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Vitasoy International Holdings Ltd.

維他奶國際集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 345)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH 2025

HIGHLIGHTS

Financial Summary

	2025	2024		
	HK\$ million	HK\$ million	Change	Change – Net of currency impact
Revenue	6,274	6,217	+1%	+1%
Gross profit	3,218	3,111	+3%	+4%
Gross profit margin	51.3%	50.0%	+1.3ppt	+1.2ppt
Profit from operations	364	185	+96%	+97%
Profit after taxation	241	118	+104%	+105%
Profit attributable to equity shareholders of the Company	235	116	+102%	+102%
EBITDA*	836	685	+22%	+23%

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

- Group revenue increased by 1% over the previous financial year, driven by growth of our core products in Mainland China alongside the solid achievements of the Hong Kong Operation. Mainland China sales momentum gradually picked up in the second half of the financial year.
- The Group's gross profit margin increased from 50.0% to 51.3%, mainly due to lower commodity costs and a more efficient manufacturing footprint. This was partially offset, however, by higher trade promotional expenses in Mainland China and the impact of unfavourable foreign exchange movements. Profit attributable to equity shareholders of the Company grew substantially, by 102%, driven by enhanced sales execution focus in Mainland China, strong performance in the Hong Kong Operation, and our strategic emphasis on improving procurement and operating efficiency at both the market and corporate levels.
- Cash and bank deposits, net of bank loans, rose from HK\$538 million to HK\$1,003 million as at 31st March 2025.
- Key business highlights
 - ◆ Mainland China – Sales improvement in the second half enabled moderate topline growth, with strong operating profit growth driven by improved production and operational efficiency. Profit from operations rose by 41% to achieve a 9% operating margin for the year.
 - ◆ The Hong Kong Operation (Hong Kong SAR, Macau SAR and Exports) – Sustained revenue growth and accelerated profitability improvement achieved amidst a challenging retail environment, with profit from operations growing by 24% to achieve a 12% operating margin for the year.
 - ◆ Australia and New Zealand – Continuous sales growth and loss reduction following restored manufacturing stability in a very competitive sales environment.
 - ◆ Singapore – Gradual recovery in the tofu segment, both local and export, and following the transition to a new distributor for imported beverages.
- During the year ended 31st March 2025, the Company, through its subsidiary, bought back a total of 4,232,000 issued shares of the Company on The Stock Exchange of Hong Kong Limited at an aggregate consideration (excluding expenses) of HK\$40 million.
- Based on the Group's financial performance, and having regard to the Group's cash position, a final dividend of HK10.2 cents per ordinary share (FY2023/2024: HK6.3 cents) has been proposed by the Board. Together with the interim dividend of HK4.0 cents per ordinary share (FY2023/2024: HK1.4 cents), this brings the total dividend for FY2024/2025 to HK14.2 cents per ordinary share (FY2023/2024 total dividend: HK7.7 cents).

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

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

RESULTS

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

The Board of Directors (the “Board”) of Vitasoy International Holdings Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) and the Group’s interest in a joint venture for the year ended 31st March 2025, together with the comparative figures for the previous financial year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31st March 2025

	Note	2025 HK\$’000	2024 HK\$’000
Revenue	3 & 4	6,273,585	6,217,123
Cost of sales		(3,056,039)	(3,105,686)
Gross profit		3,217,546	3,111,437
Other income	5	76,034	84,243
Marketing, selling and distribution expenses		(1,900,716)	(1,976,349)
Administrative expenses		(694,418)	(700,989)
Other operating expenses	6(b)	(334,871)	(332,910)
Profit from operations		363,575	185,432
Finance costs	6(a)	(33,116)	(30,028)
Share of losses of joint venture		(13,469)	(23,736)
Profit before taxation	6	316,990	131,668
Income tax	7	(76,422)	(13,880)
Profit for the year		240,568	117,788
Attributable to:			
Equity shareholders of the Company		234,674	116,367
Non-controlling interests		5,894	1,421
Profit for the year		240,568	117,788
Earnings per share	9		
Basic		HK21.9 cents	HK10.9 cents
Diluted		HK21.9 cents	HK10.8 cents

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March 2025

	2025 HK\$'000	2024 HK\$'000
Profit for the year	240,568	117,788
Other comprehensive income for the year (after tax)		
Item that will not be reclassified to profit or loss:		
Remeasurement of employee retirement benefit liabilities	(2,376)	5,086
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries and joint venture outside Hong Kong	(15,953)	(107,884)
Cash flow hedge: net movement in the hedging reserve	-	(1,748)
Total comprehensive income for the year	222,239	13,242
Attributable to:		
Equity shareholders of the Company	214,603	18,205
Non-controlling interests	7,636	(4,963)
Total comprehensive income for the year	222,239	13,242

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st March 2025

		2025	2024
	Note	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment			
- Investment properties		2,872	2,998
- Right-of-use assets		420,266	432,285
- Other property, plant and equipment		2,354,881	2,668,137
		<u>2,778,019</u>	<u>3,103,420</u>
Deposits for the acquisition of property, plant and equipment		63	1,112
Intangible assets		9	119
Interest in joint venture		-	-
Deferred tax assets		226,078	269,555
Other receivables	10	18,178	15,419
Pledged deposit		819	-
		<u>3,023,166</u>	<u>3,389,625</u>
Current assets			
Inventories		533,268	554,546
Trade and other receivables	10	823,619	873,312
Current tax recoverable		172	18,136
Cash and bank deposits		1,268,475	794,452
Assets held for sale		-	6,624
		<u>2,625,534</u>	<u>2,247,070</u>
Current liabilities			
Trade and other payables	11	1,771,019	1,824,727
Bank loans	12	228,916	255,987
Lease liabilities		109,921	104,865
Current tax payable		32,129	39,797
		<u>2,141,985</u>	<u>2,225,376</u>
Net current assets		<u>483,549</u>	<u>21,694</u>
Total assets less current liabilities		<u>3,506,715</u>	<u>3,411,319</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*At 31st March 2025*

		2025		2024	
	Note	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current liabilities					
Bank loans	12	36,482		-	
Lease liabilities		188,239		198,000	
Employee retirement benefit liabilities		24,216		19,164	
Deferred tax liabilities		66,414		72,563	
Other payables	11	9,182		8,955	
			324,533		298,682
NET ASSETS			3,182,182		3,112,637
CAPITAL AND RESERVES					
Share capital			1,047,526		1,044,398
Reserves			2,035,632		1,960,162
Total equity attributable to equity shareholders of the Company			3,083,158		3,004,560
Non-controlling interests			99,024		108,077
TOTAL EQUITY			3,182,182		3,112,637

Notes:

1. Basis of preparation

The unaudited financial information relating to the year ended 31st March 2025 and the financial information relating to the year ended 31st March 2024 included in this preliminary announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but, in respect of the year ended 31st March 2024, is derived from those financial statements.

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

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

The Company's statutory financial statements for the year ended 31st March 2025 have yet to be reported on by the Company's auditor and will be delivered to the Registrar of Companies in due course.

The Company has delivered the statutory financial statements for the year ended 31st March 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor, KPMG, has reported on the statutory financial statements of the Group for the year ended 31st March 2024. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

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

2. Material Accounting Policies

These financial statements have been prepared in accordance with the same accounting policies adopted in the 2023/2024 financial statements, except for the accounting policy changes arising from adoption of new and amended standards.

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

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current*
- Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants*
- Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments Disclosure: Supplier finance arrangements*

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

3. Revenue

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

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

4. Segment reporting

(a) Segment results, assets and liabilities

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

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31st March 2025 and 2024 is set out below:

	Mainland China		Hong Kong Operation		Australia and New Zealand		Singapore		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	3,363,197	3,359,080	2,260,649	2,224,359	543,608	526,676	106,131	107,008	6,273,585	6,217,123
Inter-segment revenue	173,179	148,870	100,203	34,232	2,826	3,253	3,282	3,650	279,490	190,005
Reportable segment revenue	3,536,376	3,507,950	2,360,852	2,258,591	546,434	529,929	109,413	110,658	6,553,075	6,407,128
Reportable segment profit/(loss) from operations	311,359	220,535	278,969	224,746	(77,013)	(80,890)	(7,729)	(12,855)	505,586	351,536
Interest income	2,270	1,756	34,928	20,835	1,000	634	8	-	38,206	23,225
Finance costs	(12,339)	(13,181)	(16,561)	(10,434)	(3,736)	(5,969)	(480)	(444)	(33,116)	(30,028)
Depreciation and amortisation for the year	(292,028)	(306,955)	(190,306)	(190,244)	(22,281)	(20,080)	(5,578)	(5,695)	(510,193)	(522,974)
(Recognition)/reversal of impairment losses on property, plant and equipment	(14,513)	(14,009)	33	1,843	-	-	-	-	(14,480)	(12,166)
Impairment losses on assets held for sale	-	(3,593)	-	-	-	-	-	-	-	(3,593)
Reportable segment assets	2,372,148	2,641,289	4,374,207	4,164,017	444,929	431,439	89,068	117,809	7,280,352	7,354,554
Reportable segment liabilities	1,617,612	1,922,598	1,191,251	1,148,531	261,893	338,454	31,883	32,812	3,102,639	3,442,395
Additions to non-current segment assets during the year	50,583	50,678	137,836	312,256	34,259	43,165	5,011	879	227,689	406,978

4. Segment reporting (Continued)

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

	2025 HK\$'000	2024 HK\$'000
<i>Revenue</i>		
Reportable segment revenue	6,553,075	6,407,128
Elimination of inter-segment revenue	(279,490)	(190,005)
Consolidated revenue	6,273,585	6,217,123
<i>Profit or loss</i>		
Reportable segment profit from operations	505,586	351,536
Finance costs (note 6(a))	(33,116)	(30,028)
Share of losses of joint venture	(13,469)	(23,736)
Integration expenses in relation to assumption of full ownership of Vitasoy Australia Products Pty. Ltd. ("VAP")	-	(9,704)
Unallocated head office and corporate expenses	(142,011)	(156,400)
Consolidated profit before taxation	316,990	131,668
<i>Assets</i>		
Reportable segment assets	7,280,352	7,354,554
Elimination of inter-segment receivables	(1,898,057)	(2,006,347)
	5,382,295	5,348,207
Deferred tax assets	226,078	269,555
Current tax recoverable	172	18,136
Unallocated head office and corporate assets	40,155	797
Consolidated total assets	5,648,700	5,636,695
<i>Liabilities</i>		
Reportable segment liabilities	3,102,639	3,442,395
Elimination of inter-segment payables	(759,267)	(1,050,176)
	2,343,372	2,392,219
Employee retirement benefit liabilities	24,216	19,164
Deferred tax liabilities	66,414	72,563
Current tax payable	32,129	39,797
Unallocated head office and corporate liabilities	387	315
Consolidated total liabilities	2,466,518	2,524,058

5. Other income

	2025 HK\$'000	2024 HK\$'000
Government grants (Note)	5,298	30,818
COVID-19-related rent concessions	-	787
Interest income	38,206	23,225
Rental income	4,349	4,278
Scrap sales	8,923	5,287
Rebate from a vendor on acquisition of property, plant and equipment	-	3,675
Maintenance recharge income	11,007	8,058
Sundry income	8,251	8,115
	<u>76,034</u>	<u>84,243</u>

Note:

During the previous year, government grants of HK\$24,137,000 were received from the government of the People's Republic of China ("PRC") in relation to an investment in Mainland China in 2020. No such grant was received in the current year.

6. Profit before taxation

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

	2025 HK\$'000	2024 HK\$'000
(a) Finance costs:		
Interest on bank loans	13,692	19,478
Interest on lease liabilities	19,424	10,550
	<u>33,116</u>	<u>30,028</u>

6. Profit before taxation (Continued)

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

	2025 HK\$'000	2024 HK\$'000
(b) Other operating expenses:		
Staff costs	174,029	173,981
Sundry tax in Mainland China	41,063	37,910
Withholding tax on royalty and interest income	16,694	17,810
Quality assurance and sampling expenses	13,950	16,665
Depreciation and amortisation	14,460	14,081
Professional fees	13,656	12,852
Repair and maintenance expenses	6,599	6,264
Exchange loss	11,115	4,458
Donations	3,027	3,497
Net (gain)/loss on disposal of property, plant and equipment	(588)	2,126
Recognition of write down of inventories	1,936	2,889
Recognition/(reversal) of impairment losses on trade and other receivables	575	(4,706)
Impairment losses on property, plant and equipment	14,480	12,166
Impairment losses on assets held for sale	-	3,593
Others	23,875	29,324
	334,871	332,910
	2025 HK\$'000	2024 HK\$'000
(c) Other items:		
COVID-19-related rent concessions	-	(828)
Amortisation of intangible assets	110	279
Depreciation		
- Investment properties	126	126
- Right-of-use assets	113,525	105,509
- Other assets	396,432	417,060
Cost of inventories (Note)	3,069,101	3,124,175

Note:

Cost of inventories included recognition of write down of inventories of HK\$28,426,000 (2024: HK\$24,423,000).

7. Income tax

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

	2025 HK\$'000	2024 HK\$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	27,984	22,144
Under/(over)-provision in respect of prior years	18	(6,905)
	<u>28,002</u>	<u>15,239</u>
Current tax – Outside Hong Kong		
Provision for the year	30,799	24,150
Over-provision in respect of prior years	(17,549)	(2,341)
	<u>13,250</u>	<u>21,809</u>
Deferred tax	<u>35,170</u>	<u>(23,168)</u>
	<u>76,422</u>	<u>13,880</u>

The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year. Taxation for subsidiaries outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

(b) Pillar Two income tax

The Group has applied the temporary exception issued by the HKICPA in July 2023 from the accounting requirements for deferred taxes in HKAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group is expected to be within the scope of the Organisation for Economic Co-operation and Development (“OECD”) Pillar Two model rules. Of the jurisdictions in which the Group operates, Australia and Canada enacted Pillar Two legislation which is effective and is applicable to the Group for the fiscal year starting on 1st January 2024. The governments of the Hong Kong SAR and Singapore anticipate implementation of Pillar Two legislation starting from 1st January 2025. Under such legislation, the Group is liable to pay a top-up tax for the difference between its Global AntiBase Erosion (“GloBE”) effective tax rate (“ETR”) per jurisdiction and the 15% minimum rate if the GloBE ETR of Canada (and the United States) and Australia are less than 15% for the year ended 31st March 2025. Given the complexities involved in calculating GloBE ETR, the Group has undertaken a preliminary assessment of the Pillar Two tax implications for the jurisdictions in which the Group operates and have enacted Pillar Two legislation. Based on the preliminary assessment, the Group expects that Canada (with its subsidiary in United States) and Australia, where Pillar Two legislation has been enacted will likely satisfy the Transitional Country-by-Country Reporting (“CbCR”) Safe Harbour criteria and at this time it is unlikely there will be any top-up tax impact for the year ended 31st March 2025. The Group will continue to monitor Pillar Two developments and reassess the potential impact on its tax position.

8. Dividends

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

	2025 HK\$'000	2024 HK\$'000
Interim dividend declared and paid of HK4.0 cents per ordinary share (2024: HK1.4 cents)	42,870	15,004
Final dividend proposed after the end of the reporting period of HK10.2 cents per ordinary share (2024: HK6.3 cents)	109,456	67,520
	<u>152,326</u>	<u>82,524</u>

The final dividend proposed after the end of the reporting period is based on 1,073,093,978 (2024: 1,072,814,812) ordinary shares, being the total number of issued shares at the date of approval of the financial statements.

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

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

	2025 HK\$'000	2024 HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the year of HK6.3 cents per ordinary share (2024: HK1.4 cents)	67,520	15,017

9. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$234,674,000 (2024: HK\$116,367,000) and the weighted average number of 1,071,477,000 ordinary shares (2024: 1,071,969,000 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2025 Number of shares '000	2024 Number of shares '000
Issued ordinary shares at 1st April	1,072,815	1,070,899
Effect of share options exercised	-	1,487
Effect of share awards vested	185	155
Effect of shares purchased under share award scheme	(1,383)	(572)
Effect of share buy-back programme	(140)	-
Weighted average number of ordinary shares at 31st March (note 9(b))	<u>1,071,477</u>	<u>1,071,969</u>

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$234,674,000 (2024: HK\$116,367,000) and the weighted average number of 1,072,336,000 ordinary shares (2024: 1,072,895,000 ordinary shares) after adjusting for the effects of all dilutive potential ordinary shares, calculated as follows:

Weighted average number of ordinary shares (diluted)

	2025 Number of shares '000	2024 Number of shares '000
Weighted average number of ordinary shares at 31st March (note 9(a))	1,071,477	1,071,969
Effect of deemed issue of ordinary shares under the Company's share option scheme for nil consideration	-	7
Effect of shares awarded under share award scheme	859	919
Weighted average number of ordinary shares (diluted) at 31st March	<u>1,072,336</u>	<u>1,072,895</u>

As at 31st March 2025, the Group had potential dilutive shares in connection with its share option scheme and share award scheme. Certain share options could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per shares because they are antidilutive for the period.

10. Trade and other receivables

	2025 HK\$'000	2024 HK\$'000
<i>Current assets:</i>		
Trade debtors and bills receivable, net of loss allowance	709,847	715,301
Other debtors, deposits and prepayments	113,772	158,011
	823,619	873,312
<i>Non-current assets:</i>		
Rental deposits	18,178	15,419

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

	2025 HK\$'000	2024 HK\$'000
Within three months	699,253	703,131
Three to six months	10,542	10,289
Over six months	52	1,881
	709,847	715,301

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

11. Trade and other payables

	2025 HK\$'000	2024 HK\$'000
<i>Current liabilities:</i>		
Trade creditors and bills payable	837,077	881,697
Accrued expenses and other payables	895,682	895,111
Receipts in advance from customers	38,260	47,919
	1,771,019	1,824,727
<i>Non-current liabilities:</i>		
Other payables	9,182	8,955

11. Trade and other payables (continued)

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

	2025 HK\$'000	2024 HK\$'000
Within three months	836,098	875,120
Three to six months	757	3,152
Over six months	222	3,425
	<u>837,077</u>	<u>881,697</u>

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

12. Bank loans

At 31st March 2025, the bank loans were repayable as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year or on demand	228,916	255,987
After one year but within two years	36,482	-
	<u>265,398</u>	<u>255,987</u>

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

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

13. Comparative figures

Certain reclassifications were made to the amounts of cost of inventories and write down of inventories as disclosed in note 6(c) to conform with the current year's presentation in order to better reflect the nature of underlying expenses. As a result, cost of inventories and write down of inventories increased by HK\$11,327,000 and HK\$12,607,000 respectively.

14. Non-adjusting events after the reporting period

Subsequent to the end of the reporting period, the Directors proposed a final dividend. Further details are disclosed in note 8(a).

15. Scope of work of auditor

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31st March 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by the auditor.

DIVIDEND

Based on the Group's financial performance, and having regard to the Group's cash position, the Board of Directors recommended a final dividend of HK10.2 cents per ordinary share (FY2023/2024: HK6.3 cents) for shareholders' approval at the annual general meeting of the Company to be held on 25th August 2025 (the "AGM"). This, coupled with the interim dividend of HK4.0 cents per ordinary share (FY2023/2024: HK1.4 cents), means that, if approved, the Company's total dividend for FY2024/2025 will be HK14.2 cents per ordinary share (FY2023/2024 total dividend: HK7.7 cents). The proposed final dividend will be payable on Wednesday, 17th September 2025 to shareholders whose names appear in the Company's Register of Members on Wednesday, 3rd September 2025.

CLOSURE OF REGISTER OF MEMBERS

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

(a) For determining eligibility to attend and vote at the AGM: <ul style="list-style-type: none">- Latest time to lodge transfer documents for registration with the Company's Share Registrar- Closure of the Company's Register of Members- Record date	At 4:30 p.m. on 19th August 2025 20th August 2025 to 25th August 2025 (both dates inclusive) 25th August 2025
(b) For determining entitlement to the proposed final dividend: <ul style="list-style-type: none">- Latest time to lodge transfer documents for registration with the Company's Share Registrar- Closure of the Company's Register of Members- Record date	At 4:30 p.m. on 1st September 2025 2nd September 2025 to 3rd September 2025 (both dates inclusive) 3rd September 2025

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

MANAGEMENT REPORT

Business Performance

Mainland China improved its topline sales performance in the second half of the financial year, closing with moderate sales growth. Substantial year-on-year profit growth was achieved, driven by disciplined sales execution and improved operating efficiency in both the manufacturing and commercial operations.

The Hong Kong Operation delivered revenue growth and accelerated improvement in profit from operations during the year, despite a challenging retail landscape in the local market.

Australia and New Zealand grew sales and reduced loss following restored manufacturing stability in a very competitive sales environment.

In ASEAN markets, Singapore narrowed its loss from operations by improving its export business and gradually recovering the domestic business in tofu segment, partly offset by the transition to a new distributor for imported beverages. Meanwhile, our joint venture with Universal Robina Corporation in the Philippines achieved strong revenue growth, primarily driven by the on-the-go platform.

In FY2024/2025, we observed a significant shift in consumer behaviour toward greater price sensitivity. In the coming year, the indirect impact caused by heightened geopolitical factors and the direct impact due to growth slowdown in the categories we compete are likely to create challenges for our business in the short term.

For the longer term however, we remain confident in our ability to drive gradual improvements in both revenue and profitability.

Our brands remain well-positioned and highly relevant, supported by a strong product portfolio across both core offerings and by innovation. We continue to enhance our organisational capabilities and improve operational efficiency at both the market and corporate levels.

Financial Highlights

Revenue

- For the year ended 31st March 2025, Group revenue increased by 1% to HK\$6,274 million (FY2023/2024: HK\$6,217 million).

Gross Profit and Gross Profit Margin

- The Group's gross profit for the year was HK\$3,218 million (FY2023/2024: HK\$3,111 million), representing an increase of 3%. This was mainly due to higher sales volume, lower commodity costs and a more efficient manufacturing footprint, partially offset by higher trade promotional expenses in Mainland China and the impact of unfavourable foreign exchange movements.
- Gross profit margin increased to 51.3% (FY2023/2024: 50.0%).

Operating Expenses

- Total operating expenses decreased 3% to HK\$2,930 million (FY2023/2024: HK\$3,010 million).
- Marketing, selling and distribution expenses decreased 4% to HK\$1,901 million (FY2023/2024: HK\$1,976 million), mainly due to improved operational efficiencies, such as lower transportation costs and savings in staff-related expenses.
- Administrative expenses decreased 1% to HK\$694 million (FY2023/2024: HK\$701 million), mainly due to improved operational efficiencies but partly offset by severance payments incurred by Vitasoy (Shanghai) Company Limited.
- Other operating expenses were HK\$335 million (FY2023/2024: HK\$333 million), which mainly included staff costs for employees in support functions and sundry tax charges in Mainland China.

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

- EBITDA for the year was HK\$836 million, an increase of 22% year-on-year. This was mainly driven by the higher gross profit contribution and effective operating cost rationalisation in our operations.
- The EBITDA to revenue margin for the year increased from 11% to 13%.

Profit from Operations

- Profit from operations for the year was HK\$364 million, an increase of 96% from a profit of HK\$185 million last year.

Profit Before Taxation

- For FY2024/2025, profit before taxation increased by 141% to HK\$317 million (FY2023/2024: HK\$132 million).

Taxation

- Income tax charged for the year was HK\$76 million (FY2023/2024: HK\$14 million), with an effective tax rate of 24% versus 11% last year, mainly due to the tax effect of unused tax losses not recognised and written-off of previously recognised tax losses.

Profit Attributable to Equity Shareholders of the Company

- Profit attributable to equity shareholders of the Company was HK\$235 million (FY2023/2024: HK\$116 million), representing an increase of 102% over the previous year.

General Review

The Group's revenue increased by 1% over the previous financial year, driven by growth of our core products in Mainland China alongside the solid achievements of the Hong Kong Operation.

The Group's profit attributable to equity shareholders of the Company grew substantially by 102%, driven by enhanced sales execution focus in Mainland China, strong performance in the Hong Kong Operation, and our strategic emphasis on improving procurement and operating efficiency at both the market and corporate levels.

Mainland China

- Revenue grew slightly by 1% in local currency terms compared with the previous year due to growth from flat in the first half to 2% in the second half of FY2024/2025. Core products under the VITASOY and VITA brands registered concurrent sales and volume growth.
- While continuing to expand our core business, innovations in both VITASOY (fruity variants of Strawberry and Banana) and VITA Tea (VLT Zero) provided incremental revenue for the existing product portfolio.
- We continued to improve profitability by increasing operating efficiency, lowering commodity prices and exercising disciplined cost control. Profit from operations rose by 41% to achieve a 9% operating margin for the year.

Hong Kong Operation

- The Hong Kong Operation delivered another year of revenue growth, underpinned by a strengthened core business and targeted innovations. Despite some challenges in the overall local retail environment, both VITASOY and VITA brands continued to lead the market in Hong Kong, reinforcing our strong brand equity.
- Profit from operations grew by 24%, driven mainly by higher sales volumes, lower overhead costs and lower commodity costs, all of which contributed to the 12% operating profit margin for the year.

Australia and New Zealand

- Revenue grew 5% in local currency terms, following the resolution of earlier production line issues.
- After a challenging first half, we narrowed the loss from operations in the second half by 31% in local currency terms. This improvement was driven by the restoration of manufacturing stability and optimisation of logistics, which together supported the sustained resumption of promotional activities in the final quarter of FY2024/2025.
- For the full year, the loss from operations decreased by 4% to AUD15 million.

Singapore

- Revenue decreased slightly compared with the previous year. While tofu sales volume grew in both domestic and export markets, the imported beverage business was temporarily affected by the completion of the transition to a new distributor.
- The loss from operations narrowed, mainly due to lower raw material costs and an optimised sales mix.

Outlook

In the current financial year, in the context of a much more challenging external environment and categories' growth slowdown, our goal is to sustain scale and profitability across all operating units by expanding our market share in the core categories of plant milk and ready-to-drink tea, with a particular focus and priority on the Mainland China business.

At the same time, we will work to sustain sales growth and decrease the loss from operations in Australia.

In the longer term, we are confident that our brands are well-positioned to gradually better capture growth opportunities thanks to our core portfolio and pipeline of healthy, innovative products.

Mainland China

- Overall beverage category growth has slowed down and the competitive context has become more challenging, while consumers become more price sensitive. Our main goal in the short-term horizon is to sustain scale and profitability.
- In FY2025/2026, we will further sharpen field sales execution to increase sales per outlet and improve product availability. Our core VITASOY and VITA brands will continue to be supported by a dedicated focus on our core products and strong innovation pipeline.

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

- Closely integrated with the Mainland China commercial programme, Hong Kong will continue to execute its distinctive, far-reaching expansion strategy across all channels to sustain highly profitable topline growth. Export sales to USA (which has been consolidated under Hong Kong Operation) accounts for less than 2% of total Vitasoy business in FY2024/2025, and the estimated tariff impact to the Group is not material. However, we will continue to assess the financial impact of global trade barriers on our business.

Australia and New Zealand

- We remain committed to accelerating sales by leveraging our now stabilised manufacturing operation. Manufacturing stability allows us to completely satisfy growing demand, while further innovations and other operational efficiencies will enable us to continue to decrease the loss from operations of FY2024/2025. While we have resolved the manufacturing issues, it is taking longer to improve our cost structure and recover our market position and this has been exacerbated by a very competitive sales environment.

Singapore

- We will continue to drive growth in tofu sales and diversify sourcing for cost optimised beverage products to increase scale and significantly improve the bottom line.

Philippines

- Our joint venture with Universal Robina Corporation will continue to advance scale and grow the exciting plant milk category in this promising market. As the market has shown responsiveness to almond and oat milk across different shopper occasions, we will invest behind our comprehensive portfolio of soy, almond and oat milk across both single serve and multi serve.

Financial Position

- The Group finances its operations and capital expenditure primarily through internally generated cash as well as banking facilities provided by our principal bankers.
- As of 31st March 2025, cash and bank deposits amounted to HK\$1,268 million (31st March 2024: HK\$794 million), with 81%, 14% and 3% of our cash and bank deposits denominated in Hong Kong Dollars (HKD), Renminbi (RMB) and United States Dollars (USD), respectively (31st March 2024: 82%, 12% and 3%). As of 31st March 2025, the Group had a net cash balance (cash and bank deposits less bank borrowings, bills payable and lease liabilities) of HK\$657 million (31st March 2024: HK\$111 million). Available banking facilities amounted to HK\$971 million (31st March 2024: HK\$1,193 million) to facilitate future funding needs.
- The Group's debt amounted to HK\$610 million (31st March 2024: HK\$684 million), of which bank borrowings were HK\$265 million (31st March 2024: HK\$256 million), bills payable were HK\$47 million (31st March 2024: HK\$125 million), and lease liabilities were HK\$298 million (31st March 2024: HK\$303 million).
- The gearing ratio (total debt/total equity attributable to equity shareholders of the Company) decreased to 20% (31st March 2024: 23%). Excluding lease liabilities from total debt, the gearing ratio was 10% (31st March 2024: 13%).
- The Group's return on capital employed (ROCE, being EBITDA/average non-current debt and equity) for the year was 25% (FY2023/2024: 21%).
- Capital expenditure incurred during the year decreased to HK\$124 million (FY2023/2024: HK\$133 million), mainly due to the normalised investment required for maintaining and upgrading our production lines and equipment.
- As at 31st March 2025, the Group had pledged a bank deposit of approximately HK\$1 million as security for a bank guarantee related to a lease arrangement (31st March 2024: nil).

Sustainability Report 2024/2025

- The Group publishes various non-financial KPIs in its FY2024/2025 Sustainability Report, which will be released in July 2025 together with our FY2024/2025 Annual Report.

Tax Strategy

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

Financial Risk Management

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

Potential Risk and Uncertainties

- The Company has implemented a comprehensive risk management framework across the Group to consistently anticipate, assess and mitigate key business risks, as well as a risk governance structure to ensure risk ownership and proper oversight. In view of the rapidly changing business environment, the Group Internal Audit and Risk Management Department has stepped up its efforts to improve key risk indicators, identify external emerging risks and facilitate risk reviews for key purchasing decisions. Details of these risk management processes are covered in the Risk Management section of the Corporate Governance Report in our FY2024/2025 Annual Report.

CORPORATE GOVERNANCE

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

The Company has, throughout the year ended 31st March 2025, complied with the code provisions set out in the Corporate Governance Code contained in Part 2 of Appendix C1 of the Listing Rules.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The Audit Committee comprises three Independent Non-executive Directors, namely Mr. Paul Jeremy BROUGH (Chairman), Mr. Anthony John Liddell NIGHTINGALE and Dr. Roy Chi-ping CHUNG.

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

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

The Group's annual results for the year ended 31st March 2025 have been reviewed by the Audit Committee.

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

During the year ended 31st March 2025, the Company, through its subsidiary, bought back a total of 4,232,000 issued shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at an aggregate consideration (excluding expenses) of HK\$40,449,000. Details of the shares bought back are set out below:

<i>Month/Year</i>	<i>Number of shares bought back '000</i>	<i>Purchase price per share</i>		<i>Aggregate consideration (excluding expenses) HK\$'000</i>
		<i>Highest</i> HK\$	<i>Lowest</i> HK\$	
March 2025	4,232	10.00	9.08	40,449

No shares bought back were cancelled prior to the financial year. As at 31st March 2025, the total number of shares in issue was 1,073,093,978 shares and the Company did not hold any treasury shares.

During the year, the trustee of the Company's 2021 Share Award Scheme purchased on the Stock Exchange a total of 1,300,000 shares of the Company at a total consideration of approximately HK\$7.6 million to satisfy the award of shares to selected participants pursuant to the terms of the rules and trust deed of the 2021 Share Award Scheme.

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

PUBLICATION OF ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

The Company's annual report for FY2024/2025 will be published on the website of the Stock Exchange at www.hkex.com.hk and the Company's website at www.vitasoy.com in due course.

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

Hong Kong, 24th June 2025

As at the date of this announcement, Mr. Winston Yau-lai LO, Mr. Roberto GUIDETTI and Mr. Eugene LYE are executive directors. Ms. Yvonne Mo-ling LO, Mr. Peter Tak-shing LO and Ms. May LO are non-executive directors. Mr. Anthony John Liddell NIGHTINGALE, Mr. Paul Jeremy BROUGH, Dr. Roy Chi-ping CHUNG and Ms. Wendy Wen-yee YUNG are independent non-executive directors.