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SUGA INTERNATIONAL HOLDINGS LIMITED

信佳國際集團有限公司 *

(Incorporated in Bermuda with limited liability)

(Stock Code: 912)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL HIGHLIGHTS

– Revenue amounted to HK$1,388.0 million (2024: HK$1,400.3 million)

– Gross profit was HK$192.7 million (2024: HK$203.3 million)

– Profit attributable to equity holders was HK$34.4 million (2024: HK$32.1 million)

– Basic earnings per share was HK12.08 cents (2024: HK11.26 cents)

– The Board proposed a final dividend of HK4.0 cents per share (2024: final dividend of HK4.0 cents)

– Total dividends per share for the year amount to HK8.0 cents (2024: HK8.0 cents)

* *for identification purpose only*

ANNUAL RESULTS

The Board of Directors (the "Board") of Suga International Holdings Limited ("Company") would like to announce the consolidated results of the Company and its subsidiaries (together "SUGA" or the "Group") for the year ended 31 March 2025.

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025

	Note	**2025** *HK$'000*	2024 *HK$'000*
Revenue	*2*	**1,388,007**	1,400,293
Cost of sales	*4*	**(1,195,282)**	(1,197,026)
Gross profit		**192,725**	203,267
Other income		**8,414**	6,239
Other (losses)/gains – net	*3*	**(3,942)**	810
Distribution and selling expenses	*4*	**(54,118)**	(57,599)
General and administrative expenses	*4*	**(104,510)**	(106,712)
Net impairment losses on financial assets		**(1,637)**	(1,049)
Operating profit		**36,932**	44,956
Finance income	*5*	**6,291**	2,894
Finance costs	*5*	**(1,779)**	(6,384)
Finance income/(costs) – net	*5*	**4,512**	(3,490)
Profit before income tax		**41,444**	41,466
Income tax expense	*6*	**(7,140)**	(9,139)
Profit for the year		**34,304**	32,327
Profit attributable to:			
Owners of the Company		**34,397**	32,059
Non-controlling interests		**(93)**	268
		34,304	32,327
Earnings per share for profit attributable to owners of the Company during the year			
– Basic (HK cents)	*7*	**12.08**	11.26
– Diluted (HK cents)	*7*	**12.08**	11.26

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	HK$'000	*HK$'000*
Profit for the year	**34,304**	32,327
Other comprehensive loss:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**(6,234)**	(21,990)
Item that will not be reclassified subsequently to profit or loss:		
Fair value losses on equity investments at fair value through other comprehensive income	**(317)**	(374)
Other comprehensive loss for the year	**(6,551)**	(22,364)
Total comprehensive income for the year	**27,753**	9,963
Total comprehensive income attributable to:		
Owners of the Company	**27,846**	9,695
Non-controlling interests	**(93)**	268
	27,753	9,963

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2025

	Note	**2025**	2024
		HK$'000	*HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**191,608**	210,559
Right-of-use assets		**75,047**	80,079
Investment properties		**16,768**	19,462
Intangible assets		**-**	-
Goodwill		**3,949**	3,949
Interests in associates		**-**	-
Financial assets at fair value through other comprehensive income		**5,098**	6,651
Deferred income tax assets		**1,327**	997
Non-current prepayments and other receivables	*9*	**23,019**	3,170
		316,816	324,867
Current assets			
Inventories	*10*	**222,005**	273,739
Trade receivables	*9*	**231,999**	263,540
Prepayments, deposits and other receivables	*9*	**31,588**	54,441
Financial assets at fair value through profit or loss		**3**	52
Amounts due from associates		**585**	585
Cash and cash equivalents		**280,317**	161,874
		766,497	754,231
Total assets		**1,083,313**	1,079,098

	Note	2025 HK$'000	2024 HK$'000
LIABILITIES			
Non-current liabilities			
Bank borrowings		**-**	2,225
Lease liabilities		**1,891**	3,582
Deferred income tax liabilities		**734**	1,269
		2,625	7,076
Current liabilities			
Trade and other payables	*11*	**266,298**	227,909
Contract liabilities	*11*	**6,364**	8,479
Income tax payable		**15,937**	12,251
Lease liabilities		**1,859**	1,777
Bank borrowings		**2,225**	38,570
		292,683	288,986
Total liabilities		**295,308**	296,062
EQUITY			
Equity attributable to owners of the Company			
Share capital		**28,479**	28,479
Other reserves		**59,141**	65,500
Retained earnings		**698,427**	687,006
		786,047	780,985
Non-controlling interests		**1,958**	2,051
Total equity		**788,005**	783,036
Total equity and liabilities		**1,083,313**	1,079,098

Notes:

1. BASIS OF PREPARATION

(a) Compliance with HKFRS Accounting Standards ("HKFRSs") and the disclosure requirements of Hong Kong Companies Ordinance ("HKCO")

The consolidated financial information of the Group have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants and requirements of the HKCO Cap. 622.

(b) Historical cost convention

The consolidated financial information have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and investment properties which are carried at fair value.

(c) Amendments to existing standards and interpretation adopted by the Group

The following amendments to existing standards and interpretation are mandatory for the first time for the financial year beginning 1 April 2024 and have been adopted in the preparation of the consolidated financial information:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in Sale and Leaseback
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The adoption of these amendments to existing standards and interpretation does not have significant impacts on the Group's consolidated financial information.

(d) New standards, amendments to existing standards and interpretation that are not yet effective and have not been early adopted by the Group

The following new standards, amendments to existing standards and interpretation have been issued but are not effective for the financial year beginning 1 April 2024 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to HKAS 21	Lack of Exchangeability	1 April 2025
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 April 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature – Dependent Electricity	1 April 2026
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10, and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 April 2026
HKFRS 18	Presentation and Disclosure in Financial Statement	1 April 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 April 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The directors of the Group are in the process of assessing the financial impact of the adoption of the above new standards, amendments to existing standards and interpretation, and do not expect them to have a significant impact in the current reporting periods and on foreseeable future transactions. The directors of the Group will adopt the new standards, amendments to existing standards and interpretation when they become effective.

(e) HKFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 April 2027)

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

(i) Although the adoption of HKFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:

- Foreign exchange differences currently aggregated in the line item "other (losses)/gains – net" in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

- HKFRS 18 has specific requirements on the category in which derivative gains or losses are recognised – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the Group currently recognises some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognised, and the Group is currently evaluating the need for change.

(ii) The line items presented on the primary financial statements might change as a result of the application of the concept of "useful structured summary" and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the Group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.

(iii) The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- management-defined performance measures;
- a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
- for the first annual period of application of HKFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying HKFRS 18 and the amounts previously presented applying HKAS 1.

(iv) From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of 1 April 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 March 2027 will be restated in accordance with HKFRS 18.

2. SEGMENT INFORMATION

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 collectively who make strategic decisions and review the internal reporting of the Group in order to assess performance and allocate resources.

There are two reportable segments for the Group:

Electronic products	-	Develop, manufacture and sale of electronic products (other than pet-related electronic products)
Pet-related products	-	Manufacture and distribution of pet-related products

The CODM assesses the performance of the operating segments based on a measure of the results of reportable segments. Finance income and costs, corporate income and expenses, fair value gains or losses of financial assets, impairment loss on interest in an associate, bank borrowings, share of results of associates and income tax expenses are not included in the results for each operating segment that are reviewed by the CODM. Other information provided to the CODM is measured in a manner consistent with that in the consolidated financial information.

Revenue from external customers is shown after elimination of inter-segment revenue. Sales between segments, which mainly consist of sale of electronic components and products among subsidiaries, are carried out at mutually agreed terms. Revenue from external parties is measured in a manner consistent with that in the consolidated income statement.

Assets of reportable segments exclude current and deferred income tax assets, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, interests in and amounts due from associates, and corporate assets, all of which are managed on a central basis. Liabilities of reportable segments exclude bank borrowings, current and deferred income tax liabilities and corporate liabilities. These are part of the reconciliation to total balance sheet assets and liabilities.

The segment information provided to the CODM for the reportable segments for the year ended 31 March 2025 is as follows:

	2025			
	Electronic products *HK$'000*	**Pet-related products** *HK$'000*	**Elimination** *HK$'000*	**Total** *HK$'000*
Revenue				
Revenue from external customers	**1,195,637**	**192,370**	**-**	**1,388,007**
Inter-segment revenue	**135,357**	**63,682**	**(199,039)**	**-**
	1,330,994	**256,052**	**(199,039)**	**1,388,007**
Segment results	**40,117**	**11,377**		**51,494**
A reconciliation of segment results to profit for the year is as follows:				
Segment results				**51,494**
Unallocated expenses – net				**(19,034)**
Other income				**8,414**
Other losses – net				**(3,942)**
Operating profit				**36,932**
Finance income				**6,291**
Finance costs				**(1,779)**
Profit before income tax				**41,444**
Income tax expense				**(7,140)**
Profit for the year				**34,304**

	Electronic products *HK$'000*	**Pet-related products** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Other segment information				
Depreciation of property, plant and equipment	**28,573**	**262**	**1,953**	**30,788**
Depreciation of right-of-use assets	**2,038**	**323**	**2,320**	**4,681**
Additions to non-current assets (other than interests in associates, financial assets and deferred tax assets)	**15,678**	**858**	**19,049**	**35,585**

The segment information provided to the CODM for the reportable segments for the year ended 31 March 2024 is as follows:

	2024			
	Electronic products *HK$'000*	Pet-related products *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Revenue				
Revenue from external customers	1,160,198	240,095	-	1,400,293
Inter-segment revenue	166,121	53,905	(220,026)	-
	1,326,319	294,000	(220,026)	1,400,293
Segment results	48,389	4,921		53,310
A reconciliation of segment results to profit for the year is as follows:				
Segment results				53,310
Unallocated expenses – net				(15,403)
Other income				6,239
Other gains – net				810
Operating profit				44,956
Finance income				2,894
Finance costs				(6,384)
Profit before income tax				41,466
Income tax expense				(9,139)
Profit for the year				32,327

	Electronic products *HK$'000*	Pet-related products *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Other segment information				
Depreciation of property, plant and equipment	33,805	193	1,304	35,302
Depreciation of right-of-use assets	1,718	442	2,320	4,480
Additions to non-current assets (other than interests in associates, financial assets and deferred tax assets)	7,748	960	5,219	13,927

The segment assets and segment liabilities as at 31 March 2025 and the reconciliation to the total assets and total liabilities are as follows:

	2025		
	Electronic products *HK$'000*	**Pet-related products** *HK$'000*	**Total** *HK$'000*
Segment assets	**867,459**	**74,416**	**941,875**
Unallocated:			
Property, plant and equipment			**19,915**
Right-of-use assets			**18,121**
Investment properties			**16,768**
Deferred income tax assets			**1,327**
Amount due from an associate			**585**
Income tax recoverable			**66**
Other investments			**5,101**
Cash and cash equivalents			**51,903**
Other unallocated assets			**27,652**
Total assets per consolidated balance sheet			**1,083,313**
Segment liabilities	**258,383**	**13,332**	**271,715**
Unallocated:			
Bank borrowings			**2,225**
Deferred income tax liabilities			**734**
Income tax payable			**15,937**
Lease liabilities			**1,660**
Other unallocated liabilities			**3,037**
Total liabilities per consolidated balance sheet			**295,308**

The segment assets and segment liabilities as at 31 March 2024 and the reconciliation to the total assets and total liabilities are as follows:

	2024		
	Electronic products	Pet-related products	Total
	HK$'000	*HK$'000*	*HK$'000*
Segment assets	872,090	82,576	954,666
Unallocated:			
Property, plant and equipment			22,108
Right-of-use assets			20,440
Investment properties			19,462
Deferred income tax assets			997
Amounts due from an associate			585
Income tax recoverable			1,071
Other investments			6,703
Cash and cash equivalents			26,900
Other unallocated assets			26,166
Total assets per consolidated balance sheet			1,079,098
Segment liabilities	223,673	12,577	236,250
Unallocated:			
Bank borrowings			40,795
Deferred income tax liabilities			1,269
Income tax payable			12,251
Lease liabilities			3,269
Other unallocated liabilities			2,228
Total liabilities per consolidated balance sheet			296,062

An analysis of the Group's revenue from external customers by country of destination for the years ended 31 March 2025 and 2024 is as follows:

	2025	2024
	HK$'000	*HK$'000*
The United States of America (the "USA")	**547,504**	617,211
The PRC*	**525,804**	497,281
Japan	**104,605**	111,523
Singapore	**75,020**	19,730
France	**52,884**	51,387
Australia	**38,882**	39,463
United Kingdom	**19,500**	19,604
Germany	**-**	5,883
Others	**23,808**	38,211
	1,388,007	1,400,293

*The PRC, including Hong Kong and Taiwan

An analysis of the Group's non-current assets, excluding financial assets at fair value through other comprehensive income, deferred income tax assets, non-current other receivables and interests in associates, by geographical locations is as follows:

	2025	2024
	HK$'000	HK$'000
The PRC*	**232,386**	240,601
Vietnam	**75,305**	83,268
	307,691	323,869

*The PRC, including Hong Kong and Taiwan

For the year ended 31 March 2025, external revenue of approximately HK$298,761,000 (2024: HK$380,805,000) was generated from two (2024: two) major customers. The customers accounted for 10% or more (2024: 10% or more) of the Group's revenue.

No other customer accounted for more than 10% of the Group's revenue for the years ended 31 March 2025 and 2024.

3. OTHER (LOSSES)/GAINS – NET

	2025	2024
	HK$'000	*HK$'000*
Net foreign currency exchange loss	**(4,454)**	(3,138)
Net fair value (losses)/gains on financial assets at fair value through profit or loss	**(49)**	22
Fair value (loss)/gain on investment properties	**(2,694)**	3,768
Gain on lease termination	**-**	26
Gain on disposals of property, plant and equipment	**3,255**	132
	(3,942)	810

4. EXPENSES BY NATURE

Expenses included in cost of sales, distribution and selling expenses and general and administrative expenses are analysed as follows:

	2025	2024
	HK$'000	*HK$'000*
Cost of inventories	**968,097**	970,418
Depreciation of property, plant and equipment	**30,788**	35,302
Depreciation of right-of-use assets	**4,681**	4,480
Operating lease rental for short-term leases	**891**	1,084
Employee benefit expense (including directors' emoluments)	**242,415**	242,502
Auditor's remuneration		
– Audit services	**3,340**	3,340
– Non-audit services	**1,262**	1,182
Commission	**2,277**	3,728
Donations	**268**	266
Legal and professional fee	**3,687**	2,905
Advertising	**6,140**	5,217
Repairs and maintenance	**3,681**	4,463
Transportation	**11,169**	12,497
Utilities expense	**12,273**	12,458
Entertainment	**3,362**	5,592
Insurance	**1,391**	1,332
Other expenses	**58,188**	54,571
Total cost of sales, distribution and selling expenses and general and administrative expenses	**1,353,910**	1,361,337

5. FINANCE INCOME/ (COSTS) – NET

	2025	2024
	HK$'000	*HK$'000*
Interest income from:		
– bank deposits	**6,064**	1,688
– overdue interests received from customers	**227**	596
– others	**-**	610
Finance income	**6,291**	2,894
Interest expense on:		
– bank borrowings	**(1,557)**	(6,108)
– lease liabilities	**(222)**	(276)
Finance costs	**(1,779)**	(6,384)
Finance income/(costs) – net	**4,512**	(3,490)

6. INCOME TAX EXPENSE

(a) Bermuda and British Virgin Islands income tax

The Company is exempted from taxation in Bermuda until 2035. The Company's subsidiaries in the British Virgin Islands are incorporated under the International Business Acts of the British Virgin Islands and, accordingly, are exempted from the British Virgin Islands income taxes.

(b) Hong Kong profits tax

For the years ended 31 March 2025 and 2024, the Group is eligible to nominate one Hong Kong incorporated entity in the Group to be chargeable at the two-tiered profits tax rates, whereby profits tax will be chargeable on the first HK$2 million of assessable profits at 8.25% and assessable profits above this threshold will be subject to a rate of 16.5%. Hong Kong profits tax for other Hong Kong incorporated entities in the Group has been provided for at the rate of 16.5% on the estimated assessable profits.

(c) PRC corporate income tax

The Group's subsidiaries in the PRC are subject to corporate income tax at 25% (2024: 25%) effective from 1 January 2008. According to a policy promulgated by the State Tax Bureau of the PRC and effective from 2008 onwards, enterprises engaged in research and development activities are entitled to claim ranging from 150% to 175% of the research and development expenses so incurred in a period as tax deductible expenses in determining its tax assessable profits for that period ("Super Deduction"). Certain PRC subsidiaries have applied such Super Deduction during the year.

(d) Vietnam taxation

The subsidiaries established and operated in Vietnam were subject to corporate income tax at a rate of 20% (2024: 20%). The Group's subsidiaries incorporated in Vietnam are entitled to tax holiday under which its profits would be fully exempted from Vietnam enterprise income tax ("EIT") for two years starting from its first year of profitable operations after offsetting prior year tax losses, followed by 50% reduction in EIT in next four years.

(e) The amount of income tax charged to the consolidated income statement represents:

	2025	2024
	HK$'000	*HK$'000*
Current income tax:		
– Hong Kong profits tax	**4,609**	2,423
– Income tax outside Hong Kong	**3,294**	1,313
– Over-provision in prior years	**102**	4,143
Deferred income tax (credit)/charge	**(865)**	1,260
Total income tax expense	**7,140**	9,139

7. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2025	2024
Profit attributable to owners of the Company (HK$'000)	**34,397**	32,059
Weighted average number of ordinary shares in issue ('000)	**284,790**	284,790
Basic earnings per share (HK cents)	**12.08**	11.26

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares which is the share options granted to directors and employees. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2025	2024
Profit attributable to owners of the Company (HK$'000)	**34,397**	32,059
Weighted average number of ordinary shares in issue ('000)	**284,790**	284,790
Weighted average number of ordinary shares for diluted earnings per share ('000)	**284,790**	284,790
Diluted earnings per share (HK cents)	**12.08**	11.26

8. DIVIDENDS

An interim dividend of HK$11,392,000 (HK4.0 cents per share) for the period ended 30 September 2024 was paid during the current year. A final dividend of HK$11,392,000 (HK4.0 cents per share) for the year ended 31 March 2024 was paid during the current year. A final dividend of HK4.0 cents per share for the year ended 31 March 2025, totalling approximately HK$11,392,000, is to be proposed at the annual general meeting on 8 August 2025. The consolidated financial information do not reflect such dividend to be payable.

	2025	2024
	HK$'000	*HK$'000*
Interim dividend, paid, of HK4.0 cents (2024: HK4.0 cents) per ordinary share	**11,392**	11,392
Final dividend, proposed, of HK4.0 cents (2024: HK4.0 cents) per ordinary share	**11,392**	11,392
	22,784	22,784

9. TRADE RECEIVABLES AND PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The carrying values of the Group's trade receivables and deposits and other receivables approximate their fair values.

(a) Trade receivables

	2025	2024
	HK$'000	*HK$'000*
Trade receivables	**239,365**	270,244
Less: Loss allowance	**(7,366)**	(6,704)
Trade receivables, net	**231,999**	263,540

As at 31 March 2025, the ageing analysis of trade receivables based on invoice date is as follows:

	2025	2024
	HK$'000	*HK$'000*
0 to 30 days	**203,778**	248,290
31 to 60 days	**19,669**	11,273
61 to 90 days	**553**	3,628
91 to 180 days	**8,316**	805
Over 180 days	**7,049**	6,248
	239,365	270,244
Less: Loss allowance	**(7,366)**	(6,704)
Trade receivables, net	**231,999**	263,540

All trade receivables are either repayable within one year or on demand. The Group generally grants credit terms of 30 to 60 days to its customers.

(b) Prepayments, deposits and other receivables

	2025	2024
	HK$'000	*HK$'000*
Amount due from Guangdong Fuchuan *(Note)*	**3,033**	21,062
Prepayments to vendors	**11,093**	13,851
Prepayments for plant and equipment	**1,354**	470
Prepayments for investment properties *(Note)*	**18,965**	-
Other prepayments	**3,240**	3,445
Rental and other deposits	**1,555**	1,145
Value added tax receivables	**4,782**	2,343
Income tax recoverable	**66**	1,071
Others receivables	**17,497**	19,702
Less: Loss allowance	**(6,978)**	(5,478)
	54,607	57,611
Less: Non-current prepayments and other receivables	**(23,019)**	(3,170)
Current portion	**31,588**	54,441

Note:

Amount due from Guangdong Fuchuan is arisen from the disposal of interest in a joint venture, Huizhou Jiayifu Real Estate Development Co., Ltd ("Huizhou Jiayifu"), in September 2022 at a consideration of RMB45,900,000, payable by Guangdong Fuchuan Investment Co., Ltd ("Guangdong Fuchuan") in instalments.

In November 2023, the Group received investment properties of approximately HK$15,759,000 from Guangdong Fuchuan as part of the consideration. As at 31 March 2024, taking into account the discounting impact, the outstanding consideration receivable due from Guangdong Fuchuan amounted to approximately RMB19,502,000 (equivalent to approximately HK$21,062,000), are expected to be collected by instalments during the year ended 31 March 2025. Pursuant to the termination agreement, if Guangdong Fuchuan fails to repay the outstanding balances based on the mutually agreed schedule, the Group has the right to demand Guangdong Fuchuan to settle the receivables by transferring Guangdong Fuchuan's properties at prices equal to 80% of their market value.

On 31 March 2025, Guangdong Fuchuan, Guangdong Fuchuan's shareholders (i.e. Mr. Xu, Mr. Zhuang, Mr. Liu) and Nodic-Matsumoto (indirect wholly-owned subsidiary of the Company) entered into a debt settlement agreement for the outstanding undiscounted amount of approximately RMB20,368,000. Pursuant to the debt settlement agreement, Guangdong Fuchuan shall settle RMB17,560,000 by transferring 54 residential units owned by Mr. Xu to Nodic-Matsumoto. The consideration represents approximately 80% of the aggregate fair market value of the residential units of RMB21,950,000 as at 31 March 2025. As at the same date, the registration of the residential units were still under process and the transfers of ownership were not yet completed. The relevant balance of the settlement is reclassified as a prepayment for investment properties which is included in the non-current assets of the Group as at 31 March 2025. On 23 May 2025, the ownership of the residential units were all transferred to the Group.

Pursuant to the debt settlement agreement abovementioned, the remaining undiscounted balance of approximately RMB2,808,000 (equivalent to approximately HK$3,033,000) shall be settled by 31 December 2025.

10. INVENTORIES

	2025	2024
	HK$'000	*HK$'000*
Raw materials	**164,175**	236,985
Work-in-progress	**45,412**	22,200
Finished goods	**17,783**	18,849
	227,370	278,034
Less: Provision of impairment	**(5,365)**	(4,295)
	222,005	273,739

11. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

(a) Trade and other payables

	2025	2024
	HK$'000	*HK$'000*
Trade payables	**226,724**	188,729
Salaries and staff welfare payable	**18,574**	21,530
Accrued expenses	**8,256**	5,427
Others	**12,744**	12,223
Total trade and other payables	**266,298**	227,909

The ageing analysis of trade payables based on invoice date is as follows:

	2025	2024
	HK$'000	*HK$'000*
0 to 30 days	**174,228**	168,966
31 to 60 days	**5,459**	8,622
61 to 90 days	**8,251**	1,071
91 to 180 days	**17,359**	4,043
Over 180 days	**21,427**	6,027
	226,724	188,729

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

(b) Contract liabilities

The contract liabilities represent the advance payments received from counterparties for goods that have not yet been transferred to customers. The Group has recognised the following liabilities related to contracts with customers:

	2025	2024
	HK$'000	*HK$'000*
Contract liabilities – sales of goods	**6,364**	8,479

FINANCIAL PERFORMANCE

During the year under review, global economy confronted a myriad of challenges as it navigated persistent pressures within an evolving macro-environmental landscape. Geopolitical tension drove up transportation costs, policy uncertainties under the Trump administration increased, and the Sino-US strategic rivalry deepened further. At the beginning of 2025, the U.S. announced increase in import tariffs on commodities from different places, shaking up the trade partnership mechanism and global supply chain, and businesses generally adopted the wait-and-see approach in investment and production, to resolve current difficulties requires international coordination over the long-term structural challenges. In an economy with pressures and opportunities, the Group maintained stable operations and actively responded to the challenges from market fluctuation. Through sustained cost-control efforts, streamlined management practices, improved production efficiency—supported by its diversified product mix strategy and strong R&D capability, the Group operating results achieved steady performance during the year.

Revenue for the year was HK$1,388.0 million (FY2023/24: HK$1,400.3 million), which was approximately 0.9% less against last year, basically flat. The Group's annual gross profit was HK$192.7 million and gross profit margin narrowed slightly to 13.9% (FY2023/24: HK$203.3 million and 14.5%). Profit attributable to shareholders increased by 7.3% to HK$34.4 million (FY2023/24: HK$32.1 million), mainly attributable to the substantial decline in interest expenses and increase in interest income. Net profit margin was 2.5% (FY2023/24: 2.3%). Basic earnings per share were HK12.08 cents (FY2023/24: HK 11.26 cents).

BUSINESS OVERVIEW

Electronic Products

As the core business of the Group, electronic products remained the main revenue source during the year under review. Sales for the year amounted to HK$1,195.6 million (FY2023/24: HK$1,160.2 million), remaining largely consistent with the previous year's figures, representing 86.1% of the Group's total revenue.

SUGA has actively expanded Internet of Things ("IoT") business over recent years, driven by continuous development of relevant products and growing market demand. This success is also attributed to the Group's enhanced one-stop solutions to fully address business partners' requirements, leading to significant revenue contributions from IoT products. In particular, with demand for security tracking of trucks and large retail facilities increasing in the U.S. market, the Group made significant income from asset tracker orders. Electronic paper displays, which became one of the Group's key products in the previous fiscal year, achieved stable sales performance and maintained their revenue contribution. To address expanding IoT application scenarios, the Group has been offering customers an increasingly diversified product portfolio.

During the year, other customers adopted a cautious and conservative approach to order placements. Revenue from professional audio equipment declined. Orders for hearing-impaired telephones rebounded following inventory adjustments. Leveraging its diversified product portfolio, the Group demonstrated resilience amid market volatility. It maintained stable relationships with long-standing customers and successfully acquired new clients. Notably, orders from new customers in Mainland China increased significantly, accounting for a growing share of total revenue.

Pet Business

Pet business achieved sales of HK$192.4 million for the year (FY2023/24: HK$240.1 million), representing a decrease of 19.9% year-on-year and accounting for 13.9% of the Group's total sales.

The slight decline in sales of pet electronic products stemmed primarily from customers revising purchasing strategies and implementing stricter inventory controls, resulting in fewer orders. Amid an economic downturn, consumer behavior shifted toward prioritizing essential products, indicating that spending sentiment remains subdued.

Sales in the pet food and accessories business remained stable. In the Hong Kong market, the Group's healthy pet products remained attractive to consumers. Having entered the Japanese market for seven years since 2018, the Group now runs a stable and mature operation there. Its proprietary pet food brand "Brabanconne" boasts satisfactory sales performance on e-commerce platforms. In Mainland China, sales declined during the year mainly due to the consumption downgrade trend. Overall, the pet business segment is powered by two key drivers: strong overseas performance and a solid foundation in the mainland market. This demonstrates the effectiveness of the Group's "multi-regional development" strategy.

Adhering to its principle of building a pet health ecosystem, the Group continues to focus on product R&D and has consistently strived to enhance the quality of its pet food. It is actively integrating resources, optimizing management, and improving efficiency, while also strengthening related business systems to support the development of its pet food business across different regions.

OUTLOOK

In the macroeconomic landscape of the second half of 2025, evolving tariff barriers between economies and highly uncertain trade policies have disrupted production and operations. Against the backdrop of a volatile global economic landscape, the Group is responding to the multiple challenges posed by these shifting trade dynamics with strategic resilience. Adopting a prudent approach of "watching developments closely and acting when appropriate", the management is carefully monitoring the situation and seeking new growth opportunities. Its global business portfolio is expected to mitigate regional risks, while the "China Plus One" production layout provides a flexible mechanism to hedge against tariffs and reduce reliance on single policies. Additionally, synergies from continuous R&D advancements and refined cost controls will enhance operational efficiency, positioning the Group to deliver sustainable shareholder returns as market uncertainties subside.

The Group's core electronic product business is expected to continue to grow steadily. Driven by macroeconomic uncertainties, key customers have shifted toward centralized purchasing in larger volumes, placing larger single orders to secure bulk discounts. This shift has allowed the Group to strengthen economies of scale within its supply chain and implement tighter inventory management. SUGA will proactively engage with customers to resolve issues and secure substantial orders, ensuring sustained revenue growth. Additionally, offering materials with high cost-effectiveness presents new growth opportunities for Mainland China orders. Coupled with Chinese companies expanding globally and deepening their commitment to the "going global and attracting foreign investment" strategy, the Group is poised to leverage its "China Plus One" advantage and seize relevant opportunities, capitalizing on its competitive edge in production capacity, efficiency, and experience.

With continuous technological iterations and the emergence of new application scenarios, the IoT business holds significant potential to drive economic and social development. The Group's IoT business has grown rapidly in recent years, as its business coverage expands. It will continue to adapt to market trends and expand its diversified business portfolio. In April 2025, to strengthen R&D capabilities and provide one-stop services spanning design, R&D, production, and sales, SUGA acquired the Irish IoT company TxWireless. Boasting an R&D team of professional engineers capable of delivering comprehensive design, manufacturing, and back-end services, the acquisition enables the Group to reduce costs, risks, and production lead times for new IoT products. The Group believes this move will enhance R&D capabilities and facilitate its expansion into broader customer bases across European and American markets. Beyond hardware production and sales, SUGA anticipates opportunities to generate licensing fees from proprietary intellectual property, creating a more flexible and diversified revenue stream.

The Group expects its pet business to maintain growth momentum in the second half of the year. Backed by a seasoned pet product R&D and production team, it will continue to focus on market demand trends to build a complete pet health ecosystem. The Group also anticipates expansion in Japan, driven by the strengthening Japanese yen. In other consumer markets, it will analyze preferences and sentiment to ensure stable growth across regions.

With rigorous cost management, the Group has maintained a stable financial structure. Currently, it holds robust liquidity reserves, supported by strong cash flow, providing a foundation for strategic capital allocation. Additionally, its well-established manufacturing facilities in Mainland China and Vietnam position it to efficiently manage new orders. Moving forward, SUGA will make precise, timely decisions to drive breakthroughs during industrial upgrades, thereby gaining even stronger momentum to unlock shareholder value.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2025, the current assets and current liabilities of the Group were approximately HK$766.5 million (31 March 2024: HK$754.2 million) and approximately HK$292.7 million (31 March 2024: HK$289.0 million) respectively. The liquidity ratio, which is calculated as current assets over current liabilities, was 2.62 times as at 31 March 2025, as compared to that of 2.61 times as at 31 March 2024.

The Group generally finances its operations by internally generated resources and banking facilities provided by its principal bankers in Hong Kong. Banking facilities used by the Group include revolving loans, overdrafts and term loans, which are primarily on floating interest rates basis. As at 31 March 2025, the Group maintained cash and bank balances at approximately HK$280.3 million (31 March 2024: HK$161.9 million) and total bank borrowings were HK$2.2 million (31 March 2024: HK$40.8 million). Net cash position (total bank borrowings less cash and cash equivalents) was HK$278.1 million (31 March 2024: HK$121.1 million). Gearing ratio, expressed as a percentage of total bank borrowings over total equity, was 0.3% (31 March 2024: 5.2%).

The Group's total assets and total liabilities as at 31 March 2025 amounted to approximately HK$1,083.3 million (31 March 2024: HK$1,079.1 million) and HK$295.3 million (31 March 2024: HK$296.1 million) respectively. The debt ratio, which is calculated based on total liabilities over total assets, was approximately 0.27 times as at 31 March 2025, as compared to that of approximately 0.27 times as at 31 March 2024.

The net asset value of the Group increase from HK$783.0 million as at 31 March 2024 to HK$788.0 million as at 31 March 2025, the increase is mainly attributable by the net effect of comprehensive profit for the year and final dividends paid for the financial year 2023/24 as well as interim dividend paid for financial year 2024/25.

As at 31 March 2025, the Group had aggregate banking facilities of approximately HK$768.3 million (31 March 2024: HK$792.8 million) from its principal bankers for overdrafts, loans and trade financing, with unused facilities of HK$760.9 million (31 March 2024: HK$735.8 million).

FOREIGN EXCHANGE EXPOSURE

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily respect to Renminbi, Hong Kong dollars, United States dollars and Vietnamese Dong. As Hong Kong dollars is pegged against United States dollars, the Group mainly exposed to foreign currency risk with respect to Renminbi and Vietnamese Dong. The Group monitors foreign currency exchange exposure and will use forward foreign exchange contracts as appropriate to hedge the foreign exchange risk in the ordinary course of business.

As at 31 March 2025 and 2024, the Group has not used any financial instruments to hedge against foreign currency risk. It is the Group's policy not to enter into derivative transactions for speculative purposes.

PLEDGE OF ASSETS

The Group did not pledge any assets as securities for the banking facilities granted to the Group as at 31 March 2025 and 2024.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 March 2025, the Group had a capital commitment of HK$0.2 million for property, plant and equipment (31 March 2024: HK$3.8 million).

Corporate guarantees given to banks to secure the borrowings granted to subsidiaries as at 31 March 2025 amounted to HK$2.2 million (31 March 2024: HK$40.8 million). As at 31 March 2025, the Group did not provide any financial guarantees except for corporate guarantees given to banks to secure the borrowings granted to subsidiaries (31 March 2024: Same).

HUMAN RESOURCES

As at 31 March 2025 the Group has approximately 2,137 employees, of which 48 were based in Hong Kong, while the rest were mainly in Mainland China and Vietnam. Remuneration policy was reviewed regularly, making reference to current legislation, market condition and both the individual and company performance. In addition to salaries and other usual benefits like annual leave, medical insurance and various mandatory pension schemes, the Group also provides educational sponsorship subsidies, discretionary performance bonus and share options.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's shares during the year.

CORPORATE GOVERNANCE

The Board of Directors (the "Board") and the management of Suga International Holdings Limited (the "Company") are committed to attain and uphold a high standard of corporate governance that properly protect and promote the interests of its shareholders and other stakeholders including customers, suppliers, employees and the general public.

Throughout the financial year ended 31 March 2025, the Company had complied with all applicable code provisions as set out in the Appendix C1 "Corporate Governance Code" to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "CG Code").

AUDIT COMMITTEE

The audit committee of the Company comprises three independent non-executive directors of the Company. The audit committee had reviewed with management the accounting principles and practices adopted by the Group and discussed, among other things, the internal control system and risk management, and financial reporting matters including the review of consolidated financial statements of the Group for the year ended 31 March 2025.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ending 31 March 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

FINAL DIVIDEND

The Board has proposed the payment of a final dividend of HK4.0 cents per ordinary share (FY2023/24: Final dividend of HK4.0 cents per ordinary share) to shareholders whose names appear on the Register of Shareholders of the Company on 14 August 2025. Together with the interim dividend of HK4.0 cents per ordinary share already paid, the total dividend for the year would be HK8.0 cents per ordinary share (FY2023/24: HK8.0 cents per ordinary share). Subject to the approval of shareholders at the 2025 Annual General Meeting, the proposed final dividend will be paid on or before 22 August 2025.

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

(a) In end of March 2025, the Group entered into a sale and purchase agreement with an independent third party to conditionally acquire all the shares of TxWireless Limited, an Ireland-incorporated company, for a completion consideration of approximately €302,000 (equivalent to approximately HK$2,465,000), and an earn-out consideration representing 3% of the eligible sales over the next three years following the completion of the acquisition. The Group fulfilled all the conditions in the agreement in April 2025 and completed the acquisition.

    The Group is in the progress of assessing the financial impact to the Group's financial information as a result of this acquisition and the above transaction had no financial impact to the consolidated financial information for the year ended 31 March 2025 since the completion of the transaction was subsequent to the year end.

(b) In 2025, the U.S. government has announced certain tariffs and relevant new policies affecting various countries or regions as well as industries, thereby creating uncertainties to the economic development of various countries and global trade. Specifically, the U.S. announced new reciprocal tariffs on all imports into the United States and made several subsequent modifications in April 2025. The aforementioned tariff policies have been rapidly evolving and currently the Group cannot accurately assess the potential impact of such policies on the Group's business.

CLOSURE OF REGISTER OF SHAREHOLDERS

The Register of Shareholders of the Company will be closed from 5 August 2025 to 8 August 2025 (both days inclusive), during which period no transfer of shares in the Company will be registered, for the purpose of determining the identity of the shareholders entitled to attend and vote at 2025 Annual General Meeting. In order to qualify to attend and vote at the meeting, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on 4 August 2025.

The Register of Shareholders of the Company will be closed on 14 August 2025 during which day no transfer of shares in the Company will be registered, for the purpose of determining the entitlement of the shareholders to receive the proposed final dividend. Subject to approval of the shareholders at the 2025 Annual General Meeting, the proposed final dividend will be payable to the shareholders whose names appear on the Register of Shareholders of the Company on 14 August 2025. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on 13 August 2025.

ANNUAL GENERAL MEETING

The 2025 Annual General Meeting will be held at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Friday, 8 August 2025 at 3:00 p.m.. For details of the 2025 Annual General Meeting, please refer to the notice of such meeting which is expected to be published on or about 9 July 2025.

PUBLICATION OF FINAL RESULTS ON THE STOCK EXCHANGE'S WEBSITE

All the financial and other related information of the Company required by the Listing Rules will be published on the Stock Exchange's website at (www.hkexnews.hk) and the Company's website at (www.suga.com.hk). The annual report will be dispatched to the shareholders and will be available on the website of the Stock Exchange and the website of the Company in due course.

By order of the Board
Suga International Holdings Limited
NG Chi Ho
Chairman and Executive Director

Hong Kong, 26 June 2025

As at the date hereof, the executive directors of the Company are Dr. NG Chi Ho and Dr. NG Man Cheuk, the non-executive directors of the Company are Mr. MA Fung On, Mr. LEE Kam Hung and Prof. LUK Wing Ching and the independent non-executive directors of the Company are Mr. LEUNG Yu Ming, Steven, Mr. CHAN Kit Wang and Dr. LAW Sui Chun.