

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CHINA AGRI-PRODUCTS EXCHANGE LIMITED

中國農產品交易有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 0149)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

ANNUAL FINANCIAL HIGHLIGHTS			
<i>HK\$ million</i>	FY2024	FY2023	Change
Revenue	579.1	596.4	(2.9)%
Gross Profit	343.3	330.8	3.8%
Net Profit	26.9	18.5	45.4%
Profit attributable to owners of the parent	7.4	6.8	8.8%
	As at 31 March 2024	As at 31 March 2023	
Net Asset Value	2,068.7	2,127.4	(2.8)%
Cash and Cash Equivalents and Pledged Bank Deposits	283.0	341.0	(17.0)%
Gearing Ratio	49.9%	49.9%	—

RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of China Agri-Products Exchange Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (collectively referred to the “**Group**”) for the year ended 31 March 2024, together with the comparative figures for the year ended 31 March 2023, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	4	579,132	596,400
Cost of sales		<u>(235,840)</u>	<u>(265,635)</u>
Gross profit		343,292	330,765
Other income and gains	5	119,261	24,918
General and administrative expenses		(160,745)	(163,702)
Selling expenses		(36,373)	(47,053)
Gain on early redemption of unsecured notes		<u>14,106</u>	<u>15,556</u>
Profit from operations before fair value changes and impairment		279,541	160,484
Reversal of impairment losses/(impairment losses) on financial assets, net		628	(2,936)
Write-down of properties held for sale		(2,919)	(6,400)
Fair value gains/(losses) on financial assets at fair value through profit or loss, net		120	(148)
Fair value losses on owned investment properties, net		<u>(82,678)</u>	<u>(4,651)</u>
Profit from operations		194,692	146,349
Finance costs	7	<u>(111,575)</u>	<u>(118,446)</u>
Profit before taxation	6	83,117	27,903
Income tax expense	8	<u>(56,241)</u>	<u>(9,402)</u>
Profit for the year		<u>26,876</u>	<u>18,501</u>

	2024	2023
<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year	26,876	18,501
<i>Other comprehensive loss</i>		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translating foreign operations, net	<u>(83,953)</u>	<u>(242,568)</u>
Total comprehensive loss for the year	<u><u>(57,077)</u></u>	<u><u>(224,067)</u></u>
Profit for the year attributable to:		
Owners of the parent	7,353	6,836
Non-controlling interests	<u>19,523</u>	<u>11,665</u>
	<u><u>26,876</u></u>	<u><u>18,501</u></u>
Total comprehensive income/(loss) for the year attributable to:		
Owners of the parent	(66,353)	(206,327)
Non-controlling interests	<u>9,276</u>	<u>(17,740)</u>
	<u><u>(57,077)</u></u>	<u><u>(224,067)</u></u>
Earnings per share attributable to ordinary equity holders of the parent		
— Basic and diluted (<i>HK cents</i>)	<i>10</i>	
	<u><u>0.07</u></u>	<u><u>0.07</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		61,988	57,853
Right-of-use assets		18,270	24,555
Investment properties		2,809,556	2,933,376
Loan and interest receivables		8,021	17,209
Prepayments		6,787	—
Deferred tax assets		5,320	—
Total non-current assets		<u>2,909,942</u>	<u>3,032,993</u>
CURRENT ASSETS			
Properties under development		65,531	136,001
Properties held for sale		1,173,590	1,187,708
Trade receivables	11	2,055	1,964
Prepayment, deposits and other receivables		183,806	205,351
Loan and interest receivables		19,621	9,870
Financial assets at fair value through profit or loss		475	355
Pledged bank deposits		39,611	28,517
Cash and cash equivalents		243,435	312,434
Total current assets		<u>1,728,124</u>	<u>1,882,200</u>
CURRENT LIABILITIES			
Trade and other payables	12	255,504	386,641
Contract liabilities		158,693	166,096
Receipts in advance		192,143	200,089
Interest-bearing bank and other borrowings		362,624	229,173
Lease liabilities		6,064	6,436
Land appreciation tax payable		31,304	30,864
Income tax payable		76,222	51,384
Total current liabilities		<u>1,082,554</u>	<u>1,070,683</u>
NET CURRENT ASSETS		<u>645,570</u>	<u>811,517</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,555,512</u>	<u>3,844,510</u>

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT LIABILITIES		
Unsecured notes	—	124,146
Interest-bearing bank and other borrowings	951,889	1,048,555
Lease liabilities	26,805	23,198
Deferred tax liabilities	508,074	521,199
	<hr/>	<hr/>
Total non-current liabilities	1,486,768	1,717,098
	<hr/>	<hr/>
Net assets	<u>2,068,744</u>	<u>2,127,412</u>
EQUITY		
Equity attributable to owners of the parent		
Issued capital	99,531	99,531
Reserves	1,575,980	1,638,495
	<hr/>	<hr/>
	1,675,511	1,738,026
Non-controlling interests	393,233	389,386
	<hr/>	<hr/>
Total equity	<u>2,068,744</u>	<u>2,127,412</u>

NOTES TO FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all 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 disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and financial assets at fair value through profit or loss which have been measured at fair value.

The financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year’s financial statements.

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the “ 2020 Amendments ”) (early adopted)
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the “ 2022 Amendments ”) (early adopted)
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform — Pillar Two Model Rules</i>

The nature and the impact of the new and revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has disclosed the material accounting policy information in note 2 to the financial statements. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group’s financial statements.

- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has early adopted the 2020 Amendments and 2022 Amendments from 1 April 2023 and in accordance with the transition provisions of the amendments, the Group has adopted the amendments retrospectively. The amendments did not have any impact on the Group's financial statements.

- (c) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.
- (d) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

Upon the application of the amendments, the Group has determined the temporary differences arising from right-of-use assets and lease liabilities separately, which have been reflected in the reconciliation disclosed in the annual report. However, they did not have any material impact on the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualified for offsetting under HKAS 12.

- (e) Amendments to HKAS 12 *International Tax Reform — Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

3. OPERATING SEGMENT INFORMATION

The Group has two reportable segments under HKFRS 8: (i) the agricultural produce exchange market operation segment which engages in the management and investment of agricultural produce exchange markets in Chinese Mainland and fresh food stores in Hong Kong and (ii) property sales segment which engages in the development of properties. The segmentations are based on the information about the operation of the Group that management uses to make decisions and regularly review by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. The Group has restated certain comparative segment information below to conform with the current year's presentation by the inclusion of net loss in fair value of owned investment properties and write-down of properties held for sale in segment results.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments for both years:

	Agricultural produce exchange market operation		Property sales		Unallocated		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue								
External sales	<u>404,801</u>	<u>427,380</u>	<u>174,331</u>	<u>169,020</u>	<u>—</u>	<u>—</u>	<u>579,132</u>	<u>596,400</u>
Results								
Segment results	<u>104,810</u>	<u>161,998</u>	<u>33,899</u>	<u>27,123</u>	<u>—</u>	<u>—</u>	<u>138,709</u>	<u>189,121</u>
Other income and gains	113,442	15,744	—	—	5,819	9,174	119,261	24,918
Reversal of impairment losses/ (impairment losses) on financial assets, net	1,190	(1,513)	—	—	(562)	(1,423)	628	(2,936)
Fair value gain/(losses) on financial assets at fair value through profit or loss, net	—	—	—	—	120	(148)	120	(148)
Unallocated corporate expenses					(64,026)	(64,606)	(64,026)	(64,606)
Profit from operations							194,692	146,349
Finance costs	(44,206)	(45,396)	—	—	(67,369)	(73,050)	(111,575)	(118,446)
Profit before taxation							83,117	27,903
Income tax expense							(56,241)	(9,402)
Profit for the year							<u>26,876</u>	<u>18,501</u>

Segment results represent the profit from each segment without allocation of certain other income and gains, impairment losses or its reversal on financial assets, net, fair value gains/(losses) on financial assets at fair value through profit or loss, net, head office and corporate income and expenses, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

4. REVENUE

Revenue is analysed as follows:

	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from contracts with customers:		
Revenue from property ancillary services	87,062	97,576
Commission income from agricultural produce exchange market	83,688	94,915
Revenue from property sales	174,331	169,020
Food and agricultural by-products merchandising	30,594	14,715
	<u>375,675</u>	<u>376,226</u>
Revenue from other sources:		
Gross rental income from investment property operating leases	203,457	220,174
	<u>579,132</u>	<u>596,400</u>

5. OTHER INCOME AND GAINS

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Bank and other interest income	2,808	5,946
PRC government grants (<i>note (i)</i>)	4,618	8,975
Gain on lease modification	—	2,112
Reversal of aged payables (<i>note (ii)</i>)	101,840	—
Others	9,995	7,885
	<u>119,261</u>	<u>24,918</u>

Notes:

- (i) PRC government grants represent various form of subsidies granted to the Group by the local governmental authorities in the PRC for compensation and expenses incurred by the Group. These grants are generally made for business support and awarded to enterprises on a discretionary basis. The Group received these government grants for the business support on its investments in the agricultural products exchange markets in the Chinese Mainland. There are no unfulfilled conditions or contingencies relating to these grants.
- (ii) In the opinion of the Company's directors, after taking into account the legal opinion from the Group's legal advisor, the limitation period of claims for all the related aged payables have expired during the year and therefore it is remote that the Group is required to settle the related aged payables. Accordingly, the full amount of the related aged payables was reversed during the year.

6. PROFIT BEFORE TAXATION

The Group's profit before taxation is arrived at after charging/(crediting):

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Cost of properties sold	127,359	124,310
Cost of services provided	97,717	130,210
Cost of goods sold	10,764	11,115
Auditor's remuneration	2,200	2,260
Depreciation on property, plant and equipment	15,598	14,227
Depreciation on right-of-use assets	5,827	4,264
Losses/(gains) on disposal on property, plant and equipment, net	134	(539)
Expenses relating to short-term leases	487	394
Employee benefit expenses (including directors' remuneration):		
Wages and salaries and other benefits	78,991	62,135
Equity-settled share option expense	3,838	4,647
Pension scheme contributions*	3,957	4,105
	<u>86,786</u>	<u>70,887</u>
Foreign exchange difference, net	(313)	1,886
Impairment losses/(reversal of impairment losses) on financial assets, net:		
Trade receivables	(855)	993
Financial assets included in prepayment, deposits and other receivables	(187)	(460)
Loan and interest receivables	414	2,403
	<u>(628)</u>	<u>2,936</u>
Gross rental income	203,457	220,174
Less: Direct outgoing expense	(25,969)	(27,860)
	<u>177,488</u>	<u>192,314</u>
Fair value gains on sub-leased investment properties**	<u>(15,183)</u>	<u>—</u>

* There are no forfeited contributions that may be used by the Group, as the employer, to reduce the existing level of contributions.

** The item is included in "Cost of sales" on the face of the consolidated statement of profit or loss and other comprehensive income.

7. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on bank and other borrowings	100,262	95,735
Interest on unsecured notes	9,210	20,995
Interest on lease liabilities	2,103	1,716
	<u>111,575</u>	<u>118,446</u>

8. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates. The provision for PRC land appreciation tax (“LAT”) is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at a fixed rate or ranges of progressive rates of the appreciation value, with certain allowable deductions.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current — Hong Kong		
Charge for the year	505	220
Current — Chinese Mainland		
Charge for the year	47,575	27,015
LAT	13,456	—
Overprovision in prior years	—	(16,668)
Deferred	<u>(5,295)</u>	<u>(1,165)</u>
Total tax charge for the year	<u>56,241</u>	<u>9,402</u>

9. DIVIDENDS

The directors do not recommend the payment of any dividends in respect of the year ended 31 March 2024 and 2023.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to owners of the parent, and the weighted average number of ordinary shares in issue of 9,953,067,822 (2023: 9,953,067,822) during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 March 2024 and 2023 in respect of a dilution as the impact of the share options outstanding had no dilutive effect on the basic earnings per share amounts presented.

11. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	9,560	10,548
Impairment	<u>(7,505)</u>	<u>(8,584)</u>
Net carrying amount	<u><u>2,055</u></u>	<u><u>1,964</u></u>

The Group generally allows an average credit period of 30 days to its trade customers. The Group may on a case-by-case basis, and after evaluation of the business relationships and creditworthiness of its customers, extend the credit period upon customers' request.

The Group has a concentration of credit risk in certain individual customers. At the end of reporting period, the five largest receivable balances accounted for approximately 79.2% (2023: approximately 83.5%) of the trade receivables and the largest trade receivable was approximately 66.0% (2023: approximately 64.1%) of the Group's total trade receivables. The Group seeks to minimise its risk by dealing with counterparties which have good credit history. Majority of the trade receivables that are neither past due nor impaired have no default payment history.

Ageing analysis

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 month	1,199	1,335
1 to 3 months	726	313
Over 3 months but within 6 months	77	51
Over 6 months	<u>53</u>	<u>265</u>
	<u><u>2,055</u></u>	<u><u>1,964</u></u>

12. TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	45,348	41,608
Deposits and other payables		
Accrued charges	21,174	28,240
Deposit received	87,853	86,809
Interest payable	16,241	17,488
Other tax payables	16,006	15,926
Other payables	68,882	196,570
Subtotal	210,156	345,033
Total	255,504	386,641

The ageing analysis of trade payables as at the end of the reporting period, based on the invoice date is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 month	14,867	5,854
1 to 3 months	105	1,346
Over 3 months but within 6 months	214	149
Over 6 months but within 12 months	8,270	1,564
Over 12 months	21,892	32,695
	45,348	41,608

The trade payables are non-interest-bearing and have an average term of 30 to 360 days. The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

Other payables are non-interest-bearing and are normally settled within one year.

13. EVENT AFTER THE REPORTING PERIOD

On 31 March 2024 (the “**Redemption Date**”), the Company has redeemed all outstanding unsecured notes (i.e. in the principal amount of HK\$40 million) pursuant to condition 6(B) (Early redemption right of the Issuer) of the terms and conditions of the unsecured notes (the “**Conditions**”) set out in the offering circular dated 19 May 2014 (the “**Offering Circular**”) and the pricing supplement to the Offering Circular dated 26 May 2014, at a price equal to 92.88% of the principal amount excluding interest accrued to and including the Redemption Date. Subsequent to the redemption of all outstanding unsecured notes, the unsecured notes were delisted on 8 April 2024.

On 25 May 2024, the Group has entered into a sale and purchase agreement (the “**SPA**”) with an independent third party (the “**Purchaser**”) for the disposal of the entire equity interests of a subsidiary (the “**Target Company**”) holding, among others, the property interests in the Huai’an Hongjin Agricultural and By-Product Exchange Market (the “**Disposal**”) for an initial consideration of approximately RMB28.9 million (equivalent to approximately HK\$31.9 million) subject to adjustments. The Purchaser has also undertaken under the SPA to provide funding to the Target Company in the amount of approximately RMB140.5 million (equivalent to approximately HK\$154.9 million) for the Target Company’s repayment of certain intercompany loans owned to the Company’s subsidiaries. For further details, please refer to the announcement of the Company dated 25 May 2024 and the circular of the Company dated 17 June 2024.

14. COMPARATIVE INFORMATION

Certain comparative figures have been reclassified and re-presented to conform with current year's presentation, mainly including the reclassification of certain items in primary statements, and the presentation of certain notes to the financial information.

MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY OF FINANCIAL RESULTS

Revenue, gross profit and segment result

For the year ended 31 March 2024 (the “Year”), the Group recorded a revenue of approximately HK\$579 million, representing a decrease of approximately HK\$17 million as compared to that of the last financial year ended 31 March 2023. The below table summarises the key financial performance of the Group:

HK\$ million and approximate %	For the year ended 31 March 2024			For the year ended 31 March 2023		
	Agricultural Produce Exchange Market Operation	Property Sales	Total	Agricultural Produce Exchange Market Operation	Property Sales	Total
Revenue	405	174	579	427	169	596
Gross Profit	296	47	343	287	44	331
Segment Result	105	34	139	162	27	189
Gross Profit to Revenue	73%	27%	59%	67%	26%	56%
Segment Result to Revenue	26%	20%	24%	38%	16%	32%

The Group recorded a revenue of approximately HK\$579 million for the Year, representing a decrease of approximately 3% as compared to approximately HK\$596 million of the last financial year, which was mainly due to a decrease in rental income received from agricultural produce exchange market operation during the Year. The Group recorded a gross profit of approximately HK\$343 million for the Year (2023: approximately HK\$331 million), representing an increase of approximately 4% as compared to that of the last financial year. The Group recorded a segment result of approximately HK\$139 million for the Year (2023: approximately HK\$189 million). The decrease in segment result was mainly due to the decrease in rental income received from agricultural produce exchange market operation during the Year.

Other income and gains

The Group recorded other income and gains of approximately HK\$119 million for the Year (2023: approximately HK\$25 million). The increase was mainly due to the reversal of aged payables during the Year.

General and administrative expenses, selling expenses and finance costs

General and administrative expenses were approximately HK\$161 million for the Year (2023: approximately HK\$164 million). The decrease was mainly due to the decrease in business cost and others during the Year. Selling expenses were approximately HK\$36 million for the Year (2023: approximately HK\$47 million). The decrease in selling expenses was mainly due to the decrease in agricultural produce exchange market operation and the related promotion activities during the Year. Finance costs were approximately HK\$112 million for the Year (2023: approximately HK\$118 million), and such decrease was mainly due to decrease of the financial cost of the unsecured notes during the Year.

Reversal of impairment losses/(impairment losses) on financial assets, net

The Group recorded reversal of impairment losses on financial assets, net of approximately HK\$1 million for the Year (2023: impairment losses of financial assets, net of approximately HK\$3 million).

Fair value losses on owned investment properties, net and written down of properties held for sale

During the Year, fair value losses on owned investment properties, net was approximately HK\$83 million (2023: fair value losses on owned investment properties, net of approximately HK\$5 million). The net loss was mainly due to decrease in fair value on owned investment properties of Wuhan Baisazhou Agricultural and By-Product Exchange Market (“**Wuhan Baisazhou Market**”) and Luoyang Hongjin Agricultural and By-Product Exchange Market (“**Luoyang Market**”). Properties held for sale value has been written down by approximately HK\$3 million for the Year (2023: approximately HK\$6 million).

Fair value gains/(losses) on financial assets at fair value through profit or loss, net

During the Year, fair value gain, net of financial assets was approximately HK\$0.1 million (2023: fair value loss, net of approximately HK\$0.1 million).

Income tax expense

Income tax expense was approximately HK\$56 million for the Year (2023: approximately HK\$9 million). The increase was mainly due to the increase in tax provision arising from higher assessable profits, particularly, as a result of the increase in tax provision arising from reversal of aged payables during the Year.

Profit attributable to owners of the parent

The profit attributable to owners of the parent for the Year was approximately HK\$7.4 million as compared to the profit of approximately HK\$6.8 million in the last financial year. Profit from operations before fair value changes and impairment were approximately HK\$280 million and the profit from operations was approximately HK\$195 million for the Year (2023: approximately HK\$160 million and approximately HK\$146 million, respectively). The increase in profit attributable to owners of the parent was mainly due to the reversal of aged payables and offsetted by the combined effect of a number of items, including (but not limited) the increase in net fair value losses on owned investment properties as compared to the last financial year.

DIVIDENDS

The Directors do not recommend any payment of final dividend for the Year (2023: Nil). No interim dividend was paid to the shareholders of the Company (the “**Shareholders**”) for the six months ended 30 September 2023 (30 September 2022: Nil).

REVIEW OF OPERATIONS

During the Year, the Group was principally engaged in the management of and sales of properties in agricultural produce exchange markets in Hong Kong and the People’s Republic of China (“**PRC**”). On one hand, it is expected that the Chinese economy will experience gradual recovery post-pandemic. On the other hand, the Chinese real estate market downfall evened out this positive factor. However, these factors did not significantly affect the Group’s performance due to the nature of its business model. To cope with the future growth, the Group has been actively evaluating various business opportunities.

Agricultural Produce Exchange Markets

Hubei Province

Wuhan Baisazhou Market

Wuhan Baisazhou Market is one of the largest agricultural produce exchange market operators in the PRC. Wuhan Baisazhou Market is situated in the Hongshan District of Wuhan City, the PRC with a site area of approximately 310,000 square metres and one of the most notable agricultural produce exchange markets in Hubei Province. Wuhan Baisazhou Market was awarded “Top 10 of National Agricultural Products Comprehensive Wholesale Markets” by China Agricultural Wholesale Market Association in 2022. The award was a sign to the market contribution being made by the Group and its effort and expertise as an agricultural produce exchange market operator in the PRC. Rental income received from agricultural produce exchange market operation is the major income generated from Wuhan Baisazhou Market.

Huangshi Market

Huangshi Hongjin Agricultural and By-Product Exchange Market (“**Huangshi Market**”) is a joint venture project of the Group founded in Huangshi City in January 2015 with an operating area of approximately 23,000 square metres. Huangshi City is a county level city in Hubei Province and is around 100 kilometres away from Wuhan Baisazhou Market. Huangshi Market, as a second-tier agricultural produce exchange market, created synergy with Wuhan Baisazhou Market to boost vegetables and by-products trading. During the Year, the revenue of Huangshi Market decreased by approximately 0.4% as compared to that of the last financial year.

Suizhou Market

Suizhou Baisazhou Agricultural and By-Product Exchange Market (“**Suizhou Market**”) is another joint venture project of the Group founded in March 2018. It occupies approximately 240,000 square metres. The Group pursued asset-light operation business model by taking up the contract management rights to operate this market. During the Year, the revenue of Suizhou Market increased by approximately 4% as compared to that of the last financial year.

Henan Province

Luoyang Market

Luoyang Market is the flagship project of the Group in Henan Province, the PRC, with a site area of approximately 255,000 square metres. Luoyang Market was awarded “Top 50 of National Agricultural Products Comprehensive Wholesale Markets” by China Agricultural Wholesale Market Association in 2021. During the Year, the revenue of Luoyang Market decreased by approximately 58% due to the decrease of properties sale recognition as compared to that of the last financial year.

Puyang Market

Puyang Hongjin Agricultural and By-Product Exchange Market (“**Puyang Market**”) is one of our joint venture projects in cooperation with a local partner in Henan Province, the PRC. During the Year, Puyang Market faced keen competition from a new market. The revenue of Puyang Market decreased by approximately 17% mainly due to decrease of rental income received from agricultural produce exchange market operation during the Year as compared to that of the last financial year.

Kaifeng Market

Kaifeng Hongjin Agricultural and By-Product Exchange Market (“**Kaifeng Market**”), with a gross floor construction area of approximately 140,000 square metres, is the Group’s third market operation point for the facilitation of the building of an agricultural produce exchange market network in Henan Province, the PRC. Kaifeng Market was awarded “Top 50 of National Agricultural Products Comprehensive Wholesale Markets” by China Agricultural Wholesale Market Association in 2021. During the Year, the revenue of Kaifeng Market increased by approximately 11% due to the increases of properties sale recognition and rental income received from agricultural produce exchange market operation as compared to that of the last financial year.

Guangxi Zhuang Autonomous Region

Yulin Market

Yulin Hongjin Agricultural and By-Product Exchange Market (“**Yulin Market**”) is one of the largest agricultural produce exchange markets in Guangxi Zhuang Autonomous Region (“**Guangxi Region**”) with a site area of approximately 415,000 square metres. During the Year, the revenue of Yulin Market increased by approximately 97% due to the increase of properties sale recognition as compared to that of the last financial year.

Qinzhou Market

Qinzhou Hongjin Agricultural and By-Product Exchange Market (“**Qinzhou Market**”), with a gross floor construction area of approximately 180,000 square metres, is the Group’s second market operation point for the facilitation of the building of an agricultural produce market network in the Guangxi Region. During the Year, the revenue of Qinzhou Market decreased by approximately 28% mainly due to decrease of rental income received from agricultural produce exchange market operation during the Year as compared to that of the last financial year.

Jiangsu Province

Xuzhou Market

Xuzhou Agricultural and By-Product Exchange Market (“**Xuzhou Market**”) occupies approximately 200,000 square metres and is located in the northern part of Jiangsu Province, the PRC. Xuzhou Market was awarded “Top 100 of National Agricultural Products Wholesale Markets” by China Agricultural Wholesale Market Association in 2022. During the Year, the revenue of Xuzhou Market decreased by approximately 2% as compared to that of the last financial year.

Huai'an Market

Huai'an Hongjin Agricultural and By-Product Exchange Market (“**Huai'an Market**”) occupies approximately 100,000 square metres, is located at Huai'an City of Jiangsu Province, the PRC. During the Year, the revenue of Huai'an Market decreased by approximately 56% due to the decrease in properties sale recognised and rental income received from agricultural produce exchange market operation as compared to that of the last financial year. In May 2024, the Group entered into a sale and purchase agreement for the disposal of, among others, its interests in Huai'an Market. Please refer to the section of “EVENT AFTER REPORTING PERIOD — THE DISPOSAL OF THE HUAI'AN MARKET INTERESTS” in this announcement.

Liaoning Province

Panjin Market

Panjin Hongjin Agricultural and By-Product Exchange Market (“**Panjin Market**”), with a construction area of around 50,000 square metres, is the Group's first attempt in investment in Liaoning Province, the PRC. Panjin Market focused on the trading of river crabs and held regular market fairs. During the Year, the performance of Panjin Market was steady. The revenue of Panjin Market increased by approximately 1% as compared to that of the last financial year.

E-commerce development

With the robust mobile network and widespread use of intelligent mobile devices in the PRC, the Group allocated cost effective resources to e-commerce development. The Group has launched a new electronic trading platform for energising the efficiency of agricultural produce exchange markets. At the moment, the Group has adopted continuous cost control measures in electronic trading platform development.

Cyber risk and security

With information technology and internet network playing vital roles in its operation, the Group has designated professionals to monitor and assess potential cyber risks. Both hardware and software are kept track with appropriate company policies. Potential cyber risks and network security is one of the key concerns of management, thus the Group has formulated policies and procedures to regulate the use of internet, to physically safeguard system power supply and to regularly update internet protection system and firewall to separate the intranet of the Group from outside network. Designated professionals are responsible for the day-to-day monitoring on any abnormal network activities.

Data fraud or theft risk

The Group continuously reviews and updates its internal control system on data and information access. Appropriate policies have been adopted to protect data, and access permissions are only granted to the authorised personnel. Management believes that effective policies and procedures have been put in place to avoid data fraud or theft risk.

Environmental and social risk

Due to the nature of the business, the Group will face a moderate environmental risk in case of severe and permanent climate change across the PRC. Such risk may have an adverse impact on agricultural production thereby affecting the revenue of the Group in agricultural produce exchange market operation and property sales.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2024, the Group had total cash and cash equivalents amounting to approximately HK\$243 million (31 March 2023: approximately HK\$312 million) whilst total assets and net assets were approximately HK\$4,638 million (31 March 2023: approximately HK\$4,915 million) and approximately HK\$2,069 million (31 March 2023: approximately HK\$2,127 million), respectively. The Group's gearing ratio as at 31 March 2024 was approximately 49.9% (31 March 2023: approximately 49.9%), being a ratio of (i) total interest-bearing bank and other borrowings and unsecured notes of approximately HK\$1,315 million (31 March 2023: approximately HK\$1,402 million), net of cash and cash equivalents and pledged bank deposits of approximately HK\$283 million (31 March 2023: approximately HK\$341 million) to (ii) shareholders' funds of approximately HK\$2,069 million (31 March 2023: approximately HK\$2,127 million).

As at 31 March 2024, the ratio of total interest-bearing bank and other borrowings and unsecured notes of approximately HK\$1,315 million (31 March 2023: approximately HK\$1,402 million) to total assets of approximately HK\$4,638 million (31 March 2023: approximately HK\$4,915 million) was approximately 28% (31 March 2023: approximately 29%).

LISTED NOTES DUE IN 2024 (“LISTED NOTES”) AND PARTIAL REPURCHASE AND EARLY REDEMPTION DURING THE YEAR

In May 2014, the Company established a HK\$1,000,000,000 medium term note program. The Listed Notes issued under the program are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) by way of debt issue to professional investors only (stock code: 5755). During the Year, the Company has repurchased outstanding Listed Notes in the aggregate principal amount of HK\$110 million and has redeemed outstanding Listed Notes in the aggregate principal amount of HK\$40 million.

As at 31 March 2024, carrying value of the Listed Notes was Nil (31 March 2023: approximately HK\$124 million).

CAPITAL COMMITMENTS, PLEDGES AND CONTINGENT LIABILITIES

As at 31 March 2024, outstanding capital commitments, contracted but not provided for, amounted to approximately HK\$167 million (31 March 2023: approximately HK\$195 million) in relation to the purchase of property, plant and equipment and construction contracts. As at 31 March 2024, the Group provided guarantees of approximately HK\$22.8 million to customers in favour of certain banks for the loans provided by the banks to the customers of the properties sold (31 March 2023: approximately HK\$36.1 million), representing the contingent liabilities of approximately HK\$129,000 (31 March 2023: approximately HK\$328,000) in relation to such guarantees. Pursuant to the terms of the guarantees, in the event of default on mortgage payments by these purchasers before the expiry of the guarantees, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interest and penalties owed by the defaulted purchasers to the banks, net of any sales proceeds.

As at 31 March 2024, certain property, plant and equipment, owned investment properties and certain rental income generated therefrom, properties held for sale and pledged bank deposits with carrying amount of approximately HK\$2,208 million (31 March 2023: approximately HK\$2,168 million worth of assets pledged) were pledged to secure certain interest-bearing bank borrowings.

The Group did not have any outstanding foreign exchange contracts, interest or currency swaps or other financial derivatives as at 31 March 2024. The revenue, operating costs and bank deposits of the Group were mainly denominated in Renminbi (“**RMB**”) and Hong Kong dollars. The activities of the Group are exposed to foreign currency risks mainly arising from its operations in the PRC and certain bank deposits denominated in RMB. Currently, the Group does not have a foreign currency hedging policy. During the Year, due to the currency fluctuation of RMB against Hong Kong dollars, the Group had been considering, from time to time, alternative risk hedging tools to mitigate RMB currency exchange risk.

DEBT PROFILES AND FINANCIAL PLANNING

As at 31 March 2024 and 31 March 2023, interest-bearing bank and other borrowings and unsecured notes of the Group were analyzed as follows:

	As at 31 March 2024		As at 31 March 2023	
	Carrying amount HK\$ million	Approximate effective interest rate (per annum)	Carrying amount HK\$ million	Approximate effective interest rate (per annum)
Listed Notes <i>(note *)</i>	–	–%	124	12%
Financial Institution Borrowings <i>(note **)</i>	935	6%	882	5%
Non-financial Institution Borrowings <i>(note **)</i>	380	10%	396	10%
Total	<u>1,315</u>		<u>1,402</u>	

Notes:

* *the Listed Notes which were made in Hong Kong dollars with fixed interest rates;*

** *other items as mentioned in the above table were made in Hong Kong dollars and RMB with fixed and floating interest rates, please refer to note 25 to the consolidated financial statements in the annual report to be published by the Company in due course.*

As at 31 March 2024, the financial institution borrowings of the Company will mature during the period from April 2024 to May 2029 (31 March 2023: May 2023 to May 2029); and the non-financial institution borrowings of the Company will mature in May 2027 (31 March 2023: April 2023 to May 2027).

TREASURY POLICY

The Group's treasury policy includes diversification of funding sources. Internally generated cash flow and interest-bearing bank/non-financial institution loans were the general sources of fund to finance the operation of the Group during the Year. The Group regularly reviews its major funding positions so as to ensure that it has adequate financial resources in meeting its financial obligations. In order to meet interest-bearing debts and business capital expenditure, the Group from time to time considers various types of equity and debt financing alternative, including but not limited to placement of new shares, rights issue of new shares, financial institution borrowings, non-financial institution borrowings, bonds issuance, convertible notes issuance, other debt financial instruments issuance, disposal of investment properties and sales of properties held for sale.

MATERIAL VALUATION METHOD OF INVESTMENT PROPERTIES AND REVIEW OF AUDIT COMMITTEE

The investment properties of the Group were stated at fair value as at 31 March 2024. The fair value was arrived at based on the valuations carried out by an independent firm of qualified professional valuers. The professional valuers are professional members of The Hong Kong Institute of Surveyors with experience in the location of the properties being valued. The valuations are confirmed to be in accordance with The Hong Kong Institute of Surveyors Valuation Standards 2020, which incorporates the International Valuation Standards (IVS). The professional valuers valued the properties on the basis of capitalisation of the net income derived from the properties rental and made reference to the asking or transaction price of market comparable. For vacant site and inventory portions of the properties, direct comparison method is adopted based on the principle of substitution, where comparison is made based on prices realised on actual sales and/or asking prices of comparable properties. Comparable properties of similar size, scale, nature, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of market value.

The material valuation methods of investment properties valuation have been reviewed by the audit committee of the Company (the “**Audit Committee**”) and the Board.

RISK FACTORS RELATING TO OUR INDUSTRY AND BUSINESS OPERATIONS

As at 31 March 2024, the Group operated 11 agricultural produce exchange markets across five provinces in the PRC. In view of the ever-changing business environment in the PRC, the following are the principal risks, challenges and uncertainties faced by the Group, including:

- (1) fluctuation in the exchange rate of RMB against Hong Kong dollars, which affects the translation of the PRC assets and liabilities from RMB to Hong Kong dollars in the Group’s financial reporting, in which the Group periodically monitors the exchange rate fluctuation, and prepares effective hedging mechanism to deal with adverse conditions in forex market, if necessary;
- (2) difficulty in obtaining adequate financing, in both equity and debt financing, to support the Group’s agricultural produce exchange markets that are capital intensive in nature. The Group regularly reviews the short-term and long-term liquidity level and prepare for the future capital need, as and when appropriate;

- (3) difficulty in preserving or enhancing the Group's competitive position in the agricultural produce exchange markets industry, in which the Group has designated personnel to monitor the market activities of competitors and formulate effective strategies to preserve our competitive position;
- (4) difficulty in maintaining or enhancing the level of occupancy in the Group's agricultural produce exchange markets, in which the Group launches, from time to time, various marketing campaigns to retain existing tenants and to attract new tenants;
- (5) challenges in obtaining promptly all necessary licenses and permits for development, construction, operations and acquisition of agricultural produce exchange markets. The Group hires sufficient local staff members with professional qualifications to ensure all processes comply with local rules and regulations; and
- (6) the effect of regulatory changes and amendments relating to agricultural produce exchange markets which affect operation and development of the Group, in both the national and local levels. The Group maintains a relatively flat organization structure and a high autonomous level to enable quick response to any changes in different aspects.

DEPENDENCE OF EMPLOYEES, CUSTOMERS AND SUPPLIERS

As the Group is adopting market remuneration practices by reference to market terms, company performance, and individual qualifications and performance and well-organized structure management, no key and specific employee would materially and significantly affect the Group's success. Meanwhile, there were no major customers and suppliers which accounted for over 5% of the Group's income and no major suppliers which cannot be replaced by other appropriate suppliers. In this connection, no customers and suppliers would have a material impact on the success of the Group's business performance.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The operations and development of agricultural produce exchange markets are subject to a variety of environmental laws and regulations during their construction and operations. Major environmental impacts are caused by waste and wastewater generated during the construction and operations of the markets. The Group has, in compliance with the PRC environmental law, engaged independent environmental consultants to conduct environmental impact assessments on all our construction projects in all material aspects. The environmental investigations conducted to date have not revealed any environmental liability that would be expected to have a material adverse effect on our business condition. Upon completion of construction of each market, the environmental authorities inspect the site to ensure compliance with all applicable environmental standards. All our construction projects comply with the “three simultaneousities” principles stipulated in the Environmental Protection Law of the PRC. For further details of the impact of environmental laws and regulations on our operations and our environmental policies, please refer to our Environmental, Social and Governance Report, which will be uploaded on the websites of the Stock Exchange and the Company in due course.

COMPLIANCE WITH LAWS AND REGULATIONS

During the Year, the Group complied in material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. The Company also complied with the requirements under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), the Securities and Futures Ordinance and the laws of Bermuda during the Year. The Group continuously reviews newly enacted laws and regulations affecting the operations of the Group, if any, and provides relevant trainings and guidance to the staff.

CONTINUING CONNECTED TRANSACTIONS MASTER LICENSING AGREEMENT

On 1 October 2022, Wang On Group Limited (“**WOG**”) (Stock code: 1222) and the Group entered into a master licensing agreement which sets out the general principles and key terms governing the definitive licensing agreements under which relevant members of the WOG may grant license of, and the Group may take up the license of the premises from 1 October 2022 to 30 September 2025. Details were disclosed in the joint announcement of the Company, Wai Yuen Tong Medicine Holdings Limited (Stock code: 897) and WOG dated 1 October 2022.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no significant investment held, nor was there any material acquisition or disposal of subsidiaries, associates and joint ventures during the Year. As at 31 March 2024, the Group did not have any concrete plan for material investments or capital assets nor acquisition or disposal of subsidiaries except for the subsequent disposal of Huai'an Market in May 2024 as mentioned below.

EVENT AFTER REPORTING PERIOD

COMPLETION OF LISTED NOTES REDEMPTION AND WITHDRAWAL OF LISTING

On 31 March 2024 (the “**Redemption Date**”), the Company has redeemed all outstanding Listed Notes (i.e. in the principal amount of HK\$40 million) pursuant to condition 6(B) (Early redemption right of the Issuer) of the terms and conditions of the Listed Notes (the “**Conditions**”) set out in the offering circular dated 19 May 2014 (the “**Offering Circular**”) and the pricing supplement to the Offering Circular dated 26 May 2014, at a price equal to 92.88% of the principal amount excluding interest accrued to and including the Redemption Date.

Subsequent to the redemption of all outstanding Listed Notes, the Listed Notes were delisted on 8 April 2024.

THE DISPOSAL OF THE HUAI'AN MARKET INTERESTS

On 25 May 2024, the Group has entered into a sale and purchase agreement (the “**SPA**”) with an independent third party (the “**Purchaser**”) for the disposal of the entire equity interests of a subsidiary (the “**Target Company**”) holding, among others, the property interests in the Huai'an Market (the “**Disposal**”) for an initial consideration of approximately RMB28.9 million (equivalent to approximately HK\$31.9 million) subject to adjustments. The Purchaser has also undertaken under the SPA to provide funding to the Target Company in the amount of approximately RMB140.5 million (equivalent to approximately HK\$154.9 million) for the Target Company's repayment of certain intercompany loans owned to the Company's subsidiaries. For further details, please refer to the announcement of the Company dated 25 May 2024 and the circular of the Company dated 17 June 2024.

NUMBER OF EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2024, the Group had 1,048 employees (31 March 2023: 1,116), approximately 98% of whom were located in the PRC. The Group's remuneration policy was reviewed periodically by the remuneration committee of the Company and the Board's remuneration is determined by reference to market terms, company performance, and individual qualifications and performance. The Group aimed to recruit, retain and develop competent individuals who were committed to the Group's long-term success and growth. Remunerations and other benefits of employees were reviewed annually in response to both market conditions and trends, and were based on qualifications, experience, responsibilities and performance. The share option scheme of the Company was on 26 August 2022 for the primary purpose of rewarding eligible participants and to encourage them to work towards enhancing the value of the Company for the benefit of the Company and the Shareholders as a whole.

PROSPECTS

During the Year, the continuous high tension between the PRC and the United States, and the downfall of Chinese real estate hindered the economic growth. However, such effects have little impact on the Group's operation which is mainly focused on the PRC domestic market. Looking ahead, the Group will continue to build a nationwide agricultural produce exchange network by leveraging on its leading position in the industry, readily replicable business model, well-advanced management system, information technology infrastructure and quality customer services.

According to the No. 1 Document of the Central Committee of the Communist Party of China ("CPC") in 2024, national governance still focuses on agriculture, which proposes various measures to revitalize rural development, including: to ensure national food security, to eliminate large-scale poverty, to raise the standards of rural industrial development, rural construction and rural governance, and to strengthen CPC's overall leadership over the work of "agriculture rural areas and farmers" ("**Three Rural**"). Agricultural and rural departments and rural revitalization departments at all levels are fully implementing the spirit of the 20th National Congress of CPC and the Second Plenary Session of the 20th Central Committee of the CPC and the Second Plenary of the 20th Central Committee of the Chinese Communist Party through in-depth implementation of the Three Rural work, establishing the goal of building a strong agricultural country and learning and utilizing the experience of "Zhejiang's Green Rural Revival Program", while insisting on people-oriented development that adapts to local conditions and adopts different policies as appropriate, making gradual and orderly progress to achieve longterm results and concentrating on accomplishing practical matters that are palpable to the public, in order to make substantial progress and meet milestone targets.

In order to capture new business opportunities, the Group has taken further steps to expand its operations in the PRC by cooperating with different partners with an “asset light” strategy. It has also explored electronic platform development to capture the opportunity of technology advancement brought by the promotion of data economy by the PRC government. The Group further expanded its operations to wet market and trading by leveraging on its leading position in the industry, the Group is confident that its business strategy and operation model will deliver long-term benefits to the Company and the Shareholders as a whole.

CORPORATE SOCIAL RESPONSIBILITY

While the Group endeavors to promote business development and strives for greater rewards for our stakeholders, we acknowledge our corporate social responsibility to share some burden in building the society where our business has been established and thrived. During the past years, the Group made charitable donations to organizations, including various non-government and non-profit making organizations. The Group will continue to devote further resources and effort to being a socially responsible corporation.

RELATIONSHIP WITH CUSTOMERS AND SUPPLIERS

The Group recognized enhancing and maintaining good relationships with suppliers and customers are essential for the Group’s overall growth and development. The Group placed specific caution on the selection of quality suppliers and customers and encourages fair and open competition to foster long-term relationships with quality suppliers on the basis of mutual trust. The Group has maintained good communications and shared business updates with them when appropriate.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the financial year ended 31 March 2024, the Company completed the repurchase and the cancellation of the outstanding Listed Notes in the aggregate principal amount of HK\$110 million and completed the redemption of the outstanding Listed Notes in the principal amount of HK\$40 million under the HK\$1,000,000,000 medium term note programme on the Stock Exchange. For details of the redemption and delisting of the Listed Notes, please refer to the section of “EVENT AFTER REPORTING PERIOD — COMPLETION OF LISTED NOTES REDEMPTION AND WITHDRAWAL OF LISTING” in this announcement.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the Year.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance within a sensible framework with a strong emphasis on transparency, accountability, integrity and independence and enhancing the Company's competitiveness and operating efficiency, to ensure its sustainable development and to generate greater returns for the Shareholders.

The Board has reviewed the corporate governance practices of the Company and is satisfied that the Company had applied the principles and complied with all the code provisions set out in the Corporate Governance Code (the "CG Code") as contained in Appendix C1 to the Listing Rules throughout the Year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of all Directors, all Directors confirmed that they had complied with the required standard set out in the Model Code throughout the Year.

AUDIT COMMITTEE

The Audit Committee was established in accordance with the requirements of the Listing Rules, for the purposes of, inter alia, reviewing and providing supervision over the Group's financial reporting processes, internal controls, risk management and other corporate governance issues. The Audit Committee comprises all the independent non-executive Directors, namely Mr. Wong Ping Yuen, Mr. Lau King Lung and Mr. Li Yin Quan, and is chaired by Mr. Wong Ping Yuen. The Audit Committee has reviewed and discussed with the management of the consolidated annual results of the Group for the financial year ended 31 March 2024.

SCOPE OF WORK OF ERNST & YOUNG

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

CLOSURE OF REGISTER OF MEMBERS

To ascertain Shareholders' entitlement to attend and vote at the Company's upcoming 2024 annual general meeting, the register of members of the Company will be closed from Thursday, 15 August 2024 to Tuesday, 20 August 2024, both days inclusive, during which period no transfers of shares will be registered. In order to be qualified to attend and vote at the 2024 annual general meeting, all transfers of share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 14 August 2024.

ANNUAL GENERAL MEETING

The 2024 annual general meeting of the Company will be held at Garden Room A–D, 2/F, New World Millennium Hong Kong Hotel, 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Tuesday, 20 August 2024 at 10:45 a.m. and the notice convening such meeting will be published and despatched to the Shareholders in the manner as required by the Listing Rules in due course.

PUBLICATION OF FINAL RESULTS AND DESPATCH OF ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cnagri-products.com). The Annual Report containing all the information required by the Listing Rules will be despatched to the Shareholders and available on the above websites in due course.

By Order of the Board
CHINA AGRI-PRODUCTS EXCHANGE LIMITED
中國農產品交易有限公司
Leung Sui Wah, Raymond
Executive Director and Chief Executive Officer

Hong Kong, 26 June 2024

As at the date of this announcement, the executive Directors are Mr. Tang Ching Ho, Mr. Leung Sui Wah, Raymond, Mr. Wong Ka Kit and Ms. Luo Xu Ying, and the independent non-executive Directors are Mr. Lau King Lung, Mr. Wong Ping Yuen and Mr. Li Yin Quan.