

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**CHINA AGRI-PRODUCTS EXCHANGE LIMITED**

**中國農產品交易有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 0149)**

**ANNOUNCEMENT OF FINAL RESULTS  
FOR THE YEAR ENDED 31 MARCH 2025**

**ANNUAL FINANCIAL HIGHLIGHTS**

<i>HK\$ million</i>	<b>FY2025</b>	<b>FY2024</b>	<b>Change</b>
Revenue	<b>530.8</b>	579.1	-8.3%
Gross Profit	<b>296.4</b>	343.3	-13.7%
Net Profit	<b>32.1</b>	26.9	19.3%
Profit attributable to owners of the parent	<b>7.8</b>	7.4	5.4%
	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>	
Net Asset Value	<b>2,027.0</b>	2,068.7	-2.0%
Cash and Bank Balances and Pledged Bank Deposits	<b>181.7</b>	283.0	-35.8%
Gearing Ratio	<b>46.3%</b>	49.9%	-3.6%

## RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of China Agri-Products Exchange Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (collectively referred to the “**Group**”) for the year ended 31 March 2025, together with the comparative figures for the year ended 31 March 2024, as follows:

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

*Year ended 31 March 2025*

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
<b>Revenue</b>	<i>4</i>	<b>530,761</b>	579,132
Cost of sales		<u>(234,372)</u>	<u>(235,840)</u>
<b>Gross profit</b>		<b>296,389</b>	343,292
Other income and gains	<i>5</i>	<b>46,858</b>	119,261
General and administrative expenses		<b>(169,608)</b>	(160,745)
Selling expenses		<b>(18,200)</b>	(36,373)
Gain on early redemption of unsecured notes		–	14,106
Share of profits and losses of a joint venture		<u><b>379</b></u>	<u>–</u>
<b>Profit from operations before fair value changes and impairment</b>		<b>155,818</b>	279,541
Reversal of impairment losses/(impairment losses) on financial assets, net		<b>(16,176)</b>	628
Write-down of properties held for sale		–	(2,919)
Fair value gains/(losses) on financial assets at fair value through profit or loss, net		<b>(418)</b>	120
Fair value losses on owned investment properties, net		<u><b>(12,041)</b></u>	<u>(82,678)</u>
<b>Profit from operations</b>		<b>127,183</b>	194,692
Finance costs	<i>7</i>	<u><b>(91,575)</b></u>	<u>(111,575)</u>
<b>Profit before taxation</b>	<i>6</i>	<b>35,608</b>	83,117
Income tax expense	<i>8</i>	<u><b>(3,481)</b></u>	<u>(56,241)</u>
<b>Profit for the year</b>		<u><b>32,127</b></u>	<u>26,876</u>

		2025	2024
	Note	HK\$'000	HK\$'000
<b>Profit for the year</b>		<b>32,127</b>	26,876
<i>Other comprehensive income/(loss)</i>			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translating foreign operations, net		(74,033)	(83,953)
Release of exchange reserve upon disposal of subsidiaries during the year		<u>12,940</u>	<u>–</u>
Other comprehensive loss for the year		<u>(61,093)</u>	<u>(83,953)</u>
Total comprehensive loss for the year		<u><b>(28,966)</b></u>	<u><b>(57,077)</b></u>
Profit for the year attributable to:			
Owners of the parent		7,833	7,353
Non-controlling interests		<u>24,294</u>	<u>19,523</u>
Total		<u><b>32,127</b></u>	<u><b>26,876</b></u>
Total comprehensive income/(loss) for the year attributable to:			
Owners of the parent		(48,904)	(66,353)
Non-controlling interests		<u>19,938</u>	<u>9,276</u>
Total		<u><b>(28,966)</b></u>	<u><b>(57,077)</b></u>
Earnings per share attributable to ordinary equity holders of the parent			
– Basic and diluted ( <i>HK cents</i> )	10	<u><b>0.08</b></u>	<u>0.07</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		66,365	61,988
Right-of-use assets		11,107	18,270
Investment properties		2,595,727	2,809,556
Interests in a joint venture		152,740	–
Loan and interest receivables		9,755	8,021
Prepayments		–	6,787
Deferred tax assets		4,089	5,320
Total non-current assets		2,839,783	2,909,942
<b>CURRENT ASSETS</b>			
Properties under development		35,017	65,531
Properties held for sale		996,978	1,173,590
Trade receivables	11	1,280	2,055
Prepayments, deposits and other receivables		178,101	183,806
Loan and interest receivables		1,513	19,621
Financial assets at fair value through profit or loss		57	475
Pledged bank deposits		–	39,611
Cash and bank balances		181,673	243,435
Total current assets		1,394,619	1,728,124
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	300,079	255,504
Contract liabilities		67,115	158,693
Receipts in advance		136,900	192,143
Interest-bearing bank and other borrowings		286,156	362,624
Unsecured notes		12,958	–
Lease liabilities		2,961	6,064
Income tax payable		73,940	107,526
Total current liabilities		880,109	1,082,554
<b>NET CURRENT ASSETS</b>		514,510	645,570
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,354,293	3,555,512

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing bank and other borrowings	774,184	951,889
Unsecured notes	47,720	–
Lease liabilities	21,749	26,805
Deferred tax liabilities	483,605	508,074
	<u>          </u>	<u>          </u>
Total non-current liabilities	1,327,258	1,486,768
	<u>          </u>	<u>          </u>
<b>Net assets</b>	2,027,035	2,068,744
	<u>          </u>	<u>          </u>
<b>EQUITY</b>		
Equity attributable to owners of the parent		
Issued capital	99,531	99,531
Reserves	1,530,051	1,575,980
	<u>          </u>	<u>          </u>
	1,629,582	1,675,511
Non-controlling interests	397,453	393,233
	<u>          </u>	<u>          </u>
<b>Total equity</b>	2,027,035	2,068,744
	<u>          </u>	<u>          </u>

# NOTES TO FINANCIAL INFORMATION

## 1. BASIS OF PREPARATION

This financial information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and financial assets at fair value through profit or loss which have been measured at fair value.

This financial information is presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

## 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRS Accounting Standards for the first time for the current year’s financial statements.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The nature and the impact of the revised HKFRS Accounting Standards that are applicable to the Group are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group’s financial statements.

### 3. OPERATING SEGMENT INFORMATION

The Group has two reportable segments under HKFRS 8: (i) the agricultural produce exchange market operation segment which engages in the management and investment of agricultural produce exchange markets in Mainland China and fresh food stores in Hong Kong and (ii) property sales segment which engages in the development of properties. The segmentations are based on the information about the operation of the Group that management uses to make decisions and regularly review by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance.

#### Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments for both years:

	Agricultural produce exchange market operation		Property sales		Unallocated		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Revenue</b>								
External sales	<u>406,316</u>	<u>404,801</u>	<u>124,445</u>	<u>174,331</u>	<u>–</u>	<u>–</u>	<u>530,761</u>	<u>579,132</u>
<b>Results</b>								
Segment results	<u>191,292</u>	<u>104,810</u>	<u>(802)</u>	<u>33,899</u>	<u>–</u>	<u>–</u>	<u>190,490</u>	<u>138,709</u>
Other income and gains	44,622	113,442	–	–	2,236	5,819	46,858	119,261
Reversal of impairment losses/ (impairment losses) on financial assets, net	271	1,190	–	–	(16,447)	(562)	(16,176)	628
Fair value gain/(losses) on financial assets at fair value through profit or loss, net	–	–	–	–	(418)	120	(418)	120
Unallocated corporate expenses					(93,571)	(64,026)	(93,571)	(64,026)
Profit from operations							127,183	194,692
Finance costs	(41,358)	(44,206)	–	–	(50,217)	(67,369)	(91,575)	(111,575)
Profit before taxation							35,608	83,117
Income tax expense							(3,481)	(56,241)
Profit for the year							<u>32,127</u>	<u>26,876</u>

Segment results represent the profit/(losses) from each segment without allocation of certain other income and gains, net impairment losses or its reversal on financial assets, net fair value gains/(losses) on financial assets at fair value through profit or loss, head office and corporate income and expenses, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

#### 4. REVENUE

Revenue is analysed as follows:

	2025 HK\$'000	2024 HK\$'000
<b>Revenue from contracts with customers:</b>		
Revenue from property ancillary services	88,731	87,062
Commission income from agricultural produce exchange market	80,005	83,688
Revenue from property sales	124,445	174,331
Revenue from food and agricultural by-products merchandising	30,608	30,594
	<u>323,789</u>	<u>375,675</u>
<b>Revenue from other sources:</b>		
Gross rental income from investment property operating leases	206,972	203,457
	<u>206,972</u>	<u>203,457</u>
Total	<u><u>530,761</u></u>	<u><u>579,132</u></u>

#### 5. OTHER INCOME AND GAINS

	2025 HK\$'000	2024 HK\$'000
Bank and other interest income	1,242	2,808
PRC government grants ( <i>note (i)</i> )	4,564	4,618
Gain on disposal of subsidiaries	35,794	—
Reversal of aged payables ( <i>note (ii)</i> )	—	101,840
Gain on termination of lease contracts	239	—
Others	5,019	9,995
	<u>5,019</u>	<u>9,995</u>
Total	<u><u>46,858</u></u>	<u><u>119,261</u></u>

*Notes:*

- (i) PRC government grants represent various form of subsidies granted to the Group by the local governmental authorities in the PRC for compensation and expenses incurred by the Group. These grants are generally made for business support and awarded to enterprises on a discretionary basis. The Group received these government grants for the business support on its investments in the agricultural products exchange markets in Mainland China. There are no unfulfilled conditions or contingencies relating to these grants.
- (ii) In the opinion of the Company's directors, after taking into account the legal opinion from the Group's legal advisor, the limitation period of claims for all the related aged payables have expired during the year and therefore it is remote that the Group is required to settle the related aged payables. Accordingly, the full amount of the related aged payables was reversed during the year ended 31 March 2024.



## 6. PROFIT BEFORE TAXATION

The Group's profit before taxation is arrived at after charging/(crediting):

	2025 HK\$'000	2024 HK\$'000
Cost of properties sold	113,778	127,359
Cost of services provided	96,406	88,730
Cost of goods sold	24,188	19,751
Auditor's remuneration	2,100	2,200
Depreciation on property, plant and equipment	17,324	15,598
Depreciation on right-of-use assets	5,411	5,827
Losses on disposal on items of property, plant and equipment, net	192	134
Expenses relating to short-term leases	416	487
Employee benefit expenses (including directors' remuneration)**:		
Wages and salaries and other benefits	120,609	119,618
Equity-settled share option expense	2,975	3,838
Pension scheme contributions*	12,214	12,882
Total	135,798	136,338
Foreign exchange difference, net	4,259	(313)
Impairment losses/(reversal of impairment losses) on financial assets, net:		
Trade receivables	170	(855)
Financial assets included in prepayments, deposits and other receivables	(408)	(187)
Loan and interest receivables	16,414	414
Total	16,176	(628)
Gross rental income	(206,972)	(203,457)
Less: Direct outgoing expense**	27,089	25,969
Net rental income	(179,883)	(177,488)
Fair value losses/(gains) on sub-leased investment properties**	2,075	(15,183)

\* There are no forfeited contributions that may be used by the Group, as the employer, to reduce the existing level of contributions.

\*\* Certain of employee benefit expense amounting to approximately HK\$44,772,000 (2024: approximately HK\$49,551,000), fair value losses/(gains) on sub-leased investment properties and direct outgoing expenses are included in "Cost of sales" on the face of the consolidated statement of profit or loss and other comprehensive income.

## 7. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on bank and other borrowings	88,473	100,262
Interest on unsecured notes	679	9,210
Interest on lease liabilities	1,944	2,103
Interest on consideration payable	479	–
	<u>          </u>	<u>          </u>
Total	<u><u>91,575</u></u>	<u><u>111,575</u></u>

## 8. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates. The provision for PRC land appreciation tax (“LAT”) is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at a fixed rate or ranges of progressive rates of the appreciation value, with certain allowable deductions.

	2025 HK\$'000	2024 HK\$'000
Current – Hong Kong		
Charge for the year	83	505
Current – Mainland China		
Charge for the year	15,231	47,575
LAT	9,508	13,456
Overprovision in prior years	(10,398)	–
Deferred	<u>(10,943)</u>	<u>(5,295)</u>
	<u>          </u>	<u>          </u>
Total tax charge for the year	<u><u>3,481</u></u>	<u><u>56,241</u></u>

## 9. DIVIDENDS

The directors do not recommend the payment of any dividends in respect of the year ended 31 March 2025 and 2024.

## 10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to owners of the parent, and the weighted average number of ordinary shares in issue of 9,953,067,822 (2024: 9,953,067,822) during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 March 2025 and 2024 in respect of a dilution as the impact of the share options outstanding had no dilutive effect on the basic earnings per share amounts presented.

## 11. TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	8,767	9,560
Impairment	<u>(7,487)</u>	<u>(7,505)</u>
Net carrying amount	<u><u>1,280</u></u>	<u><u>2,055</u></u>

The Group generally allows an average credit period of 30 days to its trade customers. The Group may on a case-by-case basis, and after evaluation of the business relationships and creditworthiness of its customers, extend the credit period upon customers' request.

The Group has a concentration of credit risk in certain individual customers. At the end of reporting period, the five largest receivable balances accounted for approximately 76.6% (2024: approximately 79.2%) of the trade receivables and the largest trade receivable was approximately 70.2% (2024: approximately 66.0%) of the Group's total trade receivables. The Group seeks to minimise its risk by dealing with counterparties which have good credit history. Majority of the trade receivables that are neither past due nor impaired have no default payment history.

### Ageing analysis

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 month	694	1,199
1 to 3 months	355	726
Over 3 months but within 6 months	136	77
Over 6 months	<u>95</u>	<u>53</u>
Total	<u><u>1,280</u></u>	<u><u>2,055</u></u>

## 12. TRADE AND OTHER PAYABLES

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Trade payables</b>	(a)	<u>23,824</u>	<u>45,348</u>
<b>Deposits and other payables</b>			
Accrued charges		13,968	21,174
Deposit received		73,104	87,853
Interest payable		741	1,944
Other tax payables		13,165	16,006
Other payables	(b)	62,737	68,882
Amount due to fellow subsidiaries		<u>112,540</u>	<u>14,297</u>
Subtotal		<u>276,255</u>	<u>210,156</u>
Total		<u><u>300,079</u></u>	<u><u>255,504</u></u>

Notes:

- (a) The ageing analysis of trade payables as at the end of the reporting period, based on the invoice date is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 month	330	14,867
1 to 3 months	3	105
Over 3 months but within 6 months	78	214
Over 6 months but within 12 months	1,939	8,270
Over 12 months	<u>21,474</u>	<u>21,892</u>
Total	<u><u>23,824</u></u>	<u><u>45,348</u></u>

The trade payables are non-interest-bearing and have an average term of 30 to 360 days. The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

- (b) Other payables are non-interest-bearing and are normally settled within one year.

## 13. EVENT AFTER THE REPORTING PERIOD

- (i) On 3 April 2025, the Company issued the unsecured notes with an aggregate principal amount of HK\$38 million will be mature in 3 April 2037. For further details, please refer to the announcement of the Company dated 3 April 2025.

- (ii) On 20 May 2025, the Group entered into certain sale and leaseback arrangements with Haier Financial Services China Co., Ltd. (the “**Lessor**”), pursuant to which the Lessor purchased certain investment properties and property, plant and equipment in certain of the Group’s the agricultural produce exchange markets in PRC (the “**Leased Assets**”) from the Group and such Leased Assets will be leased back to the Group for a term of three years. Upon expiry of the lease term and full settlement of all lease payments further, the ownership of the Leased Assets would be transferred back to the Group. These sale and leaseback arrangements are subject to the approval by the Company’s shareholders and further details are set out in the Company’s announcement and circular dated 20 May 2025 and 18 June 2025, respectively.
- (iii) On 30 May 2025, the Group entered into a capital reduction agreement (the “**Capital Reduction Agreement**”) with Yulin Investment Group Co., Ltd., the non-controlling shareholder of 玉林宏進農副產品批發市場有限公司 (the “**Yulin Hongjin**”), and pursuant to which the Group’s equity interests in Yulin Hongjin shall be reduced from 51% to nil at a total consideration of approximately RMB24.69 million (equivalent to approximately HK\$26.58 million). The consideration shall be settled by Yulin Hongjin and such reduction in equity interests constitutes a disposal by the Group of the equity interests in Yulin Hongjin. This transaction is expected to be completed in July 2025 and further details are set out in the Company’s announcement dated 30 May 2025.

#### 14. COMPARATIVE INFORMATION

Certain comparative figures have been re-presented to conform with current year’s presentation, mainly including the reclassification of certain items in primary statements, and the presentation of certain notes to the financial information.

## MANAGEMENT DISCUSSION AND ANALYSIS

### SUMMARY OF FINANCIAL RESULTS

#### Revenue, gross profit and segment result

For the year ended 31 March 2025 (the “**Year**”), the Group recorded a revenue of approximately HK\$531 million, representing a decrease of approximately HK\$48 million as compared to that of the last financial year ended 31 March 2024. The below table summarises the key financial performance of the Group:

HK\$ million and approximate%	For the year ended 31 March 2025			For the year ended 31 March 2024		
	Agricultural Produce Exchange Market Operation	Property Sales	Total	Agricultural Produce Exchange Market Operation	Property Sales	Total
Revenue	407	124	531	405	174	579
Gross Profit	285	11	296	296	47	343
Segment Result	191	-1	190	105	34	139
Gross Profit to Revenue	70%	9%	56%	73%	27%	59%
Segment Result to Revenue	47%	-1%	36%	26%	20%	24%

The Group recorded a revenue of approximately HK\$531 million for the Year, representing a decrease of approximately 8% as compared to approximately HK\$579 million of the last financial year, which was mainly due to a decrease in revenue from property sales during the Year. The Group recorded a gross profit of approximately HK\$296 million for the Year (2024: approximately HK\$343 million), representing a decrease of approximately 14% as compared to that of the last financial year. The Group recorded a segment result of approximately HK\$190 million for the Year (2024: approximately HK\$139 million). The increase in segment result was mainly due to the decrease in net fair value losses on owned investment properties from agricultural produce exchange market operation during the Year.

#### Other income and gains

The Group recorded other income and gains of approximately HK\$47 million for the Year (2024: approximately HK\$119 million). The decrease was mainly due to the decrease in reversal of aged payables during the Year.

## **General and administrative expenses, selling expenses and finance costs**

General and administrative expenses were approximately HK\$170 million for the Year (2024: approximately HK\$161 million). The increase was mainly due to the increase in depreciation expenses and exchange loss during the Year. Selling expenses were approximately HK\$18 million for the Year (2024: approximately HK\$36 million). The decrease in selling expenses was mainly due to the decrease in expenses used for promotion activities during the Year. Finance costs were approximately HK\$92 million for the Year (2024: approximately HK\$112 million), and such decrease was mainly due to the decrease of the financial cost of the unsecured notes and bank and other borrowings during the Year.

## **Impairment losses on financial assets, net**

The Group recorded net impairment losses on financial assets of approximately HK\$16 million for the Year (2024: net reversal of impairment losses of financial assets of approximately HK\$1 million).

## **Fair value losses on owned investment properties, net and write-down of properties held for sale**

During the Year, net fair value losses on owned investment properties was approximately HK\$12 million (2024: approximately HK\$83 million). The net fair value losses were mainly due to the decrease in market rental value of investment properties located in the People's Republic of China ("PRC"). There was no write-down of properties held for sale for the Year (2024: approximately HK\$3 million).

## **Fair value losses on financial assets at fair value through profit or loss, net**

During the Year, net fair value losses on financial assets was approximately HK\$0.4 million (2024: net fair value gains of approximately HK\$0.1 million).

## **Income tax expense**

Income tax expense was approximately HK\$3.5 million for the Year (2024: approximately HK\$56 million). The decrease was mainly due to the entitlement of a tax concession on dividend withholding tax and release of overprovision in prior years during the Year.

## **Profit attributable to owners of the parent**

The profit attributable to owners of the parent for the Year was approximately HK\$7.8 million as compared to the profit of approximately HK\$7.4 million in the last financial year. Profit from operations before fair value changes and impairment were approximately HK\$156 million and the profit from operations was approximately HK\$127 million for the Year (2024: approximately HK\$280 million and approximately HK\$195 million, respectively). The increase in profit attributable to owners of the parent was mainly due to the gain on disposal of subsidiaries and decrease in net fair value losses on owned investment properties and offset by the combined effect of a number of items, including (but not limited) the decrease in reversal of aged payables as compared to the last financial year.

## **DIVIDENDS**

The Directors do not recommend any payment of final dividend for the Year (2024: Nil). No interim dividend was paid to the shareholders of the Company (the “**Shareholders**”) for the six months ended 30 September 2024 (30 September 2023: Nil).

## **REVIEW OF OPERATIONS**

During the Year, the Group was principally engaged in the management and sales of properties in agricultural produce exchange markets in Hong Kong and PRC. On the one hand, it is expected that the PRC economy will experience gradual recovery. On the other hand, the PRC real estate market downfall has effect on the Group’s property sales. However, these factors did not significantly affect the Group’s performance due to the nature of its business model. To cope with future growth, the Group has been actively evaluating various business opportunities which can help diversify income stream of the Group and deliver long-term benefits to the Shareholders.

### **Agricultural Produce Exchange Markets**

#### ***Hubei Province***

##### ***Wuhan Baisazhou Market***

Wuhan Baisazhou Agricultural and By-Product Exchange Market (“**Wuhan Baisazhou Market**”) is one of the leading agricultural produce exchange market operators in the PRC. Wuhan Baisazhou Market is situated in the Hongshan District of Wuhan City, the PRC with a site area of approximately 310,000 square metres and one of the most notable agricultural produce exchange markets in Hubei Province. Wuhan Baisazhou Market was awarded “Top 10 of National Agricultural Products Comprehensive Wholesale Markets” by China Agricultural Wholesale Market Association in 2023. The award shows the significant market contributions made by the Group and its efforts and expertise as an agricultural produce exchange market operator in the PRC. During the Year, the revenue of Wuhan Baisazhou Market remained approximately the same as that of the last financial year.



## *Huangshi Market*

Huangshi Hongjin Agricultural and By-Product Exchange Market (“**Huangshi Market**”) is a joint venture project of the Group founded in Huangshi City in January 2015 with an operating area of approximately 23,000 square metres. Huangshi City is a county level city in Hubei Province and is around 100 kilometres away from Wuhan Baisazhou Market. Huangshi Market, as a second-tier agricultural produce exchange market, created synergy with Wuhan Baisazhou Market to boost vegetables and by-products trading. During the Year, the revenue of Huangshi Market increased by approximately 4% as compared to that of the last financial year.

## *Suizhou Market*

Suizhou Baisazhou Agricultural and By-Product Exchange Market (“**Suizhou Market**”) is another joint venture project of the Group founded in March 2018. It occupies approximately 240,000 square metres. The Group pursued asset-light operation business model by taking up the contract management rights to operate this market. During the Year, the revenue of Suizhou Market increased by approximately 4% as compared to that of the last financial year.

## *Henan Province*

### *Luoyang Market*

Luoyang Hongjin Agricultural and By-Product Exchange Market (“**Luoyang Market**”) is the flagship project of the Group in Henan Province, the PRC, with a site area of approximately 255,000 square metres. Luoyang Market was awarded “Top 50 of National Agricultural Products Comprehensive Wholesale Markets” by China Agricultural Wholesale Market Association in 2023. During the Year, the revenue of Luoyang Market decreased by approximately 32% due to the decrease of properties sale recognition as compared to that of the last financial year.

### *Puyang Market*

Puyang Hongjin Agricultural and By-Product Exchange Market (“**Puyang Market**”) is one of our joint venture projects in cooperation with a local partner in Henan Province, the PRC. During the Year, Puyang Market kept steady pace in operations. The revenue of Puyang Market increased by approximately 18% mainly due to the increase of properties sales recognition during the Year as compared to that of the last financial year.

### *Kaifeng Market*

Kaifeng Hongjin Agricultural and By-Product Exchange Market (“**Kaifeng Market**”), with a gross floor construction area of approximately 140,000 square metres, is the Group’s third market operation point for the facilitation of the building of an agricultural produce exchange market network in Henan Province, the PRC. Kaifeng Market was awarded “Top 50 of National Agricultural Products Comprehensive Wholesale Markets” by China Agricultural Wholesale Market Association in 2023. During the Year, the revenue of Kaifeng Market increased by approximately 4% due to the increase of rental income received from agricultural produce exchange market operation as compared to that of the last financial year.

## ***Guangxi Zhuang Autonomous Region***

### ***Yulin Market***

Yulin Hongjin Agricultural and By-Product Exchange Market (“**Yulin Market**”) is one of the largest agricultural produce exchange markets in Guangxi Zhuang Autonomous Region (“**Guangxi Region**”) with a site area of approximately 415,000 square metres. During the Year, the revenue of Yulin Market decreased by approximately 20% due to the decrease of properties sale recognition and rental income derived from agricultural produce exchange market operation as compared to that of the last financial year. On 30 May 2025, Century Choice Limited (“**Century Choice**”, a wholly-owned subsidiary of the Group), has entered into a capital reduction agreement to dispose of the Group’s interest of Phase I of Yulin Market, namely Yulin Hongjin Agricultural By-products Wholesale Marketplace Ltd. After completion of the disposal, the Group only maintains operations in Phase II of Yulin Market through wholly-owned subsidiary of Yulin Hongjin Logistics Development Company Limited.

### ***Qinzhou Market***

Qinzhou Hongjin Agricultural and By-Product Exchange Market (“**Qinzhou Market**”), with a gross floor construction area of approximately 180,000 square metres, is the Group’s second market operation point for the facilitation of the building of an agricultural produce market network in the Guangxi Region. During the Year, the revenue of Qinzhou Market increased by approximately 28% mainly due to the increase of rental income received from agricultural produce exchange market operation during the Year as compared to that of the last financial year.

## ***Jiangsu Province***

### ***Xuzhou Market***

Xuzhou Agricultural and By-Product Exchange Market (“**Xuzhou Market**”) occupies approximately 200,000 square metres and is located in the northern part of Jiangsu Province, the PRC. Xuzhou Market was awarded “Top 100 of National Agricultural Products Wholesale Markets” by China Agricultural Wholesale Market Association in 2023. During the Year, the revenue of Xuzhou Market was approximately the same as compared to that of the last financial year.

### ***Huai’an Market***

Huai’an Hongjin Agricultural and By-Product Exchange Market (“**Huai’an Market**”) occupies approximately 100,000 square metres, is located at Huai’an City of Jiangsu Province, the PRC. The Group had ceased to have any interest on Huai’an Market after the completion of its disposal on 5 September 2024.

## ***Liaoning Province***

### ***Panjin Market***

Panjin Hongjin Agricultural and By-Product Exchange Market (“**Panjin Market**”), with a construction area of around 50,000 square metres, is the Group’s first attempt in investment in Liaoning Province, the PRC. Panjin Market focused on the trading of river crabs and held regular market fairs. During the Year, the revenue of Panjin Market increased by approximately 19% mainly due to the increase of rental income derived from agricultural produce exchange market operation as compared to that of the last financial year.

## **E-commerce Development**

With the robust mobile network and widespread use of intelligent mobile devices in the PRC, the Group allocated cost effective resources to e-commerce development. The Group has launched a new electronic trading platform for energising the efficiency of agricultural produce exchange markets. At the moment, the Group has adopted continuous cost control measures in electronic trading platform development.

## **Cyber Risk and Security**

With information technology and the internet playing vital roles in its operation, the Group has designated professionals to monitor and assess potential cyber risks. Both hardware and software are maintained with appropriate Group policies. Potential cyber risks and network security is one of the key concerns of management, thus the Group has formulated policies and procedures to regulate the use of internet, to physically safeguard system power supply and to regularly update internet protection system and firewall to separate the intranet of the Group from outside network. Designated professionals are responsible for the day-to-day monitoring on any abnormal network activities.

## **Data Fraud or Theft Risk**

The Group continuously reviews and updates its internal control system on data and information access. Appropriate policies have been adopted to protect data, and access permissions are only granted to the authorised personnel. Management believes that effective policies and procedures have been put in place to avoid data fraud or theft risk.

## **Environmental and Social Risk**

Due to the nature of the business, the Group will face a moderate environmental risk in case of severe and permanent climate change across the PRC. Such risk may have an adverse impact on agricultural production thereby affecting the revenue of the Group in agricultural produce exchange market operation and property sales.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 March 2025, the Group had total cash and bank balances amounting to approximately HK\$182 million (31 March 2024: approximately HK\$243 million) whilst total assets and net assets were approximately HK\$4,234 million (31 March 2024: approximately HK\$4,638 million) and approximately HK\$2,027 million (31 March 2024: approximately HK\$2,069 million), respectively. The Group's gearing ratio as at 31 March 2025 was approximately 46.3% (31 March 2024: approximately 49.9%), being a ratio of (i) total interest-bearing bank and other borrowings and unsecured notes of approximately HK\$1,121 million (31 March 2024: approximately HK\$1,315 million), net of cash and bank balances and pledged bank deposits of approximately HK\$182 million (31 March 2024: approximately HK\$283 million) to (ii) shareholders' funds of approximately HK\$2,027 million (31 March 2024: approximately HK\$2,069 million).

As at 31 March 2025, the ratio of total interest-bearing bank and other borrowings of approximately HK\$1,121 million (31 March 2024: approximately HK\$1,315 million) to total assets of approximately HK\$4,234 million (31 March 2024: approximately HK\$4,638 million) was approximately 26% (31 March 2024: approximately 28%).

## MATERIAL ACQUISITION AND DISPOSAL

### Disposal of Huai'an Market Interests

On 25 May 2024, the Group has entered into a sale and purchase agreement (the “SPA”) with an independent third party (the “Purchaser”) for the disposal of the entire equity interests of a subsidiary (the “Target Company”) holding, among others, the property interests in the Huai'an Market (the “Disposal”) for an initial consideration of approximately RMB28.9 million (equivalent to approximately HK\$31.9 million) subject to adjustments. The consideration should be adjusted subject to a maximum adjusted total consideration of approximately RMB71.7 million. After such adjustment, the final consideration was approximately RMB66.4 million, the Company recorded a gain on the Disposal of approximately HK\$35.8 million. The Purchaser has also undertaken under the SPA to provide funding to the Target Company in the amount of approximately RMB140.5 million (equivalent to approximately HK\$154.9 million) for the Target Company's repayment of certain intercompany loans owned to the Company's subsidiaries. The Group had ceased to hold any interest in the Huai'an Market after the completion. The Disposal was completed on 5 September 2024. Further details of the Disposal are set out in joint announcement of the Company and Wang On Group Limited (Stock code: 1222) (“WOG”, the ultimate holding company of the Company) dated 25 May 2024 and the circular of the Company dated 17 June 2024.

### Acquisition of 50% Equity Interest of the PRC JV

On 13 December 2024, the Group has entered into a sale and purchase agreement with Wang On Commercial Management Limited, an indirectly wholly-owned subsidiary of WOG in respect of the acquisition of the entire issued share capital of Regal Smart Investment Limited (“Regal Smart”) and shareholder's loans of Regal Smart owed to WOG and its subsidiaries (the “Shareholder's Loan”) at a total consideration of HK\$150 million (the “Acquisition”). Regal Smart is principally engaged in investment holding and the only principal asset of Regal Smart is the 50% equity interests in 深圳市集貿市場有限公司 (the “PRC JV”). The acquisition was completed on 25 February 2025. The above acquisition was accounted for by the Group as an acquisition of assets as the entity acquired by the Group does not constitute a business. Further details of the Acquisition are set out in joint announcement of the Company and WOG dated 13 December 2024 and the circular of the Company dated 24 January 2025.

## UNSECURED NOTES

On 23 August 2024, the Company announced the establishment of the HK\$1,000,000,000 medium term note programme (the “**Programme**”).

During the Year, on 29 November 2024 and 21 February 2025, the Company issued unsecured fixed coupon rate notes (the “**Unsecured Notes**”) with an aggregate principal amount of HK\$41 million and HK\$50 million respectively which will mature in 29 November 2036 and 21 February 2037, respectively. The carrying value as at 31 March 2025 was approximately HK\$27.1 million and approximately HK\$33.6 million respectively.

After the reporting period, on 3 April 2025, the Company issued the Unsecured Notes with an aggregate principal amount of HK\$38 million which will mature in 3 April 2037.

As at the date of this announcement, the Company has HK\$129 million in aggregate principal amount of the Unsecured Notes outstanding under the Programme.

## CAPITAL COMMITMENTS, PLEDGES AND CONTINGENT LIABILITIES

As at 31 March 2025, outstanding capital commitments, contracted but not provided for, amounted to approximately HK\$29 million (31 March 2024: approximately HK\$167 million) in relation to the purchase of property, plant and equipment and construction contracts. As at 31 March 2025, the Group provided guarantees of approximately HK\$16.9 million to customers in favour of certain banks for the loans provided by the banks to the customers of the properties sold (31 March 2024: approximately HK\$22.8 million), representing the contingent liabilities of approximately HK\$29,000 (31 March 2024: approximately HK\$129,000) in relation to such guarantees. Pursuant to the terms of the guarantees, in the event of default on mortgage payments by these purchasers before the expiry of the guarantees, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interest and penalties owed by the defaulted purchasers to the banks, net of any sales proceeds.

As at 31 March 2025, certain property, plant and equipment, owned investment properties and certain rental income generated therefrom, properties held for sale with carrying amount of approximately HK\$1,910 million (31 March 2024: approximately HK\$2,208 million worth of assets pledged) were pledged to secure certain interest-bearing bank borrowings.

The Group did not have any outstanding foreign exchange contracts, interest or currency swaps or other financial derivatives as at 31 March 2025. The revenue, operating costs and bank deposits of the Group were mainly denominated in Renminbi (“**RMB**”) and Hong Kong dollars. The activities of the Group are exposed to foreign currency risks mainly arising from its operations in the PRC and certain bank deposits denominated in RMB. Currently, the Group does not have a foreign currency hedging policy. During the Year, due to the currency fluctuation of RMB against Hong Kong dollars, the Group had been considering, from time to time, alternative risk hedging tools to mitigate RMB currency exchange risk.

## DEBT PROFILES AND FINANCIAL PLANNING

As at 31 March 2025 and 31 March 2024, interest-bearing bank and other borrowings of the Group were analyzed as follows:

	As at 31 March 2025		As at 31 March 2024	
	Carrying amount <i>HK\$ million</i>	Approximate effective interest rate <i>(per annum)</i>	Carrying amount <i>HK\$ million</i>	Approximate effective interest rate <i>(per annum)</i>
Unsecured Notes	61	5%	—	—%
Financial Institution Borrowings <i>(note*)</i>	765	6%	935	6%
Non-financial Institution Borrowings <i>(note*)</i>	295	10%	380	10%
Total	<u>1,121</u>		<u>1,315</u>	

Notes:

\* as mentioned in the above table were made in Hong Kong dollars and RMB with fixed and floating interest rates.

As at 31 March 2025, the Unsecured Notes issued by the Company will mature from November 2036 to February 2037; the financial institution borrowings of the Company will mature during the period from April 2025 to December 2034 (31 March 2024: April 2024 to May 2029); and the non-financial institution borrowings of the Company will mature in May 2027 (31 March 2024: May 2027).

## TREASURY POLICY

The Group's treasury policy includes diversification of funding sources. Internally generated cash flow and interest-bearing bank/ non-financial institution loans and unsecured notes were the general sources of fund to finance the operation of the Group during the Year. The Group regularly reviews its major funding positions so as to ensure that it has adequate financial resources in meeting its financial obligations. In order to meet interest-bearing debts and business capital expenditure, the Group considers from time to time various types of equity and debt financing alternative, including but not limited to placement of new shares, rights issue of new shares, financial institution borrowings, non-financial institution borrowings, bonds issuance, convertible notes issuance, other debt financial instruments issuance, disposal of investment properties and sales of properties held for sale.



## **MATERIAL VALUATION METHOD OF INVESTMENT PROPERTIES AND REVIEW OF THE AUDIT COMMITTEE**

The investment properties of the Group were stated at fair value as at 31 March 2025. The fair value was arrived at based on the valuations carried out by an independent firm of qualified professional valuers. The professional valuers are professional members of The Hong Kong Institute of Surveyors with experience in the location of the properties being valued. The valuations are confirmed to be in accordance with The Hong Kong Institute of Surveyors Valuation Standards 2024, which incorporates the International Valuation Standards (IVS). The professional valuers valued the investment portion of the properties on the basis of capitalisation of the rent receivables from the existing tenancies and the potential reversionary market rents of the properties. For vacant site and inventory portions of the properties, direct comparison method is adopted based on the principle of substitution, where comparison is made based on prices realised on actual sales and/ or asking prices of comparable properties. Comparable properties of similar size, scale, nature, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of market value.

The material valuation methods of investment properties valuation have been reviewed by the audit committee of the Company (the “**Audit Committee**”) and the Board.

## **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

As at the date of this announcement, the Group did not have any concrete plan for material investments or capital assets nor acquisition or disposal of subsidiaries except for the disposal of Huai'an Market in May 2024, the acquisition of 50% equity interest of the PRC JV in February 2025 and the disposal of Century Choice's equity interest in Yulin Hongjin Agricultural By-products Wholesale Marketplace Limited (玉林宏進農副產品批發市場有限公司) in May 2025 as mentioned in the sections of “MATERIAL ACQUISITION AND DISPOSAL – Disposal of Huai'an Market Interests and Acquisition of 50% Equity Interest of the PRC JV” and “EVENT AFTER REPORTING PERIOD – Disposal of Equity Interests in a Non-wholly Owned Subsidiary”, respectively in this announcement.

## **RISK FACTORS RELATING TO OUR INDUSTRY AND BUSINESS OPERATIONS**

As at 31 March 2025, the Group operated 10 agricultural produce exchange markets and 16 wet markets across six provinces in the PRC. In view of the ever-changing business environment in the PRC, the following are the principal risks, challenges and uncertainties faced by the Group, including:

- (1) fluctuation in the exchange rate of RMB against Hong Kong dollars, which affects the translation of the PRC assets and liabilities from RMB to Hong Kong dollars in the Group's financial reporting, in which the Group periodically monitors the exchange rate fluctuation, and prepares effective hedging mechanism to deal with adverse conditions in forex market, if necessary;
- (2) difficulty in obtaining adequate financing, in both equity and debt financing, to support the Group's agricultural produce exchange markets that are capital intensive in nature. The Group regularly reviews the short-term and long-term liquidity level and prepare for the future capital need, as and when appropriate;

- (3) difficulty in preserving or enhancing the Group's competitive position in the agricultural produce exchange markets industry, in which the Group has designated personnel to monitor the market activities of competitors and formulate effective strategies to preserve our competitive position;
- (4) difficulty in maintaining or enhancing the level of occupancy in the Group's agricultural produce exchange markets, in which the Group launches, from time to time, various marketing campaigns to retain existing tenants and to attract new tenants;
- (5) challenges in obtaining promptly all necessary licenses and permits for development, construction, operations and acquisition of agricultural produce exchange markets. The Group hires sufficient local staff members with professional qualifications to ensure all processes comply with local rules and regulations; and
- (6) the effect of regulatory changes and amendments relating to agricultural produce exchange markets which affect operation and development of the Group, in both the national and local levels. The Group maintains a relatively flat organization structure and a high autonomous level to enable quick response to any changes in different aspects.

## **DEPENDENCE OF EMPLOYEES, CUSTOMERS AND SUPPLIERS**

As the Group is adopting market remuneration practices by reference to market terms, company performance, and individual qualifications and performance and well-organized structure management, no key and specific employee would materially and significantly affect the Group's success. Meanwhile, there were no major customers and suppliers which accounted for over 5% of the Group's income and no major suppliers which cannot be replaced by other appropriate suppliers. In this connection, no customers and suppliers would have a material impact on the success of the Group's business performance.

## **ENVIRONMENTAL POLICIES AND PERFORMANCE**

The operations and development of agricultural produce exchange markets are subject to a variety of environmental laws and regulations during their construction and operations. Major environmental impacts are caused by waste and wastewater generated during the construction and operations of the markets. The Group has, in compliance with the PRC environmental law, engaged independent environmental consultants to conduct environmental impact assessments on all our construction projects in all material aspects. The environmental investigations conducted to date have not revealed any environmental liability that would be expected to have a material adverse effect on our business condition. Upon completion of construction of each market, the environmental authorities inspect the site to ensure compliance with all applicable environmental standards. All our construction projects comply with the "three simultaneities" principles stipulated in the Environmental Protection Law of the PRC. For further details of the impact of environmental laws and regulations on our operations and our environmental policies, please refer to our Environmental, Social and Governance Report, which will be uploaded on the websites of the Stock Exchange and the Company in due course.



## COMPLIANCE WITH LAWS AND REGULATIONS

During the Year, the Group complied in material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. The Company also complied with the requirements under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), the Securities and Futures Ordinance and the laws of Bermuda during the Year. The Group continuously reviews newly enacted laws and regulations affecting the operations of the Group, if any, and provides relevant trainings and guidance to the staff.

## CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

### Master Licensing Agreement

On 1 October 2022, the Company entered into a master licensing agreement with WOG and its subsidiaries (the “**Master Licensing Agreement**”) which sets out the general principles and key terms governing the definitive licensing agreements under which relevant members of WOG may grant license of, and the Group may take up the license of the premises from 1 October 2022 to 30 September 2025. The entering into of the Master Licensing Agreement and the transactions contemplated thereunder constituted continuing connected transactions for the Company. Details were disclosed in the joint announcement of the Company, Wai Yuen Tong Medicine Holdings Limited (Stock code: 897) and WOG dated 1 October 2022.

### Dealer Agreement

As mentioned in the section of “UNSECURED NOTES” in this announcement, the Company had on 11 July 2024 entered into the dealer agreement (the “**Dealer Agreement**”) with Wang On Securities Limited (“**Wang On Securities**”, formerly named as Wing On Securities Limited, which was owned indirectly as to 34% by Sky Wish Development Limited, an indirectly wholly-owned subsidiary of WOG) for a term of three years in relation to the establishment of the Programme pursuant to which Wang On Securities had been appointed as the arranger and dealer with respect to the Programme and the Unsecured Notes to be issued thereunder. As Wang On Securities was owned indirectly as to 34% by WOG and was therefore WOG’s associate, Wang On Securities was a connected person of the Company, the entering into of the Dealer Agreement constituted a continuing connected transaction of the Company under the Listing Rules. Details were disclosed in the joint announcement of the Company and WOG dated 11 July 2024 and the circular of the Company dated 1 August 2024.

### Sale and Purchase Agreement

As mentioned in the section of “MATERIAL ACQUISITION AND DISPOSAL – Acquisition of 50% Equity Interest of the PRC JV” in this announcement, the Company had on 13 December 2024 entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) with Wang On Commercial Management Limited in respect of the Acquisition. Since WOG was the controlling shareholder of the Company and was therefore a connected person of the Company, the entering into of the Sale and Purchase Agreement and the transaction contemplated thereunder constituted a connected transaction for the Company under the Listing Rules.

Reference is made to the annual report of the Company for the financial year ended 31 March 2024 which was published on 25 July 2024 (the “**2024 Annual Report**”). The Company confirms that (i) the related party transactions as disclosed in Note 38 to the financial statements which are connected transactions or continuing connected transactions and which are not fully exempt, have been disclosed in the section headed “Continuing Connected Transactions” in the 2024 Annual Report; and (ii) all the connected transactions and/or continuing connected transactions disclosed in the 2024 Annual Report have complied with the requirements under Chapter 14A of the Listing Rules.

## **EVENT AFTER REPORTING PERIOD**

### **Unsecured Notes**

On 3 April 2025, the Company issued the Unsecured Notes with an aggregate principal amount of HK\$38 million which will be mature in 3 April 2037. For further details, please refer to the announcement of the Company dated 3 April 2025.

### **Sale and Leaseback Arrangement**

On 20 May 2025, Luoyang Hongjin Agricultural and By-Product Exchange Market Limited, a wholly-owned subsidiary of the Company (as lessee), and Puyang Hongjin Agricultural By-Products Wholesale Marketplace Limited, an indirectly 75%-owned subsidiary of CAP (as lessee), entered into (i) the sale and leaseback agreement in respect of the sale and leaseback of the certain assets in Puyang City and Luoyang City involving sheds and certain equipment at a sale price of RMB51.0 million (equivalent to approximately HK\$55.3 million); and (ii) the sale and leaseback agreement in respect of the sale and leaseback of certain construction projects in Puyang City and Luoyang City involving sheds and certain equipment at a sale price of RMB20.4 million (equivalent to approximately HK\$22.1 million) with Haier Financial Services China Co., Ltd (as lessor). For further details, please refer to the announcement of the Company dated 20 May 2025.

### **Disposal of Equity Interests in a Non-wholly Owned Subsidiary**

On 30 May 2025, Century Choice, a wholly-owned subsidiary of the Company, has entered into the capital reduction agreement with Yulin Investment Group Co., Ltd. in respect of the disposal of Century Choice’s equity interest in Yulin Hongjin Agricultural By-products Wholesale Marketplace Limited (玉林宏進農副產品批發市場有限公司), a non-wholly owned subsidiary of the Company, at a total consideration of RMB24.69 million (equivalent to approximately HK\$26.58 million). For further details, please refer to the announcement of the Company dated 30 May 2025.

## NUMBER OF EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2025, the Group had 903 employees (31 March 2024: 1,048), approximately 98% of whom were located in the PRC. The Group's remuneration policy was reviewed periodically by the remuneration committee of the Company and the Board's remuneration is determined by reference to market terms, company performance, and individual qualifications and performance. The Group aimed to recruit, retain and develop competent individuals who were committed to the Group's long-term success and growth. Remunerations and other benefits of employees were reviewed annually in response to both market conditions and trends, and were based on qualifications, experience, responsibilities and performance. The share option scheme of the Company was adopted on 26 August 2022 for the primary purpose of rewarding eligible participants and to encourage them to work towards enhancing the value of the Company for the benefit of the Company and the Shareholders as a whole.

## PROSPECTS

Throughout the Year, consumer spending has become more cautious and the decline in the sales of PRC properties have hindered economic growth. Such effects have impacted the Group's business operation which primarily focused on the agricultural products markets in the PRC. Looking ahead, the Group aims to continue expanding a nationwide agricultural produce exchange network by leveraging its competitive advantages in the industry, a stable business foundation, an intelligent business management systems, robust information technology network and commitment to high-quality customer services.

The No. 1 document for 2025 in China focuses on rural development, specifically emphasizing agricultural modernization and rural revitalization issued on 23 February 2025. It outlines strategies for food security, financial support for the livestock industry, and the development of new agricultural technologies. The document also highlights the importance of digitalization and modernization in rural areas. The key points of No.1 document summarise as follows: (i) Rural Revitalization: The document aims to advance comprehensive rural revitalization, which includes improving infrastructure, supporting entrepreneurship in rural areas, and attracting talent to the countryside; (ii) Food Security: Maintaining a stable food supply remains a key priority, with an emphasis on sustainable and resilient agricultural practices; and (iii) Agricultural Modernization: The document encourages the adoption of new technologies, such as genetically engineered crops and AI applications in agriculture, to boost productivity and efficiency. Overall, the 2025 No. 1 document reflects China's ongoing commitment to modernizing its agricultural sector.

To capitalise on emerging business opportunities, the Group has implemented various measures by collaborating with different partners, utilizing an "asset light" strategy. Besides, the Group has striven to develop the techniques of electronic platforms to take the opportunities of the technological improvement driven by the PRC government's promotion of the data economy. The Group has further expanded its operations to retail market and electronic trading by leveraging its leading position in the industry. The Group is confident that its business strategy and operation model will deliver long-term benefits to the Company and the Shareholders as a whole.

## CORPORATE SOCIAL RESPONSIBILITY

While the Group endeavors to promote business development and strives for greater rewards for our stakeholders, we acknowledge our corporate social responsibility to share some burden in building the society where our business has been established and thrived. During the past years, the Group made charitable donations to organizations, including various non-government and non-profit making organizations. The Group will continue to devote further resources and effort to being a socially responsible corporation.

## RELATIONSHIP WITH CUSTOMERS AND SUPPLIERS

The Group recognized enhancing and maintaining good relationships with suppliers and customers are essential for the Group's overall growth and development. The Group placed specific caution on the selection of quality suppliers and customers and encourages fair and open competition to foster long-term relationships with quality suppliers on the basis of mutual trust. The Group has maintained good communications and shared business updates with them when appropriate.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On 31 March 2024 (the “**Redemption Date**”), the Company has redeemed all outstanding listed notes due in 2024 (“**Listed Notes**”) (i.e. in the principal amount of HK\$40 million) pursuant to condition 6(B) (Early redemption right of the Issuer) of the terms and conditions of the Listed Notes set out in the offering circular dated 19 May 2014 (the “**Offering Circular**”) and the pricing supplement to the Offering Circular dated 26 May 2014, at a price equal to 92.88% of the principal amount excluding interest accrued to and including the Redemption Date.

Subsequent to the redemption of all outstanding Listed Notes, the Listed Notes were delisted on 8 April 2024.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including any treasury shares) during the Year.

The Company and its subsidiaries did not hold any treasury shares as at 31 March 2025.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance within a sensible framework with a strong emphasis on transparency, accountability, integrity and independence and enhancing the Company's competitiveness and operating efficiency, to ensure its sustainable development and to generate greater returns for the Shareholders.

The Board has reviewed the corporate governance practices of the Company and is satisfied that the Company had applied the principles and complied with all the code provisions set out in the Corporate Governance Code as contained in Appendix C1 to the Listing Rules throughout the Year.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries with all Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code throughout the Year.

## **AUDIT COMMITTEE**

The Audit Committee was established in accordance with the requirements of the Listing Rules, for the purposes of, inter alia, reviewing and providing supervision over the Group’s financial reporting processes, internal controls, risk management and other corporate governance issues. The Audit Committee comprises all the independent non-executive Directors, namely Mr. Wong Ping Yuen, Mr. Lau King Lung and Mr. Shang Hai Long, and is chaired by Mr. Wong Ping Yuen. The Audit Committee has reviewed and discussed with the management of the consolidated annual results of the Group for the financial year ended 31 March 2025 including internal control, risk management procedures, the accounting principles and practices adopted by the Group.

## **SCOPE OF WORK OF ERNST & YOUNG**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in this announcement have been agreed by the Company’s independent auditor, Ernst & Young, to the amounts set out in the Group’s draft consolidated financial statements for the year ended 31 March 2025. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently, no opinion or assurance conclusion has been expressed by Ernst & Young on this announcement.

## **CLOSURE OF REGISTER OF MEMBERS**

To ascertain Shareholders’ entitlement to attend and vote at the Company’s upcoming 2025 annual general meeting, the register of members of the Company will be closed from Thursday, 14 August 2025 to Tuesday, 19 August 2025, both days inclusive, during which period no transfers of shares will be registered. In order to be qualified to attend and vote at the 2025 annual general meeting, all transfers of share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 13 August 2025.

## **ANNUAL GENERAL MEETING**

The 2025 annual general meeting of the Company will be held at Garden Room A–D, 2/F, New World Millennium Hong Kong Hotel, 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Tuesday, 19 August 2025 at 10:45 a.m. and the notice convening such meeting will be published and despatched to the Shareholders in the manner as required by the Listing Rules in due course.

## **PUBLICATION OF FINAL RESULTS AND DESPATCH OF ANNUAL REPORT**

This results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cnagri-products.com](http://www.cnagri-products.com)). The 2025 annual report of the Company containing all the information required by the Listing Rules will be despatched to the Shareholders and available on the above websites in due course.

By Order of the Board  
**CHINA AGRI-PRODUCTS EXCHANGE LIMITED**  
**中國農產品交易所有限公司**  
**Leung Sui Wah, Raymond**  
*Executive Director and Chief Executive Officer*

Hong Kong, 30 June 2025

*As at the date of this announcement, the executive Directors are Mr. Tang Ching Ho, Mr. Leung Sui Wah, Raymond, Mr. Wong Ka Kit and Ms. Luo Xu Ying, and the independent non-executive Directors are Mr. Lau King Lung, Mr. Wong Ping Yuen and Mr. Shang Hai Long.*