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# PROSPER ONE INTERNATIONAL HOLDINGS COMPANY LIMITED

富一國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1470)

## INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 OCTOBER 2024

### INTERIM RESULTS

The board of directors of Prosper One International Holdings Company Limited (the “**Company**”, the “**Directors**” and the “**Board**”, respectively) announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 31 October 2024 (the “**Review Period**”) together with the relevant comparative figures as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 October 2024

		Six months ended 31 October	
		2024	2023
	Notes	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Revenue	3	44,466	22,357
Cost of sales		<u>(33,494)</u>	<u>(1,659)</u>
<b>Gross profit</b>		<b>10,972</b>	20,698
Other gains and losses, net	5	90	830
Selling and distribution costs		(4,851)	(10,830)
Administrative expenses		(4,140)	(12,086)
Finance costs		<u>(9)</u>	<u>(20)</u>

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

*For the six months ended 31 October 2024*

		<b>Six months ended</b>	
		<b>31 October</b>	
		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit/(loss) before tax</b>	6	<b>2,062</b>	(1,408)
Income tax expense	7	<u><b>(414)</b></u>	<u>(1,266)</u>
<b>Profit/(loss) for the period attributable to owners of the Company</b>		<b>1,648</b>	(2,674)
Other comprehensive income/(expense)			
Item that may be reclassified subsequently to profit or loss			
— Exchange differences arising from translation of foreign operations		<u><b>540</b></u>	<u>(2,322)</u>
Total comprehensive income/(expense) for the period attributable to the owners of the Company		<u><b>2,188</b></u>	<u>(4,996)</u>
<b>Earnings/(loss) per share — basic and diluted (HK cents per share)</b>	9	<u><b>0.21</b></u>	<u>(0.33)</u>
<b>Dividend</b>	8	<u><b>—</b></u>	<u><b>—</b></u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 October 2024

		31 October 2024 HK\$'000 (Unaudited)	30 April 2024 HK\$'000 (Audited)
	Notes		
<b>Non-current assets</b>			
Property, plant and equipment		1,020	590
Right-of-use assets		799	941
Deferred tax assets		<u>200</u>	<u>237</u>
		<u>2,019</u>	<u>1,768</u>
<b>Current assets</b>			
Inventories		4,387	4,523
Trade receivables, other receivables and prepayments	10	71,673	100,962
Cash and cash equivalents		<u>65,112</u>	<u>65,837</u>
		<u>141,172</u>	<u>171,322</u>
<b>Total assets</b>		<u><u>143,191</u></u>	<u><u>173,090</u></u>
<b>Capital and reserves</b>			
Share capital	11	8,000	8,000
Reserves		<u>9,559</u>	<u>7,371</u>
<b>Total equity</b>		<u>17,559</u>	<u>15,371</u>
<b>Current liabilities</b>			
Trade and other payables	12	79,528	110,540
Lease liabilities		—	941
Amount due to ultimate holding company	13	46,084	46,095
Tax liabilities		<u>20</u>	<u>143</u>
		<u>125,632</u>	<u>157,719</u>
<b>Total liabilities</b>		<u>125,632</u>	<u>157,719</u>
<b>Total equity and liabilities</b>		<u><u>143,191</u></u>	<u><u>173,090</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 October 2024

	Attributable to owners of the Company						
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Statutory reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total equity HK\$'000
Balance at 1 May 2023 (Audited)	8,000	118,368	24,094	5,736	(1,230)	(138,115)	16,853
<b>Total comprehensive expense</b>							
Loss for the period	—	—	—	—	—	(2,674)	(2,674)
Exchange differences arising on translation of foreign operations	—	—	—	—	(2,322)	—	(2,322)
Balance at 31 October 2023 (Unaudited)	<u>8,000</u>	<u>118,368</u>	<u>24,094</u>	<u>5,736</u>	<u>(3,552)</u>	<u>(140,789)</u>	<u>11,857</u>
Balance at 1 May 2024 (Audited)	8,000	118,368	24,094	6,897	(3,993)	(137,995)	15,371
<b>Total comprehensive income</b>							
Profit for the period	—	—	—	—	—	1,648	1,648
Exchange differences arising on translation of foreign operations	—	—	—	—	540	—	540
<b>Balance at 31 October 2024 (Unaudited)</b>	<u><b>8,000</b></u>	<u><b>118,368</b></u>	<u><b>24,094</b></u>	<u><b>6,897</b></u>	<u><b>(3,453)</b></u>	<u><b>(136,347)</b></u>	<u><b>17,559</b></u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

*For the six months ended 31 October 2024*

## 1. GENERAL INFORMATION

The Company is a public limited company incorporated in the Cayman Islands and its issued shares are listed on the Stock Exchange. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

In the opinion of the Directors, the immediate and ultimate holding company of the Company is Prosper One Enterprises Limited and its ultimate controlling party is Mr. Meng Guangyin, who was also the chairman of the Board and the chief executive officer of the Company before 10 April 2024.

The principal activities of the Company are investment holding and acting as agent (for financial reporting purposes) in the sales and trading of fertilisers and other related products, and the principal activities of its subsidiaries are the wholesale of watches in Hong Kong, manufacture and sales of compound fertilisers and acting as agent (for financial reporting purposes) in the sales and trading of fertilisers raw materials, fertilisers and other related products (collectively referred to as “**Trading of fertilisers and other related products**”). The address of the principal place of business of the Company is Room 4801, 48/F., Hopewell Centre, No. 183 Queen’s Road East, Wanchai, Hong Kong.

These condensed consolidated interim financial statements of the Group for the Review Period (the “**Interim Financial Statements**”) are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

The Interim Financial Statements were approved by the Board for issue on 30 December 2024.

The Interim Financial Statements have not been audited.

## 2. BASIS OF PREPARATION

The principal accounting policies applied in the preparation of the Interim Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Interim Financial Statements have been prepared in accordance with Hong Kong Financial Reporting Standards (the “**HKFRSs**”) and Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirement of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The Interim Financial Statements have been prepared on the historical cost basis and should be read in conjunction with the annual financial statements. The accounting policies and methods of computation used in the preparation of the Interim Financial Statements are consistent with those used in the annual financial statements for the year ended 30 April 2024, except as described below.

The Group has adopted the following amendments to HKFRSs for the first time in the presentation of these Interim Financial Statements.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-Current and related amendments to Hong Kong Interpretation 5 (2020)</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The adoption of the above amendments to HKFRSs has had no material impact on these Interim Financial Statements.

### 3. REVENUE

An analysis of the Group's revenue, all of which were recognised from contracts with customers within the scope of HKFRS 15 is as follows:

	Six months ended 31 October	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sales of watches	743	922
Sales of compound fertilisers	35,655	714
Service income	9	9
Commission income	8,059	20,712
	<u>44,466</u>	<u>22,357</u>

### 4. SEGMENT INFORMATION

The Group is principally engaged in the wholesale of watches in Hong Kong, acting as agent in the Trading of fertilisers and other related products and manufacture and sales of compound fertilisers.

Information reported to the Group's executive Directors, who are the chief operating decision makers (the "CODM") of the Group, for the purposes of resource allocation and assessment of performance, are focused on three main operations of the Group identified in accordance with the business nature and the size of the operations.

Specifically, the reportable and operating segments of the Group under HKFRS 8 are as follows:

- Wholesale business of watches ("Wholesale") — wholesale of multi brands of watches in Hong Kong
- Trading of fertilisers and other related products ("Trading") — provision of agency services in relation to trading of fertilisers and other related products in Hong Kong and Mainland China
- Manufacture and sales of compound fertilisers ("Manufacture") — manufacture and sales of compound fertilisers in Mainland China

There are no sales or other transactions among the segments.

## Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segment for the two periods.

### *For the six months ended 31 October 2024*

	Wholesale <i>HK\$'000</i> (Unaudited)	Trading <i>HK\$'000</i> (Unaudited)	Manufacture <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Revenue				
External sales	743	—	35,655	36,398
External service income	9	—	—	9
External commission income	—	8,059	—	8,059
	<u>752</u>	<u>8,059</u>	<u>35,655</u>	<u>44,466</u>
Segment (loss)/profit	<u>(459)</u>	<u>1,734</u>	<u>1,593</u>	<u>2,868</u>
Finance costs				(9)
Unallocated Group expenses				<u>(797)</u>
Profit before tax				<u>2,062</u>

### *For the six months ended 31 October 2023*

	Wholesale <i>HK\$'000</i> (Unaudited)	Trading <i>HK\$'000</i> (Unaudited)	Manufacture <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Revenue				
External sales	922	—	714	1,636
External service income	9	—	—	9
External commission income	—	20,712	—	20,712
	<u>931</u>	<u>20,712</u>	<u>714</u>	<u>22,357</u>
Segment (loss)/profit	<u>(2,933)</u>	<u>9,564</u>	<u>52</u>	<u>6,683</u>
Finance costs				(20)
Unallocated Group expenses				<u>(8,071)</u>
Loss before tax				<u>(1,408)</u>

The revenue from external parties reported to the executive Directors is measured in a manner consistent with that in the condensed consolidated statement of profit or loss and other comprehensive income.

Segment profit represents the profit earned by each segment without allocation of central administration costs, directors' emoluments and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

No segment assets and liabilities information is provided as no such information is regularly provided to the CODM of the Group for the purpose of making decision for resources allocation and performance assessment.

### Geographical information

During the Review Period, the Group's operation is mainly located in Mainland China and Hong Kong. The Group's revenue by geographical location of customers, based on location of delivery of the watches, compound fertilisers or services, is detailed below:

	<b>Six months ended 31 October</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Mainland China	<b>43,714</b>	21,426
Hong Kong	<b>752</b>	931
Total	<b>44,466</b>	22,357

The information of the Group's non-current assets excluding deferred tax assets by geographical location is detailed below:

	<b>31 October</b>	<b>30 April</b>
	<b>2024</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Mainland China	<b>1,819</b>	1,531
Hong Kong	<b>—</b>	—



## Other disclosures

*For the six months ended 31 October 2024*

	Wholesale <i>HK\$'000</i> (Unaudited)	Trading <i>HK\$'000</i> (Unaudited)	Manufacture <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Additions to non-current assets	—	—	483	483
Depreciation of property, plant and equipment	—	35	23	58
Depreciation of right-of-use assets	—	—	150	150
Freight costs	—	1,051	24	1,075
Allowance for write-down of inventories recognised	<u>76</u>	<u>—</u>	<u>—</u>	<u>76</u>

*For the six months ended 31 October 2023*

	Wholesale <i>HK\$'000</i> (Unaudited)	Trading <i>HK\$'000</i> (Unaudited)	Manufacture <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Additions to non-current assets	—	551	2,053	2,604
Depreciation of property, plant and equipment	—	17	—	17
Depreciation of right-of-use assets	—	—	86	86
Freight costs	—	6,967	—	6,967
Government grants	—	63	—	63
Allowance for write-down of inventories recognised	<u>581</u>	<u>—</u>	<u>—</u>	<u>581</u>

## 5. OTHER GAINS AND LOSSES, NET

	Six months ended 31 October	
	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)
Net foreign exchange gain	39	586
Interest income	51	172
Sundry income	—	9
Government grants	<u>—</u>	<u>63</u>
	<u>90</u>	<u>830</u>

## 6. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax has been arrived at after charging:

	Six months ended 31 October	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	58	17
Depreciation of right-of-use assets	150	86
Auditor's remuneration	450	450
Freight costs	1,075	6,967
Short-term lease expenses	209	97
Directors' remuneration	353	6,362
Other staff		
— Salaries and wages	4,023	5,231
— Other employee benefits	14	14
— Retirement benefit scheme contribution of other staff	561	426
Total staff costs	4,951	12,033
Allowance for write-down of inventories recognised in cost of sales	76	581
Carrying amount of inventories sold recognised in cost of sales	33,418	1,078

## 7. INCOME TAX EXPENSE

The amount of income tax charged to the condensed consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 31 October	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current taxation		
Hong Kong Profits Tax	—	—
People's Republic of China ("PRC") Enterprise Income Tax ("EIT")	599	1,182
	599	1,182
(Over)/under provision for prior years		
PRC EIT	(225)	55
Deferred taxation	40	29
	414	1,266

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2 million taxable profit of the qualifying corporation of the Group is taxed at 8.25%, and taxable profits above HK\$2 million are taxed at 16.5%. The Directors considered the amount involved from the application of the two-tiered profits tax rates as insignificant to the Interim Financial Statements. Other subsidiaries in Hong Kong are subject to Hong Kong Profits Tax at the rate of 16.5%.

Under the Law of the PRC on EIT (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries was 25% for both periods. Qualified small and thin-profit enterprises with annual taxable income up to Renminbi 3 million is subject to an effective EIT rate of 5%, and two (six months ended 31 October 2023: one) of the subsidiaries are entitled to the effective EIT rate of 5% for the Review Period.

## 8. DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the Review Period (six months ended 31 October 2023: Nil).

## 9. EARNINGS/(LOSS) PER SHARE

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

	<b>Six months ended 31 October</b>	
	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
Profit/(loss) for the period attributable to owners of the Company (HK\$'000)	<b>1,648</b>	(2,674)
Weighted average number of ordinary shares in issue (thousands)	<b><u>800,000</u></b>	<u>800,000</u>
Basic and diluted earnings/(loss) per share (HK cents per share)	<b><u>0.21</u></b>	<u>(0.33)</u>

No adjustments have been made in calculating diluted earnings/(loss) per share for the six months ended 31 October 2024 and 2023 as there were no potential ordinary shares in issue for both periods.

## 10. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	<b>31 October</b>	30 April
	<b>2024</b>	2024
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Audited)
Trade receivables ( <i>note</i> )	<b>112</b>	545
Other receivables		
— Rental and utilities deposits	<b>121</b>	120
— Others	<b>133</b>	82
Prepayments	<b><u>71,307</u></b>	<u>100,215</u>
	<b><u>71,673</u></b>	<u>100,962</u>

*Note:*

The trade receivables mainly comprised receivables from wholesale customers in wholesale segment. The Group's credit terms granted to wholesale customers generally ranged from 60 to 90 days from the invoice date. As at 31 October 2024 and 30 April 2024, the aging analysis of the trade receivables based on the invoice dates is as follows:

	<b>31 October 2024 HK\$'000 (Unaudited)</b>	<b>30 April 2024 HK\$'000 (Audited)</b>
Within 30 days	<b>11</b>	316
31 to 60 days	—	—
61 to 90 days	—	109
over 90 days	<b>101</b>	120
	<b><u>112</u></b>	<b><u>545</u></b>

As at 31 October 2024, trade receivables that were past due but not impaired amounted to HK\$101,000 (30 April 2024: HK\$120,000). Trade receivables in connection with these customers are with good credit quality and no past due history. In addition, the management of the Group considers these assets are short-term in nature and the probability of default is negligible. In this regard, the Directors consider that the Group's credit risk is significantly reduced. The management of the Group considered the effect of impairment on trade receivables is immaterial, no provision was made in this regard.

## 11. SHARE CAPITAL

	<b>Number of shares</b>	<b>Nominal value HK\$'000</b>
Authorised — ordinary shares of par value HK\$0.01 each At 30 April 2024 (Audited) and <b>at 31 October 2024 (Unaudited)</b>	<b><u>10,000,000,000</u></b>	<b><u>100,000</u></b>
Issued and fully paid — ordinary shares of par value HK\$0.01 each At 30 April 2024 (Audited) and <b>at 31 October 2024 (Unaudited)</b>	<b><u>800,000,000</u></b>	<b><u>8,000</u></b>

## 12. TRADE AND OTHER PAYABLES

	31 October 2024 HK\$'000 (Unaudited)	30 April 2024 HK\$'000 (Audited)
Trade payables ( <i>note</i> )	16,777	15,487
Other accruals and payables	4,352	5,279
Contract liabilities	<u>58,399</u>	<u>89,774</u>
	<u><b>79,528</b></u>	<u><b>110,540</b></u>

*Note:*

As at 31 October 2024 and 30 April 2024, the aging analysis of the trade payables based on the invoice dates is as follows:

	31 October 2024 HK\$'000 (Unaudited)	30 April 2024 HK\$'000 (Audited)
Within 30 days	1,837	1,518
31 to 60 days	1,057	28
Over 60 days	<u>13,883</u>	<u>13,941</u>
	<u><b>16,777</b></u>	<u><b>15,487</b></u>

## 13. AMOUNT DUE TO ULTIMATE HOLDING COMPANY

Amount due to ultimate holding company is unsecured, non-interest bearing and repayable on demand.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Review Period was undoubtedly one of the most difficult times that the Group has encountered over the years. Factors such as geopolitical conflicts, inflation and interest rate fluctuations continued to hinder the pace of economic recovery. Under the impact of going north more frequently for consumption and weak consumer sentiment, the sales performance of the Group's wholesale business remained stagnant. Moreover, the Group's trading business also encountered many difficulties and challenges during the Review Period. Although the sales team continued to make every effort to expand its customer base and strengthen relationships with customers, the business performance of the trading business was still underperforming because of the slowdown in demand growth and a sharp decline in trading volume of the export business. Nevertheless, fueled by the manufacture and sales of compound fertilisers business, the Group's revenue increased significantly during the Review Period. To tide over the difficulties, the Group adopted a series of measures to control operating costs including but not limited to reduction of staff costs.

The major products sold by the Group's trading business include urea and compound fertiliser, and the application of urea can be broadly divided into agricultural, industrial and vehicle uses. Affected by falling raw material prices and insufficient domestic market demand, fertiliser prices also showed a downward trend, and the overall domestic fertiliser market was slightly weak. Due to the implementation of more stringent export commodity inspection policies, the export volume of urea dropped sharply by about 92.8% compared with the same period last year, and the business performance of the Group's export business was severely affected. Considering a sharp decline in the export volume, the Group showed strong adaptability and actively implemented a series of marketing strategies to promote domestic sales to maintain its competitiveness. Despite this, the Group's domestic trading business still recorded a decline in revenue due to falling fertiliser prices and weak market demand. During the Review Period, the Group also sold self-produced compound fertiliser. Coupled with weak market demand, trading volume of compound fertiliser fell significantly compared with a year earlier.

In October 2023, the Group leveraged its existing advantages to successfully expand its business to the manufacture and sales of compound fertilisers by leasing a production line of compound fertiliser with a related party. The production line of compound fertiliser not only increases profit margin, but also enables better control over product quality. In view of this, the Group purchased the production line in July 2024. By establishing its own production line, the Group can not only save rental costs, but also gain greater control to optimise production scale. During the Review Period, the sales volume of compound fertiliser grew steadily. As a result, the manufacture and sales of compound fertilisers business continued to record profits and maintain growth momentum.

The revenue for the Review Period increased by approximately 98.7% to approximately HK\$44.5 million (six months ended 31 October 2023: approximately HK\$22.4 million). Gross profit for the Review Period was approximately HK\$11.0 million (six months ended 31 October 2023: approximately HK\$20.7 million). Profit attributable to owners of the Company was approximately HK\$1.6 million for the Review Period (six months ended 31 October 2023: loss of approximately HK\$2.7 million).

## **FINANCIAL REVIEW**

### **Revenue**

Our revenue increased by approximately HK\$22.1 million or 98.7% from approximately HK\$22.4 million for the six months ended 31 October 2023 to approximately HK\$44.5 million for the Review Period. Revenue derived from trading business decreased by approximately HK\$12.6 million or 60.9% from approximately HK\$20.7 million for the six months ended 31 October 2023 to approximately HK\$8.1 million for the Review Period. Revenue derived from watch wholesale business decreased by approximately HK\$0.1 million or 11.1% from approximately HK\$0.9 million for the six months ended 31 October 2023 to approximately HK\$0.8 million for the Review Period. Revenue derived from manufacture and sales of compound fertilisers business increased by approximately HK\$35.0 million from approximately HK\$0.7 million for the six months ended 31 October 2023 to approximately HK\$35.7 million for the Review Period. The decrease in revenue derived from trading business was mainly due to the significant decrease in trading volume of the export business and weak market demand. The Group expanded its business to the manufacture and sales of compound fertilisers since October 2023, resulting in corresponding increase in revenue from it.

### **Cost of sales**

Our cost of sales primarily consists of carrying amount of inventories sold and provision for slow-moving inventories. Our cost of sales increased by approximately HK\$31.8 million from approximately HK\$1.7 million for the six months ended 31 October 2023 to approximately HK\$33.5 million for the Review Period. The cost of sales of compound fertilisers increased by approximately HK\$32.7 million from approximately HK\$0.6 million for the six months ended 31 October 2023 to approximately HK\$33.3 million for the Review Period. The Group expanded its business to the manufacture and sales of compound fertilisers since October 2023, resulting in corresponding increase in the cost of sales of compound fertilisers.

### **Gross profit**

The overall gross profit decreased by approximately HK\$9.7 million or 46.9% from approximately HK\$20.7 million for the six months ended 31 October 2023 to approximately HK\$11.0 million for the Review Period. The decrease in gross profit was mainly due to a decrease of approximately HK\$12.6 million in gross profit of trading business, which was partially offset by (i) an increase of approximately HK\$2.3 million in gross profit of manufacture and sales of compound fertilisers business and (ii) an increase of approximately HK\$0.6 million in gross profit of watch wholesale business.

## **Selling and distribution costs**

Our selling and distribution costs decreased by approximately HK\$5.9 million or 54.6% from approximately HK\$10.8 million for the six months ended 31 October 2023 to approximately HK\$4.9 million for the Review Period. The decrease was primarily attributable to the decrease of freight costs. The freight costs declined significantly because of significant decrease in trading volume of the export business.

## **Administrative expenses**

Our administrative expenses decreased by approximately HK\$8.0 million or 66.1% from approximately HK\$12.1 million for the six months ended 31 October 2023 to approximately HK\$4.1 million for the Review Period. The decrease was primarily attributable to the decrease in financial advisory fee, directors' remuneration and administrative staff's salaries and allowances.

## **Finance costs**

Our finance costs decreased by approximately HK\$11,000 from approximately HK\$20,000 for the six months ended 31 October 2023 to approximately HK\$9,000 for the Review Period. The decrease was due to the decrease in finance costs on lease liabilities.

## **Profit/(loss) before tax**

The Group recorded a profit before tax of approximately HK\$2.1 million for the Review Period (six months ended 31 October 2023: loss before tax of approximately HK\$1.4 million). The change was mainly due to the decrease in total staff costs.

## **FINANCIAL POSITION**

The Group's primary source of funds were cash inflows from operating activities and loans from the ultimate holding company.

As at 31 October 2024, the Group's total cash and cash equivalents were approximately HK\$65.1 million (as at 30 April 2024: approximately HK\$65.8 million), most of which were denominated in HK\$, United States dollars and Renminbi. The current ratio (calculated by dividing current assets by current liabilities) of the Group maintained at approximately 1.1 time as at 31 October 2024 and 30 April 2024. The gearing ratio (calculated by dividing net debt by total equity) was not applicable as the Group maintained at a net cash position as at 31 October 2024 and 30 April 2024. Net debt was calculated as amount due to ultimate holding company and lease liabilities less cash and cash equivalents.

## **DEBTS AND CHARGE ON ASSETS**

The Group had no bank borrowings as at 31 October 2024 and 30 April 2024.



As at 31 October 2024 and 30 April 2024, the Group did not have any foreign exchange contracts, interest or currency swaps or other financial derivatives.

As at 31 October 2024 and 30 April 2024, the Group had no banking facilities for overdrafts and loans.

## **MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES**

During the Review Period, there was no material acquisition or disposal of subsidiaries, associated companies or joint ventures by the Group.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

As at 31 October 2024, the Group did not have any plans for material investments and capital assets.

## **SIGNIFICANT INVESTMENT HELD**

Except for investments in subsidiaries, the Company did not hold any significant investment in equity interest in any other company as at 31 October 2024.

## **FOREIGN EXCHANGE EXPOSURES**

The Group does not have a significant foreign exchange exposure and has currently not implemented any foreign currency hedging policy. The management will consider hedging against significant foreign exchange exposure should the need arise.

## **CONTINGENT LIABILITIES**

The Group did not have any significant contingent liabilities as at 31 October 2024 (as at 30 April 2024: Nil).

## **CAPITAL COMMITMENTS**

The Group did not have any material capital commitments as at 31 October 2024 (as at 30 April 2024: HK\$541,000).

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 October 2024, the Group had a total of 61 (as at 31 October 2023: 62) employees. The total remuneration costs incurred by the Group for the Review Period were approximately HK\$5.0 million (six months ended 31 October 2023: approximately HK\$12.0 million). We review the performance of our employees annually and use the results of such review in our annual salary review and promotion appraisal, in order to attract and retain valuable employees. Remuneration packages are generally structured by reference to market norms, individual qualifications, relevant experience and performance.

The Company has adopted a share option scheme (the “**Share Option Scheme**”) to enable the Board to grant share options to eligible participants with an opportunity to have a personal stake in the Company. As at the date of this announcement, there was no outstanding share option granted under the Share Option Scheme.

## **INTERIM DIVIDEND**

The Board has resolved not to declare the payment of any interim dividend for the Review Period (six months ended 31 October 2023: Nil).

## **PROSPECTS**

Looking ahead, it is expected that fertiliser market will still face challenges and opportunities. As the peak season for domestic agricultural demand approaches, it will bring certain support to the domestic fertiliser market. Fertiliser prices are expected to show a relatively stable trend during the periods of concentrated demand. In terms of export business, export volume of urea is expected to be difficult to recover in the short term, and the export business will inevitably be affected. The development of environmentally friendly and high-efficiency fertilisers has become a new trend in the fertiliser industry. The Group will continue to strengthen production management, improve production efficiency, and make every effort to provide customers with more high-efficiency and high-quality fertiliser products to enhance product competitiveness. The Group will also make good use of existing resources to promote growth strategy, continuously optimise marketing model, and strive to expand market share.

We will inevitably experience ups and downs on the road to development, but we firmly believe that all our management and staff will continue to make concerted efforts to get through the hard times together. We will eventually overcome the difficulties and create better returns for our shareholders.

## **EVENTS AFTER THE REVIEW PERIOD**

No material events have occurred after the Review Period and up to the date of this announcement.

## **CORPORATE GOVERNANCE PRACTICES**

The Board recognises the importance of incorporating elements of good corporate governance in the management structures, internal control and risk management procedures of the Group so as to achieve effective accountability.

The Company has applied the principles and code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules (the “**CG Code**”). The Company complied with all the code provisions of the CG Code, except for the following code provisions during the Review Period and up to the date of this announcement.

## **Chairman and Chief Executive**

Code provision C.2.1 of the CG Code provides that the roles of the chairman and the chief executive officer should be separated and should not be performed by the same individual. During the Review Period and up to the date of this announcement, Mr. Liu Guoqing has acted as the chairman of the Board (the “**Chairman**”) and the chief executive officer of the Company. The Board is of the opinion that it is appropriate and in the best interests of the Group to have Mr. Liu Guoqing taking up both roles for effective management and business development. Therefore, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstances. Nevertheless, the Company will look for suitable candidates and make necessary arrangement pursuant to the requirement under C.2.1 of the CG Code as and when necessary.

## **Communication with Shareholders**

Code provision F.2.2 of the CG Code provides that, among others, the chairman of the board should attend the annual general meetings (the “**AGMs**”). Mr. Liu Guoqing, the Chairman, did not attend the Company’s AGM held on 18 October 2024 (the “**2024 AGM**”) due to other essential business engagements. In order to ensure an effective communication with the shareholders of the Company (the “**Shareholders**”), the Directors attending the 2024 AGM elected Mr. Liu Jiaqiang, an executive Director, to chair the meeting on behalf of the Chairman. The respective chairmen and/or members of the Board’s audit committee (the “**Audit Committee**”), remuneration committee and nomination committee and a representative of the independent auditor of the Company were present at the 2024 AGM to answer relevant questions from the Shareholders thereat. To mitigate the above, future AGMs of the Company will be scheduled earlier to avoid the timetable clashes.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its own code of conduct governing the Directors’ transactions of the listed securities of the Company. Following a specific enquiry made by the Company with each of the Directors, all Directors confirmed that they had complied with the standards as set out in the Model Code during the Review Period.

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

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

As at 31 October 2024, the Company did not hold any treasury shares.

## AUDIT COMMITTEE REVIEW

The Company has established an Audit Committee with written terms of reference in compliance with the Listing Rules. The Group's unaudited condensed consolidated interim results for the Review Period have been reviewed by the Audit Committee before submission to the Board for approval.

## APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to our management and employees for their hard work and dedication that enable the Group to face the challenges and uncertainties during the Review Period. Last but not least, I wish to express my sincere thanks to our Shareholders, suppliers, customers and other business partners for their ongoing trust and support.

## PUBLICATION OF INTERIM REPORT

The Company's interim report for the Review Period containing all applicable information required by the Listing Rules will be despatched to the Shareholders (if a printed copy is requested) and published on the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)) and on the Company's website ([www.prosperoneintl.com](http://www.prosperoneintl.com)) in due course in the manner required by the Listing Rules.

By order of the Board  
**Prosper One International Holdings Company Limited**  
**Liu Guoqing**  
*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 30 December 2024

As at the date of this announcement, the Board comprises:

<i>Executive Directors:</i>	Mr. Liu Guoqing ( <i>Chairman and Chief Executive Officer</i> )
	Mr. Liu Jiaqiang
	Mr. Li Dongpo ( <i>Chief Financial Officer</i> )
	Ms. Wong Wai Chu

<i>Independent Non-executive Directors:</i>	Mr. Tian Zhiyuan
	Mr. Wang Luping
	Mr. Gao Jizhong