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(Incorporated in Hong Kong with limited liability)  
(Stock code: 345)

**ANNOUNCEMENT OF RESULTS  
FOR THE YEAR ENDED 31ST MARCH 2024**

**HIGHLIGHTS**

**Financial Summary**

	2024 HK\$ million	2023 HK\$ million	Change	Change – Net of currency impact and COVID-19 related government subsidies
Revenue	6,217	6,341	-2%	+1%
Gross profit	3,111	3,012	+3%	+7%
Gross profit margin	50.0%	47.5%	+2.5ppt	+2.7ppt
Profit from operations	185	104	+79%	+392%
EBITDA*	685	621	+10%	+27%
Profit attributable to equity shareholders of the Company	116	46	+155%	N/A

\* EBITDA refers to earnings before interest income, finance costs, income tax, depreciation, amortisation and share of losses of joint venture.

- Group revenue rose by 1% net of currency impact in FY2023/2024. The drop of 3% in the first half of the financial year was more than offset in the second half by Mainland China's 10% revenue growth in local currency terms and solid performance by the Hong Kong Operation.
- In Hong Kong Dollar terms, the Group's gross profit margin increased from 47.5% to 50.0%, mainly due to higher selling prices and increased efficiency in trade promotional spending, partially offset by the impact of unfavourable foreign exchange movements and sales mix. Key raw material prices during the financial year remained stable. Profit attributable to equity shareholders of the Company grew substantially, by 155%. The increase was primarily due to our focus on improving field sales execution in Mainland China and leveraging portfolio innovation in the Hong Kong Operation. This was partly offset by manufacturing attainment issues in Australia that we are now addressing.
- Key business highlights
  - ◆ Mainland China – Restored revenue growth in the second half, a step change towards total financial year profitability, with profit from operations growing 402% in local currency.
  - ◆ Hong Kong Operation (Hong Kong SAR, Macau SAR and Exports) – Sustained growth behind core business strengths and incremental product innovation. Excluding COVID-19 related government subsidies, profit from operations grew 42%.
  - ◆ Australia and New Zealand – Factory attainment and logistics transition issues (now being addressed) affected results.
  - ◆ Singapore – Beverages sales decline ahead of distributor change, offsetting strong tofu export growth.
- Cash and bank deposits, net of bank loans, rose from HK\$30 million to HK\$538 million due to improved cash generated from operations, and lower capital expenditure.
- Following improvement in the Group's financial performance, and in its cash position, a final dividend of HK6.3 cents per ordinary share (FY2022/2023: HK1.4 cents) has been proposed. Together with the interim dividend of HK1.4 cents per ordinary share (FY2022/2023: HK1.3 cents), this brings the total dividend for FY2023/2024 to HK7.7 cents per ordinary share (FY2022/2023 total dividend: HK2.7 cents).

Note: "Hong Kong SAR" stands for the Hong Kong Special Administrative Region of the People's Republic of China.  
"Macau SAR" stands for the Macao Special Administrative Region of the People's Republic of China.

## RESULTS

In this announcement, “we” and “our” refer to the Company (as defined below) and, where the context otherwise requires, the Group (as defined below).

The Board of Directors (the “Board”) of Vitasoy International Holdings Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) and the Group’s interest in a joint venture for the year ended 31st March 2024, together with the comparative figures for the previous financial year, as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the year ended 31st March 2024*

	Note	2024 HK\$'000	2023 HK\$'000
<b>Revenue</b>	3 & 4	<b>6,217,123</b>	6,340,559
Cost of sales		(3,105,686)	(3,328,763)
<b>Gross profit</b>		<b>3,111,437</b>	3,011,796
Other income	5	<b>84,243</b>	113,846
Marketing, selling and distribution expenses		(1,976,349)	(2,024,430)
Administrative expenses		(700,989)	(671,978)
Other operating expenses		(332,910)	(325,641)
<b>Profit from operations</b>		<b>185,432</b>	103,593
Finance costs	6(a)	(30,028)	(32,547)
Share of losses of joint venture		(23,736)	(22,253)
<b>Profit before taxation</b>	6	<b>131,668</b>	48,793
Income tax	7	(13,880)	(27,736)
<b>Profit for the year</b>		<b>117,788</b>	21,057
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>116,367</b>	45,721
Non-controlling interests		<b>1,421</b>	(24,664)
<b>Profit for the year</b>		<b>117,788</b>	21,057
<b>Earnings per share</b>	9		
Basic		<b>HK10.9 cents</b>	HK4.3 cents
Diluted		<b>HK10.8 cents</b>	HK4.3 cents

Details of dividends payable to equity shareholders of the Company are set out in note 8.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

*For the year ended 31st March 2024*

	2024 HK\$'000	2023 HK\$'000
<b>Profit for the year</b>	<b>117,788</b>	21,057
<b>Other comprehensive income for the year (after tax)</b>		
<b>Item that will not be reclassified to profit or loss:</b>		
Remeasurement of employee retirement benefit liabilities	5,086	(3,546)
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Exchange differences on translation of financial statements of subsidiaries and joint venture outside Hong Kong	(107,884)	(201,452)
Cash flow hedge: net movement in the hedging reserve	(1,748)	1,111
<b>Total comprehensive income for the year</b>	<b>13,242</b>	(182,830)
<b>Attributable to:</b>		
Equity shareholders of the Company	18,205	(137,184)
Non-controlling interests	(4,963)	(45,646)
<b>Total comprehensive income for the year</b>	<b>13,242</b>	(182,830)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st March 2024

		2024		2023	
	Note	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Non-current assets</b>					
Property, plant and equipment					
- Investment properties			2,998		3,124
- Right-of-use assets			432,285		277,724
- Other property, plant and equipment			2,668,137		3,111,274
			3,103,420		3,392,122
Deposits for the acquisition of property, plant and equipment			1,112		-
Intangible assets			119		419
Interest in joint venture			-		-
Deferred tax assets			269,555		260,693
Other receivables	10		15,419		-
			3,389,625		3,653,234
<b>Current assets</b>					
Inventories			554,546	639,615	
Trade and other receivables	10		873,312	981,850	
Current tax recoverable			18,136	19,528	
Cash and bank deposits			794,452	555,292	
Assets held for sale			6,624	-	
			2,247,070	2,196,285	
<b>Current liabilities</b>					
Trade and other payables	11		1,824,727	1,963,392	
Bank loans	12		255,987	409,633	
Lease liabilities			104,865	84,665	
Current tax payable			39,797	14,232	
			2,225,376	2,471,922	
<b>Net current assets/(liabilities)</b>			<b>21,694</b>	<b>(275,637)</b>	
<b>Total assets less current liabilities</b>			<b>3,411,319</b>	<b>3,377,597</b>	
<b>Non-current liabilities</b>					
Bank loans	12		-	115,053	
Lease liabilities			198,000	51,521	
Employee retirement benefit liabilities			19,164	24,835	
Deferred tax liabilities			72,563	76,115	
Other payables	11		8,955	9,483	
			298,682	277,007	
<b>NET ASSETS</b>			<b>3,112,637</b>	<b>3,100,590</b>	

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)***At 31st March 2024*

	2024	2023
Note	HK\$'000	HK\$'000
<b>CAPITAL AND RESERVES</b>		
Share capital	1,044,398	1,021,453
Reserves	<u>1,960,162</u>	<u>1,963,262</u>
<b>Total equity attributable to equity shareholders of the Company</b>	<b>3,004,560</b>	2,984,715
<b>Non-controlling interests</b>	<u>108,077</u>	<u>115,875</u>
<b>TOTAL EQUITY</b>	<b><u>3,112,637</u></b>	<b><u>3,100,590</u></b>

## Notes:

### 1. Basis of preparation

The unaudited financial information relating to the year ended 31st March 2024 and the financial information relating to the year ended 31st March 2023 included in this preliminary announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but, in respect of the year ended 31st March 2023, is derived from those financial statements.

The Company's statutory annual consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing rules").

Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company's statutory financial statements for the year ended 31st March 2024 have yet to be reported on by the Company's auditor and will be delivered to the Registrar of Companies in due course.

The Company has delivered the statutory financial statements for the year ended 31st March 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor, KPMG, has reported on the statutory financial statements of the Group for the year ended 31st March 2023. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

The measurement basis used in the preparation of the statutory financial statements is the historical cost basis except that derivative financial instruments are stated at fair value.

## 2. Material Accounting Policies

These financial statements have been prepared in accordance with the same accounting policies adopted in the 2022/2023 financial statements, except for the accounting policy changes arising from adoption of new and amended standards.

The Group has applied the following new and amended HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 1, *Presentation of financial statements and HKFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to HKAS 12, *Income taxes: International tax reform - Pillar Two model rules*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in these financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## 3. Revenue

The principal activities of the Group are the manufacture and sale of food and beverages. Revenue represents the invoiced value of products sold, net of returns, rebates and discounts.

No disaggregation of revenue from contracts with customers is presented as the entire revenue of the Group is derived from the manufacture and sale of food and beverages, and is recognised at point in time.

## 4. Segment reporting

### (a) Segment results, assets and liabilities

The Group manages its businesses by entities, which are organised geographically.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31st March 2024 and 2023 is set out below:

	Mainland China		Hong Kong Operation		Australia and New Zealand		Singapore		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	3,359,080	3,509,101	2,224,359	2,143,815	526,676	580,325	107,008	107,318	6,217,123	6,340,559
Inter-segment revenue	148,870	138,276	34,232	20,079	3,253	3,408	3,650	4,491	190,005	166,254
<b>Reportable segment revenue</b>	<b>3,507,950</b>	<b>3,647,377</b>	<b>2,258,591</b>	<b>2,163,894</b>	<b>529,929</b>	<b>583,733</b>	<b>110,658</b>	<b>111,809</b>	<b>6,407,128</b>	<b>6,506,813</b>
<b>Reportable segment profit/(loss) from operations</b>	<b>220,535</b>	<b>45,918</b>	<b>224,746</b>	<b>218,036</b>	<b>(80,890)</b>	<b>7,635</b>	<b>(12,855)</b>	<b>(12,130)</b>	<b>351,536</b>	<b>259,459</b>
Interest income from bank deposits	1,756	2,669	20,835	9,348	634	266	-	-	23,225	12,283
Finance costs	(13,181)	(22,639)	(10,434)	(7,120)	(5,969)	(2,360)	(444)	(428)	(30,028)	(32,547)
Depreciation and amortisation for the year	(306,955)	(315,060)	(190,244)	(189,284)	(20,080)	(19,660)	(5,695)	(5,609)	(522,974)	(529,613)
(Recognition)/reversal of impairment losses on property, plant and equipment	(14,009)	(2,414)	1,843	(2,227)	-	-	-	-	(12,166)	(4,641)
Impairment losses on assets held for sale	(3,593)	-	-	-	-	-	-	-	(3,593)	-
<b>Reportable segment assets</b>	<b>2,641,289</b>	<b>3,169,659</b>	<b>4,164,017</b>	<b>3,848,483</b>	<b>431,439</b>	<b>448,202</b>	<b>117,809</b>	<b>119,046</b>	<b>7,354,554</b>	<b>7,585,390</b>
<b>Reportable segment liabilities</b>	<b>1,922,598</b>	<b>2,366,732</b>	<b>1,148,531</b>	<b>1,015,704</b>	<b>338,454</b>	<b>232,263</b>	<b>32,812</b>	<b>32,562</b>	<b>3,442,395</b>	<b>3,647,261</b>
<b>Additions to non-current segment assets during the year</b>	<b>50,678</b>	<b>102,567</b>	<b>312,256</b>	<b>80,325</b>	<b>43,165</b>	<b>20,252</b>	<b>879</b>	<b>2,503</b>	<b>406,978</b>	<b>205,647</b>

### (b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

	2024	2023
	HK\$'000	HK\$'000
<i>Revenue</i>		
Reportable segment revenue	6,407,128	6,506,813
Elimination of inter-segment revenue	(190,005)	(166,254)
<b>Consolidated revenue</b>	<b>6,217,123</b>	<b>6,340,559</b>



#### 4. Segment reporting (Continued)

##### (b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities (Continued)

	2024 HK\$'000	2023 HK\$'000
<i>Profit or loss</i>		
Reportable segment profit from operations	351,536	259,459
Finance costs (note 6(a))	(30,028)	(32,547)
Share of losses of joint venture	(23,736)	(22,253)
Integration expenses in relation to assumption of full ownership of Vitasoy Australia Products Pty. Ltd. ("VAP")	(9,704)	(43,403)
Unallocated head office and corporate expenses	(156,400)	(112,463)
Consolidated profit before taxation	<u>131,668</u>	<u>48,793</u>
	2024 HK\$'000	2023 HK\$'000
<i>Assets</i>		
Reportable segment assets	7,354,554	7,585,390
Elimination of inter-segment receivables	(2,006,347)	(2,017,528)
	<u>5,348,207</u>	<u>5,567,862</u>
Deferred tax assets	269,555	260,693
Current tax recoverable	18,136	19,528
Unallocated head office and corporate assets	797	1,436
Consolidated total assets	<u>5,636,695</u>	<u>5,849,519</u>
	2024 HK\$'000	2023 HK\$'000
<i>Liabilities</i>		
Reportable segment liabilities	3,442,395	3,647,261
Elimination of inter-segment payables	(1,050,176)	(1,015,339)
	<u>2,392,219</u>	<u>2,631,922</u>
Employee retirement benefit liabilities	19,164	24,835
Deferred tax liabilities	72,563	76,115
Current tax payable	39,797	14,232
Unallocated head office and corporate liabilities	315	1,825
Consolidated total liabilities	<u>2,524,058</u>	<u>2,748,929</u>

## 5. Other income

	2024 HK\$'000	2023 HK\$'000
Government grants (Note)	30,818	64,397
COVID-19-related rent concessions	787	12,869
Interest income from bank deposits	23,225	12,283
Rental income	4,278	4,179
Scrap sales	5,287	4,823
Rebate from a vendor on acquisition of property, plant and equipment	3,675	-
Maintenance recharge income	8,058	5,606
Sundry income	8,115	9,689
	<u>84,243</u>	<u>113,846</u>

Note:

During the current year, government grants of HK\$24,137,000 (2023: HK\$32,092,000) were received from the government of the People's Republic of China ("PRC") in relation to an investment in Mainland China in 2020.

During the previous year, other government grants included COVID-19 financial assistance in Mainland China, Hong Kong SAR and Singapore amounting to HK\$25,521,000 and other government grants of HK\$93,000 received from the government of the PRC in relation to the acquisition of property, plant and equipment were netted off against the cost of the related assets.

## 6. Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	2024 HK\$'000	2023 HK\$'000
<b>(a) Finance costs:</b>		
Interest on bank loans	19,478	26,958
Interest on lease liabilities	10,550	5,589
	<u>30,028</u>	<u>32,547</u>

## 6. Profit before taxation (Continued)

Profit before taxation is arrived at after charging/(crediting): (Continued)

	2024 HK\$'000	2023 HK\$'000
<b>(b) Other operating expenses:</b>		
Staff costs	173,981	175,902
Sundry tax in Mainland China	37,910	39,768
Management fee charged by a related party (Note (i))	-	25,371
Withholding tax on royalty and interest income	17,810	12,214
Quality assurance and sampling expenses	16,665	16,707
Depreciation and amortisation	14,081	14,883
Professional fee	12,852	14,856
Repair and maintenance expenses	6,264	7,516
Exchange loss	4,458	9,622
Donation	3,497	1,799
Net loss/(gain) on disposal of property, plant and equipment	2,126	(802)
Recognition/(reversal) of write down of inventories	2,889	(2,409)
(Reversal)/recognition of impairment losses on trade and other receivables	(4,706)	1,278
Impairment losses on property, plant and equipment	12,166	4,641
Impairment losses on assets held for sale	3,593	-
Others	29,324	4,295
	<b>332,910</b>	<b>325,641</b>
	2024 HK\$'000	2023 HK\$'000
<b>(c) Other items:</b>		
Government grants (Note (ii))	(30,818)	(104,054)
COVID-19-related rent concessions	(828)	(17,729)
Amortisation of intangible assets	279	292
Depreciation		
- Investment properties	126	126
- Right-of-use assets	105,509	99,569
- Other assets	417,060	429,626
Cost of inventories (Note (iii))	3,112,848	3,327,851

## 6. Profit before taxation (Continued)

Profit before taxation is arrived at after charging/(crediting): (Continued)

Notes:

- (i) On 13th February 2023, the entity ceased to be a related party of the Group after the equity transaction disclosed in note 13.
- (ii) During the current year, government grants of HK\$24,137,000 (2023: HK\$32,092,000) were received from the government of the PRC in relation to an investment in Mainland China in 2020.

During the previous year, other government grants included COVID-19 financial assistance in Mainland China, Hong Kong SAR, and Singapore amounting to HK\$65,178,000, of which HK\$25,521,000 was included in other income, HK\$34,304,000 was netted off against staff costs and HK\$5,353,000 was netted off against cost of sales and operating expenses.

- (iii) Cost of inventories included recognition of write down of inventories of HK\$11,816,000 (2023: HK\$4,259,000)

## 7. Income tax

(a) Taxation in the consolidated statement of profit or loss represents:

	2024 HK\$'000	2023 HK\$'000
<b>Current tax – Hong Kong Profits Tax</b>		
Provision for the year	22,144	17,270
(Over)/under-provision in respect of prior years	(6,905)	3,585
	<u>15,239</u>	<u>20,855</u>
<b>Current tax – Outside Hong Kong</b>		
Provision for the year	24,150	24,783
Over-provision in respect of prior years	(2,341)	(1,868)
	<u>21,809</u>	<u>22,915</u>
<b>Deferred tax</b>	<u>(23,168)</u>	<u>(16,034)</u>
	<u>13,880</u>	<u>27,736</u>

The provision for Hong Kong Profits Tax for 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year. Taxation for subsidiaries outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

## 7. Income tax (Continued)

### (b) Pillar Two income tax

The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes and would account for the tax as current when incurred.

Since the Pillar Two legislation in the jurisdictions where the Group operates was not enacted as at the year end date, and due to the uncertainty of the announcement of the legislation and the complexities in applying the legislation and calculating the Global Anti-Base Erosion Rules income, the Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect.

## 8. Dividends

### (a) Dividends payable to equity shareholders of the Company attributable to the year

	2024 HK\$'000	2023 HK\$'000
Interim dividend declared and paid of HK1.4 cents per ordinary share (2023: HK1.3 cents)	15,004	13,916
Final dividend proposed after the end of the reporting period of HK6.3 cents per ordinary share (2023: HK1.4 cents)	67,587	15,017
	<u>82,591</u>	<u>28,933</u>

The final dividend proposed after the end of the reporting period is based on 1,072,814,812 (2023: 1,072,099,023) ordinary shares, being the total number of issued shares at the date of approval of the financial statements.

The final dividend proposed after the end of the reporting period was not recognised as a liability at the end of the reporting period.

### (b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2024 HK\$'000	2023 HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the year of HK1.4 cents per ordinary share (2023: nil)	15,017	-

## 9. Earnings per share

### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$116,367,000 (2023: HK\$45,721,000) and the weighted average number of 1,071,969,000 ordinary shares (2023: 1,070,165,000 ordinary shares) in issue during the year, calculated as follows:

#### *Weighted average number of ordinary shares*

	<b>2024</b>	2023
	<b>Number of</b>	Number of
	<b>shares</b>	shares
	<b>'000</b>	<b>'000</b>
Issued ordinary shares at 1st April	<b>1,070,899</b>	1,070,010
Effect of share options exercised	<b>1,487</b>	469
Effect of share awards vested	<b>155</b>	77
Effect of shares purchased under share award scheme	<b>(572)</b>	(391)
Weighted average number of ordinary shares at 31st March (note 9(b))	<b>1,071,969</b>	1,070,165

### (b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$116,367,000 (2023: HK\$45,721,000) and the weighted average number of 1,072,895,000 ordinary shares (2023: 1,072,096,000 ordinary shares) after adjusting for the effects of all dilutive potential ordinary shares, calculated as follows:

#### *Weighted average number of ordinary shares (diluted)*

	<b>2024</b>	2023
	<b>Number of</b>	Number of
	<b>shares</b>	shares
	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary shares at 31st March (note 9(a))	<b>1,071,969</b>	1,070,165
Effect of deemed issue of ordinary shares under the Company's share option scheme for nil consideration	<b>7</b>	1,178
Effect of shares awarded under share award scheme	<b>919</b>	753
Weighted average number of ordinary shares (diluted) at 31st March	<b>1,072,895</b>	1,072,096

As at 31st March 2024, the Group had potential dilutive shares in connection with its share option scheme and share award scheme. Certain share options could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per shares because they are antidilutive for the period.

## 10. Trade and other receivables

	2024 HK\$'000	2023 HK\$'000
<i>Current assets:</i>		
Trade debtors and bills receivable, net of loss allowance	715,301	788,957
Other debtors, deposits and prepayments	158,011	192,893
	<u>873,312</u>	<u>981,850</u>
<i>Non-current assets:</i>		
Rental deposits	<u>15,419</u>	-

As of the end of the reporting period, the ageing analysis of trade debtors and bills receivable (which are included in the trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	2024 HK\$'000	2023 HK\$'000
Within three months	703,131	777,056
Three to six months	10,289	8,115
Over six months	1,881	3,786
	<u>715,301</u>	<u>788,957</u>

Trade debtors and bills receivables are generally due within one to three months from the date of billing. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments, when due, and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, the Group does not obtain collateral from customers.

## 11. Trade and other payables

	2024 HK\$'000	2023 HK\$'000
<i>Current liabilities:</i>		
Trade creditors and bills payable	881,697	885,593
Accrued expenses and other payables	895,111	1,013,969
Receipts in advance from customers	47,919	63,830
	<u>1,824,727</u>	<u>1,963,392</u>
<i>Non-current liabilities:</i>		
Accrued expenses	<u>8,955</u>	9,483

## 11. Trade and other payables (continued)

As of the end of the reporting period, the ageing analysis of trade creditors and bills payable, based on the invoice date, is as follows:

	2024 HK\$'000	2023 HK\$'000
Within three months	875,120	878,985
Three to six months	3,152	5,577
Over six months	3,425	1,031
	<u>881,697</u>	<u>885,593</u>

The Group's general payment terms are one to two months from the invoice date.

## 12. Bank loans

At 31st March 2024, the bank loans were repayable as follows:

	2024 HK\$'000	2023 HK\$'000
Within one year or on demand	255,987	409,633
After one year but within two years	-	115,053
	<u>255,987</u>	<u>524,686</u>

As of the end of the reporting period, no bank loans were secured by charges over property, plant and equipment.

Certain of the Group's banking facilities are subject to compliance with certain financial covenants, as are commonly found in borrowing arrangements with financial institutions.

As at 31st March 2024, the Group did not comply with certain financial covenants as required in the banking facilities agreement with a bank for the outstanding loan amounts of approximately HK\$100,661,000, which are presented as current liabilities in the Group's consolidated statement of financial position as at 31st March 2024. On 21st September 2023, the Group obtained waiver from the bank in relation to its covenant requirements for the outstanding bank loan of approximately HK\$100,661,000.

As at 31st March 2023, the Group did not comply with certain financial covenants as required in the banking facilities agreements with certain banks for the outstanding loan amounts of approximately HK\$201,213,000, which are presented as current liabilities in the Group's consolidated statement of financial position as at 31st March 2023. On 22nd May 2023 and 25th May 2023, the Group obtained waivers from banks in relation to their covenant requirements for the outstanding bank loans of approximately HK\$201,213,000.



### **13. Equity transaction with non-controlling interests**

On 13th February 2023, the Group acquired the remaining 49% equity interest in Vitasoy Australia Products Pty. Ltd. (“VAP”) from National Foods Holdings Ltd. (“National Foods”) for AUD 51,000,000 in cash (equivalent to approximately HK\$280,345,000), increasing the Group’s equity interest in VAP from 51% to 100%. The fair value for the shares acquisition was determined by an independent valuer jointly appointed by both parties. At the date of acquisition, the carrying amount of VAP’s net assets amounted to HK\$261,290,000. The acquisition resulted in a decrease in non-controlling interest of HK\$128,032,000 and an increase in other reserve of HK\$152,313,000 during the year ended 31st March 2023.

### **14. Non-adjusting events after the reporting period**

- (a) Subsequent to the end of the reporting period, Vitasoy (Shanghai) Company Limited (“Vitasoy Shanghai”) announced a production optimisation plan to affected staff in April 2024. Under this plan Vitasoy Shanghai production will be suspended temporarily and the plant will be properly maintained for future production. Some staff have been transferred to other factories and some will remain to take care of the plant and operations. 122 staff have opted for mutual separation and severance pay and RMB27,451,000 was paid on 14th May 2024. No adjustment has been made in these financial statements in this regard.
- (b) Subsequent to the end of the reporting period, the Directors proposed a final dividend. Further details are disclosed in note 8(a).

### **15. Scope of work of auditor**

The financial figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31st March 2024 as set out in the preliminary announcement have been agreed by the Group’s auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by the auditor.

## DIVIDEND

In view of improvement in the Group's financial performance, and in its cash position, the Board of Directors recommended a final dividend of HK6.3 cents per ordinary share (FY2022/2023: HK1.4 cents) for shareholders' approval at the annual general meeting of the Company to be held on 19th August 2024 (the "AGM"). This, coupled with the interim dividend of HK1.4 cents per ordinary share (FY2022/2023: HK1.3 cents), means that, if approved, the Company's total dividend for FY2023/2024 will be HK7.7 cents per ordinary share (FY2022/2023 total dividend: HK2.7 cents). The proposed final dividend will be payable on Wednesday, 11th September 2024 to shareholders whose names appear in the Company's Register of Members on Wednesday, 28th August 2024.

## CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed as follows:

<p><b>(a) For determining eligibility to attend and vote at the AGM:</b></p> <ul style="list-style-type: none"><li>- Latest time to lodge transfer documents for registration with the Company's Share Registrar</li><li>- Closure of the Company's Register of Members</li><li>- Record date</li></ul>	<p>At 4:30 p.m. on 13th August 2024</p> <p>14th August 2024 to 19th August 2024 (both dates inclusive)</p> <p>19th August 2024</p>
<p><b>(b) For determining entitlement to the proposed final dividend:</b></p> <ul style="list-style-type: none"><li>- Latest time to lodge transfer documents for registration with the Company's Share Registrar</li><li>- Closure of the Company's Register of Members</li><li>- Record date</li></ul>	<p>At 4:30 p.m. on 26th August 2024</p> <p>27th August 2024 to 28th August 2024 (both dates inclusive)</p> <p>28th August 2024</p>

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the AGM, and to qualify for the proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than the aforementioned latest time.

## MANAGEMENT REPORT

### Sales Performance

Mainland China attained substantial growth in operating profit, driven by disciplined sales execution and improved organisational capabilities.

We also achieved revenue growth in the Hong Kong Operation compared with last year, primarily due to successful product innovation — one of our core business strengths — and the return to normal trading of the Vitaland school business.

Our Australia and New Zealand business did not perform to expectation, however, as a result of protracted manufacturing attainment challenges, intensified price competition and high logistics costs in a tight supply environment. These issues are currently being addressed with a high sense of urgency.

In ASEAN markets, Singapore revenue was on a par with last year, as growing export tofu sales were offset by soft local demand and slower beverage sales in preparation for our switch to a new beverages distributor. Our Philippines joint-venture business grew strongly in both the multi-serve and on-the-go platforms.

In the year ahead, we are confident that both the VITASOY and VITA brands are well positioned to take advantage of the growth opportunities presented by shoppers looking for plant-based beverages.

### Financial Highlights

#### Revenue

- For the year ended 31st March 2024, Group revenue was HK\$6,217 million (FY2022/2023: HK\$6,341 million). Net of currency impact, the Group's revenue increased 1% over the previous year, but dropped slightly by 2% in Hong Kong Dollar ("HKD") terms due to the depreciation of both the Renminbi ("RMB") and Australian Dollar ("AUD").

#### Gross Profit and Gross Profit Margin

- The Group's gross profit for the year was HK\$3,111 million (FY2022/2023: HK\$3,012 million), representing an increase of 3%, mainly driven by higher selling prices and lower trade promotional expenses, partially offset by the impact of unfavourable foreign exchange movements and sales mix.
- Gross profit margin increased to 50% (FY2022/2023: 48%).

## **Operating Expenses**

- Total operating expenses were at a level similar to the year before, at HK\$3,010 million (FY2022/2023: HK\$3,022 million).
- Marketing, selling and distribution expenses decreased 2% to HK\$1,976 million (FY2022/2023: HK\$2,024 million), despite the cessation of COVID-19-related government subsidies and higher advertising and promotion spending. The decrease was mainly due to effective cost rationalisation in our operations and lower transportation costs.
- Administrative expenses increased 4% to HK\$701 million (FY2022/2023: HK\$672 million), mainly due to higher staff incentives as a result of the year's favourable performance compared with the previous year.
- Other operating expenses increased 2% to HK\$333 million (FY2022/2023: HK\$326 million), which mainly included costs for staff in support functions as well as sundry tax charges in Mainland China.

## **EBITDA (Earnings Before Interest Income, Finance Costs, Income Tax, Depreciation, Amortisation and Share of Losses of Joint Venture)**

- EBITDA for the year was HK\$685 million, an increase of 10% year-on-year. This was mainly driven by the higher gross profit contribution and effective cost rationalisation in our operations, partly offset by the cessation of COVID-19-related government subsidies. The EBITDA to revenue margin for the year increased from 10% to 11%. Net of currency impact and the COVID-19-related government subsidies, EBITDA for the year increased by 27%.

## **Profit from Operations**

- Profit from operations for the year was HK\$185 million, an increase of 79% from a profit of HK\$104 million last year. Net of currency impact and COVID-19-related government subsidies, profit from operations for the year increased by 392%.

## **Profit Before Taxation**

- For FY2023/2024, profit before taxation was HK\$132 million, compared with last year's HK\$49 million.

## **Taxation**

- Income tax charged for the year was HK\$14 million (FY2022/2023: HK\$28 million), with an effective tax rate of 11% versus 57% last year, mainly due to deferred tax impact in respect of tax losses expected to be utilised in the future.

## **Profit Attributable to Equity Shareholders of the Company**

- Profit attributable to equity shareholders of the Company was HK\$116 million (FY2022/2023: HK\$46 million), representing an increase of 155% over the previous year.

## **General Review**

The Group's profit to equity shareholders grew substantially, by 155%, as a result of our focus on improving field sales execution in Mainland China and leveraging portfolio innovation in the Hong Kong Operation. This was partly offset by manufacturing attainment issues in Australia that we are now addressing.

The Group's revenue in FY2023/2024 dropped 2% in Hong Kong Dollar terms but rose 1% over the previous year, excluding currency impact. The drop of 3% in the first half of the financial year was more than offset in the second half by Mainland China's 10% revenue growth in local currency terms and solid performance by the Hong Kong Operation.

### ***Mainland China***

- Mainland China revenues were flat in RMB year-on-year as 10% growth in the second half enabled RMB29 million profit from operations, reversing the revenue drop during the first half of the year. The performance was balanced across brand platforms, channels and regions.
- Profit from operations for the year increased significantly by 402% in local currency terms, driven by higher pricing, efficient spending on trade promotions and effective containment of operating expenses.

### ***Hong Kong Operation (Hong Kong SAR, Macau SAR and Exports)***

- The Hong Kong Operation grew revenue and profit, driven by its core business strengths, effective leveraging of selective innovation, improved consumption in convenience stores and the Vitaland school business's return to normal.
- Profit from operations increased 3%. Excluding COVID-19-related government subsidies, however, profit from operations growth was actually a much more significant 42%, as a result of our efforts to achieve savings in material and production costs.

### ***Australia and New Zealand***

- Despite strong demand for our plant-based products, revenue during FY2023/2024 decreased in local currency and Hong Kong Dollar terms, owing to an out-of-stock situation which arose from temporary manufacturing attainment and logistic issues. We are now addressing these issues and providing comprehensive Group-wide support for our manufacturing plant in Australia to ensure accelerated and sustained recovery of production capacity and stability in FY2024/2025.
- Riding on the positive feedback and growth of our VITASOY Soy Greek-style Yogurt, we introduced a whole new oat-based yogurt portfolio. The expanded offerings drove growth momentum on this platform during the financial year.
- In FY2023/2024, we registered an operating loss of AUD16 million. This was due to the out-of-stock situation, intensified market competition and high raw material, logistics and overhead costs as well as other operating expenses incurred during the transition to full ownership which took place on 13th February 2023.

### ***Singapore***

- Revenue dropped slightly by 2% in local currency terms, which was on par in Hong Kong Dollar terms. A temporary decline in beverage sales ahead of changing our distributor affected overall performance and offset positive growth in tofu exports.
- The higher operating loss was mainly due to increasing raw material costs and price competition, which was partially offset by effective control of operating expenses.

## **Outlook**

We are committed to improving revenue and profit growth in Mainland China and the overall Group. We are confident that our brands are strategically poised to capitalise on the long-term growth potential of the plant-based movement, both in our existing core products and innovative new offerings.

### ***Mainland China***

- Building upon the substantial growth in profit from operations during the current financial year, we are committed to expanding the scale of our business while enhancing profitability.
- In FY2024/2025, we will continue to improve field sales execution and increase availability of our products. Both VITASOY and VITA will leverage new marketing campaigns and new core product innovation.

### ***Hong Kong Operation***

- We will sustain growth by strengthening our core products and introducing innovative new offerings under both the VITASOY and VITA brands. We firmly believe that our strong brand equity, pervasive presence and execution capability in the local market are important competitive advantages to sustain our success.

### ***Australia and New Zealand***

- We remain resolute in our commitment to expedite the business turnaround by enhancing factory attainment and completing the integration of our logistics and warehouse operations.

### ***Singapore***

- In FY2024/2025, we will continue to focus on returning to profit by improving tofu and export sales and making step changes in beverage sales under our new distributor partnership.

### ***Philippines***

- Our joint venture with Universal Robina Corporation will continue to invest in building the VITASOY brand and raising soy category awareness and adoption through promotion trials to grow sales and market share. In addition, we will continue to enhance our local manufacturing capabilities in order to increase our product offerings and drive efficiency.

## Financial Position

- The Group finances its operations and capital expenditure primarily through internally generated cash as well as banking facilities provided by our principal bankers.
- As of 31st March 2024, cash and bank deposits amounted to HK\$794 million (31st March 2023: HK\$555 million), with 82%, 12% and 3% of our cash and bank deposits denominated in HKD, RMB and United States Dollars (USD), respectively (31st March 2023: 62%, 27% and 6%). As of 31st March 2024, the Group had a net cash balance (cash and bank deposits less bank borrowings, bills payable and lease liabilities) of HK\$111 million (31st March 2023: net debt balance of HK\$197 million). Available banking facilities amounted to HK\$1,193 million (31st March 2023: HK\$1,146 million) to facilitate future funding needs.
- The Group's debt amounted to HK\$684 million (31st March 2023: HK\$753 million), of which bank borrowings were HK\$256 million (31st March 2023: HK\$525 million), bills payable were HK\$125 million (31st March 2023: HK\$92 million), and lease liabilities were HK\$303 million (31st March 2023: HK\$136 million).
- The gearing ratio (total debt/total equity attributable to equity shareholders of the Company) decreased to 23% (31st March 2023: 25%). Excluding lease liabilities from total debt, the gearing ratio was 13% (31st March 2023: 21%).
- The Group's return on capital employed (ROCE, being EBITDA/average non-current debt and equity) for the year was 21% (FY2022/2023: 18%).
- Capital expenditure incurred during the year decreased to HK\$133 million (FY2022/2023: HK\$154 million), mainly due to the normalised investment required for maintaining and upgrading our production lines and equipment.
- There were no assets pledged or secured under loan and/or lease arrangements during the year.

## Sustainability Report 2023/2024

- The Group publishes various non-financial KPIs in its *Sustainability Report 2023/2024*, which will be released in July 2024 together with our FY2023/2024 annual report.

## Tax Strategy

- When considering tax, the Group gives due consideration to the importance of its corporate and social responsibilities. More specifically, the Group commits to paying taxes in the countries where it creates value and complying fully with tax laws across all relevant jurisdictions. The Group also commits to following the Organisation for Economic Co-operation and Development (OECD) transfer pricing guidelines and to ensuring that the arm's length principle is always observed in transactions between Group companies. In addition, the Group commits to being open and transparent with tax authorities about the Group's tax affairs and to disclosing relevant information to enable tax authorities to carry out their reviews.

## **Financial Risk Management**

- The Group's overall financial management policy focuses on anticipating, controlling and managing risks, and covering transactions directly related to the underlying businesses of the Group. For synergy, efficiency and control, the Group operates a central cash and treasury management system for all subsidiaries. Borrowings are normally taken out in local currencies by the operating subsidiaries to fund their investments and partially mitigate foreign currency risks.

## **Potential Risk and Uncertainties**

- The Company has implemented a comprehensive risk management framework across the Group to consistently anticipate, assess and mitigate key business risks, as well as a risk governance structure to ensure risk ownership and proper oversight. In view of the rapidly changing business environment, the Group Internal Audit and Risk Management Department has stepped up its efforts to improve key risk indicators, identify external emerging risks and facilitate risk reviews for key purchasing decisions. Details of these risk management processes are covered in the Risk Management section of the Corporate Governance Report in our FY2023/2024 annual report.

## **CORPORATE GOVERNANCE**

The Company is firmly committed to a high level of corporate governance and adherence to the governance principles and practices emphasising transparency, independence, accountability, responsibility and fairness.

The Company has, throughout the year ended 31st March 2024, complied with the code provisions set out in the Corporate Governance Code contained in Part 2 of Appendix C1 of the Listing Rules.

## **REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE**

The Audit Committee comprises four Independent Non-executive Directors, namely, Mr. Paul Jeremy BROUGH (Chairman), Dr. the Hon. Sir David Kwok-po LI, Mr. Jan P. S. ERLUND and Mr. Anthony John Liddell NIGHTINGALE.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and has discussed auditing, risk management, internal control and financial reporting matters, including the review of the Group's interim and annual financial statements.

The Audit Committee also regularly reviews the Company's corporate governance structure and practices and monitors its performance on an ongoing basis.

The Group's annual results for the year ended 31st March 2024 have been reviewed by the Audit Committee.



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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year, except that the trustee of the Company's Share Award Scheme purchased on The Stock Exchange of Hong Kong Limited a total of 600,000 shares of the Company at a total consideration of approximately HK\$6 million to satisfy the award of shares to selected participants pursuant to the terms of the rules and trust deed of the Share Award Scheme.

## **PUBLICATION OF ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED**

The Company's annual report for FY2023/2024 will be published on the website of The Stock Exchange of Hong Kong Limited at [www.hkex.com.hk](http://www.hkex.com.hk) and the Company's website at [www.vitasoy.com](http://www.vitasoy.com) in due course.

By Order of the Board  
**Winston Yau-lai LO**  
*Executive Chairman*

Hong Kong, 20th June 2024

*As at the date of this announcement, Mr. Winston Yau-lai LO, Mr. Roberto GUIDETTI and Mr. Eugene LYE are executive directors. Ms. Yvonne Mo-ling LO, Mr. Peter Tak-shing LO and Ms. May LO are non-executive directors. Dr. the Hon. Sir David Kwok-po LI, Mr. Jan P. S. ERLUND, Mr. Anthony John Liddell NIGHTINGALE, Mr. Paul Jeremy BROUGH and Dr. Roy Chi-ping CHUNG are independent non-executive directors.*