

# 澳至尊 AUSupreme

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## 2024/2025 INTERIM REPORT

澳至尊國際控股有限公司  
AUSUPREME INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

HKEx Stock Code : 2031.HK

# 澳至尊 AUSupreme



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# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Choy Chi Fai (*Chairman and Co-Chief Executive Officer*)  
Ms. Ho Ka Man (*Vice Chairman and Co-Chief Executive Officer*)  
Mr. Ho Chun Kit, Saxony  
(Resigned on 20 September 2024)  
Mr. Au Chun Kit (Resigned on 20 September 2024)

### Independent Non-executive Directors

Prof. Luk Ting Kwong  
Ms. Pang Sin Mei Ada  
Dr. Wan Cho Yee

## AUDIT COMMITTEE

Ms. Pang Sin Mei Ada (*Chairman*)  
Dr. Wan Cho Yee  
Prof. Luk Ting Kwong

## NOMINATION COMMITTEE

Prof. Luk Ting Kwong (*Chairman*)  
Dr. Wan Cho Yee  
Mr. Choy Chi Fai

## REMUNERATION COMMITTEE

Dr. Wan Cho Yee (*Chairman*)  
Ms. Pang Sin Mei Ada  
Mr. Choy Chi Fai

## COMPANY SECRETARY

Ms. Tang Wing Shan

## AUTHORISED REPRESENTATIVES

Mr. Choy Chi Fai  
Ms. Tang Wing Shan

## INDEPENDENT AUDITOR

Asian Alliance (HK) CPA Limited  
Certified Public Accountants  
Registered Public Interest Entity Auditors  
8/F., Catic Plaza  
8 Causeway Road  
Causeway Bay  
Hong Kong

## SOLICITOR

Michael Li & Co.

## PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
The Hongkong and Shanghai Banking Corporation Limited  
CMB Wing Lung Bank Limited

## REGISTERED OFFICE

Windward 3  
Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Office E, 30/F., EGL Tower  
83 Hung To Road  
Kwun Tong, Kowloon  
Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited  
Windward 3  
Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

## BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited  
Room 2103B, 21/F.  
148 Electric Road  
North Point  
Hong Kong

## LISTING INFORMATION

Place of Listing: The Main Board of The Stock Exchange of Hong Kong Limited  
Stock Code: 2031  
Board Lot: 5,000 shares

## COMPANY WEBSITE

[www.ausupreme.com](http://www.ausupreme.com)



AUSupreme Website



AUSupreme TMALL.HK



AUSupreme WeChat



AUSupreme facebook



The board (the “Board”) of directors (the “Directors”) of Ausupreme International Holdings Limited (the “Company”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (together as the “Group”) for the six months ended 30 September 2024 (the “Period”), together with the relevant comparative figures as follows:

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2024

		Six months ended 30 September	
	Notes	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>Revenue</b>	4(a)	<b>126,540</b>	130,783
Cost of sales		<b>(16,193)</b>	(17,108)
<b>Gross profit</b>		<b>110,347</b>	113,675
Other income	5(a)	<b>1,087</b>	632
Other gains and losses, net	5(b)	<b>(224)</b>	(1,651)
Selling and distribution expenses		<b>(78,460)</b>	(76,258)
General and administrative expenses		<b>(16,249)</b>	(16,637)
Finance costs	6	<b>(562)</b>	(503)
<b>Profit before taxation</b>		<b>15,939</b>	19,258
Income tax expense	7	<b>(2,700)</b>	(4,085)
<b>Profit for the period</b>	8	<b>13,239</b>	15,173
<b>Other comprehensive income (expenses):</b>			
Item that will not be reclassified to profit or loss:			
— Fair value gain on investments in equity instruments at fair value through other comprehensive income (“FVTOCI”)		<b>934</b>	378
Item that may be reclassified subsequently to profit or loss:			
— Exchange differences arising on translation of foreign operations		<b>512</b>	(1,195)
Other comprehensive income (expenses) for the period, net of tax		<b>1,446</b>	(817)
<b>Total comprehensive income for the period</b>		<b>14,685</b>	14,356
<b>Earnings per share</b>	10	<b>HK Cents</b>	<b>HK Cents</b>
— Basic		<b>1.74</b>	1.99
— Diluted		<b>N/A</b>	N/A

# 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)
<b>Non-current assets</b>			
Property, plant and equipment		58,679	59,263
Right-of-use assets		15,531	17,778
Investment properties		9,912	9,898
Equity investment at FVTOCI	11	2,825	1,890
Deferred tax assets		883	836
		<b>87,830</b>	89,665
<b>Current assets</b>			
Inventories		25,153	21,787
Trade and other receivables	12	35,690	31,997
Time deposits		5,380	5,518
Cash and cash equivalents		80,030	69,844
		<b>146,253</b>	129,146
<b>Current liabilities</b>			
Trade and other payables	13	15,328	13,712
Bank borrowing		2,275	2,486
Dividend payable		15,252	12
Lease liabilities		11,201	10,274
Provisions		332	376
Income tax payable		6,074	4,767
		<b>50,462</b>	31,627
<b>Net current assets</b>		<b>95,791</b>	97,519
<b>Total assets less current liabilities</b>		<b>183,621</b>	187,184
<b>Non-current liabilities</b>			
Lease liabilities		4,849	8,033
Provisions		1,117	941
		<b>5,966</b>	8,974
<b>NET ASSETS</b>		<b>177,655</b>	178,210
<b>CAPITAL AND RESERVES</b>			
Share capital	14	7,620	7,620
Reserves		170,035	170,590
<b>Total equity</b>		<b>177,655</b>	178,210

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2024

	Attributable to owners of the Company						
	Share capital HK\$'000	Share premium HK\$'000	Equity investment at FVTOCI reserve HK\$'000	Exchange reserve HK\$'000	Capital reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
<b>At 1 April 2024</b>	<b>7,620</b>	<b>91,288</b>	<b>(5,304)</b>	<b>(1,961)</b>	<b>1,546</b>	<b>85,021</b>	<b>178,210</b>
Profit for the period	—	—	—	—	—	13,239	13,239
Other comprehensive income	—	—	934	512	—	—	1,446
Total comprehensive income for the period	—	—	934	512	—	13,239	14,685
Dividends recognised as distribution (Note 9)	—	—	—	—	—	(15,240)	(15,240)
<b>Balance at 30 September 2024 (Unaudited)</b>	<b>7,620</b>	<b>91,288</b>	<b>(4,370)</b>	<b>(1,449)</b>	<b>1,546</b>	<b>83,020</b>	<b>177,655</b>

	Attributable to owners of the Company						
	Share capital HK\$'000	Share premium HK\$'000	Equity investment at FVTOCI reserve HK\$'000	Exchange reserve HK\$'000	Capital reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 April 2023	7,620	91,288	(5,454)	(907)	1,546	61,967	156,060
Profit for the period	—	—	—	—	—	15,173	15,173
Other comprehensive income (expense)	—	—	378	(1,195)	—	—	(817)
Total comprehensive income (expense) for the period	—	—	378	(1,195)	—	15,173	14,356
Dividends recognised as distribution (Note 9)	—	—	—	—	—	(7,620)	(7,620)
Balance at 30 September 2023 (Unaudited)	7,620	91,288	(5,076)	(2,102)	1,546	69,520	162,796

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2024

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>Operating activities</b>		
Profit before taxation	15,939	19,258
Adjustments for:		
Depreciation of property, plant and equipment	1,423	1,391
Depreciation of right-of-use assets	6,161	6,269
Interest income	(891)	(464)
Write-down (Reversal of write-down) of obsolete inventories	307	(52)
Loss on write-off of property, plant and equipment	—	49
Finance costs	562	503
Loss on change in fair value of investment properties	209	460
Loss on deregistration of a subsidiary	98	—
<b>Cash flows before movement in working capital</b>	<b>23,808</b>	<b>27,414</b>
Increase in inventories	(3,673)	(3,769)
Increase in trade and other receivables	(3,693)	(6,595)
Increase in trade and other payables	1,616	3,258
<b>Cash generated from operations</b>	<b>18,058</b>	<b>20,308</b>
Income tax paid	(1,432)	(202)
<b>Net cash from operating activities</b>	<b>16,626</b>	<b>20,106</b>
<b>Investing activities</b>		
Payments for acquisition of property, plant and equipment	(690)	(592)
Withdrawal (Placement) of time deposits	138	(5,474)
Interest received	891	464
<b>Net cash from (used in) investing activities</b>	<b>339</b>	<b>(5,602)</b>
<b>Financing activities</b>		
Repayments of lease liabilities	(6,558)	(6,497)
Repayment of bank borrowing	(254)	(250)
<b>Net cash used in financing activities</b>	<b>(6,812)</b>	<b>(6,747)</b>
Net increase in cash and cash equivalents	10,153	7,757
Effect of foreign exchange rate changes, net	33	(254)
Cash and cash equivalents at the beginning of the period	69,844	41,044
<b>Cash and cash equivalents at the end of the period, represented by bank balances and cash</b>	<b>80,030</b>	<b>48,547</b>

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2024

## 1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 17 April 2015 and is an investment holding company. Its registered office is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of the Company's principal place of business is Office E, 30/F., EGL Tower, 83 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

The Group is a Hong Kong-based brand builder, retailer and wholesaler of health and personal care products focusing on the development, marketing, sales and distribution of the branded products managed by the Group.

The issued ordinary shares of the Company were initially listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 12 September 2016 (the "**Listing**").

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 September 2024 (the "**Condensed Consolidated Interim Financial Statements**") are presented in Hong Kong dollars ("**HK\$**") and all values are rounded to the nearest thousand except when otherwise indicated.

## 2. BASIS OF PREPARATION

The unaudited Condensed Consolidated Interim Financial Statements 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 (the "**HKICPA**") as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The unaudited Condensed Consolidated Interim Financial Statements have been prepared on the historical cost basis.

The unaudited Condensed Consolidated Interim Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual report of the Company for the year ended 31 March 2024.

The Condensed Consolidated Interim Financial Statements have not been audited nor reviewed by the independent auditor of the Company but have been reviewed by the audit committee of the Board (the "**Audit Committee**").



# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2024

## 3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies and methods of computation used in the unaudited Condensed Consolidated Interim Financial Statements are the same as those followed in the preparation of the Group's financial statements for the year ended 31 March 2024, except as described below.

In the current reporting period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (the "HKFRSs") issued by the HKICPA that are relevant for the preparation of the Condensed Consolidated Interim Financial Statements and mandatorily effective for the annual period beginning on or after 1 April 2024:

Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current period 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 Interim Financial Statements.

## 4. REVENUE AND SEGMENT REPORTING

### (a) Revenue

#### (i) Disaggregation of revenue from contracts with customers

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>Types of goods</b>		
Health supplement products	120,398	125,092
Personal care products	5,766	5,167
Honey and pollen products	376	524
<b>Total</b>	<b>126,540</b>	<b>130,783</b>
<b>Timing of revenue recognition</b>		
A point in time	126,540	130,783
<b>Sales channel</b>		
Specialty stores	21,003	22,273
Consignment counters	90,636	94,952
E-commerce	9,966	7,758
Other sales channels	4,935	5,800
<b>Total</b>	<b>126,540</b>	<b>130,783</b>

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2024

## 4. REVENUE AND SEGMENT REPORTING — continued

### (a) Revenue — continued

#### (ii) *Performance obligations for contracts with customers*

Revenue from retail and wholesale of health and personal care products is recognised at a point in time upon the delivery of the health and personal care products to the customers or, in case of consignment sales through consignees, upon collection of the products by end-customers, which is the point of time when customer has the ability to direct the use of products and obtain substantially all of the remaining benefits of the products. The payment terms are generally within 0 to 60 days.

#### (iii) *Transaction price allocated to the remaining performance obligation for contracts with customers*

All contracts with customers are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

### (b) Segment reporting

HKFRS 8 “Operating Segments” requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group’s chief operating decision maker (i.e. the executive Directors) for the purpose of resources allocation and performance assessment. The chief operating decision maker reviews the financial performance and position of the Group as a whole and on this basis, the Group has determined that it has only one operating segment which is the retail and wholesale of health and personal care products.

## 5. OTHER INCOME, OTHER GAINS AND LOSSES, NET

### (a) Other income

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Bank interest income on bank deposits	891	464
Dividend Income	84	123
Government grants (Note)	—	5
Others	112	40
	1,087	632

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2024

### 5. OTHER INCOME, OTHER GAINS AND LOSSES, NET — continued

#### (a) Other income — continued

*Note:*

During the six months ended 30 September 2023, the Group recognised government grants approximately HK\$5,000 under certain subsidy schemes launched by the Government of the Republic of Singapore.

The Group has complied with all of the conditions for these government grants.

#### (b) Other gains and losses, net

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Loss on written-off of property, plant and equipment	—	(49)
Net foreign exchange gains (losses)	83	(1,142)
Loss from changes in fair value of investment properties, net	(209)	(460)
Loss on deregistration of a subsidiary	(98)	—
	(224)	(1,651)

### 6. FINANCE COSTS

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Interest on bank borrowing	43	46
Interest on lease liabilities	519	457
	562	503

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2024

## 7. INCOME TAX EXPENSE

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Current tax:		
Hong Kong Profits Tax	2,045	239
PRC Enterprise Income Tax	5	14
Macau Complementary Tax	697	780
	2,747	1,033
Deferred tax:		
Current period	(47)	3,052
Total	2,700	4,085

Notes:

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million 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 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Accordingly, the provision for Hong Kong Profits Tax are calculated at 16.5% of the estimate assessable profits, except for one subsidiary of the Company which is a qualifying corporation under the two-tiered profits tax rates regime.

Taxation for subsidiaries which are outside Hong Kong is charged at the appropriate current rates of taxation ruling in relevant tax jurisdictions.

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2024

### 8. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging (crediting):

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Depreciation of:		
— Property, plant and equipment	1,423	1,391
— Right-of-use assets	6,161	6,269
Total depreciation	7,584	7,660
Depreciation included in selling and distribution expenses	(5,892)	(5,696)
Depreciation included in general and administrative expenses	1,692	1,964
Cost of inventories recognised as expense	16,193	17,108
Write-down (Reversal of write-down) of obsolete inventories included in cost of inventories	307	(52)
Consignment expenses ( <i>Note</i> )	38,798	40,537
Advertising and promotion expense included in selling and distribution expenses	3,905	3,262
Donations	130	60

*Note:* Fees paid to consignees for sales of health and personal care products made through the consignment counters are included in "selling and distribution expenses".

### 9. DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 September 2024 (2023: Nil).

A final dividend in respect of the year ended 31 March 2024 of HK2 cents (2023: HK1 cent) per ordinary share, amounting to HK\$15,240,000 (2023: HK\$7,620,000) in aggregate, was declared pursuant to the resolution passed by the Board on 26 June 2024 and the approval of the shareholders of the Company (the "Shareholder(s)") at the annual general meeting of the Company held on 12 September 2024. This final dividend was paid on 8 October 2024.



# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2024

## 10. EARNINGS PER SHARE

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

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	13,239	15,173

  

	As at 30 September	
	2024 '000 (Unaudited)	2023 '000 (Unaudited)
<b>Number of shares:</b> Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	762,000	762,000

No diluted earnings per share for the six months ended 30 September 2024 and 2023 were presented as there were no potential ordinary shares in issue for the six months ended 30 September 2024 and 2023.

## 11. EQUITY INVESTMENT AT FVTOCI

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Unlisted equity investments in Australia, at fair value	2,825	1,890

The above unlisted equity investments represent the Group's equity interest in Homart Group Pty Limited ("Homart"), which is an unlisted entity in Australia. The Directors have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in this investment's fair value in profit or loss would be inconsistent with the Group's strategy of holding this investment for long-term purpose and realising its performance potential in the long run.

The fair value of the Group's investment in Homart is determined based on the valuation techniques using market approach by LCH (Asia-Pacific) Surveyors Limited, an independent qualified professional valuer.

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2024

### 12. TRADE AND OTHER RECEIVABLES

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Trade receivables	21,624	21,163
Other receivables	619	750
Deposits and prepayments ( <i>Note</i> )	13,447	10,084
	<b>35,690</b>	31,997

*Note:* Deposits and prepayments comprised mainly rental deposits and prepaid operating expenses.

The Group usually allows a credit period ranging from 0 to 60 days to its trade customers and consignees. The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the date of delivery of goods which approximated the respective dates on which revenue was recognised.

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Within 30 days	10,019	10,561
31–60 days	9,598	8,184
61–90 days	1,324	1,510
Over 90 days	683	908
	<b>21,624</b>	21,163

The management of the Group closely monitors the credit quality of trade receivables and considers the debtors that are neither past due nor impaired to be of a good credit quality. Before accepting any new customer or consignee, the Group's management will assess the potential customer's or consignee's credit quality and determine the credit limits of each customer or consignee. Credit limits attributable to customers or consignees are reviewed periodically.

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2024

### 12. TRADE AND OTHER RECEIVABLES — continued

The Group has a policy for allowance of impairment loss which is based on the evaluation of collectability and ageing analysis of accounts and on management's judgement including the creditworthiness and the past collection history of each customer or consignee.

Based on the historical experience of the Group, trade receivables that are past due but not impaired are generally recoverable.

### 13. TRADE AND OTHER PAYABLES

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Trade payables ( <i>Note</i> )	4,517	1,822
Accrued staff costs	8,339	9,020
Other payables and accruals	2,472	2,870
	<b>15,328</b>	13,712

*Note:*

The aged analysis of trade payables, presented based on the invoice date, is as follows:

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Within 30 days	3,468	990
31–90 days	1,045	829
Over 90 days	4	3
	<b>4,517</b>	1,822

The average credit period on purchases of goods usually is 0-90 days.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2024

## 14. SHARE CAPITAL

	As at 30 September 2024 (Unaudited)		As at 31 March 2024 (Audited)	
	Number of Shares	Share capital HK\$'000	Number of Shares	Share capital HK\$'000
Ordinary shares of HK\$0.01 each in the share capital of the Company ("Share(s)")				
Authorised:				
At beginning of period/year and at end of period/year	2,000,000,000	20,000	2,000,000,000	20,000
Issued and fully paid:				
At beginning of period/year and at end of period/year	762,000,000	7,620	762,000,000	7,620

## 15. MATERIAL RELATED PARTY TRANSACTIONS

For the purposes of these Condensed Consolidated Interim Financial Statements, parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions. Related parties may be individuals (being members of key management personnel, significant Shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

The Directors are of the view that the following company is a related party that had transactions or balances with the Group as it is controlled by certain Directors:

— Tiger 2023 Limited ("**Tiger**")

- (i) The Group had the following transactions with related party during the six months ended 30 September 2024 and 2023 which the Directors consider to be material:

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Payment of lease liabilities	444	296

The above lease payments were paid to a related company, Tiger, which was controlled by two of the Directors, in accordance with the terms of underlying contracts. The Directors are of the opinion that the above transactions were entered in normal course of business.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2024

## 15. MATERIAL RELATED PARTY TRANSACTIONS — continued

(ii) Lease liabilities payable to Tiger:

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Within 1 year	827	801
After 1 year but within 5 years	581	1,001
	1,408	1,802



# Management Discussion and Analysis

## BUSINESS REVIEW

The Group is principally a Hong Kong-based brand builder, retailer and wholesaler of health and personal care products focusing on the development, marketing, sales and distribution of the branded products. For the six months ended 30 September 2024, the Group's revenue dropped to HK\$126,540,000 from HK\$130,783,000 for the six months ended 30 September 2023 (the "**Last Period**"). Meanwhile, the profit of the Group for the Period amounted to HK\$13,239,000, which represented a decrease of 12.7% from HK\$15,173,000 for the Last Period.

With the impact of various geopolitical tensions, continuous high interest rates as well as the sluggish economic environment, the overall retail market in Hong Kong continued to face operational challenges during the Period. According to the statistics from the Census and Statistics Department of Hong Kong, the estimated value of total retail sales in Hong Kong for the Period decreased by approximately 10.8% as compared to the Last Period. The Group's sales declined in the same direction as the trend of Hong Kong retail market. The decrease in the Group's revenue was mainly due to the weakened economy, along with a northbound spending trend which posed a negative impact on the overall consumption sentiment and the turnover of the Group. The Group is committed to continuously reviewing and enhancing its business plans to adapt to the changing business environment.

As at 30 September 2024, the Group had 18 specialty stores and 67 consignment counters in Hong Kong and Macau (31 March 2024: 18 specialty stores and 63 consignment counters in Hong Kong, Macau and Singapore). The Group will continue to carefully identify suitable locations for the specialty stores and other sales channels to maximise its exposure to target customers.

## FINANCIAL REVIEW

The Group generated revenue primarily from sales channels of specialty stores, consignment counters and e-commerce etc. The main types of goods are health supplement products, personal care products and honey and pollen products. During the Period, both the revenue and profit of the Group recorded a slight decline mainly due to unfavourable market conditions and intensified market competition. For the six months ended 30 September 2024, the Group's revenue decreased by 3.2% to HK\$126,540,000 (2023: HK\$130,783,000) while recorded a consolidated profit of HK\$13,239,000, as compared to a consolidated profit of HK\$15,173,000 for the Last Period.

During the Period, the Group's revenue from (i) health supplement products dropped by 3.8% to HK\$120,398,000 (2023: HK\$125,092,000); (ii) personal care products increased by 11.6% to HK\$5,766,000 (2023: HK\$5,167,000); and (iii) honey and pollen products decreased by 28.2% to HK\$376,000 (2023: HK\$524,000). The Group's revenue from sales channels of (i) specialty stores decreased by 5.7% to HK\$21,003,000 (2023: HK\$22,273,000); (ii) consignment counters decreased by 4.5% to HK\$90,636,000 (2023: HK\$94,952,000); (iii) e-commerce increased by 28.5% to HK\$9,966,000 (2023: HK\$7,758,000); and other sales channels decreased by 14.9% to HK\$4,935,000 (2023: HK\$5,800,000).

## Management Discussion and Analysis

The following table sets forth the breakdown of the Group's revenue by categories of products for the six months ended 30 September 2024 and 2023:

	For the six months ended 30 September			
	2024 HK\$'000	% of total revenue	2023 HK\$'000	% of total revenue
Health supplement products	120,398	95.1%	125,092	95.6%
Personal care products	5,766	4.6%	5,167	4.0%
Honey and pollen products	376	0.3%	524	0.4%
Total	126,540	100.0%	130,783	100.0%

The table below sets forth the breakdown of the Group's revenue by sales channels for the six months ended 30 September 2024 and 2023:

	For the six months ended 30 September			
	2024 HK\$'000	% of total revenue	2023 HK\$'000	% of total revenue
Specialty stores	21,003	16.6%	22,273	17.0%
Consignment counters	90,636	71.6%	94,952	72.6%
E-commerce	9,966	7.9%	7,758	5.9%
Other sales channels	4,935	3.9%	5,800	4.5%
Total	126,540	100.0%	130,783	100.0%

The cost of sales decreased by HK\$915,000 or 5.3% to HK\$16,193,000 for the Period as compared to that of HK\$17,108,000 for the Last Period. The decrease of cost was in line with the decrease in the revenue. However, the gross profit ratio slightly increased 0.3% to 87.2% for the six months ended 30 September 2024 (2023: 86.9%).

During the Period, the other income of the Group increased by 72.0% to HK\$1,087,000 (2023: HK\$632,000). It was mainly due to the increase of bank interest income which was caused by the rise of interest rate.

The selling and distribution expenses of the Group increased by 2.9% to HK\$78,460,000 for the six months ended 30 September 2024 (2023: HK\$76,258,000), while the general and administrative expenses of the Group decreased by 2.3% to HK\$16,249,000 for the Period (2023: HK\$16,637,000). The increase in selling and distribution expenses was mainly due to the rise of staff cost in order to retain and attract talents. The drop of general and administrative expense was attributable to an effective execution of cost control.

## Management Discussion and Analysis

During the Period, the Group's finance costs represented interest on bank borrowing amounting to HK\$43,000 (2023: HK\$46,000) and interest on lease liabilities amounting to HK\$519,000 (2023: HK\$457,000).

The Group's revenue was mainly derived from Hong Kong, Mainland China and Macau during the Period. For the six months ended 30 September 2024, income tax expense was HK\$2,700,000 (2023: HK\$4,085,000). The provision for Hong Kong Profits Tax has been provided in accordance with two-tiered profits tax rates regime; the first HK\$2,000,000 of assessable profits of a qualifying corporation of the Group is taxed at 8.25% and the assessable profits above HK\$2,000,000 are taxed at 16.5%. The assessable profits of group entities not qualified for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Taxation for subsidiaries which are outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

As a result of the above factors, there was a consolidated profit for the six months ended 30 September 2024 of HK\$13,239,000 as compared to a consolidated profit of HK\$15,173,000 for the Last Period.

For the six months ended 30 September 2024, the Group recorded a basic earnings per share of HK1.74 cents as compared to the basic earnings per share of HK1.99 cents for the Last Period, the calculation of which is based on the profit for the Period of HK\$13,239,000 (2023: HK\$15,173,000) and the weighted average number of 762,000,000 Shares in issue during the Period (2023: 762,000,000 Shares). No diluted earnings per Share for those periods ended 30 September 2024 and 2023 were presented as there were no potential ordinary Shares in issue for those periods ended 30 September 2024 and 2023.

### LIQUIDITY

The Group's financing and treasury activities are centrally managed and controlled at the corporate level. The main objective is to utilise the funding efficiently and to manage the financial risks effectively. The Group generally meets its working capital requirements from its internally generated funds, and maintains a healthy financial position.

As at 30 September 2024, the Group had net current assets and net assets of HK\$95,791,000 (31 March 2024: HK\$97,519,000) and HK\$177,655,000 (31 March 2024: HK\$178,210,000), respectively. As at 30 September 2024, the current ratio calculated based on current assets divided by current liabilities of the Group was approximately 2.9 (31 March 2024: 4.1).

Cash and cash equivalents and time deposits held by the Group amounted to HK\$85,410,000 as at 30 September 2024 (31 March 2024: HK\$75,362,000), of which HK\$80,030,000 (31 March 2024: HK\$69,844,000) was cash and cash equivalents and HK\$5,380,000 (31 March 2024: HK\$5,518,000) was non-pledged time deposits with original maturity of over three months. They were mainly denominated in Hong Kong dollars, Japanese yen, Australian dollars, Renminbi and United States dollars.

# Management Discussion and Analysis

## OTHER FINANCIAL RESOURCES AND GEARING

As at 30 September 2024, the total outstanding bank borrowing of the Group amounted to HK\$2,275,000 (31 March 2024: HK\$2,486,000) and it is a secured bank mortgage loan. The bank mortgage loan was repayable based on scheduled repayment dates set out in the loan agreement and the last payment is on 21 August 2029.

Interest on bank borrowing is charged at floating rates. The bank borrowing of the Group are denominated in Hong Kong dollars. No financial instruments for hedging purposes were employed by the Group for the six months ended 30 September 2024 and for the year ended 31 March 2024.

As at 30 September 2024, the bank borrowing were secured by the Group's certain leasehold land and building with aggregate net carrying value of approximately HK\$28,062,000 (31 March 2024: HK\$28,542,000).

As at 30 September 2024, the Group's gearing was considered to be at a reasonable level, as the debt to equity ratio was only 1.3% (31 March 2024: 1.4%), expressed as a percentage of total bank borrowings to total net assets.

## FOREIGN EXCHANGE EXPOSURE

The Group is exposed to currency risk primarily through sales and purchases, which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Japanese yen, Australian dollars and Renminbi. The Group currently does not have any foreign currency hedging policy. However, the Group maintains a conservative approach in treasury management by constantly monitoring foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. The management will continue to monitor the foreign exchange exposure and will take prudent measures when needed.

## CAPITAL COMMITMENTS

As at 30 September 2024, the Group did not have any capital commitments (31 March 2024: Nil).

## MAJOR INVESTMENTS, ACQUISITIONS AND DISPOSALS

The Group had no material investments, acquisitions or disposals of subsidiaries, associates or joint ventures during the six months ended 30 September 2024 (2023: Nil).

## CONTINGENT LIABILITIES

As at 30 September 2024, the Group had no material contingent liabilities (31 March 2024: Nil).

## EMPLOYEE INFORMATION

As at 30 September 2024, the Group had 232 (31 March 2024: 210) employees, including part-time staff. The Group remunerates employees based on their performance and experience, the Group's results as well as prevailing market conditions. In addition to salary and commission payment to staff, other staff benefits include a share option scheme, discretionary bonus, staff discount on purchases and internal training.

## Management Discussion and Analysis

### DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 September 2024 (2023: Nil).

### PROSPECTS

Looking ahead, interest rates are anticipated to be gradually reduced by various countries in order to maintain their economic development. The change in political landscape in the United States from the beginning of 2025 is expected to have an impact on the economy. Geopolitical tensions and wars in various parts of the world also affect the global market.

Meanwhile, both the economies of Mainland China and Hong Kong are in the process of transformation. The State Council of the People's Republic of China has announced a new round of measures that would stimulate the domestic demand and benefit the economy. The Hong Kong Government and the entire retail industry have collaborated to explore the path of economic transformation in Hong Kong. The Hong Kong Government has proposed to the government of Mainland China to resume the "multiple-entry" Individual Visit Endorsements for Shenzhen residents and expand the coverage of pilot cities for implementing policies on the "one trip per week" Individual Visit Endorsements. In addition, the Hong Kong Government will continue to support various mega events and exhibitions. The retail and tourism sectors will collaborate with the Hong Kong Government's efforts to combine mega events, shopping and local travel, aiming to translate foot traffic into economic benefits.

The Group will leverage on all the proactive initiatives and launch timely marketing and promotional strategies to attract new customers. With evolving customer preferences, the Group will continue to diversify its product portfolio to target various customer groups. Strategic optimization of both online and offline store networks will be continued to be implemented. The Group will closely review the performance of each outlet and actively explore opportunities in extending the business to other areas in Asia.

In the short run, the business environment is expected to be volatile with uncertainties. The Group will stay focused on quality health product development, market penetration and new business opportunities to sustain long-term corporate growth.



# Corporate Governance and Other Information

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 September 2024, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or 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 have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code") were as follows:

### (i) Long positions in the Shares

Name of Directors	Capacity/Nature of interests	Approximate percentage of the total issued	
		Number of Shares held	Shares (Note 2)
Mr. Choy Chi Fai	Interest in a controlled corporation (Note 1)	433,460,000	56.88%
Ms. Ho Ka Man	Interest in a controlled corporation (Note 1)	433,460,000	56.88%

Notes:

- Each of Mr. Choy Chi Fai and Ms. Ho Ka Man (together as a group of the controlling shareholders) owns 50% of the issued share capital of Beatitudes International Ltd. ("Beatitudes"), a company incorporated in the British Virgin Islands and considered as the parent and ultimate parent company of the Company. As at 30 September 2024, Beatitudes was the beneficial owner holding an approximately 56.88% shareholding interest in the Company and thus, each of Mr. Choy Chi Fai and Ms. Ho Ka Man was deemed or taken to be interested in all the Shares which were beneficially owned by Beatitudes for the purpose of the SFO.
- The percentage of shareholding interest in the Company shown in the table above is calculated on the basis of 762,000,000 Shares in issue as at 30 September 2024.

## Corporate Governance and Other Information

### (ii) Long positions in the ordinary shares of Beatitudes — an associated corporation of the Company

Name of Directors	Capacity/Nature of interests	Number of ordinary shares held	Percentage of the total issued ordinary shares of Beatitudes
Mr. Choy Chi Fai	Beneficial owner	50	50%
Ms. Ho Ka Man	Beneficial owner	50	50%

Save as disclosed above, as at 30 September 2024, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations, which had notified to the Company and the Stock Exchange under the SFO or pursuant to Section 352 of the SFO, entered in the register referred to therein or which were, pursuant to the Model Code, notified to the Company and the Stock Exchange.

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2024, so far as it is known by or otherwise notified to any Director or the chief executives of the Company, the corporation and the person named below (other than a Director or the chief executive of the Company) had a long position in the following Shares, which were required to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, were as follows:

Name of Shareholders	Capacity/Nature of Interests	Number of Shares held	Approximate percentage of the total issued Shares (Note 2)
Beatitudes	Beneficial owner (Note 1)	433,460,000	56.88%
Gao Yuan	Beneficial owner	93,635,000	12.29%

Notes:

1. Beatitudes is a company incorporated in the British Virgin Islands, which owned an approximately 56.88% shareholding interest in the Company as at 30 September 2024.
2. The percentage of shareholding interest in the Company shown in the table above is calculated on the basis of 762,000,000 Shares in issue as at 30 September 2024.

Save as disclosed above, as at 30 September 2024, the Directors were not aware of any corporation which/person (other than a Director or the chief executive of the Company) who had interest or short position in the Shares or underlying Shares, which had been disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under Section 336 of the SFO.

## Corporate Governance and Other Information

### UPDATE ON DIRECTORS' INFORMATION

Except the announcement dated 20 September 2024, there is no change in the Directors' information required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules subsequent to the date of the annual report of the Company for the year ended 31 March 2024 and up to the date of this interim report.

### SHARE OPTION SCHEME

Pursuant to the written resolution of the sole Shareholder passed on 20 July 2016, the Company adopted a share option scheme (the "**Scheme**") conditional upon the Listing. The Scheme became effective on 12 September 2016. As no share options have been granted under the Scheme since its adoption, there were no outstanding share options as at 30 September 2024, and no share options were exercised or cancelled or lapsed during the Period.

As at 1 April 2024 and 30 September 2024, the number of share options under the Scheme available to be granted are 75,000,000 Shares, respectively.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Throughout the Period, the Company did not redeem its listed securities, nor did the Company or any of its subsidiaries purchase or sell such securities (including sale of treasury share, if any).

As at 30 September 2024, the Company did not hold any treasury shares.

### ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the Period or at the end of the Period was the Company, or its holding company or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### CORPORATE GOVERNANCE CODE

The Company has complied with the mandatory disclosure requirements and all the applicable code provisions as set out in the section headed "Part 2 — Principles of good corporate governance, code provisions and recommended best practices" of the Corporate Governance Code contained in Appendix C1 to the Listing Rules (the "**CG Code**") throughout the Period save for the deviation from code provision C.2.1 as follows:

Under code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual.

## Corporate Governance and Other Information

In view of the present composition of the Board, the in-depth knowledge of the chairman of the Board (the “Chairman”) (who is also a co-chief executive officer) of the operations of the Group and the health and personal care industry in general, his extensive business network and connections, and the scope of operations of the Group, the Board believes that it is in the best interest of the Group for Mr. Choy Chi Fai to assume the roles of both the Chairman and the co-chief executive officer. As all major decisions are made in consultation with all the members of the Board, with the independent non-executive Directors offering independent perspectives, the Board believes that there are adequate safeguards in place to ensure sufficient balance of powers within the Board.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding Directors’ securities transactions. Having been made specific enquiries by the Company, all Directors confirmed that they had complied with the required standard set out in the Model Code throughout the Period.

### SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Directors, the percentage of the Shares which are in the hands of the public is not less than 25% of the Company’s total number of issued Shares throughout the Period.

### AUDIT COMMITTEE

The principal duties of the Audit Committee include the review and supervision of the Group’s financial reporting system and internal control procedures and review of the Group’s financial information.

The Audit Committee has reviewed the unaudited condensed consolidated interim financial results of the Group for the Period and this report with the Directors.

### APPRECIATION

On behalf of the Board, I would like to express our gratitude to the Shareholders, business partners and customers for their continuing support, and extend our sincere appreciation to all management and staff for their ongoing dedication, commitments and contributions.

By Order of the Board

**Ausupreme International Holdings Limited**

**Choy Chi Fai**

*Chairman, Executive Director and Co-Chief Executive Officer*

Hong Kong, 28 November 2024

*In case of any inconsistency between the English and Chinese versions, the English text of this report shall prevail over the Chinese text.*