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Shiyue Daotian Group Co., Ltd.
十月稻田集團股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 9676)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

FINANCIAL HIGHLIGHTS

	For the year ended December 31,		Change
	2024	2023	**%**
	RMB million	*RMB million*	
Revenue	**5,745.3**	4,867.0	**18.0%**
Gross profit	**1,019.4**	618.7	**64.8%**
Profit/(loss) for the year	**204.4**	(64.9)	**N/A**
Adjusted net profit[1]	**349.5**	162.2	**115.5%**

Final Dividend

The Board recommended the payment of the final dividend of RMB0.164 per ordinary share (tax inclusive) to all Shareholders for the year ended December 31, 2024, which amounted to approximately RMB175.2 million.

1 The Group defines adjusted net profit (non-IFRS measure) as net profit for the years adjusted for fair value changes and dividend income arising from equity investments, changes in the carrying amount of financial instruments issued to investors and listing expenses. See the section entitled "Non-IFRS Measure" for more information about the non-IFRS measure for adjusted net profit.

MANAGEMENT DISCUSSION AND ANALYSIS

MACRO AND INDUSTRY ENVIRONMENT

In 2024, the global economic environment continuously exhibited complexity and volatility. Against this background, the Chinese economy demonstrated remarkable resilience and vitality, and the national economy maintained overall stability while achieving steady progress with improvement. According to official data, the GDP growth rate of China for the year 2024 reached 5.0%, with the growth rate in the fourth quarter even rising to 5.4%, reflecting that the resilience of Chinese economy is being strengthened. The total retail sales of consumer goods increased by 3.5% year-on-year throughout the year, especially for grain, oil and food commodities exhibiting an outstanding growth rate of 9.9% that surpassed the overall consumption growth rate, emerging as a pivotal driving force in stimulating the growth of domestic demand. In terms of the consumer price index (CPI), the increase for the year 2024 was only a marginal 0.2%, but there were apparent discrepancy in the price structure: the prices of fresh vegetables and pork rose by 5.0% and 7.7% respectively, while the price of grain remained stable due to increased production, dropping by merely 0.1%. The price fluctuations remained within a moderate range. With the constant improvement of living standards and the increasing health awareness among Chinese residents, consumers' demand for food has shown two major trends: one is the pursuit of health and quality. Consumers have transitioned from focusing on satiety to healthy diet, preferring foods that are nutritionally balanced, low in fat and rich in fiber. The other is the demand for convenience and brand. Pre-packaged food, with its advantages of stable quality, effortless storage and transportation, has continuously expanded its market share.

In terms of categories, China's pantry staple food can be divided into four categories, namely, flour products, rice products, whole grain and the new staple food products featuring corn as representative. As the main food for people in most parts of China, rice possesses a substantial market potential and maintains a decent rate of growth, with a market exhibiting maturity and stability. In December 2024, seven departments including the National Development and Reform Commission and the National Food and Strategic Reserves Administration, jointly issued the "National Whole Grain Action Plan (2024-2035)", which insists on ensuring food security with high quality and improving the nutritional and health status of the whole people as the goal, and adheres to the orientation towards comprehensive food security, integrated nutrition and universal health, so as to develop the whole grain[1] industry according to local conditions, promote food conservation and loss reduction, facilitate the consumption of residents in nutrition and health, and ensure national grain security at a higher hierarchy and more advanced level. At the same time, the growing health consciousness of consumers and the popularization of the concept of dietary balance have contributed to the growth of the market scale for whole grain and corn. The corn category demonstrated exceptional performance, emerging as a preferred choice on contemporary dining tables owing to its low-fat and high-fiber attributes.

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1 Whole grains are grains that retain a complete caryopsis structure (i.e., endosperm, germ, and pericarp) after the removal of inedible parts such as the husk, which preserve the natural nutrients and bioactive substances, such as dietary fiber, B vitamins, and minerals, to the greatest extent.Whole grains primarily include brown rice, whole wheat, oats, millet, corn, buckwheat, quinoa, sorghum and others.

Based on package specification, rice, corn, whole grain, bean and seed products can be further divided into pre-packaged products and bulk products. Pre-packaged products have become more popular among consumers, mainly due to their portability and better preservation of quality, freshness and taste. As Chinese consumers have become more conscious of food quality, more consumers prefer to purchase pre-packaged rice, corn, whole grain, bean and seed products, boosting a much higher growth rate of the pre-packaged product market. In addition, consumers' multi-scenario demands have given rise to the trend of turning staple foods into snacks, making dietary patterns more adaptable to modern life. Pre-packaged fresh corn products, along with pre-cooked whole grain foods, can fulfill consumers' composite demands for "nutrition and convenience".

PROSPECT

By adhering to the mission of "being committed to providing Chinese consumers with healthy, quality and safe pantry food" all along, the Group has been dedicated to providing our customers with pre-packaged premium rice, corn, whole grain, bean, and dried food products. By maintaining omni-channel sales coverage, we are committed to providing customers with products of diversified categories that are sourced from renowned grain production regions in China. In virtue of increasingly improved service quality and operational efficiency, we aim to "build a valuable and influential food brand in China".

We will continue to broaden and deepen our omni-channel ecosystem, and reinforce our channel management capabilities. We will continue to use the traffic ecology to lay out our brand IP matrix, increase brand exposure, and continue to gain insight into consumer needs and build brand recognition. We will pay constant and close attention to the overall industry trends, exert promptly adjustments to our business layout and product assortment, give full play to our own characteristics and advantages to expand new channels and businesses. We will continue to forge flagship products of healthy and high-quality nature. We will also continue to penetrate into selected production areas for rice, corn, whole grain, bean and other products, and focus on building infrastructure for procurement, production, inspection, storage and other core capabilities in quality origins.

BUSINESS REVIEW

In 2024, the Group has been dedicated to providing customers with pre-packaged premium rice, corn, whole grain, bean and dried food products, aiming to capture consumer mindshare with "high brand visibility and convenient purchase experience". The Group has continued to cultivate its categories in existence, expand its multi-category product portfolio, develop its sales network, strengthen its multi-brand business model with respective proven record of success, and consolidate its supply chain management capabilities to meet diversified consumer needs and continuously strengthen the emotional connection of our consumers with us.

In 2024, total revenue of the Group was RMB5,745.3 million, representing an increase of approximately 18.0% as compared with RMB4,867.0 million of the previous year. Gross profit of the Group increased by 64.8% from RMB618.7 million for the previous year to RMB1,019.4 million for this year, while gross profit margin increased from 12.7% for the previous year to 17.7% for this year. Compared to the previous year, the Group has achieved a significant financial turnaround this year. In the previous year, the Group recorded a loss before income tax of RMB58.8 million, while the Group recorded a profit before income tax of RMB224.4 million this year. Compared with a net loss of RMB64.9 million in the previous year, the Group recorded a net profit of RMB204.4 million this year. The Group's adjusted net profit increased by 115.5% from RMB162.2 million for the previous year to RMB349.5 million for this year, and adjusted net profit margin increased from 3.3% for the previous year to 6.1% for this year.

OUR BRANDS AND PRODUCTS

We are one of the leading and rapidly growing pantry food companies in China, enjoying a robust omni-channel brand presence. We have been dedicated to providing our consumers with premium pre-packaged rice, corn, whole grain, bean, and dried food products since our inception, and have successfully established and been operating multiple well-recognized brands, mainly including Shiyue Daotian (十月稻田), Firewood Courtyard (柴火大院) and Sunshine Family (福享人家). The Group has been growing steadily, successfully achieving a consistent leading performance in the past. According to an industry study completed by Frost & Sullivan in May 2024, we have been recognized as the "Top Selling Brand for Northeast Rice in China for Five Consecutive Years[2]" and the "Omni-channel Service Provider for 130 Million Users of Chinese Families[3]". In addition, in response to the trend of making corn a staple food, we have laid out the supply chain of corn categories in the high-quality production area in Northeast China, which has won the full recognition of the market and consumers by virtue of its advantages in production area, production and processing, and product innovation since its appearance on the market, and we have been certified as the "Top Selling Brand for Corn Categories in China[4]" by Frost & Sullivan.

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2 Based on research on the Northeast Rice industry in China by Frost & Sullivan; calculated based on the sales volume (tons) of pre-packaged Northeast Rice products in retail channels in Mainland China from 2019 to 2023; Northeast Rice is defined as japonica rice produced in the production area of Northeast China; the survey was completed in May 2024.

3 Based on research on the pantry staple food industry in China by Frost & Sullivan; calculated based on the total number of household users served by all sales channels in Mainland China as of April 2024; the survey was completed in May 2024.

4 Based on research on the corn industry in China by Frost & Sullivan; calculated based on the sales volume (tons) of corn categories in retail channels in Mainland China from January 2023 to March 2024; corn categories refer to edible corn, mainly including corn cobs, corn segments, corn kernels and corn derivatives, etc.; the survey was completed in May 2024.

We mainly supply rice products, corn products, whole grain, bean and other products, as well as dried food and other products. Rice products mainly include pre-packaged rice products of different varieties, such as Wuchang rice (五常大米), Daoxiang rice (稻香米), long grain rice (長粒香大米) and Komachi rice (小町米). Corn products mainly include different categories of pre-packaged fresh corn products, such as yellow glutinous corn, white glutinous corn, black glutinous corn, multicolored glutinous corn, fruit corn, fruit corn kernels, as well as dried and peeled corn kernels. Whole grain and bean products mainly include pre-packaged mixed brown rice, millet and red bean, and other products under this category primarily refer to seed. Dried food products mainly include pre-packaged wood ear mushrooms, snow fungus mushroom, lotus seeds and lily bulbs, and other products under this category mainly include by-products, such as bran, husk and fractioned rice. Our revenue is mainly derived from the sales of rice products and corn products. The table below sets forth a breakdown of our revenue by product category for the periods indicated:

	Year ended December 31,			
	2024		2023	
Product category	***RMB'000***	**% of total revenue**	*RMB'000*	% of total revenue
Rice products	**4,014,456**	**69.9**	3,830,303	78.7
Corn products	**815,108**	**14.2**	130,801	2.7
Whole grain, bean and other products	**469,536**	**8.2**	470,699	9.7
Dried food and other products	**446,215**	**7.7**	435,223	8.9
Total	**5,745,315**	**100.0**	4,867,026	100.0

Our revenue generated from rice products increased by 4.8% from RMB3,830.3 million for the previous year to RMB4,014.5 million for this year, primarily due to the Group's continued adjustment to product mix of rice during the year, which resulted in an increase in revenue from mid to high-end rice, with the proportion of revenue from Daoxiang rice and long grain rice in our rice revenue increased, coupled with the decrease in sales volume of low-gross-profit rice varieties, collectively leading to an increase in revenue from rice products. Our revenue generated from corn products increased by 523.2% from RMB130.8 million for the previous year to RMB815.1 million for this year, attributable to our insight into consumer needs through which we continued to launch new products that meet composite demands such as low fat, health and convenience combined with omni-channel marketing, and thus sales volume of corn products increased significantly in this year. Our revenue generated from whole grain, bean and other products amounted to RMB469.5 million for this year, which remained stable as compared to RMB470.7 million in the previous year. Our revenue generated from dried food and other products increased by 2.5% from RMB435.2 million for the previous year to RMB446.2 million for this year, primarily due to the increase in sales volume and sales of dry food products as we undertook in-depth expansion in our sales network, plus the decrease in sales revenue of by-products resulting from the declining sales price of by-products in line with market conditions this year, collectively leading to a slight increase in the revenue of this category.

OUR SALES NETWORK

The Group's customer group encompasses both corporate customers and individual customers. Our sales network is remarkably diversified and spans a multitude of online and offline channels, enabling us to achieve extensive consumer coverage and penetrate the market effectively. We not only maintain strong partnerships with, and have established leading positions on, prominent comprehensive e-commerce platforms, but also proactively explore cooperation opportunities in emerging channels such as social e-commerce platforms.

In line with the development tendency of the offline retail ecosystem, we have successfully established an extensive sales network across our modern retail channels, and has achieved rapid growth and success in this field, establishing a leading position in the modern retail channel. Leveraging our integrated online and offline operation capabilities, we have further deepened our sales channel penetration and established an omni-channel sales network. Our omni-channel sales network enables us to promptly stay abreast of consumer experiences and evolving preferences, thereby further guiding the iterative upgrading of our product development and sales strategies.

The table below sets forth a breakdown of our revenue by sales channel for the periods indicated:

	Year ended December 31,			
	2024		2023	
Sales channel	***RMB'000***	**% of total revenue**	*RMB'000*	% of total revenue
Online channels				
E-commerce platforms	**2,384,025**	**41.6**	2,836,474	58.4
Online self-operated stores	**1,214,643**	**21.1**	469,080	9.6
Modern retail channels[1]	**1,013,288**	**17.6**	653,920	13.4
Direct customers[2]	**829,474**	**14.4**	627,970	12.9
Distribution network	**303,885**	**5.3**	279,582	5.7
Total	**5,745,315**	**100.0**	4,867,026	100.0

Notes:

1. Modern retail channels mainly include NKAs and LKAs which provide our products to end-consumers.

2. Direct customers primarily consist of catering companies, agricultural products companies, and other corporate and individual customers.

This year, our revenue from online channels accounted for the majority of our total revenue. Our revenue generated from online channels increased by 8.9% from RMB3,305.6 million for the previous year to RMB3,598.7 million for this year. Among them, our revenue from e-commerce platforms decreased by 16.0% from RMB2,836.5 million for the previous year to RMB2,384.0 million for this year, primarily attributable to our adjustment to channel structure which reduced our involvement in the channels with low gross profit. Revenue from online self-operated stores increased by 158.9% from RMB469.1 million for the previous year to RMB1,214.6 million for this year, primarily due to our adjustment of the operation strategies on social e-commerce and self-operated stores of certain emerging platforms in line with the changes in consumption habits, which led to the growth of revenue from our online self-operated stores. Revenue generated from modern retail channels increased by 55.0% from RMB653.9 million for the previous year to RMB1,013.3 million for this year, which was mainly due to increased sales volume, resulting from our continuous cultivation of channels and establishment of partnership with high-quality customers. Revenue from direct customers increased by 32.1% from RMB628.0 million for the previous year to RMB829.5 million for this year, which reflected the Company's active efforts in direct customer expansion, coupled with the Company's elevated brand awareness, increased corporate procurement for internal employee benefits, and our strengthened cooperation with catering companies, which collectively led to an increase in channel revenue from direct customers. Revenue from distribution network increased by 8.7% from RMB279.6 million for the previous year to RMB303.9 million for this year, which reflected the Company's continuous exploration of distribution channels during the Reporting Period.

OUR PRODUCTION

The foundation of our brands' and products' core competitiveness lies in the superior quality of raw materials. We have established long-term and stable relationships with various product suppliers from renowned places of origin for grains. To ensure efficient procurement and storage of raw materials, we have strategically located five production bases around the core grain-producing areas for rice, whole grain and bean in Northeast China and Inner Mongolia, namely Shenyang Xinmin production base, Wuchang production base, Songyuan production base, Tonghe production base and Aohan production base. The rice originating from Wuchang, and millet originating from Aohan, are China National Geographical Indication Products. We also purchase raw materials for whole grain, bean and dried food products from other renowned places of origin, including red beans from Daqing, Heilongjiang Province, mung beans from Inner Mongolia, and peanuts from Fuyu, Jilin Province.

We constantly optimize our production process, explore and develop the production technology and techniques to maintain the good taste and preserve the nutritional value of our products, thus satisfying the preferences of our consumers. Our production process is highly standardized and automated. In addition, we have made substantial investment in purchasing advanced production machinery and equipment. Our production team members work closely to continuously maintain our production machinery and equipment to meet our high production standards and improve our production efficiency.

We are capable of efficiently procuring and storing fresh paddy and other grain upon maturity, ensuring that their freshness and moisture levels remain intact under low-temperature conditions by virtue of advanced warehousing facilities. According to Frost & Sullivan, we are among a few companies in China's rice, whole grain, bean and seed industry that have implemented a vertically integrated operation model encompassing the entire industry chain, from procurement, storage, production and sale to logistics. This allows us to offer consumers fresh products that retain their natural taste and aroma.

SUPPLY CHAIN MANAGEMENT

By closely collaborating with various channels, we are able to oversee all stages of our value chain, enabling us to collect and analyze consumption information in a timely manner, and synchronize our order, inventory, and capacity information. This allows us to respond quickly to real-time transaction information by efficiently formulating, monitoring and adjusting our production plans, and make informed decisions during the business process. Relying on efficient supply chain management, we typically perform order-based production and are able to produce and process our products within three days of placement and dispatch such to customers' designated warehouses or end-consumers, thus guaranteeing the freshness and good taste of our products. Furthermore, our flexible and efficient supply chain ensures a rapid response to market needs.

Our production is highly standardized and automated, and we are committed to continuously upgrading our production line with advanced equipment to enhance its automation level. As of December 31, 2024, we had put into operation over twenty automated production lines. Additionally, we have built a modern warehouse and distribution system, which expands nationwide through five self-operated regional distribution centers ("RDCs") in Shanghai, Tianjin, Chengdu, Shenyang and Dongguan, and more than ten local warehouses to ensure prompt and reliable contract fulfillment.

FOOD SAFETY AND QUALITY CONTROL

Food safety and product quality are our top priority. We are committed to offering safe and premium food to maintain consumer confidence in our products and strengthen our brand recognition. We have implemented stringent food safety and quality control standards and measures throughout our operations, covering steps from procurement, production and storage to sales. To achieve systematic quality management, our quality assurance team focuses on implementing a group-level quality control plan through the implementation and maintenance of our quality control system, and is responsible for quality inspection of raw materials, semi-finished products and finished products, as well as product shelf-life management.

OUR INFORMATION TECHNOLOGY

The IT systems utilized by the Group cover various aspects of our operations, including raw materials supply, production, operation and logistics. Our IT team is responsible for developing and maintaining IT systems in line with our business expansion and creating customized solutions to meet our business needs. We have developed and implemented a supply chain management system to integrate resources along the supply chain and align value propositions with the aim of decreasing our upfront costs. In addition, we use ERP system, TMS, warehousing management system, CRM system, cloud office system and OA system to complement each other to achieve a series of functions such as product operation and data management.

FINANCIAL REVIEW

Revenue and Gross Profit

In 2024, the Group recorded a revenue of RMB5,745.3 million, representing an increase of 18.0% as compared with RMB4,867.0 million in 2023, primarily because (i) we attached importance to customer needs and feedback, expanded the multi-category product portfolio based on the philosophy of healthy and safe diet, and continued to cultivate our categories in existence, so as to satisfy the diverse consumer needs; (ii) we paid constant and close attention to the overall industry trends, adjusted our business arrangement and focused on investing in emerging channels and modern retail channels to bring about incremental sales; and (iii) we proactively enhanced both brand effect and brand competitiveness, empowered the Shiyue Daotian brand through the founder's IP, established our presence in social media platforms and outdoor advertising, and integrated a number of online and offline marketing activities to maximize brand awareness across different channels with higher brand exposure.

Gross profit of the Group in 2024 amounted to RMB1,019.4 million, representing an increase of 64.8% from RMB618.7 million in 2023. Gross profit margin of the Group increased from 12.7% in 2023 to 17.7% for the Reporting Period, primarily because we (i) carried out continuous innovation and in-depth operation in the pantry food category to optimize its product portfolio; and (ii) leveraged the strategic deployment of sales channels to curtail our involvement in certain channels with low gross profit, which resulted in an significant improvement of the Group's earnings quality.

Other Net Income

Other net income of the Group increased from RMB3.7 million in 2023 to RMB40.6 million in 2024, mainly due to (i) a provision of RMB20.0 million for outstanding legal claims in 2023, and the reversing of the difference between the amount of litigation provision of the previous year and the amount of judgment in 2024; (ii) an increase in the returns on investment and wealth management compared with 2023; and (iii) the Group planted a small amount of corn and paddies in 2024 and being affected by the flood disaster in Liaoning in August 2024, losses on the fair value of biological assets occurred in the planting of crops, which partially offset the increase in other net income.

Selling and Distribution Expenses

Selling and distribution expenses of the Group increased by 58.5% from RMB324.1 million in 2023 to RMB513.8 million in 2024, primarily due to changes in the structure of our sales channels and a significant increase in commission expenses related to social e-commerce platforms, and moreover, we increased our brand promotion activities in 2024 such as outdoor advertising and holiday marketing, which led to a rise in advertising and publicity expenses.

Administrative Expenses

Administrative expenses of the Group decreased from RMB154.5 million in 2023 to RMB148.2 million during the Reporting Period, mainly due to the fact that it incurred listing expenses of RMB45.9 million in 2023, whereas in 2024, there was no listing expense as the Company had been listed on October 12, 2023. In addition, the Company's expert consultation fees and depreciation and amortization expenses increased as compared to the year 2023. Such combined factors led to a decrease in administrative expenses.

Impairment Losses Charged/Reversed on Trade and Other Receivables

Impairment losses charged/reversed on trade and other receivables of the Group turned from a reversal of impairment loss of RMB0.2 million in 2023 to an impairment loss charged of RMB4.6 million in 2024, mainly as a result of the increase in the amounts of trade receivables.

Finance Costs

Our finance costs decreased by 38.2% from RMB21.7 million in 2023 to RMB13.4 million in 2024, primarily due to foreign exchange gains generated from the Group's settlement of foreign currencies in 2024, which collectively resulted in a reduction of finance costs.

Losses Arising from Changes in Fair Value of Financial Assets Measured at Fair Value through Profit or Loss ("FVPL")

In 2024, the Group had financial assets that carried at fair value, which resulted in a loss on fair value changes of RMB155.6 million. These financial assets primarily consist of equity interests in listed companies held by the Group for strategic collaboration and investment purposes.

Changes in the Carrying Amount of Financial Instruments Issued to Investors

Our changes in the carrying amount of financial instruments issued to investors primarily relate to the financial instruments granted to certain investors of our Series A, Series B and Series C financing. The redemption rights related to financial instruments have automatically expired upon the listing of the Company's shares on the Stock Exchange. Changes in the carrying amount of financial instruments issued to investors in 2023 amounted to RMB181.1 million. In light of the expiration of redemption rights related to financial instruments, there were no changes in the carrying amount of financial instruments issued to investors in 2024.

Income Tax Expenses

Income tax expenses of the Group increased from RMB6.1 million in 2023 to RMB20.0 million during the Reporting Period, primarily due to the increase in taxable income.

Profit/Loss for the Year

As a result of the foregoing, profit for the year of the Group turned from a loss of RMB64.9 million in 2023 to a profit of RMB204.4 million in 2024.

Non-IFRS Measure

To supplement the consolidated financial statements of the Group, which are presented in accordance with IFRS Accounting Standards, the Group also uses adjusted net profit (non-IFRS measure) as additional financial measures, which is not required by, or presented in accordance with IFRS Accounting Standards. The Group believes that the non-IFRS measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help the Group's management. However, the Group's presentation of adjusted net profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as an analytical tool, and investors should not consider it in isolation from, or as a substitute for an analysis of, the Group's results of operations or financial condition as reported under IFRS Accounting Standards.

The Group defines adjusted net profit (non-IFRS measure) as net profit for the years adjusted for fair value changes and dividend income arising from equity investments, changes in the carrying amount of financial instruments issued to investors and listing expenses. The following table reconciles the adjusted net profit (non-IFRS measure) for the periods presented to the most directly comparable financial measures calculated and presented in accordance with IFRS Accounting Standards, which is net profit or loss for the years:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Reconciliation of net profit to adjusted net profit (non-IFRS measure)		
Profit/(loss) for the year	**204,373**	(64,863)
Add:		
Net losses arising from financial assets measured at FVPL[1]	**145,093**	–
Changes in the carrying amount of financial instruments issued to investors[2]	**–**	181,141
Listing expenses[3]	**–**	45,947
Adjusted net profit (non-IFRS measure)	**349,466**	162,225

Notes:

1. Fair value changes and dividend income arising from listed equity investments, under the financial assets measured at FVPL held by the Group.

2. Changes in the carrying amount of financial instruments issued to investors were primarily related to the financial instruments granted to certain investors of our Series A, Series B and Series C financing.

3. Listing expenses primarily related to the initial public offering.

Adjusted net profit (non-IFRS measure) of the Group increased by 115.5% from RMB162.2 million in 2023 to RMB349.5 million in 2024, while the adjusted net profit margin (non-IFRS measure) rose from 3.3% to 6.1%, mainly due to the combined factors which contributed to the growth of net profit, including that we carried out continuous innovation and in-depth operation in the pantry food category to further optimize its product portfolio, coupled with the strategic deployment of sales channels which resulted in an significant improvement of the Group's earnings quality with an increase in gross profit margin from 12.7% to 17.7%, plus that channel changes led to an increase in sales expense ratios.

Inventories

Inventories of the Group decreased by 15.2% from RMB1,604.8 million as of December 31, 2023 to RMB1,360.2 million as of December 31, 2024. Inventory turnover days of the Group decreased from 127 days in 2023 to 113 days in 2024, mainly due to the decline in the price of raw material rice harvested in the fall of 2024, coupled with a slight decrease in the inventory of raw materials as compared to December 31, 2023, resulting in a decline in the inventory balance as of December 31, 2024.

Trade and Other Receivables

Trade receivables of the Group increased by 55.4% from RMB242.8 million as of December 31, 2023 to RMB377.4 million as of December 31, 2024. Turnover days of trade receivables decreased from 24 days in 2023 to 20 days during the Reporting Period, mainly due to the fact that sales revenue in the fourth quarter of 2024 was higher than that in the same period of 2023, leading to higher amount of trade receivables as at December 31, 2024. In addition, the Group's bills receivables decreased significantly compared with December 31, 2023, primarily because the Group reduced its cooperation with some of bill customers.

Other receivables of the Group increased from RMB170.0 million as of December 31, 2023 to RMB215.5 million as of December 31, 2024, primarily due to the prepayment of advertising service fees under the agreement entered into between the Group and a third party in relation to future advertising services.

Financial Assets Measured at FVPL

The financial assets measured at FVPL held by the Group as at December 31, 2024, represented the equity investments of RMB615.1 million in listed companies for the intention of strategic cooperation and investment.

Trade and Other Payables

Trade payables of the Group increased by 11.0% from RMB137.6 million as of December 31, 2023 to RMB152.7 million as of December 31, 2024, while trade payables turnover days decreased from 13 days in the previous year to 11 days during the Reporting Period. The slight increase in trade payables was mainly due to the increase in payables for purchase of packaging materials as sales business increased.

Other payables of the Group decreased by 3.6% from RMB104.3 million as of December 31, 2023 to RMB100.5 million as of December 31, 2024, indicating a relatively small amplitude of fluctuation and remained stable.

Contract Liabilities

Our contract liabilities were short-term receipts in advance from customers. All of the contract liabilities are expected to be recognized as revenue within one year. Contract liabilities of the Group increased by 198.5% from RMB13.6 million as of December 31, 2023 to RMB40.6 million as of December 31, 2024, mainly due to the fact that December 31, 2024 is close to the Spring Festival of the following year, leading to an increase in product demand from some advance-payment customers in the early Spring Festival, and thereby resulting in a rise in short-term prepayments.

LIQUIDITY AND CAPITAL RESOURCES

Cash on Hand and at Bank

Cash on hand and at bank of the Group decreased by 51.1% from RMB1,457.2 million as of December 31, 2023 to RMB713.0 million as of December 31, 2024, mainly due to the Group's payment for various investing activities in 2024 and repayment of partial bank loans.

Bank Loans

Bank loans of the Group decreased by 36.2% from RMB1,011.1 million as of December 31, 2023 to RMB645.5 million as of December 31, 2024, mainly due to the Group's healthy operating cash flow in 2024, with the amount of loan repayments exceeding new borrowings.

Gearing Ratio

As at December 31, 2024, gearing ratio of the Group (total liabilities/total assets) reached 23.0%, which was lower than gearing ratio of 28.5% as at December 31, 2023, mainly attributable to the Group's 2024 operating results of a net profit and the Group's lower level of debt.

Financial Risks

We have adopted risk management program to focus on minimizing potential adverse effects of the unpredictability of financial markets as we are exposed to a variety of financial risks, including credit risk, liquidity risk, interest rate risk, currency risk and fair value measurement risk.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As of December 31, 2024, our Group's credit risk was primarily attributable to trade receivables. Our Group's exposure to credit risk arising from cash and cash equivalents and bills receivables is limited because the counterparties are banks and financial institutions with high credit standing, for which our Group is considered to have low credit risk. Our Group does not provide any guarantees which would expose our Group to credit risk.

Liquidity Risk

The treasury function is centrally managed by our Group, which includes the short-term investment of cash surpluses and the raising of funds to cover expected cash demands. Our Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions and investors to meet its liquidity requirements in the short and long term.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our Group's interest rate risk arises primarily from interest-bearing borrowings issued at variable rates and at fixed rates, which expose our Group to cash flow interest rate risk and fair value interest rate risk, respectively.

Currency Risk

The Group is exposed to currency risk primarily from cash balances that are denominated in a foreign currency. The currencies giving rise to this risk are primarily USD and HK$.

CAPITAL COMMITMENTS AND CAPITAL EXPENDITURES

As at December 31, 2024, the Group had capital commitments of approximately RMB64.4 million (as at December 31, 2023: RMB97.5 million), mainly used for purchase and construction of buildings, machinery and equipment.

For the year ended December 31, 2024, the Group's capital expenditure amounted to approximately RMB216.9 million (for the year ended December 31, 2023: RMB257.5 million), mainly used for purchase of property, plant and equipment and land-use-rights.

PLEDGED ASSETS

As at December 31, 2024, the aggregate carrying value of the property, plant and equipment and land-use-rights pledged for the Group's bank loans was RMB338.7 million (as at December 31, 2023: RMB434.3 million).

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL

In accordance with Paragraph 32(4A) of Appendix D2 to the Listing Rules, details of significant investments measured at FVPL with a value accounting for 5% or more of the Group's total assets as at December 31, 2024 are set out below:

Company Name (Stock Code)	**Migao Group Holdings Limited (09879.HK)**
Date of Investment	March 21, 2024
Principal Activities	Manufacturing and trading of specialty potash-based fertilizers
Number of shares of relevant companies held by the Group	40,098,000
Shareholding ratio of the Group in relevant companies	4.4%
Initial capital contribution from the Group (RMB'000)	152,576
Changes in fair value recognized during the Reporting Period (RMB'000)	94,354
Dividends received during the Reporting Period (RMB'000)	2,445
Fair value as at December 31, 2024 (RMB'000)	246,930
Proportion of fair value as at December 31, 2024 to the Group's total assets	5.4%

The fair value of listed equity investments is determined based on the quoted market bid price (Level 1: quoted price in active markets).

The Group's investment objectives primarily revolve around the pursuit of strategic collaborations with both upstream and downstream enterprises, thereby instilling greater impetus for stable operation and growth in the future. The Group holds positive views towards the future prospect of the principal activities involved in the above equity investments and deems its investments therein to possess strategic investment value. The Board did not alter the Group's investment strategy due to short-term market volatilities.

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the Group's listed equity investments are both less than 5%, such investments did not constitute notifiable transactions under Chapter 14 of the Listing Rules. Save as disclosed above, the Group neither had any significant investments held, nor any material acquisition or disposal of any relevant subsidiaries, associates and joint ventures during the Reporting Period.

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for the "Future Plans and Use of Proceeds" disclosed in the Prospectus, the Group did not have any existing plan for acquiring other material investments or capital assets during the Reporting Period and as of the date of this announcement.

FINANCIAL INFORMATION

Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2024
*(Expressed in Renminbi ("**RMB**"))*

	Note	2024	2023
		RMB'000	RMB'000
Revenue	5	**5,745,315**	4,867,026
Cost of sales		**(4,725,943)**	(4,248,310)
Gross profit		**1,019,372**	618,716
Other net income	6	**40,647**	3,713
Selling and distribution expenses		**(513,831)**	(324,063)
Administrative expenses		**(148,227)**	(154,489)
(Impairment losses)/reversal of impairment losses on trade and other receivables		**(4,590)**	213
Profit from operations		**393,371**	144,090
Finance costs	7(a)	**(13,425)**	(21,720)
Changes in fair value of financial assets measured at fair value through profit or loss ("**FVPL**")		**(155,576)**	–
Changes in the carrying amount of financial instruments issued to investors		**–**	(181,141)
Profit/(loss) before taxation	7	**224,370**	(58,771)
Income tax	8	**(19,997)**	(6,092)
Profit/(loss) and total comprehensive income for the year attributable to equity shareholders of the Company		**204,373**	(64,863)
Earnings/(loss) per share			
Basic and diluted (RMB)	9	**0.19**	(0.08)

Consolidated statement of financial position

At 31 December 2024

(Expressed in RMB)

	Note	**2024**	2023
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment		**1,050,096**	957,868
Right-of-use assets		**240,029**	189,215
Financial assets measured at FVPL		**615,055**	–
Other non-current assets		**25,780**	20,490
		1,930,960	1,167,573
Current assets			
Inventories	*10*	**1,360,169**	1,604,828
Trade and other receivables	*11*	**609,717**	505,192
Cash on hand and at bank		**712,972**	1,457,218
		2,682,858	3,567,238
Current liabilities			
Trade and other payables	*12*	**253,217**	241,861
Contract liabilities		**40,635**	13,571
Bank loans		**645,475**	1,011,071
Lease liabilities		**26,488**	12,899
Income tax payable		**14,488**	6,070
		980,303	1,285,472
Net current assets		**1,702,555**	2,281,766
Total assets less current liabilities		**3,633,515**	3,449,339

Consolidated statement of financial position (Continued)
At 31 December 2024
(Expressed in RMB)

	Note	**2024**	2023
		RMB'000	*RMB'000*
Non-current liabilities			
Lease liabilities		**30,754**	19,467
Deferred income		**47,991**	46,362
		78,745	65,829
NET ASSETS		**3,554,770**	3,383,510
CAPITAL AND RESERVES			
Share capital		**106,815**	106,815
Reserves		**3,447,955**	3,276,695
TOTAL EQUITY		**3,554,770**	3,383,510

NOTES

1 CORPORATE INFORMATION

Shiyue Daotian Group Co., Ltd. (十月稻田集團股份有限公司) (the "Company") was established in Shenyang, Liaoning Province, the People's Republic of China (the "PRC") on 3 May 2018 as a limited liability company. The Company and its subsidiaries (together, the "Group") are principally engaged in the manufacturing and sales of pantry food in the PRC.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 12 October 2023.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the "IASB"). These financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The IASB has issued certain amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 4 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

3 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2024 comprise the Group.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis, except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

– Financial assets measured at FVPL.

The Company and the Group has its functional currency in RMB and the consolidated financial statements are presented in RMB.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to IFRS Accounting Standards issued by the IASB to these financial statements for the current accounting period:

- Amendments to IAS 1, Presentation of financial statements – Classification of liabilities as current or non-current ("2020 amendments") and amendments to IAS 1, Presentation of financial statements – Non-current liabilities with covenants ("2022 amendments")

- Amendments to IFRS 16, Leases – Lease liability in a sale and leaseback

- Amendments to IAS 7, Statement of cash flows and IFRS 7, Financial instruments: Disclosures – Supplier finance arrangements

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

5 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the manufacturing and sales of pantry food. All of the revenue of the Group is recognised at a point in time. Further details regarding the Group's principal activities are disclosed in Note 5(b).

Disaggregation of revenue by primary products is disclosed in Note 5(b)(i).

For the years ended 31 December 2024 and 2023, the Group's customers with whom transactions have exceeded 10% of the Group's revenue in the respective years are as follows.

	2024	2023
	RMB'000	*RMB'000*
Company A*	**1,193,885**	1,182,199
Company B*	**659,325**	810,707

* *Revenue from the products of all four segments.*

The Group takes advantage of the practical expedient in paragraph 121 of IFRS 15 and does not disclose the remaining performance obligation as all of the Group's sale contracts have an original expected duration of less than one year.

(b) Segment reporting

The Group manages its businesses by products. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following four reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Rice products: this segment mainly produces pre-packaged rice products of different varieties.

- Corn products: this segment mainly produces pre-packaged corn products.

- Whole grain, bean and other products: this segment mainly produces pre-packaged mixed brown rice, millet, red bean and sesame.

- Dried food and other products: this segment mainly produces pre-packaged wood ear mushrooms, snow fungus mushroom and lotus seeds, as well as by-products, such as bran, husk and fractioned rice.

As revenue from corn products witnessed a significant increase in 2024, it is expected that corn products will help generate stable cashflows, and the growth in revenue of corn products will be a good opportunity for the Group to diversify its product matrix and revenue streams to improve the financial performance and profitability of the Group. The Group's most senior executive management considered the adoption of new segment is appropriate, and the comparative data of segments for the year ended 31 December 2023 has been restated.

(i) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments. The measure used for reporting segment result is gross profit. No inter-segment sales have occurred for the years ended 31 December 2024 and 2023. Assistance provided by one segment to another is not measured.

The Group's other operating income and expenses, such as other net income, selling and distribution expenses, administrative expenses and impairment losses, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expenses is presented.

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

	2024				
	Rice products *RMB'000*	**Corn products** *RMB'000*	**Whole grain, bean and other products** *RMB'000*	**Dried food and other products** *RMB'000*	**Total** *RMB'000*
Revenue from external customers and reportable segment revenue	**4,014,456**	**815,108**	**469,536**	**446,215**	**5,745,315**
Reportable segment gross profit	**629,307**	**245,540**	**100,966**	**43,559**	**1,019,372**

	2023				
	Rice products *RMB'000*	Corn products *RMB'000*	Whole grain, bean and other products *RMB'000*	Dried food and other products *RMB'000*	Total *RMB'000*
Revenue from external customers and reportable segment revenue	3,830,303	130,801	470,699	435,223	4,867,026
Reportable segment gross profit	440,920	31,327	109,207	37,262	618,716

(ii) Geographic information

The Group does not have material assets or operation outside the PRC. All of the Group's revenue is generated from its customers in the PRC. Hence, no segment analysis based on geographical location of the customers and assets is presented.

6 OTHER NET INCOME

	2024 *RMB'000*	2023 *RMB'000*
Interest income	**6,797**	4,565
Net income from sales of raw materials	**5,716**	2,508
Net loss on disposal of property, plant and equipment	**(2,221)**	(1,537)
Loss arising from changes in fair value of biological assets	**(16,065)**	–
Investment income	**32,163**	4,218
Government grants	**10,615**	13,959
Reversal of provision/(provision) for an outstanding legal claim	**3,642**	(20,000)
	40,647	3,713

7 PROFIT/(LOSS) BEFORE TAXATION

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

(a) Finance costs

	2024	2023
	RMB'000	*RMB'000*
Interest on bank loans	**19,709**	9,790
Interest on lease liabilities	**2,672**	1,522
Foreign exchange (gain)/loss	**(8,956)**	10,408
	13,425	21,720

No borrowing costs have been capitalised for each of the years ended 31 December 2024 and 2023.

(b) Staff costs#

	2024	2023
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**277,219**	251,170
Contributions to defined contribution retirement schemes	**18,855**	20,731
	296,074	271,901

The employees of the subsidiaries of the Group participate in defined contribution retirement benefit scheme managed by the local government authorities, whereby these subsidiaries are required to contribute to the schemes for the years ended 31 December 2024 and 2023. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the average salaries level in the PRC, from the above-mentioned retirement scheme at their normal retirement age.

The Group has no further obligation for payment of other retirement benefits beyond the above contributions. Contributions to the scheme vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

(c) Other items

	2024	2023
	RMB'000	*RMB'000*
Cost of inventories# *(Note 10)*	**4,725,943**	4,248,310
Depreciation#		
– owned property, plant and equipment	**84,872**	69,794
– right-of-use assets	**28,952**	16,911
Rental expenses#	**2,892**	2,057
Auditors' remuneration	**4,800**	4,000
Listing expenses	**–**	45,947

Cost of inventories includes RMB194.0 million relating to staff costs, depreciation expenses and rental expenses for the year ended 31 December 2024 (2023: RMB142.0 million), which is also included in the respective total amounts disclosed separately above or in Note 7(b) for each of these types of expenses.

8 INCOME TAX

(a) Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	2024	2023
	RMB'000	*RMB'000*
Current taxation	**19,997**	6,092

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2024	2023
	RMB'000	*RMB'000*
Profit/(loss) before taxation	**224,370**	(58,771)
Expected tax on profit/(loss) before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned *(Note (i))*	**56,093**	(14,693)
Tax effect of non-deductible expenses *(Note (ii))*	**35,856**	46,674
Effect of PRC tax concession *(Note (iii))*	**(93,410)**	(45,789)
Tax effect of withholding tax in connection with the dividend income received from FVPL	**(1,206)**	–
Tax effect of utilisation of prior years' unused tax losses previously not recognised	**(984)**	(134)
Tax effect of unused tax losses and deductible temporary differences not recognised	**23,648**	20,034
Income tax	**19,997**	6,092

Notes:

(i) The subsidiaries of the Group established in the PRC are subject to PRC Corporate Income Tax rate of 25% for the years ended 31 December 2024 and 2023.

(ii) Tax effect of non-deductible expenses mainly represent the changes in the carrying amount of financial instruments issued to investors and certain other costs and expenses, which all are not deductible in accordance with relevant tax regulations in the PRC and loss arising from changes in FVPL which is not deductible in accordance with relevant tax regulations in the British Virgin Islands.

(iii) In accordance with relevant tax regulations in the PRC, the Group's business in primary processing of agricultural products is eligible for income tax exemption.

(c) Pillar Two income taxes

The Group is in the process of making an assessment of the Group's exposure from the enactment of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development and considers that the enactment of the rules is unlikely to have a significant impact on the consolidated financial statements.

9 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of the basic earnings/(loss) per share for the years ended 31 December 2024 and 2023 is based on the profit/(loss) attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue or deemed to be in issue for the years ended 31 December 2024 and 2023.

The Company was converted into a joint stock limited liability company and issued 99,445,074 shares with the par value of RMB1 each on 6 January 2023. For the purpose of computing basic earnings/(loss) per share, the weighted average number of ordinary shares deemed to be in issue before the Company's conversion into a joint stock limited liability company was determined assuming the conversion into joint stock limited liability company had occurred on 1 January 2023, at the conversion ratio established in the conversion in January 2023 and takes into account of the share split at a one-for-ten basis immediately upon listing.

The financial instruments issued to investors with preferential rights were treated as treasury stock and debited to other reserve before the termination of preferential rights. Accordingly, before the termination of preferential rights, the shares converted from related paid-in capital was deducted when calculating the number of ordinary shares deemed in issue.

Profit/(loss) for the year attributable to ordinary equity shareholders of the Company

	2024	2023
	RMB'000	*RMB'000*
Profit/(loss) for the year attributable to all equity shareholders of the Company	**204,373**	(64,863)
Allocation of profit for the year attributable to financial instruments issued to investors	**–**	(2,462)
Profit/(loss) for the year attributable to ordinary equity shareholders of the Company	**204,373**	(67,325)

Weighted average number of shares

	2024	2023
	No. of shares	No. of shares
	'000	*'000*
Ordinary shares deemed to be in issue at 1 January	**1,068,153**	994,450
Effect of ordinary shares deemed to be in issue	**–**	19,350
Effect of shares issued by initial public offering	**–**	11,706
Effect of the financial instruments issued to investors	**–**	(226,656)
Weighted average number of ordinary shares (deemed to be) in issue	**1,068,153**	798,850

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

There is no dilutive potential shares outstanding for the year ended 31 December 2024 and the dilutive earnings per share is the same as basic earnings per share. For the year ended 31 December 2023, the Group's potential ordinary shares are from financial instruments issued to investors with preferential rights. The potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the year ended 31 December 2023 is the same as basic loss per share for the year.

10 INVENTORIES

	2024	2023
	RMB'000	*RMB'000*
Raw materials	**870,041**	1,183,751
Work in progress	**87,772**	57,100
Finished goods	**363,866**	343,286
Packaging materials	**50,439**	33,613
	1,372,118	1,617,750
Less: write-down of inventories	**(11,949)**	(12,922)
	1,360,169	1,604,828

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2024	2023
	RMB'000	*RMB'000*
Carrying amount of inventories sold	**4,726,916**	4,237,882
(Reversal of write-down)/write-down of inventories	**(973)**	10,428
	4,725,943	4,248,310

11 TRADE AND OTHER RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables from:		
– third parties	**383,188**	245,634
Less: loss allowance	**(5,763)**	(2,882)
	377,425	242,752
Bills receivables	**8,789**	92,406
Dividend receivable	**8,038**	–
Prepayments for:		
– raw materials, logistics and others	**20,805**	21,872
– advertising services	**84,343**	3,169
	105,148	25,041
Value added tax recoverable	**82,289**	125,970
Deposits and amounts due from the e-commerce platforms	**13,582**	9,890
Deposits for bidding and purchase of land-use-rights	**1,657**	1,657
Other receivables	**931**	364
Other deposits	**11,858**	7,112
	110,317	144,993
Trade and other receivables	**609,717**	505,192

All of the trade and other receivables are expected to be recovered or recognised as expenses within one year.

Ageing analysis

As of the end of the reporting period, the ageing analysis of the Group's trade receivables (net of loss allowance), based on the invoice date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**371,937**	218,773
4 to 6 months	**4,988**	15,174
7 to 12 months	**299**	8,714
Over 1 year	**201**	91
	377,425	242,752

12 TRADE AND OTHER PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables		
– Third parties	**152,677**	137,566
Payables for staff related costs	**53,724**	38,365
Payables for construction and purchase of property, plant and equipment	**22,654**	25,970
Payables for costs incurred in connection with the proposed initial public offering of the Company's shares	**–**	6,224
Others	**12,617**	8,474
	88,995	79,033
Financial liabilities measured at amortised cost	**241,672**	216,599
Provision for an outstanding legal claim	**–**	20,000
Refund liabilities	**2,213**	1,634
Payables for miscellaneous taxes	**9,332**	3,628
	253,217	241,861

As of the end of the reporting period, the aging analysis of the Group's trade payables, based on the invoice date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within one year or on demand	**152,677**	137,566

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

13 DIVIDENDS

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

	2024	2023
	RMB'000	*RMB'000*
Final dividend proposed after the end of the reporting period of RMB0.164 per ordinary share (2023: RMB0.031 per ordinary share)	**175,177**	33,113

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

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

	2024	2023
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB0.031 per ordinary share (2023: RMBNil)	**33,113**	–

OTHER INFORMATION

Final Dividend

The Board recommended the payment of the final dividend of RMB0.164 per ordinary share (tax inclusive) to all Shareholders for the year ended December 31, 2024, which amounted to approximately RMB175.2 million, representing approximately 50.1% of the adjusted net profit of the Group for the year ended December 31, 2024.

The proposed final dividend will be declared in RMB and paid in Hong Kong dollars to the holders of our H Shares ("**H Shareholders**"). The final dividend paid in HK$ will be converted from RMB to HK$ based on the average exchange rate of RMB against HK$ of the five business days prior to the forthcoming annual general meeting (the "**AGM**") of the Company released by the People's Bank of China, and the final dividend paid to the holders of our Domestic Shares will be paid in RMB. The proposed final dividend is subject to Shareholders' approval at the AGM and is expected to be paid on or around Friday, July 18, 2025.

In accordance with the Enterprise Income Tax Law of the People's Republic of China and its implementation rules (hereinafter collectively referred to as the "**EIT Law**"), non-resident enterprises shall pay enterprise income tax on income derived from China, and the applicable tax rate is 10.0%. To this end, any H Shares registered in the name of non-individual Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other organizations and groups will be treated as being held by non-resident enterprise Shareholders (as defined in the EIT Law), and the Company will distribute the final dividend to such non-resident enterprise Shareholders after withholding such 10.0% enterprise income tax.

When the Company distributes the 2024 final dividend to the individual Shareholders, such dividend will be subject to the withholding of individual income tax at a rate of 10% or 20%. However, if otherwise provided by tax laws, relevant tax treaties or notices, the tax will be withheld in accordance with the relevant requirements and tax levy and administration requirements.

HUMAN RESOURCES AND REMUNERATION POLICY

The Company has always followed the "people-oriented" philosophy. In alignment with our strategic upgrade and business expansion, it has emphasized the principle of "talent precedence", fostering a symbiotic growth between the organization and its talents.

In 2024, the Company continued to forge its employer branding, introduce external talents, and consolidate its organizational team. The Company strengthened its external cultural publicity and attracted talents by leveraging online platforms such as the founder's IP, and video accounts of human resources. In 2024, the Company won the "Best Employer of the Year" and the "Nomination for the Best Employer of the Year" from third-party talent service agencies such as CTG Corporation and Zhaopin. The Company persistently focused on the endogenous cultivation of talents, continuously implemented the recruitment program for management trainees, and strengthened the cooperation with universities, so as to undertake its social responsibilities as an enterprise in the aspects of "education and employment". In 2024, the Company was designated as the "practice base" and "employment hub" of Dalian University of Technology, Liaoning University, and Heilongjiang University. The Company also expediently nurtured professional talents through internal methods such as "mentorship and self-organization", robustly underpinning the meteoric rise of emerging channels and new businesses.

In 2024, the Company intensified its efforts in talent training, established platforms such as the "Internal Training Forum" and the Online Business Academy, and allocated training resources to the cultivation of management trainees, induction training for new recruits, as well as professional development for employees. It has currently accumulated more than 60 high-quality courses, covering the entire business chain with multiple professional links, as well as aspects encompassing marketing innovation, management, leadership, etc., thereby fulfilling the needs for internal training and talent development.

In 2024, the Company relentlessly pursued the refinement and enhancement of its institutional framework while advancing its cultural construction. The Company refined certain institutions, workflows, documentation sheets, etc., all of which were implemented through the system, thereby boosting its work efficiency and providing employees with a more standardized and convenient service experience. The Company launched activities such as "amusing sports meet", "brand day" and "year-end party" to enliven the cultural atmosphere and elevate employees' sense of belonging.

In terms of salary, the Company has gradually improved its salary system. On the basis of ensuring internal fairness, it appropriately favors key positions and core employees to maintain the market competitiveness of the salary for outstanding talents. The Company attempts to flexibly use a variety of salary structures and models to meet the needs of employee management and motivation under different scenarios, such as implementing piece-rate wages and performance incentives for front-line employees at production line. The Company attempts to implement a performance-linked salary incentive model for some offline sales personnel to encourage employees to earn higher incomes on the condition of completing performance targets. The Company handles and pays various social insurance and housing provident funds in accordance with relevant national laws, regulations and local policy documents, and withholds and pays personal income tax of employees.

As at December 31, 2024, we had 2,026 full-time employees, most of whom were located in Shenyang, Wuchang and Beijing.

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

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including the sale or transfer of treasury shares). As of the end of the Reporting Period, the Company or any of its subsidiaries did not hold any treasury shares.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company's shares were listed on the Stock Exchange on October 12, 2023 through a global offering, and the net proceeds from the global offering were approximately HK$716.4 million after deducting underwriting commissions and other related expenses. The use of proceeds from the global offering and the planned schedule of the Company are as follows:

Intended Use	Approximate % of total net proceeds	Net proceeds from the global offering (HK$ million)	Unutilized net proceeds as of January 1, 2024 (HK$ million)	Utilized net proceeds during the year ended December 31, 2024 (HK$ million)	Unutilized net proceeds as at December 31, 2024 (HK$ million)	Expected timeline for utilization of the balance of the net proceeds
Enhancing our cooperation with suppliers and strengthening our procurement capability	35%	250.74	250.74	160.60	90.14	By the end of 2025
Expanding our production capacity, upgrading existing production lines, broadening the geographic coverage of our warehousing and logistics, and providing funds for production activities related to our business expansion	30%	214.92	214.92	133.55	81.37	By the end of 2025
Expanding our channel coverage and establishing our sales ecosystem	10%	71.64	71.64	45.85	25.79	By the end of 2025
Enhancing our brand equity	10%	71.64	71.64	42.57	29.07	By the end of 2025
Constructing our digital middle platform system	5%	35.82	35.82	1.76	34.06	By the end of 2027
Working capital and general corporate purposes	10%	71.64	71.54	50.80	20.74	By the end of 2025
Total	100%	716.40	716.30	435.13	281.17	

The balance of proceeds from the listing will continue to be used in accordance with the proposed purposes aforementioned. Due to the adjustment to the Company's overall informatization strategy, the Company re-evaluated its business execution plan, and the proposed schedule regarding the use of the unutilized net proceeds for constructing the digital middle platform system was later than originally planned.

In order to enhance the capital usage efficiency, reasonably utilize the temporarily idle proceeds raised from the global offering and realize value preservation and appreciation of the proceeds of the Company and protect the interests of Shareholders of the Company, without affecting the normal operation activities of the Company, as approved by the 2023 annual general meeting of the Company held on June 7, 2024 for the cash management purpose, it was proposed to utilize up to HK$280 million of the proceeds which were expected to remain idle for more than one year to appropriately purchase wealth management products with high security, positive liquidity and a term of maturity not exceeding 12 months, within 12 months from the date when it was considered and approved at the 2023 annual general meeting. The above amount can be utilized on a rolling basis during the above-mentioned investment period of 12 months. The return from the cash management belongs to the Company. There is no material impact on the normal use of the proceeds according to the intended purposes as disclosed in the Prospectus and the normal operations of the Company. For details, please refer to the Company's announcement dated May 13, 2024 and circular dated May 16, 2024. As of December 31, 2024, the Company has not subscribed to any short-term wealth management products.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. For the year ended December 31, 2024, the Company has complied with all applicable code provisions set out in the Corporate Governance Code, except for the deviation from code provision C.2.1.

In accordance with code provision C.2.1 of Part 2 of the Corporate Governance Code, the roles of chairman and general manager should be separate and should not be performed by the same individual. However, the Company does not have a separate role of chairman and general manager and the responsibilities of chairman and general manager are both undertaken by Mr. WANG Bing. The Board believes that having the same person assume the responsibilities of chairman and general manager is conducive to ensuring consistent leadership within the Group and making the Group's overall strategic planning more effective and efficient. In addition, since there are three independent non-executive Directors among the nine Directors in total of the Board, there will be sufficient independent voices in the Board to protect the interests of the Company and Shareholders as a whole. Therefore, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and monitor the corporate governance code practices of the Company with an aim of maintaining a high standard of corporate governance.

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code as a code of conduct regarding securities transactions by the Directors and Supervisors. Having made specific enquiries with each Director and each Supervisor, they confirmed that they had complied with the Model Code during the Reporting Period.

AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee comprises one non-executive Director (namely Mr. CHANG Bin) and two independent non-executive Directors (namely Mr. SHI Ketong and Mr. YEUNG Chi Tat) of the Company. Mr. YEUNG Chi Tat is the chairman of the Audit Committee.

The Audit Committee, together with the senior management of the Company, has reviewed the accounting policies and practices adopted by the Group and the Group's consolidated financial information for the year ended December 31, 2024. The Audit Committee has reviewed the relevant financial statements prepared in accordance with IFRS Accounting Standards.

AUDITOR'S SCOPE OF WORK

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 December 31, 2024 as set out in this announcement have been agreed by the Group's auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on this announcement.

SUBSEQUENT SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, from December 31, 2024 to the date of this announcement, the Group had no significant events after the Reporting Period.

ANNUAL GENERAL MEETING

A notice convening the annual general meeting will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.shiyuedaotian.com).

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.shiyuedaotian.com). The annual report of the Company for the year ended December 31, 2024 containing all the information required by the Listing Rules will be available on the above websites in due course.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings:

"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors of the Company
"Company"	Shiyue Daotian Group Co., Ltd. (十月稻田集團股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange with stock code of 9676
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules, as amended, supplemented or otherwise modified from time to time
"CRM system"	customer relationship management system
"Director(s)"	the director(s) of the Company
"Domestic Share(s)"	ordinary shares in the share capital of the Company, with a nominal value of RMB0.10 each, which are subscribed for and paid up in RMB
"ERP system"	enterprise resource planning system
"Group", "we", "us" or "our"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign Shares in the share capital of the Company with a nominal value of RMB0.10 each, which are traded in Hong Kong dollars and listed on the Stock Exchange
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Listing Date"	October 12, 2023
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"LKA(s)"	regional supermarket, hypermarket and convenience store operator(s)

"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"NKA(s)"	national supermarket, hypermarket and convenience store operator(s)
"OA system"	office automation system
"PRC"	the People's Republic of China
"Prospectus"	the prospectus issued by the Company on September 28, 2023 in relation to our global offering and listing
"Reporting Period"	January 1, 2024 to December 31, 2024
"RMB" or "Renminbi"	the lawful currency of the PRC
"Share(s)"	Domestic Share(s) and H Share(s)
"Shareholder(s)"	holder(s) of our Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed to it under the Listing Rules
"Supervisor(s)"	the supervisor(s) of the Company
"TMS"	transportation management system
"treasury shares"	has the meaning ascribed to it under the Listing Rules

By order of the Board
Shiyue Daotian Group Co., Ltd.
Mr. WANG Bing
Chairman and Executive Director

Beijing, the PRC, March 24, 2025

As at the date of this announcement, the Board comprises Mr. WANG Bing, Ms. ZHAO Wenjun, Ms. ZHAO Shulan, Mr. SHU Minghe and Mr. ZOU Hao as executive Directors; Mr. CHANG Bin as non-executive Director; and Mr. SHI Ketong, Mr. YEUNG Chi Tat and Mr. LIN Chen as independent non-executive Directors.