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CHINA WANTIAN HOLDINGS LIMITED

中國萬天控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1854)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of China Wantian Holdings Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024, together with the comparative figures for the nine months ended 31 December 2023, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

		Year ended 31 December 2024 HK\$'000	Period from 1 April 2023 to 31 December 2023 HK\$'000
	Notes		
Revenue	4	788,632	194,109
Cost of sales		<u>(736,701)</u>	<u>(165,114)</u>
Gross profit		51,931	28,995
Other income and gain	6	6,455	1,719
Gain on disposal of subsidiaries	18	42,419	–
Selling expenses		(38,385)	(13,755)
Administrative expenses		(85,729)	(89,884)
Impairment losses under expected credit loss model	7	<u>(16,290)</u>	<u>(2,116)</u>
Operating loss		<u>(39,599)</u>	<u>(75,041)</u>
Interest income	8	541	182
Finance costs	8	<u>(1,675)</u>	<u>(1,257)</u>
Finance costs – net	8	(1,134)	(1,075)
Loss on change in fair value of financial assets at fair value through profit or loss	7	(605)	–
Gain on change in fair value of contingent consideration payable	7	<u>–</u>	<u>30,486</u>
Loss before income tax	7	(41,338)	(45,630)
Income tax (expense)/credit	9	<u>(672)</u>	<u>8</u>
Loss for the year/period		<u>(42,010)</u>	<u>(45,622)</u>

		Year ended 31 December 2024 HK\$'000	Period from 1 April 2023 to 31 December 2023 HK\$'000
	<i>Note</i>		
Other comprehensive income:			
<i>Item that may be reclassified to profit or loss</i>			
Exchange differences arising from translation of foreign operations		<u>53</u>	<u>284</u>
Other comprehensive income for the year/ period, net of tax		<u>53</u>	<u>284</u>
Total comprehensive income for the year/ period		<u>(41,957)</u>	<u>(45,338)</u>
Loss for the year/period attributable to:			
Equity holders of the Company		<u>(41,994)</u>	<u>(45,622)</u>
Non-controlling interest		<u>(16)</u>	<u>–</u>
		<u>(42,010)</u>	<u>(45,622)</u>
Total comprehensive income for the year/ period attributable to:			
Equity holders of the Company		<u>(41,941)</u>	<u>(45,338)</u>
Non-controlling interest		<u>(16)</u>	<u>–</u>
		<u>(41,957)</u>	<u>(45,338)</u>
Loss per share (HK cents)	11		
Basic		<u>(2.17)</u>	<u>(2.48)</u>
Diluted		<u>(2.16)</u>	<u>(2.48)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		As at 31 December 2024 HK\$'000	As at 31 December 2023 HK\$'000
	Notes		
Non-current assets			
Property, plant and equipment		36,780	34,951
Right-of-use assets		73,489	50,618
Goodwill	12	12,821	12,821
Deposits, prepayments and other receivables	13	246	31
		<u>123,336</u>	<u>98,421</u>
Current assets			
Inventories		4,321	4,278
Trade receivables	13	46,645	30,315
Deposits, prepayments and other receivables	13	34,498	22,930
Amounts due from related parties	17	8,499	2,590
Financial assets at fair value through profit or loss		–	1,015
Bank deposits		5,020	16,605
Restricted bank balances		171	–
Cash and cash equivalents		67,524	61,627
		<u>166,678</u>	<u>139,360</u>
Current liabilities			
Trade payables	14	15,466	2,163
Accruals and other payables	14	14,075	9,435
Contract liabilities	14	1,962	–
Bank borrowings		7,179	10,777
Amounts due to related parties	17	750	1,190
Lease liabilities		16,079	8,987
Tax payable		90	1,879
		<u>55,601</u>	<u>34,431</u>

		As at 31 December 2024 HK\$'000	As at 31 December 2023 HK\$'000
	<i>Notes</i>		
Non-current liabilities			
Deferred tax liabilities		907	1,938
Lease liabilities		23,133	4,703
		24,040	6,641
Net Current Assets		111,077	104,929
NET ASSETS		210,373	196,709
Capital and reserves			
Share capital	15	20,355	19,122
Reserves	15	189,170	177,587
Equity attributable to equity holders of the Company		209,525	196,709
Non-controlling interest		848	–
TOTAL EQUITY		210,373	196,709

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Equity attributable to owners of the Company									
	Share capital	Share premium	Other reserve	Share option	Translation reserve	Capital reserve	Accumulated		Non-	Total
	(Note 15)	(Note 15)	(Note 15)	reserve	(Note 15)	(Note 15)	losses	Total	controlling interest	equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 April 2023	15,475	97,860	100	3,211	116	–	(5,075)	111,687	–	111,687
Loss for the period	–	–	–	–	–	–	(45,622)	(45,622)	–	(45,622)
Other comprehensive income	–	–	–	–	284	–	–	284	–	284
Total comprehensive income	–	–	–	–	284	–	(45,622)	(45,338)	–	(45,338)
Issue of new shares upon rights issue, net (Note 15)	3,095	99,217	–	–	–	–	–	102,312	–	102,312
Issue of new shares upon exercise of share options (Note 15)	277	10,885	–	(2,733)	–	–	–	8,429	–	8,429
Issue of new shares in consideration for the acquisition of the issued share capital of a subsidiary (Note 15)	275	15,386	–	–	–	–	–	15,661	–	15,661
Recognition of equity-settled share-based payments	–	–	–	3,958	–	–	–	3,958	–	3,958
As at 31 December 2023 and 1 January 2024	19,122	223,348	100	4,436	400	–	(50,697)	196,709	–	196,709
Loss for the year	–	–	–	–	–	–	(41,994)	(41,994)	(16)	(42,010)
Other comprehensive income	–	–	–	–	53	–	–	53	–	53
Total comprehensive income	–	–	–	–	53	–	(41,994)	(41,941)	(16)	(41,957)
Incorporation of a subsidiary	–	–	–	–	–	–	–	–	864	864
Issue of new shares upon exercise of share options (Note 15)	683	57,639	–	(11,617)	–	–	–	46,705	–	46,705
Settlement of contingent consideration arrangement classified as equity (Note 15(a)(ii))	550	–	–	–	–	(550)	–	–	–	–
Recognition of equity-settled share-based payments	–	–	–	8,052	–	–	–	8,052	–	8,052
As at 31 December 2024	20,355	280,987	100	871	453	(550)	(92,691)	209,525	848	210,373

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL INFORMATION

China Wantian Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 6 April 2016 as an exempted company with limited liability under Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and the shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of its registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business in Hong Kong is Suite 2106, 21/F, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Hong Kong.

The Company is an investment holding company and its principal subsidiaries are engaged in (i) food supply; (ii) catering services; and (iii) environmental protection and technology services.

In the opinion of the directors of the Company, Ace Source Holdings Limited, a company incorporated in the British Virgin Islands (“**BVI**”), is the immediate parent; and Wise Global Holding Limited, a company incorporated in the BVI, is the ultimate parent of the Company.

2. CHANGES IN ACCOUNTING POLICIES

(a) Adoption of amended HKFRS Accounting Standards – from 1 January 2024

The Hong Kong Institute of Certified Public Accountants has issued several amended HKFRS Accounting Standards that are first effective for the current accounting period of the Group:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (the “ 2020 Amendments ”)
Amendments to HKAS 1	Non-current Liabilities with Covenants (the “ 2022 Amendments ”)
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

None of these amended HKFRS Accounting Standards have a material impact on the Group’s results and financial position for the current or prior period and/or the disclosures set out in these consolidated financial statements. The Group has not early applied any new or amended HKFRS Accounting Standards that are not yet effective for the current accounting period.

(b) New and amended HKFRS Accounting Standards that have been issued but are not yet effective

The following new and amended HKFRS Accounting Standards, potentially relevant to the Group's consolidated financial statements, have been issued but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 10 and HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2025

³ Effective for annual periods beginning on or after 1 January 2026

⁴ Effective for annual periods beginning on or after 1 January 2027

These amendments are either currently not relevant to the Group or are not expected to have a material impact on the Group in the current or future reporting periods and in the foreseeable future, except for HKFRS 18, which is expected to have a material effect on the presentation and disclosure of certain items on the Group's consolidated financial statements.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (hereinafter collectively referred to as the “**HKFRS Accounting Standards**”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Main Board of the Stock Exchange.

(b) Change of financial year end date

On 6 September 2023, the board of directors announced that the financial year end date of the Company has been changed. The new financial year end date is 31 December commencing from the financial period ended 31 December 2023. This change was implemented to align its financial year end date with that of its operating subsidiaries in the People's Republic of China (“**PRC**”) in accordance with the relevant statutory requirements. Accordingly, the accompanying consolidated financial statements for the financial period covers a twelve months' period from 1 January 2024 to 31 December 2024. The comparative figures, however, encompass a nine months' period from 1 April 2023 to 31 December 2023, and hence are not directly comparable.

(c) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

(d) Functional and presentation currencies

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company and all values are rounded to the nearest thousand (HK\$’000) except otherwise stated.

4. REVENUE

An analysis of the Group’s disaggregation of revenue from contracts with customers for the year/period is as follows:

	Year ended 31 December 2024 HK\$’000	Period from 1 April 2023 to 31 December 2023 HK\$’000
Revenue from contracts with customers within the scope of HKFRS 15		
Food supply	750,389	181,082
Catering services	37,424	12,171
Environmental protection and technology services	819	856
	788,632	194,109
Timing of revenue recognition		
At a point in time	787,813	193,253
Transferred over time	819	856
	788,632	194,109

5. SEGMENT INFORMATION

The operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (“**CODM**”). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions.

The Group has three reportable segments, namely:

- (a) Food supply, which includes sourcing, processing and supplying of consumable fresh food ingredients in Hong Kong and the PRC;
- (b) Catering services, which include catering services to provide food and beverages in the restaurant network of the Group in the PRC; and
- (c) Environmental protection and technology services, which include the design of environmental green projects, construction and installation services in the PRC.

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments for the year/period ended 31 December 2024 and 2023, respectively:

	Food supply		Catering services		Environmental protection and technology services		Unallocated		Total	
	Period from 1 April		Period from 1 April		Period from 1 April		Period from 1 April		Period from 1 April	
	Year ended 31 December	2023 to 31 December	Year ended 31 December	2023 to 31 December	Year ended 31 December	2023 to 31 December	Year ended 31 December	2023 to 31 December	Year ended 31 December	2023 to 31 December
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue										
Revenue from external customers	<u>750,389</u>	<u>181,082</u>	<u>37,424</u>	<u>12,171</u>	<u>819</u>	<u>856</u>	<u>-</u>	<u>-</u>	<u>788,632</u>	<u>194,109</u>
(Loss)/profit for the year/ period before the following items:	(6,052)	5,819	(30,656)	(21,915)	(848)	(733)	(44,785)	(27,881)	(82,341)	(44,710)
Gain on disposal of property, plant and equipment	221	30	-	-	-	-	(168)	-	53	30
Gain on termination of leases	-	-	270	125	-	-	-	-	270	125
Gain on disposal of subsidiaries	42,419	-	-	-	-	-	-	-	42,419	-
Loss on change in fair value of financial assets at fair value through profit or loss	-	-	-	-	-	-	(605)	-	(605)	-
Interest income	480	180	7	1	-	-	54	1	541	182
Finance costs	<u>(564)</u>	<u>(525)</u>	<u>(618)</u>	<u>(276)</u>	<u>-</u>	<u>-</u>	<u>(493)</u>	<u>(456)</u>	<u>(1,675)</u>	<u>(1,257)</u>
Profit/(loss) before taxation	36,504	5,504	(30,997)	(22,065)	(848)	(733)	(45,997)	(28,336)	(41,338)	(45,630)
Income tax (expense)/credit	<u>(672)</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(672)</u>	<u>8</u>
Segment results	<u>35,832</u>	<u>5,512</u>	<u>(30,997)</u>	<u>(22,065)</u>	<u>(848)</u>	<u>(733)</u>	<u>(45,997)</u>	<u>(28,336)</u>	<u>(42,010)</u>	<u>(45,622)</u>

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the year/period.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Revenue and expenses are allocated to the reportable segments with reference to the revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Segment results represent the profit earned or loss incurred by each segment. This is the measure reported to the CODM for the purpose of resource allocation and assessment of segment performance.

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments as at 31 December 2024 and 2023, respectively:

	Food supply		Catering services		Environmental protection and technology services		Total	
	As at	As at	As at	As at	As at	As at	As at	As at
	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December
	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Assets before following items:	134,399	165,712	59,267	16,530	495	202	194,161	182,444
Goodwill	12,821	12,821	-	-	-	-	12,821	12,821
Segment assets	147,220	178,533	59,267	16,530	495	202	206,982	195,265
Unallocated assets							83,032	42,516
Consolidated assets							290,014	237,781
Segment liabilities	28,804	17,441	38,279	14,398	264	101	67,347	31,940
Unallocated liabilities							12,294	9,132
Consolidated liabilities							79,641	41,072

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments except for certain assets which are managed on a group basis, including bank balances and cash of HK\$50,462,000. Assets used jointly by operating segments are allocated on the basis of revenues earned by individual operating segments.
- All liabilities are allocated to reportable segments except for certain financial liabilities which are managed on a group basis. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment liabilities.

(c) **Other segment information**

	Food supply		Catering services		Environmental protection and technology services		Unallocated		Total	
	Period from 1 April		Period from 1 April		Period from 1 April		Period from 1 April		Period from 1 April	
	Year ended 31 December	2023 to 31 December	Year ended 31 December	2023 to 31 December	Year ended 31 December	2023 to 31 December	Year ended 31 December	2023 to 31 December	Year ended 31 December	2023 to 31 December
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Additions to non-current assets (Note)	7,370	1,141	40,557	14,147	-	-	12,826	7,253	60,753	22,541
Depreciation of property, plant and equipment	2,726	2,725	3,744	3,357	-	-	815	337	7,285	6,419
Depreciation of right-of-use assets	2,034	1,390	4,080	2,367	-	-	5,227	2,592	11,341	6,349
Gain on disposal of subsidiaries (Note 18)	(42,419)	-	-	-	-	-	-	-	(42,419)	-
Impairment losses under expected credit loss model	16,142	2,034	135	81	13	1	-	-	16,290	2,116
Gain on change in fair value of contingent consideration payable (Note 16)	-	-	-	-	-	-	-	(30,486)	-	(30,486)
(Reversal of)/impairment loss on property, plant and equipment	-	-	-	4,497	-	-	(351)	440	(351)	4,937
(Reversal of)/impairment loss on right-of-use assets	-	-	(1,275)	3,773	-	-	(732)	1,469	(2,007)	5,242
Impairment loss on goodwill	-	29,931	-	-	-	-	-	-	-	29,931
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Note: Additions to non-current assets included the additions of property, plant and equipment and right-of-use assets.

(d) **Information about major customers**

Revenue from customer of the corresponding year/period contributing over 10% of the total revenue of the Group is as follows:

	Year ended 31 December 2024 HK\$'000	Period from 1 April 2023 to 31 December 2023 HK\$'000
Customer A from food supply segment	-	33,961
Customer B from food supply segment	<u>436,018</u>	<u>-</u>

(e) **Geographical information**

The following is a geographical analysis of the Group's revenue from external customers (based on where the goods are sold or the services are provided) and non-current assets (based on the geographical location of the assets):

	Revenue from external customers		Non-current assets (Note)	
	Year ended	Period from	As at	As at
	31 December	2023 to	31 December	31 December
	2024	31 December	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	139,901	100,337	62,220	74,902
PRC	648,731	93,772	61,116	23,488
	788,632	194,109	123,336	98,390

Note: Non-current assets excluded financial instruments.

6. OTHER INCOME AND GAIN

	Year ended	Period from
	31 December	1 April
	2024	2023 to
	HK\$'000	31 December
	HK\$'000	2023
	HK\$'000	HK\$'000
Government grants (Note)	–	25
Sundry income	440	440
Service income from the intermediate holding company (Note 17)	2,937	951
Service income from a related party (Note 17)	2,116	148
Handling income	639	–
Net gain on disposal of property, plant and equipment	53	30
Gain on termination of leases	270	125
	6,455	1,719

Note: For the period ended 31 December 2023, government grants of approximately HK\$25,000 refer to the amount of grants obtained from the SME Export Marketing Fund launched by the Government of Hong Kong to encourage small and medium enterprises to expand their markets outside Hong Kong by providing financial assistance to them for participation in export promotion activities.

7. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting):

	Year ended 31 December 2024 HK\$'000	Period from 1 April 2023 to 31 December 2023 HK\$'000
Cost of inventories	710,183	144,245
Employee benefit expenses	75,391	34,390
Employee benefit expenses – including directors' emoluments	67,339	30,432
Share-based payment expenses	8,052	3,958
Auditor's remuneration		
– Audit related services	1,500	1,380
– Non-audit services	–	70
Depreciation of property, plant and equipment	7,285	6,419
Depreciation on right-of-use assets	11,341	6,349
Impairment losses under expected credit loss model	16,290	2,116
(Reversal of)/impairment loss on property, plant and equipment	(351)	4,937
(Reversal of)/impairment loss on right-of-use assets	(2,007)	5,242
Impairment loss on goodwill (Note 12)	–	29,931
Gain on change in fair value of contingent consideration payable (Note 16)	–	(30,486)
Loss on change in fair value of financial assets at fair value through profit or loss	605	–
Gain on disposal of subsidiaries (Note 18)	(42,419)	–
Operating leases (short-term leases)	1,142	688
Low-value assets lease expenses	224	–
Transportation expenses	13,254	10,155
Professional and consulting fees	4,587	3,607
Foreign exchange differences, net	192	(20)

8. FINANCE COSTS – NET

	Year ended 31 December 2024 HK\$'000	Period from 1 April 2023 to 31 December 2023 HK\$'000
Interest expenses on bank borrowings	546	521
Interest expenses on loans from the intermediate holding company	–	171
Interest expenses on lease liabilities	1,129	565
	<hr/>	<hr/>
Finance costs	1,675	1,257
Interest income	(541)	(182)
	<hr/>	<hr/>
Finance costs – net	1,134	1,075
	<hr/>	<hr/>

9. INCOME TAX EXPENSE/(CREDIT)

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and accordingly, is exempted from the Cayman Islands income tax.

Hong Kong Profits Tax

The Hong Kong Profits Tax is calculated at the rate of 16.5% (for the period ended 31 December 2023: 16.5%) on the estimated assessable profits arising in Hong Kong, except for the first HK\$2,000,000 of qualified entity's assessable profits is calculated at 8.25%, which is in accordance with the two-tiered profits tax rates regime with effect from the year of assessment 2018/19.

PRC Enterprise Income Tax

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the year ended 31 December 2024 (for the period ended 31 December 2023: 25%).

Certain subsidiaries have been approved as small low-profit enterprises. The entitled subsidiaries are subject to a preferential income tax rate of 5% for the year ended 31 December 2024 (for the period ended 31 December 2023: 5%).

The amount of income tax expense/(credit) to the consolidated statement of comprehensive income represents:

	Year ended 31 December 2024 HK\$'000	Period from 1 April 2023 to 31 December 2023 HK\$'000
Current income tax		
Hong Kong Profits Tax	328	38
PRC Enterprise Income Tax	239	84
	<u>567</u>	<u>122</u>
Deferred income tax		
– Current year/period provision	105	(130)
	<u>105</u>	<u>(130)</u>
Income tax expense/(credit)	<u>672</u>	<u>(8)</u>

10. DIVIDEND

The board does not recommend the payment of a final dividend for the year ended 31 December 2024 (for the period ended 31 December 2023: HK\$nil).

11. LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY FOR THE YEAR/PERIOD – BASIC AND DILUTED

(a) Basic loss per share

	Year ended 31 December 2024	Period from 1 April 2023 to 31 December 2023
Loss attributable to equity holders of the Company (HK\$'000)	<u>(41,994)</u>	<u>(45,622)</u>
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>1,937,938,000</u>	<u>1,837,360,000</u>

The weighted average number of ordinary shares for the purpose of basic loss per share for current and prior reporting periods has been adjusted to reflect the effect of the rights issue completed on 13 June 2023 with details as set out in Note 15.

(b) Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic earnings per share to take into account the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	Year ended 31 December 2024	Period from 1 April 2023 to 31 December 2023
Loss attributable to equity holders of the Company (HK\$'000)	(41,994)	(45,622)
Weighted average number of ordinary shares for the purpose of basic loss per share	1,937,938,000	1,837,360,000
Adjustments for calculation of diluted earnings per share: Share options	3,930,000	–
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted loss per share	1,941,868,000	1,837,360,000

12. GOODWILL

	HK\$'000
COST	
As at 1 April 2023, 31 December 2023, 1 January 2024 and 31 December 2024	42,752
ACCUMULATED IMPAIRMENT	
As at 1 April 2023	–
Impairment loss recognised in the period	29,931
As at 31 December 2023, 1 January 2024 and 31 December 2024	29,931
NET BOOK VALUE	
As at 31 December 2023	12,821
As at 31 December 2024	12,821

Goodwill arose because the consideration paid for the acquisition effectively included amounts in relation to the benefits of revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill or impairment thereof recognised is expected to be deductible for income tax purposes.

Goodwill is allocated to the Group's cash-generating unit ("CGU") identified according to the business as follows:

	As at 31 December 2024 HK\$'000	As at 31 December 2023 HK\$'000
Acquisition of Champion Point Limited ("Champion Point") in the food supply segment	<u>12,821</u>	<u>12,821</u>

Goodwill associated with the above-mentioned business arose when the business combination was completed on 25 November 2022.

As at 31 December 2024, the directors of the Company determine that no impairment loss has been recognised to the carrying amount of goodwill of this CGU included in the food supply segment (as at 31 December 2023: impairment loss of approximately HK\$29,931,000).

13. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 December 2024 HK\$'000	As at 31 December 2023 HK\$'000
Trade receivables		
– Related parties	164	173
– Third parties	<u>62,995</u>	<u>41,435</u>
	63,159	41,608
Less: loss allowance	<u>(16,514)</u>	<u>(11,293)</u>
	<u>46,645</u>	<u>30,315</u>
Trade deposits paid – non-refundable	6,950	17,655
Trade deposits paid – refundable	20,454	–
Prepayments	9,279	1,628
Other receivables	1,727	1,772
Deposits	<u>5,443</u>	<u>1,906</u>
	43,853	22,961
Less: loss allowance	<u>(9,109)</u>	<u>–</u>
Total deposits, prepayments and other receivables	34,744	22,961
Less: non-current portion: deposits, prepayments and other receivables	<u>(246)</u>	<u>(31)</u>
Deposits, prepayments and other receivables included in current assets	<u>34,498</u>	<u>22,930</u>

The carrying amounts of trade receivables approximate their fair values and are denominated in HK\$.

The Group normally grants credit terms to its customers ranging from 0 to 120 days (for the period ended 31 December 2023: 0 to 120 days). The ageing analysis of the trade receivables based on invoice date is as follows:

	As at 31 December 2024 HK\$'000	As at 31 December 2023 HK\$'000
1 to 30 days	31,199	13,169
31 to 60 days	6,238	6,821
61 to 90 days	2,739	3,176
91 to 120 days	550	2,765
Over 120 days	22,433	15,677
	<hr/>	<hr/>
Total	63,159	41,608
	<hr/> <hr/>	<hr/> <hr/>

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. To measure the expected credit losses other than certain receivables which are assessed individually, these receivables have been grouped based on shared credit risk characteristics and the days past due.

The maximum exposure to credit risk at the reporting date is the carrying value of the receivables mentioned above. The Group does not hold any collateral as security.

14. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES, AND CONTRACT LIABILITIES

	As at 31 December 2024 HK\$'000	As at 31 December 2023 HK\$'000
Trade payables (<i>Note</i>)	15,466	2,163
	<hr/>	<hr/>
Other payables and accruals		
– Accruals for staff costs	5,483	3,629
– Renovation payables	3,908	3,130
– Other payables and other accruals	4,684	2,676
	<hr/>	<hr/>
	14,075	9,435
	<hr/>	<hr/>
Contract liabilities	1,962	–
	<hr/>	<hr/>
	31,503	11,598
	<hr/> <hr/>	<hr/> <hr/>

Note: As at 31 December 2024 and 2023, the ageing analysis of the trade payables based on invoice date is as follows:

	As at 31 December 2024 HK\$'000	As at 31 December 2023 HK\$'000
0 to 30 days	14,726	1,815
31 to 60 days	328	163
61 to 90 days	126	123
91 to 120 days	286	62
	<u>15,466</u>	<u>2,163</u>

The carrying amounts of the Group's trade payables approximate their fair values.

15. SHARE CAPITAL AND RESERVES

(a) Share capital

	Number of ordinary shares (in thousand)	Nominal value of ordinary shares HK\$'000
Authorised share capital		
Ordinary shares of HK\$0.01 each		
As at 1 April 2023, 31 December 2023, and 1 January 2024	2,000,000	20,000
Increase in authorised share capital (<i>Note (v)</i>)	8,000,000	80,000
	<u>10,000,000</u>	<u>100,000</u>
As at 31 December 2024	<u>10,000,000</u>	<u>100,000</u>
Issued and fully paid		
Ordinary shares of HK\$0.01 each		
As at 1 April 2023	1,547,520	15,475
Issue of new shares upon rights issue (<i>Note (iii)</i>)	309,504	3,095
Issue of new shares upon exercise of share options (<i>Note (i)</i>)	27,700	277
Issue of new shares in consideration for the acquisition of the issued share capital of a subsidiary (<i>Note (ii)</i>)	27,490	275
	<u>1,912,214</u>	<u>19,122</u>
As at 31 December 2023 and 1 January 2024	1,912,214	19,122
Issue of new shares upon exercise of share options (<i>Note (i)</i>)	68,256	683
Settlement of contingent consideration arrangement classified as equity (<i>Note (ii)</i>)	55,010	550
	<u>2,035,480</u>	<u>20,355</u>
As at 31 December 2024	<u>2,035,480</u>	<u>20,355</u>

Notes:

- (i) Pursuant to the share option scheme adopted on 26 September 2016:
- 3,870,000 new shares were issued on 1 August 2023 upon exercise of share options;
 - 23,830,000 new shares were issued on 7 August 2023 upon exercise of share options;
 - 25,852,987 new shares were issued on 23 May 2024 upon exercise of share options;
 - 952,782 new shares were issued on 5 June 2024 upon exercise of share options;
 - 39,450,000 new shares were issued on 30 October 2024 upon exercise of share options;
 - 300,000 new shares were issued on 28 November 2024 upon exercise of share options;
 - 1,700,000 new shares were issued on 13 December 2024 upon exercise of share options.
- (ii) Pursuant to the Share Purchase Agreement (as defined in Note 16), details of which are set out in Note 16:
- 27,490,000 new shares were issued to Mr. Kwong Ping Man on 1 August 2023; and
 - 55,010,000 new shares were issued to Mr. Kwong Ping Man on 13 December 2024.
- (iii) A rights issue of one rights share for every five existing shares held by members on the register of members was made on 13 June 2023 at an issue price of HK\$0.36 per share, resulting in an issue of 309,504,000 new shares for a total cash consideration, before expenses, of approximately HK\$111,421,000.
- (iv) All the new shares rank *pari passu* with the existing shares in all respects.
- (v) Following the passing of an ordinary resolution at the extraordinary general meeting of the Company held on 6 February 2024, the increase in authorised share capital became unconditional and effective. As of 6 February 2024, the authorised share capital of the Company has increased to HK\$100,000,000, divided into 10,000,000,000 ordinary shares of HK\$0.01 each.

(b) Reserves

Details of movements on the Group's reserves are set out in the consolidated statement of changes in equity.

(i) Share premium

Share premium of the Company represents the excess of the proceeds received over the nominal value of the Company's shares issued.

(ii) Other reserve

Other reserve of the Company mainly represents the difference of the nominal value of the shares issued and the net asset value of the subsidiaries of the Company upon the reorganisation in 2016.

(iii) *Translation reserve*

The translation reserve comprises exchange differences relating to the translation of the financial statements of the foreign operations of the Group from their functional currency to the Group's presentation currency, which are recognised directly in other comprehensive income and accumulated in translation reserve.

(iv) *Capital reserve*

The capital reserve represents the settlement of 55,010,000 new shares issued for the contingent consideration arrangement classified as equity for the acquisition of 100% equity interest in Champion Point in 2022.

16. CONTINGENT CONSIDERATION PAYABLE

	For the year ended 31 December 2024 HK\$'000	Period from 1 April 2023 to 31 December 2023 HK\$'000
At the beginning of the reporting period	–	46,147
Settlement during the year/period	–	(15,661)
Net fair value gain on financial instruments recognised in profit and loss	–	(30,486)
	<hr/>	<hr/>
At the end of the reporting period	<hr/> <hr/>	<hr/> <hr/>

On 7 November 2022, Great Point Limited (“**Great Point**”), a direct wholly-owned subsidiary of the Company, entered into a share purchase agreement (the “**Share Purchase Agreement**”) with Mr. Kwong Ping Man (“**Mr. Kwong**”), an independent third party, pursuant to which Great Point has conditionally agreed to acquire and Mr. Kwong has conditionally agreed to sell all the issued shares of Champion Point, which indirectly held the entire equity interest of Shenzhen Wealth Source Trading Development Company Limited* (深圳豐源貿易發展有限公司) (“**Shenzhen Wealth Source**”, together with Champion Point, collectively, “**Champion Point Group**”). The acquisition has been accounted for using the acquisition method. Shenzhen Wealth Source is a company incorporated in the PRC, which is principally engaged in trading of live cattle, food ingredients and aquatic products in the PRC.

The acquisition was subsequently completed on 25 November 2022 (the “**Completion Date**”). The fair value of each of the consideration shares of the acquisition was HK\$0.54, being the quoted price of the Company's shares on the Completion Date. The fair value of the first tranche of the consideration shares amounted to approximately HK\$4,947,000.

The estimated fair value of such contingent arrangement obligation as at the Completion Date, comprising the second tranche of the consideration shares and the third tranche of the consideration shares, amounted to approximately HK\$40,602,000. The fair value of such contingent consideration payable amounted to approximately HK\$46,147,000 as at the end of the reporting period and has been presented separately on the consolidated statement of financial position.

17. RELATED PARTY TRANSACTIONS

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

The directors are of the view that the following companies were related parties that had material transactions or balances with the Group during the year/period ended 31 December 2024 and 2023:

Name of the related party	Relationship with the Group
Macy Catering Limited	Mr. Liu Chi Ching (“ Mr. Liu ”), who is an executive director and a substantial shareholder of the Company, has beneficial interest
Mr. Liu	Mr. Liu, who is an executive director and a substantial shareholder of the Company, has beneficial interest
WG International Group Limited	This company is controlled by Dr. Hooy Kok Wai (“ Dr. Hooy ”) and Mr. Zhong Xueyong (“ Mr. Zhong ”), who are executive directors and substantial shareholders of the Company
Classic Line Holdings Ltd	This company is controlled by Mr. Liu, who is an executive director and a substantial shareholder of the Company
China Wantian International Group Limited (“ China Wantian International ”)	The intermediate holding company of the Group
Greater Bay Area Association of Listed Companies Limited	This company is managed and controlled by Dr. Hooy and Mr. Zhong, who are executive directors and substantial shareholders of the Company
Zhongshan Wangu Sky Farm Co., Limited* (中山萬谷天空農場有限公司)	This company is controlled by Dr. Hooy and Mr. Zhong, who are executive directors and substantial shareholders of the Company
Zhongshan Wangu Property Management Co., Ltd.* (中山市萬谷物業管理有限公司)	This company is controlled by Dr. Hooy and Mr. Zhong, who are executive directors and substantial shareholders of the Company
Zhongshan Wangu Business Management Co., Ltd.* (中山萬谷商業管理有限公司)	This company is controlled by Dr. Hooy and Mr. Zhong, who are executive directors and substantial shareholders of the Company
Zhongshan Wangu Real Estate Investment and Development Co., Ltd.* (中山市萬谷房地產投資開發有限公司)	This company is controlled by Dr. Hooy and Mr. Zhong, who are executive directors and substantial shareholders of the Company

Name of the related party	Relationship with the Group
Zhongshan Wangu Basket Plaza Investment and Management Co., Ltd.* (中山市萬谷菜籃子廣場投資管理有限公司)	This company is controlled by Dr. Hooy and Mr. Zhong, who are executive directors and substantial shareholders of the Company
Zhongshan Wangu East District Central Market Co., Ltd.* (中山市萬谷東區中心市場有限公司)	This company is controlled by Mr. Zhong, who is executive director and substantial shareholder of the Company

* *The English translation is not the official name and is for reference purposes only*

In addition to the related party information disclosed above, the following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the year/period, and the balances arising from related party transactions as at year/period end.

(a) Transactions with related parties

	Year ended 31 December 2024 HK\$'000	Period from 1 April 2023 to 31 December 2023 HK\$'000
Related parties' transactions		
Sales of goods to related company		
– Macy Catering Limited	939	439
Purchase of goods from a related party		
– Zhongshan Wangu Sky Farm Co., Limited* (中山萬谷天空農場有限公司)	(411)	(650)
Sales of subsidiaries to a related party		
– Mr. Liu	41,954	–
Short-term lease, management fees and utilities expenses paid to		
– Zhongshan Wangu Property Management Co., Ltd.* (中山市萬谷物業管理有限公司)	–	(60)
– Zhongshan Wangu Business Management Co., Ltd.* (中山萬谷商業管理有限公司)	(4,639)	(2,178)
– Zhongshan Wangu Real Estate Investment and Development Co., Ltd.* (中山市萬谷房地產投資開發有限公司)	(841)	(444)
– Zhongshan Wangu Basket Plaza Investment and Management Co., Ltd.* (中山市萬谷菜籃子廣場投資管理有限公司)	(5,511)	(2,219)
Service fee received from the intermediate holding company		
– China Wantian International	2,937	951
Service fee received from a related party		
– Greater Bay Area Association of Listed Companies Limited	2,116	148
Interest expenses on loans from the intermediate holding company		
– China Wantian International	–	(171)

(b) Balances with related parties

Except as disclosed in Note 13, the amounts due from/(to) related companies are non-trade in nature, unsecured, interest-free and repayable on demand.

18. DISPOSAL OF SUBSIDIARIES AND SALES AND LEASEBACK

On 27 September 2024, the Group entered into a share purchase agreement with a connected party of the Company (the “**Purchaser**”), in which the Group agreed to sell its entire equity interest in its subsidiary, Lion Metro Limited (“**Lion Metro**”) and Lion Metro’s subsidiary, Healthy Cheer International Limited (“**Healthy Cheer**”), at a cash consideration of HK\$56,320,000. The disposal was completed on 12 December 2024. After the disposal, Lion Metro and Healthy Cheer ceased to be a wholly-owned subsidiary of the Company, and the Group ceased to have any interest in Lion Metro and Healthy Cheer.

The following summarises the consideration received and the carrying amount of the assets and liabilities at the date of disposal.

	<i>HK\$'000</i>
Property, plant and equipment (<i>Note (a)</i>)	9,294
Right-of-use assets (“ ROU assets ”) (<i>Note (a)</i>)	5,856
Other receivables and deposits	81
Amount due to C.Y. Food Trading (HK) Company Limited (“ C.Y. Food ”) (b)	(14,366)
Cash and cash equivalents	6
Accruals and other payables	(200)
Deferred tax liabilities	(1,136)
	<hr/>
Net liabilities disposed of	(465)
	<hr/> <hr/>
Gain on the disposal	
Cash consideration	56,320
Assignment of amount due to C.Y. Food from Healthy Cheer to Purchaser	(14,366)
	<hr/>
Net cash consideration received	41,954
Net liabilities disposed of	465
	<hr/>
Gain on the disposal	42,419
	<hr/> <hr/>
Net cash flow on the disposal of subsidiaries	
Net cash proceeds received	41,954
Less: cash and cash equivalents disposed of	(6)
	<hr/>
Net inflow of cash and cash equivalents in respect of the disposal	41,948
	<hr/> <hr/>

Notes:

- (a) The consideration was settled in cash by the Purchaser on or before 12 December 2024. The sale shares represent the entire issued shares of Lion Metro held by Eminent Ace, which in turn indirectly holds the entire interest of the Properties (as defined below) through a 100% owned subsidiary, Healthy Cheer. The principal assets of Healthy Cheer are the properties located at Workshops A & B, 1st Floor, Sunking Factory Building, Nos. 1–7 Shing Chuen Road, Shatin, New Territories, Hong Kong (the “**Properties**”) and are currently used in the operation of the Group’s food supply business in Hong Kong.

The fair value of the Properties as at 31 August 2024 was approximately HK\$51,200,000. The fair value was determined by management with reference to a valuation carried out by an independent valuer on direct comparison method assuming the sales of each property interests in their existing state and making references to comparable market observable transactions of similar properties in the same locations and conditions as available in the relevant market. The fair value of the consideration for the disposal, amounting to HK\$56,320,000, represents 110% of the fair value of the Properties.

- (b) Out of the additions of ROU assets and lease liabilities during the year ended 31 December 2024, a new lease agreement was entered into by Healthy Cheer (the landlord/lessor) and C.Y. Food (the tenant/lessee) on 12 December 2024, for the lease of the Properties for a period of 2 calendar years commencing from 12 December 2024 to 11 December 2026 and at a monthly rent of HK\$200,000.

19. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following capital expenditure commitments:

	As at 31 December 2024 HK\$'000	As at 31 December 2023 HK\$'000
Contracted but not provided for, net of deposit paid		
– Acquisition of plant and equipment	2,723	–
Total capital commitments	<u>2,723</u>	<u>–</u>

MANAGEMENT DISCUSSION AND ANALYSIS

In 2024, China's total domestic economic output exceeded RMB130 trillion for the first time, reaching a new level. Amidst the turbulent world economic development this year, China has become a major stabilizer in the global economic development with its steady yet high-quality development. Residents' incomes continued to rise and social consumption grew progressively, especially catering consumption, which gave an outstanding performance. The national catering revenue amounted to RMB5.57 trillion, having a growth rate of 1.8 percentage points higher than the total retail sales of consumer goods, and taking up 11.4% of the total retail sales of consumer goods, indicating that promising development prospects of the catering and food industry.

In 2024, China strengthened the construction of ecological civilisation and accelerated the comprehensive green transformation of economic and social development, making the world endowed with clear water and blue sky. China walked out a new road for green civilisation development. China Wantian embraced the development trend of the times and closely followed the national development strategy in order to contribute to the sustainable development of society.

BUSINESS REVIEW

During the year under review, the Group actively implemented plans in alignment with the national strategies related to the comprehensive promotion of green food development and rural revitalisation, with a broad vision of “letting every household eat well every day (讓千家萬戶吃好每一天)”. The Group focussed on the development of its three key businesses of food supply, catering and environmental protection and technology, and upheld the spirit of “Committing itself to ensuring the well-being of the households in China notwithstanding countless efforts and numerous challenges” in order to strive to become a first-class green quality lifestyle service provider as a leader.

The Group continued its efforts in the catering sector during the year, capitalising on the growth in food and beverage consumption to build new brands and open new restaurants. During the year, the Group further enriched its catering brand hierarchy and upgraded its catering business in all aspects from quality to quantity, forming a multi-level and multi-discipline gourmet catering system including Cantonese cuisine, Western cuisine, Chaoshan cuisine, Thai cuisine and Hong Kong-style cafes, etc., and thus offering diversified catering choices and high-quality catering experience for the residents in the GBA, which gained a notable brand reputation. In particular, on 30 June 2024, the Shenzhen-Zhongshan Link, a major national project, was officially opened to traffic, and Zhongshan formally opened the “half-hour living circle in the GBA”, which was a major boon for Zhongshan's catering industry, welcoming visitors from all over the world. According to official statistics, after the opening of the Shenzhen-Zhongshan Link, Zhongshan has received a total of 3.673 million visitors for the period of 1 July to 28 July, indicating a year-on-year increase of 128.52%, and realised a revenue of RMB 2.545 billion from tourism, reflecting a year-on-year increase of 99.10%. The Group's catering business is situated in the central district of Zhongshan,

featuring significant geographical advantages of the area and unique flavours, becoming one of the region's popular restaurants and establishing a sound brand reputation for China Wantian in the catering industry of the GBA.

During the Year, the Group continued to focus on the development of the food supply chain business, being a pillar segment. With “Giant Seafood, Small Cattle, Worry-Free Vegetables” as its core pillar industries, the Group has been ploughing into the whole industrial chain of the sea, land and air industry, and has created a variety of large single products such as live cattle, pork and eggs. Connecting people's livelihood on one end and social stability on the other, food supply is a major driver for the Group's future development as well as a critical foundation for the well-being of the public. Through the cooperation with renowned enterprises, the Group has been introducing diverse food categories, with the aim of enhancing the Group's overall revenue and helping the Group to grow into a leading green food supplier in China.

In terms of environmental protection and technology, inspired by the national development philosophy that “lucid waters and lush mountains are invaluable assets”, the Group has been developing its environmental protection and technology business with great dedication over the years, and currently operates and builds more than 300 sky farms in the GBA. Sky farms revitalise industrial buildings and idle land in the city, which is a boon to the city's green and carbon reduction development. In the future, the Group will continue to extend the sky farms to other cities in the GBA and overseas so as to further increase the share of environmental protection and technology in the Group's total revenue.

Looking ahead, 2025 is the closing year of the “14th Five-Year Plan”, which is an important juncture in building on the past and embarking on the future, as well as a critical year for deepening the reform in a comprehensive manner. This year, the Ministry of Finance of the PRC proposed to support the expansion of domestic demand and implement more proactive fiscal policies to benefit the people's livelihood, promote consumption and build stamina, providing solid policy support for economic development, which in turn has opened up new opportunities for the Group's development.

China Wantian will grasp the positive and relaxed development environment brought about by the national policy and adhere to the green economic development pathway, bringing a better quality of life to the residents of the GBA and driving sustainable and steady growth for the Group.

FINANCIAL REVIEW

As stated in the announcement of the Company dated 6 September 2023, the Board resolved to change the financial year end date of the Company from 31 March to 31 December to align the financial year end date of the Company with that of the subsidiaries of the Company which were incorporated and are operating in the PRC with the financial year end date of 31 December in accordance with the relevant statutory requirements. The change took effect from and including the financial year 2023 of the Company. The Board considered that such change would better facilitate the preparation of the consolidated financial statements of the Group. Accordingly, the accompanying condensed consolidated financial statements for the current financial period covers a twelve months' period from 1 January 2024 to 31 December 2024 and the comparative financial period covers a nine-month period from 1 April 2023 to 31 December 2023, which may not be fully comparable.

The Group's operating results for the year ended 31 December 2024 (the “**Year**” or the “**year**”) were contributed by its three businesses, namely (i) food supply; (ii) catering services; and (iii) environmental protection and technology services.

Revenue

The Group's revenue for the Year was approximately HK\$788.6 million (for the period ended 31 December 2023: HK\$194.1 million).

The food supply business remains the main revenue stream of the Group. The revenue generated from the food supply business amounted to approximately HK\$750.4 million for the Year, accounting for approximately 95.2% of the total revenue (for the period ended 31 December 2023: HK\$181.1 million, 93.3%). During the year, the revenue derived from the GBA market (excluding Hong Kong) was approximately HK\$610.5 million and accounted for approximately 81.4% of the revenue from the food supply segment (for the period ended 31 December 2023: HK\$80.7 million, 44.6%). Revenue derived from the Hong Kong market, which was mainly the provision of frozen food, vegetables and fruits in Hong Kong, amounted to approximately HK\$139.9 million, representing approximately 18.6% of the segment revenue (for the period ended 31 December 2023: HK\$100.3 million, 55.4%). The increase of 314.4% in the Group's segment revenue from the food supply business for the Year as compared to the period ended 31 December 2023 was mainly attributable to the increase in the revenue derived from the supply of more fresh food items in the PRC, including live cattle and fresh beef.

The catering services business, comprising the operation of various restaurants in the city of Zhongshan, contributed a revenue of approximately HK\$37.4 million for the Year, representing approximately 4.7% of the Group's total revenue (for the period ended 31 December 2023: HK\$12.2 million, 6.3%). The revenue in the Group's segment revenue from the catering services business increased by 207.5% from the period ended 31 December 2023 to the Year was mainly due to the increase in the number of restaurants in operation and the improved operating performance of the restaurants, which resulted from the lifting of the COVID-19 pandemic control measures, the recovery of the economy as well as the increase in customer flow after the opening of the Shenzhen-Zhongshan Link. The number of restaurants increased from 10 for the period ended 31 December 2023 to 12 for the Year.

The environmental protection and technology services business, comprising the provision of services for building comprehensive practice bases to promote the ideas of green, environmental protection and low-carbon concepts, recorded a revenue of approximately HK\$0.8 million during the Year, accounting for approximately 0.1% of the Group's total revenue (for the period ended 31 December 2023: HK\$0.9 million, 0.4%).

Gross profit and gross profit margin

The Group's gross profit for the Year was approximately HK\$51.9 million, representing a gross profit margin of approximately 6.6% (for the period ended 31 December 2023: HK\$29.0 million, representing a gross profit margin of approximately 14.9%).

The gross profit derived from the Group's food supply business for the Year was approximately HK\$35.1 million, representing a gross profit margin of approximately 4.7% (for the period ended 31 December 2023: HK\$24.6 million, representing a gross profit margin of approximately 13.6%). With the change in the product mix of the food supply business in the PRC, the gross profit margin decreased by 8.9 percentage points, which was primarily due to the fact that the Group had to spend time securing new customers and new sales orders when faced with a different and competitive environment, which had impacted on its profitability for the Year.

The gross profit derived from the Group's catering business for the Year was approximately HK\$16.7 million, representing a gross profit margin of approximately 44.7% (for the period ended 31 December 2023: HK\$4.2 million, representing a gross profit margin of approximately 34.5%). The gross profit margin increased by 10.2 percentage points, which was mainly due to the increasing number of people dining out after the COVID-19 pandemic and the successful promotion campaigns launched by the Group. Besides, the cost control measures adopted by the Group also took effect, which helped to maintain the ingredient costs at a stable level.

The gross profit derived from the Group's environmental protection and technology business for the Year was approximately HK\$84,000, representing a gross profit margin of approximately 10.3%.

Other income and gain

The Group's other income and gain for the Year was approximately HK\$6.5 million (for the period ended 31 December 2023: HK\$1.7 million). The increase was primarily due to the recognition of the service income from the intermediate holding company and a related party.

Finance costs, net

The Group's finance costs, net for the Year were approximately HK\$1.1 million (for the period ended 31 December 2023: HK\$1.1 million). The finance costs, net remained stable for the Year as the amount of increase in interest income derived from the fixed deposit was offset by the increase in finance costs, which was mainly a result of the increase in the interest on lease liabilities arising from the Group's entering into new tenancy agreements during the Year for the purpose of business expansion in the catering services segment.

Selling expenses

The Group's selling expenses for the Year were approximately HK\$38.4 million (for the period ended 31 December 2023: HK\$13.8 million). The increase was mainly due to the additional payroll expenses and the depreciation on property, plant and equipment and right-of-use assets incurred for the purpose of expanding the Group's catering services business.

Administrative expenses

The Group's administrative expenses for the Year were approximately HK\$85.7 million (for the period ended 31 December 2023: HK\$89.9 million). The decrease was mainly due to a decrease in the provision for impairment losses on goodwill and impairment losses on right-of-use assets and property, plant and equipment, offset by an increase in share-based payment expenses and an increase in staff costs for business expansion.

Impairment losses under expected credit loss model

The Group recorded impairment losses under expected credit loss model of approximately HK\$16.3 million for the Year (for the period ended 31 December 2023: HK\$2.1 million). The increase was due to the increase in the outstanding from the trade debtors as at the reporting period.

Gain on disposal of subsidiaries

The Group's gain on disposal of subsidiaries was approximately HK\$42.4 million for the Year (for the period ended 31 December 2023: HK\$nil), which resulted from the Disposal (as defined below).

Loss for the Year

Taking into consideration the above-mentioned factors, loss for the Year was approximately HK\$42.0 million (for the period ended 31 December 2023: approximately HK\$45.6 million).

USE OF NET PROCEEDS FROM RIGHTS ISSUE

On 13 June 2023, the Company allotted and issued 309,504,000 ordinary shares with a nominal value of HK\$0.01 each in the share capital of the Company (the “**Shares**”) by way of a rights issue on the basis of one rights share for every five existing shares then held on the record date on 18 May 2023 (the “**Rights Issue**”) and raised net proceeds of approximately HK\$102.31 million. Details of the Rights Issue were set out in the prospectus of the Company dated 19 May 2023 (the “**Prospectus**”) and the announcements of the Company dated 11 April 2023 and 12 June 2023.

As disclosed in the Prospectus, 30% of the net proceeds from the Rights Issue had been allocated for financing the launching of a live cattle breeding site project with an aim to develop the Group's related upstream supply chain business. After further evaluation of the factors relevant to the setting up of live cattle breeding site, including the initial site setup, the breeding cycle and the overall operation, the Board considered that it is not the best timing for the Group to expand its business to related upstream supply chain business amidst ongoing uncertainties in the global economy. Further, the Board was of the view that a more prudent business development strategy would be desirable at the present time.

As stated in the announcement of the Company dated 27 March 2024, the Board resolved to change the use of the then unutilised net proceeds from the Rights Issue, which amounted to approximately HK\$30.69 million, from launching a live cattle breeding site project to expanding the Group's fresh food supply business, considering the prominent performance of the business segment. The then unutilised net proceeds of approximately HK\$8.16 million will remain being used for the repayment of the Group's outstanding borrowing and, based on the best estimation of the updated repayment schedule, are expected to be fully utilised by 31 December 2025.

As at 31 December 2024, approximately HK\$4.57 million out of the net proceeds from the Rights Issue had not been utilised, which are expected to be fully utilised on or before 31 December 2025.

Set out below are the details of the net proceeds from the Rights Issue, including the original allocation (in terms of percentage and amount), the revised allocation, the amount of actual use during the Year and the amount unutilised as at 31 December 2024:

	Original allocation of the net proceeds as shown in the Prospectus		Unutilised net proceeds as at 1 January 2024	Revised allocation of the unutilised net proceeds	Actual use of net proceeds during the Year	Unutilised net proceeds as at 31 December 2024
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
	%	(approx.)	(approx.)	(approx.)	(approx.)	(approx.)
Launching of a live cattle breeding site project	30	30.69	30.69	–	–	–
Development of live cattle trading business	25	25.58	–	–	–	–
Expansion of fresh food supply business	10	10.23	–	30.69	30.69	–
Development of catering business	10	10.23	–	–	–	–
Repayment of outstanding borrowing	10	10.23	8.16	8.16	3.59	4.57
Enhancement and upgrading of offices in the GBA	5	5.12	–	–	–	–
General working capital of the Group	10	10.23	–	–	–	–
Total	100	102.31	38.85	38.85	34.28	4.57

USE OF PROCEEDS FROM THE DISPOSAL

On 27 September 2024, the Group entered into a share purchase agreement with a connected party, pursuant to which the Group agreed to sell its entire equity interest in its subsidiary, Lion Metro Limited (“**Lion Metro**”) and Lion Metro’s subsidiary, Healthy Cheer International Limited (“**Healthy Cheer**”), at a cash consideration of HK\$56,320,000 (the “**Disposal**”). The Disposal was completed on 12 December 2024. After the Disposal, Lion Metro and Healthy Cheer ceased to be subsidiaries of the Company and the Group ceased to have any interest in Lion Metro and Healthy Cheer.

The net proceeds from the Disposal amounted to approximately HK\$55.7 million, which had not been utilised as at 31 December 2024. Details of the Disposal were set out in the announcement of the Company dated 27 September 2024 and the circular of the Company dated 7 November 2024 (the “**Circular**”).

Set out below are the details of the net proceeds from the Disposal, including the allocation (in terms of percentage and amount), the amount of actual use during the Year, the amount unutilised as at 31 December 2024 and the expected timeline for the utilisation of the net proceeds:

	Allocation of the net proceeds shown in the Circular		Actual use of net proceeds during the Year	Unutilised net proceeds as at 31 December 2024	Expected timeline for utilising the net proceeds
	%	HK\$ million (approx.)	HK\$ million (approx.)	HK\$ million (approx.)	
Development of a new product line and setting up of a new distribution channel for fresh fruit trading	20	11.1	–	11.1	On or before 30 June 2025
Expansion of the existing product line and distribution channel for fresh meat trading	40	22.3	–	22.3	On or before 30 June 2025
Development of the catering business in the Greater Bay Area (including funding capital expenditure for newly-opened eateries)	20	11.1	–	11.1	On or before 30 June 2025
General working capital	20	11.2	–	11.2	On or before 30 June 2025
Total	100	55.7	–	55.7	

CAPITAL STRUCTURE

There has been no change in the capital structure of the Group during the Year and up to the date of this announcement. The capital of the Group only comprises ordinary shares.

LIQUIDITY AND FINANCIAL RESOURCES

The Group has funded the liquidity and capital requirements principally from cash generated from operations, bank borrowings, the proceeds from the issue of new Shares upon the Rights Issue and the proceeds from the Disposal.

As at 31 December 2024, the Group had bank borrowings of approximately HK\$7.2 million (as at 31 December 2023: approximately HK\$10.8 million), which were denominated in Hong Kong dollars. The Group's bank borrowing was primarily obtained at variable rates and used in financing the working capital requirement for its operations and the purchase of the existing premises.

As at 31 December 2024, the Group had approximately HK\$67.5 million in cash and cash equivalents and HK\$5.0 million in bank deposits (as at 31 December 2023: approximately HK\$61.6 million and HK\$16.6 million). The Group had no bank overdraft as at 31 December 2024 (as at 31 December 2023: HK\$nil). The Directors believe that the Group is in a healthy financial position to expand its core business and to achieve its business objectives.

As at 31 December 2024, total assets, which comprised current assets of approximately HK\$166.7 million (as at 31 December 2023: approximately HK\$139.4 million) and non-current assets of approximately HK\$123.3 million (as at 31 December 2023: approximately HK\$98.4 million), increased by approximately 22.0% from approximately HK\$237.8 million to approximately HK\$290.0 million, which was primarily attributable to (i) an increase in the right-of-use assets as a result of the renewed catering and office tenancy agreements each for a lease period of three years; and (ii) an increase in trade and other receivables, arising from the increase in the number of new customers from the expanded business scope and a longer credit period granted to customers.

As at 31 December 2024, total liabilities, which comprised current liabilities of approximately HK\$55.6 million (as at 31 December 2023: approximately HK\$34.4 million) and non-current liabilities of approximately HK\$24.0 million (as at 31 December 2023: approximately HK\$6.6 million), increased by approximately 93.7% from approximately HK\$41.1 million to approximately HK\$79.6 million, which was mainly due to (i) an increase in lease liabilities as a result of the renewed catering and office tenancy agreements each for a lease period of three years; and (ii) an increase in trade payables, resulting from more purchases for the expanded business scope and longer credit period granted from suppliers.

As at 31 December 2024, the current ratio of the Group, being current assets divided by current liabilities, decreased to approximately 3.0 (as at 31 December 2023: approximately 4.1), which was mainly attributable to the expansion of the Group's business, which resulted in an increase in trade payables of approximately HK\$13.3 million (615.0%) compared to an increase in trade receivables of approximately HK\$16.3 million (53.9%) both for the Year/period. The Group maintains the capability to cover its short-term debts, ensuring a healthy financial position.

GEARING RATIO

As at 31 December 2024, the gearing ratio of the Group, being total borrowings (including bank borrowing and lease liabilities) divided by total equity, increased to approximately 22.1% (as at 31 December 2023: approximately 12.4%), which was primarily due to the renewed catering and office tenancy agreements each for a lease period of three years, resulting in an increase in lease liabilities in the non-current liabilities portion.

CHARGE ON GROUP ASSETS

As at 31 December 2024, the Group had pledged its leasehold land under right-of-use assets and buildings under property, plant and equipment with a net book value amounting to approximately HK\$40.0 million (as at 31 December 2023: HK\$41.8 million) for the banking facilities granted to the Group.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's largest customer accounted for approximately 55.3% (for the period ended 31 December 2023: approximately 17.5%) of the Group's total revenue while the Group's five largest customers in aggregate accounted for approximately 68.8% (for the period ended 31 December 2023: approximately 41.0%) of the Group's total revenue for the Year.

The Group's largest supplier accounted for approximately 45.5% (for the period ended 31 December 2023: approximately 22.6%) of the Group's total purchases while the Group's five largest suppliers in aggregate accounted for approximately 76.4% (for the period ended 31 December 2023: approximately 63.1%) of the Group's total purchases for the Year.

None of the Directors, or any of their close associates or shareholders (which, to the best knowledge of the Directors, own more than 5% of the issued Shares), has any beneficial interest in the Group's five largest customers or suppliers.

FOREIGN EXCHANGE EXPOSURE

Foreign exchange risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's revenue, expenses, assets and liabilities are denominated in HK\$ and Renminbi ("RMB"). The appreciation or devaluation of RMB against HK\$ may have an impact on the Group's results. The Group does not have any currency hedging policy and has not entered into any hedging or other instrument to reduce currency risks. The Group will continue to closely monitor the foreign currency exposure and take appropriate measures to minimise the risk when necessary.

TREASURY POLICY

The Directors will continue to follow a prudent policy in managing the Group's cash balances and maintain strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

Save as disclosed in this announcement, (i) the Group had no significant investment with a value of 5% or more of the Group's total assets as at 31 December 2024; (ii) there was no material acquisition and disposal of subsidiaries, associates or joint ventures by the Group during the Year; (iii) there were no other plans for material investment or capital assets as at 31 December 2024.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 December 2024 (as at 31 December 2023: HK\$nil).

CAPITAL COMMITMENTS

As at 31 December 2024, the Group had capital commitments of approximately HK\$2,723,000 in respect of acquisition of plant and equipment (as at 31 December 2023: HK\$nil).

SEGMENT INFORMATION

The Group has three reportable segments, namely (i) food supply; (ii) catering services; and (iii) environmental protection and technology.

INFORMATION ON EMPLOYEES

As at 31 December 2024, the Group had 473 employees working in Hong Kong and the PRC (31 December 2023: 281). Employees are remunerated based on their qualifications, position and performance. The remuneration offered to employees generally includes salaries, allowances and discretionary bonuses. Various types of trainings are provided to the employees from time to time. The total staff cost (including remuneration of Directors and mandatory provident fund contributions) for the Year amounted to approximately HK\$75.4 million (for the period ended 31 December 2023: approximately HK\$34.4 million).

FINAL DIVIDENDS

The Board does not recommend the payment of a final dividend for the Year (31 December 2023: nil).

CORPORATE GOVERNANCE

To the best knowledge and belief of the Directors, the Company has complied with the applicable code provisions of the Corporate Governance Code, which is set out in Appendix C1 to the Listing Rules and amended from time to time, throughout the Year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Year.

DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as the code of conduct regarding Directors' securities transactions. Based on specific enquiry with the Directors, all Directors confirmed that they had complied with the Model Code throughout the Year.

AUDIT COMMITTEE

The Audit Committee was established on 26 September 2016 in accordance with Appendix C1 to the Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely Ms. Lui Choi Yiu Angela (Chairman), Mr. Siu Chun Pong Raymond and Mr. Lam Chi Wing.

The Audit Committee has reviewed the accounting standards and practices adopted by the Group and to discuss matters regarding internal control and financial reporting, including the review of the Group's annual results for the Year.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Company's auditor, BDO Limited (“**BDO**”), to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by BDO in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by BDO on the preliminary announcement.

By order of the Board
China Wantian Holdings Limited
Hooy Kok Wai
Chairman and Executive Director

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises Dr. Hooy Kok Wai, Mr. Zhong Xueyong and Mr. Liu Chi Ching as executive Directors; and Ms. Lui Choi Yiu Angela, Mr. Siu Chun Pong Raymond and Mr. Lam Chi Wing as independent non-executive Directors.