HK\$'000 |
| Segment revenue: | | | |
| Revenue from external customers | 126,004 | 2,008 | 128,012 |
| Segment results | 29,655 | (4,058) | 25,597 |
| Unallocated other income, gains or losses | | | (135) |
| Unallocated finance costs | | | (1,586) |
| Unallocated corporate expenses | | | (10,320) |
| Profit before taxation | | | 13,556 |



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

4. SEGMENT REPORTING (CONTINUED)

(ii) Segment assets and liabilities

| | As at 30 September 2024 HK\$'000 (unaudited) | As at 31 March 2024 HK\$'000 (audited) |
|---|--|--|
| Segment assets | | |
| Health and beauty supplements and products business | 98,999 | 110,512 |
| Property investment business | 201,439 | 208,403 |
| Total reportable segment assets | 300,438 | 318,915 |
| Unallocated assets | 31,267 | 25,419 |
| Total consolidated assets | 331,705 | 344,334 |
| | | |
| | As at 30 September 2024 HK\$'000 (unaudited) | As at 31 March 2024 HK\$'000 (audited) |
| Segment liabilities | | |
| Health and beauty supplements and products business | 41,676 | 16,492 |
| Property investment business | 59,941 | 76,237 |
| Total reportable segment liabilities | 101,617 | 92,729 |
| Unallocated liabilities | 62,686 | 79,997 |
| Total consolidated liabilities | 164,303 | 172,726 |



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

5. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation has been arrived at after charging the following items:

| | For the six months ended 30 September | |
|---|--|---------------------------------|
| | 2024 HK\$'000 (unaudited) | 2023 HK\$'000 (unaudited) |
| (a) Staff costs: | | |
| Salaries, allowances, and other benefits (including directors' emoluments) | 34,873 | 37,076 |
| Contributions to defined contribution retirement plans | 1,197 | 1,192 |
| | 36,070 | 38,268 |
| (b) Other items: | | |
| Auditors' remuneration | 705 | 757 |
| Cost of inventories | 16,899 | 22,480 |
| Depreciation of | | |
| — property, plant and equipment | 1,096 | 2,094 |
| — right-of-use assets | 2,541 | 2,294 |
| Amortisation of intangible assets | 1,550 | 550 |
| Exchange loss, net | 115 | 212 |
| Rent for special designated counters | 15,337 | 16,476 |
| Written-off of inventories, net of reversal | 99 | 245 |
| (c) Finance costs: | | |
| Interest on bank borrowings | 2,881 | 2,738 |
| Interest on other borrowings | — | 189 |
| Interest on amount due to a shareholder | 433 | 716 |
| Interest on lease liabilities | 269 | 250 |
| Others | 16 | — |
| | 3,599 | 3,893 |



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

6. TAXATION

| | For the six months ended 30 September | |
|-------------------------|--|---------------------------------|
| | 2024 HK\$'000 (unaudited) | 2023 HK\$'000 (unaudited) |
| Current taxation | | |
| Hong Kong Profits Tax | 818 | 2,762 |
| Deferred tax | 550 | (5) |
| | 1,368 | 2,757 |

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of assessable profits of qualifying group entity will be taxed at 8.25%, and the assessable profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessment profits above HK\$2,000,000.

7. DIVIDENDS

The Board does not recommend the payment of an interim dividend for both interim periods.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

8. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share attributable to owners of the Company is based on the following data:

| | For the six months ended 30 September | |
|--|--|---------------------|
| | 2024 (unaudited) | 2023 (unaudited) |
| (Loss)/profit (HK\$'000) | | |
| (Loss)/profit attributable to owners of the Company for the purpose of basic and diluted (loss)/earnings per share | (4,261) | 10,846 |
| Number of shares | | |
| Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share | 3,107,893,440 | 3,107,893,440 |

For the six months ended 30 September 2024 and 2023, no adjustment has been made to the basic (loss)/earnings per share amount presented in the computation of diluted (loss)/earnings per share as there were no potential dilutive ordinary shares during the periods.

9. INVESTMENT PROPERTIES

| | As at 30 September 2024 HK\$'000 (unaudited) | As at 31 March 2024 HK\$'000 (audited) |
|---|--|--|
| At fair value | | |
| At the beginning of the period/year | 207,100 | 136,900 |
| Transfer from property, plant and equipment | — | 57,430 |
| Change in fair value upon transfer from property, plant and equipment | — | 27,770 |
| Fair value change | (7,000) | (15,000) |
| At the end of the period/year | 200,100 | 207,100 |



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

9. INVESTMENT PROPERTIES (CONTINUED)

The valuations as at 30 September 2024 were arrived at on the basis of valuations and were carried out on that date by Ravia Global Appraisal Advisory Limited, an independent qualified professional valuer, who is not connected to the Group. The resulting decrease in fair value of investment properties of approximately HK\$7,000,000 (for the six months ended 30 September 2023: approximately HK\$3,900,000) has been recognised directly in profit or loss for the six months ended 30 September 2024.

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENTS, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

During the six months ended 30 September 2024, there are additions of approximately HK\$225,000 (for the six months ended 30 September 2023: approximately HK\$3,922,000) to the property, plant and equipment.

During the six months ended 30 September 2024, the Group entered into several new lease agreements with lease terms of 1 to 4 years. The Group is required to make fixed monthly payments during the contract period. On lease commencement, the Group recognised right-of-use assets of approximately HK\$1,633,000 and lease liabilities of approximately HK\$1,633,000 (for the six months ended 30 September 2023: approximately HK\$8,255,000 and HK\$8,224,000 respectively).

During the six months ended 30 September 2024, there are additions of approximately HK\$6,800,000 (for the six months ended 30 September 2023: Nil) to the intangible assets.

11. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

As at 30 September 2024, included in trade and other receivables, prepayments and deposits are trade receivables of approximately HK\$25,825,000 (as at 31 March 2024: approximately HK\$27,652,000).



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

11. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (CONTINUED)

As of the end of the reporting period, the ageing analysis of trade receivables based on the date of revenue recognition and net of allowance for credit losses were as follows:

| | As at 30 September 2024 HK\$'000 (unaudited) | As at 31 March 2024 HK\$'000 (audited) |
|------------|--|--|
| 0-30 days | 15,865 | 24,452 |
| 31-60 days | 9,944 | 3,200 |
| 61-90 days | 16 | — |
| | 25,825 | 27,652 |

12. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

As at 30 September 2024, included in trade payables, other payables and accruals are trade payables of approximately HK\$1,840,000 (as at 31 March 2024: approximately HK\$2,357,000).

As of the end of the reporting period, the ageing analysis of trade payables based on invoice dates were as follows:

| | As at 30 September 2024 HK\$'000 (unaudited) | As at 31 March 2024 HK\$'000 (audited) |
|---------------|--|--|
| 0-30 days | 1,094 | 919 |
| 31-60 days | 461 | 1,006 |
| 61-90 days | 1 | 178 |
| 91-180 days | — | — |
| 181-365 days | 30 | 2 |
| Over 365 days | 254 | 252 |
| | 1,840 | 2,357 |



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

13. BANK BORROWINGS

| | As at 30 September 2024 HK\$'000 (unaudited) | As at 31 March 2024 HK\$'000 (audited) |
|--|--|--|
| Bank borrowings, secured and carried at variable rates | 121,490 | 110,965 |

During the six months ended 30 September 2024, the Group repaid bank borrowings amounting to approximately HK\$15,575,000 (for the six months ended 30 September 2023: approximately HK\$18,825,000), obtained new bank loans which carried interest at variable rate amounting to approximately HK\$26,100,000 (for the six months ended 30 September 2023: approximately HK\$50,000,000).

The bank borrowings with repayment on demand clause amounted to approximately HK\$121,490,000 (as at 31 March 2024: approximately HK\$110,965,000). Taking into account the Group's financial position, the management believes that it is remote for the banks to exercise their discretionary rights to demand immediate repayment. The management believes that such bank borrowings will be repaid after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements.

14. SHARE CAPITAL

| | Nominal value per share HK\$ | Number of shares | Share capital HK\$'000 |
|--|---------------------------------------|---------------------|------------------------------|
| Authorised: | | | |
| At 1 April 2023, 31 March 2024 (audited), 1 April 2024 and 30 September 2024 (unaudited) | 0.0025 | 4,000,000,000 | 10,000 |
| Issued and fully paid: | | | |
| At 1 April 2023, 31 March 2024 (audited), 1 April 2024 and 30 September 2024 (unaudited) | 0.0025 | 3,107,893,440 | 7,770 |



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

15. COMMITMENTS

As at 30 September 2024, the Group was committed to acquire certain property, plant and equipment with a total amount of approximately HK\$315,000 (as at 31 March 2024: approximately HK\$315,000).

16. RELATED PARTY TRANSACTIONS

In addition to the transactions disclosed elsewhere in the condensed consolidated financial statements, the Group had the following transactions with its related parties during the six months ended 30 September 2024 and 2023:

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and senior management, is as follows:

| | For the six months ended 30 September | |
|------------------------------|--|---------------------------------|
| | 2024 HK\$'000 (unaudited) | 2023 HK\$'000 (unaudited) |
| Short-term employee benefits | 3,679 | 5,680 |
| Retirement benefits | 60 | 80 |
| | 3,739 | 5,760 |

(b) Transaction with related parties

| Name of related parties | Relationship | Nature of transactions | For the six months ended 30 September 2024 HK\$'000 (unaudited) | For the six months ended 30 September 2023 HK\$'000 (unaudited) |
|-----------------------------|---|------------------------|--|--|
| Palaeontol B.V. | An entity where Mr. Cheung Siu Fai, the chairman and executive director of the Company, is having significant influence | Rental income | 23 | — |
| Greatmax Investment Limited | An entity wholly owned by Ms. Leung Lisa, a substantial shareholder of the Company | Rental expenses | 240 | — |



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

16. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Interest on amount due to a shareholder

During the six months ended 30 September 2024, interest expenses of approximately HK\$433,000 (for the six months ended 30 September 2023: approximately HK\$716,000) were incurred for and interest payable, as at 30 September 2024, of approximately HK\$659,000 (as at 31 March 2024: approximately HK\$1,045,000) were included in other payables.

(d) Balances with related parties

Rental receivables of approximately HK\$14,000 was due from Palaeontol B.V. as at 30 September 2024 (as at 31 March 2024: approximately HK\$3,000) and included in trade receivables in Note 11.



OTHER INFORMATION

DISCLOSURE OF INTERESTS

Directors' interests and short positions in shares, underlying shares and debentures of the Company

As at 30 September 2024, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)), which (i) are required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept under Section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), were as follows:

Interests in the shares of the Company

| Name of Director | Capacity/Nature | Nature of interests | Number of shares held ⁽¹⁾ | Approximate percentage of interest in the Company's issued share capital* |
|--------------------|------------------------------------|---------------------|--------------------------------------|---|
| Mr. Cheung Siu Fai | Interest of controlled corporation | Ordinary shares | 723,242,000(L) ⁽²⁾ | 23.27% |
| | Beneficial owner | Ordinary shares | 27,252,000(L) ⁽³⁾ | 0.88% |
| | Other | Ordinary shares | 723,242,000(S) ⁽⁴⁾ | 23.27% |

* The percentage has been adjusted, if any, based on the total number of shares of the Company in issue as at 30 September 2024 (i.e. 3,107,893,440 shares).



OTHER INFORMATION (CONTINUED)

DISCLOSURE OF INTERESTS (CONTINUED)

Directors' interests and short positions in shares, underlying shares and debentures of the Company (Continued)

Interests in the shares of the Company (Continued)

Notes:

- (1) The letters “L” and “S” denote the Director’s long and short position in the shares of the Company respectively.
- (2) Based on the public information of disclosure of interests from the website of the Stock Exchange (<http://www.hkexnews.hk/di/di.htm>), with reference to the notices of disclosures of interests of Leading Virtue Holdings Limited (“**Leading Virtue**”) and Mr. Cheung Siu Fai filed with the Stock Exchange on 21 July 2023, 723,242,000 shares of the Company are held by Leading Virtue, a company wholly-owned by Mr. Cheung Siu Fai. As such, Mr. Cheung Siu Fai is deemed to be interested in the shares held by Leading Virtue by virtue of the SFO.
- (3) Mr. Cheung Siu Fai, the chairman of the Board and an executive Director, is a beneficial owner of 27,252,000 shares of the Company.
- (4) Based on the public information of disclosure of interests from the website of the Stock Exchange (<http://www.hkexnews.hk/di/di.htm>), with reference to the notices of disclosures of interests of Hammer Capital Ventures Limited (“**Hammer Capital Ventures**”) and Mr. Cheung Siu Fai filed with the Stock Exchange on 21 July 2023, the short position of 723,242,000 shares of the Company represents the shares lent by Leading Virtue as lender to Hammer Capital Ventures as borrower pursuant to a securities borrowing and lending agreement. Hammer Capital Ventures is wholly-owned by Mr. Cheung Siu Fai. As such, Mr. Cheung Siu Fai is deemed to be interested in the interest held by Hammer Capital Ventures by virtue of the SFO.

Save as disclosed above, as at 30 September 2024, none of the Directors or the chief executive of the Company or their associates had registered any interests or short positions in any shares, underlying shares or debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept under Section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.



OTHER INFORMATION (CONTINUED)

DISCLOSURE OF INTERESTS (CONTINUED)

Directors' rights to acquire shares and debentures

As at 30 September 2024, the number of outstanding share options granted by the Company under the 2023 share option scheme (as defined below) for the Directors to subscribe the shares of the Company, as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code is set out under the section headed "SHARE OPTION SCHEME" in this interim report.

Save as disclosed above, at no time during the Reporting Period was the Company, its subsidiaries, its fellow subsidiaries or its holding companies a party to any arrangement to enable the Directors, their respective spouses and children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Substantial shareholders' interests and short positions in shares and underlying shares of the Company

As at 30 September 2024, according to the register of interests kept by the Company under Section 336 of the SFO, the interests of the persons, other than the Directors or the chief executive of the Company, in the shares and/or underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO or otherwise notified to the Company were as follows:

Interests in the shares of the Company

| Name of shareholders | Capacity/Nature | Nature of interests | Number of shares held ⁽¹⁾ | Approximate percentage of interest in the Company's issued share capital* |
|---|------------------------------------|---------------------|--------------------------------------|---|
| Leading Virtue | Beneficial owner | Ordinary shares | 723,242,000(L) ⁽²⁾ | 23.27% |
| Hammer Capital Ventures | Other | Ordinary shares | 723,242,000(S) ⁽³⁾ | 23.27% |
| Ms. Leung Lisa | Interest of controlled corporation | Ordinary shares | 718,804,033(L) ⁽⁴⁾ | 23.13% |
| Prosper Rich Investments Limited ("Prosper Rich") | Beneficial owner | Ordinary shares | 718,804,033(L) ⁽⁴⁾ | 23.13% |

* The percentage has been adjusted, if any, based on the total number of shares of the Company in issue as at 30 September 2024 (i.e. 3,107,893,440 shares).



OTHER INFORMATION (CONTINUED)

DISCLOSURE OF INTERESTS (CONTINUED)

Substantial shareholders' interests and short positions in shares and underlying shares of the Company (Continued)

Interests in the shares of the Company (Continued)

Notes:

- (1) The letters “L” and “S” denote the substantial shareholder’s long and short position in the shares of the Company respectively.
- (2) Based on the public information of disclosure of interests from the website of the Stock Exchange (<http://www.hkexnews.hk/di/di.htm>), with reference to the notices of disclosures of interests of Leading Virtue and Mr. Cheung Siu Fai filed with the Stock Exchange on 21 July 2023, 723,242,000 shares of the Company are held by Leading Virtue, a company wholly-owned by Mr. Cheung Siu Fai. As such, Mr. Cheung Siu Fai is deemed to be interested in the shares held by Leading Virtue by virtue of the SFO.
- (3) Based on the public information of disclosure of interests from the website of the Stock Exchange (<http://www.hkexnews.hk/di/di.htm>), with reference to the notices of disclosures of interests of Hammer Capital Ventures and Mr. Cheung Siu Fai filed with the Stock Exchange on 21 July 2023, the short position of 723,242,000 shares of the Company represents the shares lent by Leading Virtue as lender to Hammer Capital Ventures as borrower pursuant to a securities borrowing and lending agreement. Hammer Capital Ventures is wholly-owned by Mr. Cheung Siu Fai. As such, Mr. Cheung Siu Fai is deemed to be interested in the interest held by Hammer Capital Ventures by virtue of the SFO.
- (4) Based on the public information of disclosure of interests from the website of the Stock Exchange (<http://www.hkexnews.hk/di/di.htm>), with reference to the notices of disclosure of interests of Prosper Rich and Ms. Leung Lisa filed with the Stock Exchange on 20 June 2022, 718,804,033 shares of the Company are held by Prosper Rich, a company wholly-owned by Ms. Leung Lisa. As such, Ms. Leung Lisa is deemed to be interested in the shares held by Prosper Rich by virtue of the SFO.

Save as disclosed above, as at 30 September 2024, the Company had not been notified by any persons (other than the Directors or the chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.



OTHER INFORMATION (CONTINUED)

CHANGES TO INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE

Changes in Directors' and chief executive's information since the date of approval of the annual report for the year ended 31 March 2024 of the Company and up to the date of this interim report, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, are set out below:

- Mr. Liu Ying Shun resigned as an independent non-executive Director and he ceased to be chairman of each of the nomination committee and the remuneration committee of the Company ("**Nomination Committee**" and "**Remuneration Committee**", respectively) and member of the audit committee of the Company ("**Audit Committee**") with effect from 1 October 2024. Further details of his resignation are set out in the announcement of the Company dated 2 October 2024.
- Mr. Lam Chik Shun Marcus was appointed as an independent non-executive Director and he was appointed as the chairman of each of the Nomination Committee and the Remuneration Committee and member of the Audit Committee with effect from 1 October 2024. Further details of the appointment of Mr. Lam Chik Shun Marcus are set out in the announcement of the Company dated 2 October 2024.
- Ms. Dong Jian Mei, an independent non-executive Director, was appointed as an independent non-executive director of Great Wall Terroir Holdings Limited ("**Great Wall**") (a company listed on the Main Board of the Stock Exchange with stock code: 524) with effect from 21 November 2024.

Since Ms. Dong Jian Mei was appointed as independent non-executive director of Great Wall with effect from 21 November 2024, Ms. Dong Jian Mei holds cross-directorship with Mr. Cheung Siu Fai as they serve on the boards of the Company and Great Wall. However, the Company considers that such cross-directorship would not undermine the independence of Ms. Dong Jian Mei with respect to her directorship at the Company given that (i) Ms. Dong Jian Mei is not involved in any day-to-day operation of the Company as an independent non-executive director, and (ii) she has complied and followed with the Company's guidelines on declaration and conflicts clearances. Meanwhile, Ms. Dong Jian Mei will act with integrity and exercise objectivity in the conduct of serving the Company.

Save for the information disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.



OTHER INFORMATION (CONTINUED)

SHARE OPTION SCHEME

Pursuant to a written resolution of the Company passed on 24 September 2013, the Company conditionally adopted a share option scheme, which took effect on 11 October 2013 (the “**2013 Share Option Scheme**”). In light of the amendments to the Listing Rules relating to share schemes of listed issuers with effect from 1 January 2023, a new share option scheme was approved by the Company’s shareholders at its annual general meeting held on 13 September 2023 and adopted by the Company upon a listing approval from the Stock Exchange on 27 September 2023 (the “**2023 Share Option Scheme**”) in replacement of the 2013 Share Option Scheme. The 2023 Share Option Scheme shall be effective for a period of 10 years from 27 September 2023.

The purpose of the 2023 Share Option Scheme is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group. A summary of the principal terms of the 2023 Share Option Scheme is set out in the circular of the Company dated 21 July 2023.

As at 1 April 2024 and 30 September 2024, the maximum number of share options available for grant under the 2023 Share Option Scheme and any other share scheme(s) of the Company was 310,789,344 shares, representing 10% of the issued shares of the Company as at the date of this interim report. The service provider sublimit of the 2023 Share Option Scheme and any other share scheme(s) of the Company was 31,078,934 shares as at 1 April 2024 and 30 September 2024. The number of shares that may be issued in respect of share options granted under the 2023 Share Option Scheme during the Reporting Period divided by the weighted average number of shares of the relevant class in issue for the Reporting Period was nil. Since the adoption of the 2023 Share Option Scheme and up to 30 September 2024, no share option was granted, exercised, outstanding, cancelled or lapsed under the 2023 Share Option Scheme.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company’s listed securities during the Reporting Period (Last Corresponding Period: Nil).

CORPORATE GOVERNANCE PRACTICES

The Company recognises the importance of good corporate governance to the Company’s growth and has devoted considerable efforts to identifying and formulating corporate governance practices appropriate to the Company’s needs. The Company has met the code provisions set out in Part 2 of the Corporate Governance Code (as amended from time to time, the “**Code**”) contained in Appendix C1 to the Listing Rules during the Reporting Period and up to the date of this interim report.

The Company has complied with the memorandum of association of the Company, the articles of association of the Company, the Companies Act of the Cayman Islands, the SFO and the Listing Rules as well as other laws applicable to the Company.



OTHER INFORMATION (CONTINUED)

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code (as amended from time to time) as set out in Appendix C3 of the Listing Rules as the code of conduct regarding Directors' transactions in the securities of the Company. Upon the Company's specific enquiry, all Directors have confirmed that they have fully complied with the required standards as set out in the Model Code under the Listing Rules throughout the Reporting Period, and there is no event of non-compliance. Employees of the Group, who are likely to be in possession of unpublished inside information of the Company, have been requested to comply with the provisions of the Model Code.

AUDIT COMMITTEE

The Audit Committee is currently composed of three independent non-executive Directors, namely Mr. Leung Winson Kwan Yau (*chairman of Audit Committee*), Mr. Lam Chik Shun Marcus and Ms. Dong Jian Mei, for the purpose of reviewing and providing, inter alia, supervision over the Group's financial reporting, internal control and risk management system with written terms of reference in compliance with the Listing Rules.

At the request of the Audit Committee, the Company's external auditor had carried out a review of the condensed consolidated financial statements of the Group for the Reporting Period (the **"2024/2025 Interim Financial Information"**) in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. 2024/2025 Interim Financial Information and this interim report have been reviewed by the Audit Committee.

APPROVAL OF INTERIM REPORT

This interim report and the unaudited condensed consolidated interim results of the Group for the Reporting Period were approved and authorised for issue by the Board on 28 November 2024.

As at the date of this report, the executive Director is Mr. CHEUNG Siu Fai; the non-executive Director is Ms. SO Tsz Kwan; and the independent non-executive Directors are Mr. LEUNG Winson Kwan Yau, Mr. LAM Chik Shun Marcus and Ms. DONG Jian Mei.

