HENG TAI CONSUMABLES GROUP LIMITED
亨泰消費品集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 00197)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2025

The board (the "**Board**") of directors (the "**Directors**") of Heng Tai Consumables Group Limited (the "**Company**") is pleased to announce the audited consolidated final results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 30 June 2025 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 30 June 2025

	Note	**2025** *HK$'000*	2024 *HK$'000*
Revenue	*3*	**427,993**	441,951
Cost of sales		**(393,622)**	(405,318)
Gross profit		**34,371**	36,633
Changes in fair value due to biological transformation		**(10,157)**	(19,715)
Other gains and income		**10,735**	12,271
Selling and distribution expenses		**(51,867)**	(43,610)
Administrative expenses		**(64,658)**	(62,355)
Impairment losses on trade receivables, loan receivables and deposits and other receivables, net		**(4,798)**	(6,266)
Impairment losses on non-financial assets		**(117,121)**	(112,840)
Other operating expenses		**(1,077)**	(480)
Loss from operations		**(204,572)**	(196,362)
Finance costs	*5*	**(335)**	(326)
Loss before tax		**(204,907)**	(196,688)
Income tax (expense)/credit	*6*	**(176)**	240
Loss for the year attributable to owners of the Company	*7*	**(205,083)**	(196,448)
Loss per share	*9*		
Basic		**HK$(1.16)**	HK$(1.74)
Diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2025

	2025	2024
	HK$'000	*HK$'000*
Loss for the year	**(205,083)**	(196,448)
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Fair value change on revaluation of buildings	**(6,176)**	(2,973)
Deferred tax liability on revaluation of buildings	**1,545**	743
	(4,631)	(2,230)
Items that have been or may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**2,489**	(1,043)
Exchange differences reclassified to profit or loss on deregistration of subsidiaries	**–**	(967)
Fair value changes on financial assets at fair value through other comprehensive income ("**FVTOCI**")	**(7,262)**	–
	(4,773)	(2,010)
Other comprehensive income for the year attributable to owners of the Company, net of tax	**(9,404)**	(4,240)
Total comprehensive income for the year attributable to owners of the Company	**(214,487)**	(200,688)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Note	2025 HK$'000	2024 HK$'000
ASSETS			
Non-current assets			
Fixed assets		**107,020**	182,034
Right-of-use assets		**16,178**	25,781
Construction in progress		**2,385**	14,971
Bearer plants		**15,031**	50,045
Goodwill		**–**	–
Other intangible assets		**7,087**	3,822
Other assets		**623**	205
Investment in a club membership		**108**	108
Investments		**69,018**	69,035
Deferred tax assets		**9,260**	9,193
Loan receivables	*10*	**10,242**	–
		236,952	355,194
Current assets			
Biological assets		**11,199**	12,096
Inventories		**81,974**	97,811
Loan receivables	*10*	**4,370**	–
Trade receivables	*11*	**158,414**	195,343
Prepayments, deposits and other receivables		**107,229**	120,651
Investments		**122**	3,669
Pledged bank deposits		**–**	2,000
Client trust bank balances		**156**	265
Bank and cash balances		**58,109**	82,527
		421,573	514,362
TOTAL ASSETS		**658,525**	869,556

	Note	2025 HK$'000	2024 HK$'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**1,786**	1,576
Reserves		**575,179**	785,315
Total equity		**576,965**	786,891
Non-current liabilities			
Lease liabilities		**4,678**	5,090
Deferred tax liabilities		**10,680**	11,756
		15,358	16,846
Current liabilities			
Trade payables	*12*	**55,585**	55,601
Accruals and other payables		**8,836**	9,311
Borrowings		**–**	147
Lease liabilities		**1,781**	760
		66,202	65,819
Total liabilities		**81,560**	82,665
TOTAL EQUITY AND LIABILITIES		**658,525**	869,556
Net current assets		**355,371**	448,543
Total assets less current liabilities		**592,323**	803,737

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("**HKFRS**"); Hong Kong Accounting Standards ("**HKAS**"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and with the disclosure requirements of the Companies Ordinance (Cap. 622).

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

2. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

(a) Application of new and revised HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 July 2024 for the preparation of the consolidated financial statements:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Hong Kong Interpretation 5 ("**HK Int 5**") (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Adoption of Amendments to HKAS 1 "Classification of Liabilities as Current or Non-current" and Amendments to HKAS 1 "Non-current Liabilities with Covenants" (collectively the "HKAS 1 Amendments")

As a result of the adoption of the HKAS 1 Amendments, the Group changed its accounting policy for the classification of borrowings as below:

"Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification."

This new policy did not result in a change in the classification of the Group's borrowings. The Group did not make retrospective adjustments as a result of adopting HKAS 1 Amendments.

(b) New and revised HKFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 30 June 2025 and which have not been adopted in these financial statements. The Group has not early applied the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
Amendments to HKAS 21 and HKFRS 1 — Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7 — Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HK Int 5 — Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027

The directors of the Company are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

HKFRS 18 "Presentation and Disclosure in Financial Statements"

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 consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

Amendments to HKFRS 9 and HKFRS 7 — Amendments to the Classification and Measurement of Financial Instruments

The HKICPA issued targeted amendments to HKFRS 9 and HKFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at FVTOCI.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Amendments to HKAS 21 "Lack of Exchangeability"

The amendments specify when a currency is exchangeable into another currency and when it is not and how an entity estimates the spot exchange rate when a currency is not exchangeable. In addition, the amendments require disclosure of information that enables users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

3. REVENUE

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines for the year is as follows:

	2025	2024
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
— Sales of consumer goods	**248,670**	266,463
— Sales of agri-products	**178,220**	172,500
— Commission and brokerage income on securities dealings	**34**	607
	426,924	439,570
Revenue from other sources		
— Interest income from margin financing	**1,069**	2,381
	427,993	441,951

The Group derives revenue from the transfer of products and services at a point in time in the following major product lines and geographical regions:

	For the year ended 30 June 2025			
	Consumer goods *HK$'000*	**Agri-products** *HK$'000*	**Securities dealing services** *HK$'000*	**Total** *HK$'000*
Primary geographical markets				
Hong Kong	**–**	**54,178**	**34**	**54,212**
People's Republic of China (the "**PRC**") except Hong Kong	**248,670**	**124,042**	**–**	**372,712**
Revenue from external customers	**248,670**	**178,220**	**34**	**426,924**
Timing of revenue recognition				
Products and services transferred at a point in time	**248,670**	**178,220**	**34**	**426,924**

	For the year ended 30 June 2024			
	Consumer goods *HK$'000*	Agri-products *HK$'000*	Securities dealing services *HK$'000*	Total *HK$'000*
Primary geographical markets				
Hong Kong	–	50,860	607	51,467
PRC except Hong Kong	266,463	121,640	–	388,103
Revenue from external customers	266,463	172,500	607	439,570
Timing of revenue recognition				
Products and services transferred at a point in time	266,463	172,500	607	439,570

4. SEGMENT INFORMATION

The chief operating decision maker has been identified as the Board. The Board reviews the Group's internal reporting for the purposes of resource allocation and assessment of segment performance which focused on the category of services/products provided to external customers. The Group has identified two reportable segments as follows:

(i) The sale and trading of fast moving consumer goods including packaged foods, beverages and household consumable products ("**FMCG Trading Business**"); and

(ii) The cultivation, sale and trading of fresh and processed fruits and vegetables ("**Agri-Products Business**").

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The Group's other operating segments include the provision of securities dealing and margin financing services. None of these segments meets any of the quantitative thresholds for determining reportable segments. The information of these other operating segments is included in the 'All other segments' column.

Segment loss does not include gain from investments, certain other gains and income, certain finance costs, gain on deregistration of subsidiaries, gain on disposal of a subsidiary and unallocated corporate expenses. Segment assets do not include investments, certain prepayments, deposits and other receivables, pledged bank deposits and certain bank and cash balances. Segment non-current assets do not include investments, investment in a club membership, certain fixed assets and certain right-of-use assets. Segment liabilities do not include certain accruals and other payables and certain lease liabilities. Segment non-current liabilities do not include certain lease liabilities and certain deferred tax liabilities.

Information about reportable segment revenue, loss, assets and liabilities:

	FMCG Trading Business *HK$'000*	Agri-Products Business *HK$'000*	All other segments *HK$'000*	Total *HK$'000*
Year ended 30 June 2025				
Revenue from external customers	**248,670**	**178,220**	**1,103**	**427,993**
Segment loss	**(25,199)**	**(167,466)**	**(15)**	**(192,680)**
Depreciation and amortisation	**12,412**	**30,571**	**1**	**42,984**
Income tax expense/(credit)	**61**	**61**	**(67)**	**55**
Other material non-cash items:				
Changes in fair value due to biological transformation	**–**	**10,157**	**–**	**10,157**
Impairment losses/(reversal of impairment losses) on trade receivables, loan receivables and deposits and other receivables, net	**4,938**	**(71)**	**(69)**	**4,798**
Impairment loss on fixed assets	**–**	**62,900**	**–**	**62,900**
Impairment loss on right-of-use assets	**–**	**10,766**	**–**	**10,766**
Impairment loss on construction in progress	**–**	**5,087**	**–**	**5,087**
Impairment loss on bearer plants	**–**	**32,047**	**–**	**32,047**
Impairment loss on prepayments	**–**	**6,321**	**–**	**6,321**
Impairment loss on inventories	**128**	**–**	**–**	**128**
Additions to segment non-current assets	**12,812**	**24,328**	**219**	**37,359**
At 30 June 2025				
Segment assets	**307,073**	**202,696**	**25,018**	**534,787**
Segment liabilities	**37,386**	**32,399**	**1,998**	**71,783**

	FMCG Trading Business *HK$'000*	Agri-Products Business *HK$'000*	All other segments *HK$'000*	Total *HK$'000*
Year ended 30 June 2024				
Revenue from external customers	266,463	172,500	2,988	441,951
Segment loss	(14,137)	(169,072)	(3,113)	(186,322)
Depreciation and amortisation	7,291	32,768	6	40,065
Income tax expense/(credit)	55	55	(460)	(350)
Other material non-cash items:				
Changes in fair value due to biological transformation	–	19,715	–	19,715
Impairment losses/(reversal of impairment losses) on trade receivables and deposits and other receivables, net	3,261	(1,339)	4,344	6,266
Impairment loss on fixed assets	–	55,054	–	55,054
Impairment loss on right-of-use assets	–	10,621	–	10,621
Impairment loss on construction in progress	–	10,297	–	10,297
Impairment loss on bearer plants	–	34,421	–	34,421
Impairment loss on prepayments	–	2,447	–	2,447
Additions to segment non-current assets	9,746	26,358	–	36,104
At 30 June 2024				
Segment assets	348,243	350,018	27,232	725,493
Segment liabilities	35,200	36,154	1,640	72,994

Reconciliations of reportable segment loss, assets and liabilities:

	2025	2024
	HK$'000	*HK$'000*
Loss		
Total loss of reportable segments	**(192,680)**	(186,322)
Fair value gain on financial assets at fair value through profit or loss ("**FVTPL**"), net	**613**	4,323
Gain on disposal of a subsidiary	**–**	10
Gain on deregistration of subsidiaries, net	**–**	911
Gain on redemption of financial assets at FVTPL	**3,265**	–
Unallocated amounts:		
Other corporate expenses	**(16,281)**	(15,370)
Consolidated loss for the year	**(205,083)**	(196,448)
Assets		
Total assets of reportable segments	**534,787**	725,493
Unallocated amounts:		
Investments	**69,140**	72,704
Other corporate assets	**54,598**	71,359
Consolidated total assets	**658,525**	869,556
Liabilities		
Total liabilities of reportable segments	**71,783**	72,994
Unallocated amounts:		
Other corporate liabilities	**9,777**	9,671
Consolidated total liabilities	**81,560**	82,665

Geographical information:

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue		**Non-current assets**	
	2025	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**55,281**	53,848	**2,234**	1,212
PRC except Hong Kong	**372,712**	388,103	**143,202**	272,709
Others	**–**	–	**2,840**	2,840
Consolidated total	**427,993**	441,951	**148,276**	276,761

Revenue from major customer:

For the years ended 30 June 2025 and 2024, the revenue from the Group's largest customer accounted for less than 10% of the Group's total revenue and accordingly, no major customer information is presented.

5. FINANCE COSTS

	2025	2024
	HK$'000	*HK$'000*
Interest on borrowings	**1**	48
Interest expenses on lease liabilities	**334**	278
	335	326

6. INCOME TAX EXPENSE/(CREDIT)

	2025	2024
	HK$'000	*HK$'000*
Deferred tax	**176**	(240)

No provision for Hong Kong Profits Tax has been made in the financial statements since the Group has sufficient tax losses brought forward to set off against current year's assessable profit.

Tax charges on profits assessable elsewhere in other jurisdictions have been calculated at the rates of tax prevailing in the relevant jurisdictions in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

The Company's subsidiaries operating in Macau were subject to Macau Profit Tax at the rate of 12% (2024: 12%) in compliance with relevant Macau tax regulations. The first MOP$600,000 of assessable profits of these subsidiaries are tax-free and the remaining assessable profits are taxed at 12%.

The provision for income tax of subsidiaries operating in the PRC have been calculated at the rate of 25% (2024: 25%), based on existing legislation, interpretation and practices in respect thereof.

The domestic statutory tax rate of Australia is 30% of the estimated assessable profits.

The reconciliation of the income tax expenses/(credit) and the product of loss before tax multiplied by the statutory tax rate of the countries in which the Company and its subsidiaries are domiciled to the tax expenses at the effective tax rates are as follows:

	2025				2024				
	Macau	**Hong Kong**	**PRC**	**Total**	Macau	Hong Kong	PRC	Australia	Total
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Loss before tax	**(16,440)**	**(9,174)**	**(179,293)**	**(204,907)**	(6,692)	(10,101)	(179,865)	(30)	(196,688)
Applicable income tax rate	**12%**	**16.5%**	**25%**		12%	16.5%	25%	30%	
Tax at the applicable income tax rate	**(1,973)**	**(1,514)**	**(44,823)**	**(48,310)**	(803)	(1,667)	(44,966)	(9)	(47,445)
Tax effect of income not taxable	**(12)**	**(1,225)**	**(4,021)**	**(5,258)**	–	(1,120)	(4,110)	–	(5,230)
Tax effect of loss and expenses not deductible	**2,115**	**2,291**	**47,128**	**51,534**	1,183	2,179	47,316	9	50,687
Tax effect of unused tax losses not recognised	**–**	**433**	**1,757**	**2,190**	–	252	1,802	–	2,054
Tax effect of utilisation of tax losses not previously recognised	**–**	**(70)**	**–**	**(70)**	–	(187)	–	–	(187)
Tax effect of unrecognised temporary difference	**(130)**	**18**	**202**	**90**	(380)	83	178	–	(119)
Income tax expenses/(credit)	**–**	**(67)**	**243**	**176**	–	(460)	220	–	(240)

7. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging/(crediting) the following:

	2025	2024
	HK$'000	*HK$'000*
Amortisation of other intangible assets	**13,515**	5,460
Auditors' remuneration		
Audit services	**2,385**	2,582
Non-audit services	**182**	–
	2,567	2,582
Cost of inventories sold	**386,693**	399,070
Depreciation on fixed assets, net of amount capitalised	**15,518**	20,772
Depreciation on right-of-use assets, net of amount capitalised	**16,354**	16,396
Exchange (gains)/losses, net	**(44)**	106
Fair value gain on financial assets at FVTPL, net	**(613)**	(4,323)
Gain on deregistration of subsidiaries, net	**–**	(911)
Gain on disposal of fixed assets, net	**(2)**	(18)
Gain on redemption of financial assets at FVTPL	**(3,265)**	–
Impairment loss on inventories	**128**	–
Impairment losses on non-financial assets		
Impairment loss on fixed assets	**62,900**	55,054
Impairment loss on right-of-use assets	**10,766**	10,621
Impairment loss on construction in progress	**5,087**	10,297
Impairment loss on bearer plants	**32,047**	34,421
Impairment loss on prepayments	**6,321**	2,447
	117,121	112,840
Impairment loss on trade receivables	**6,730**	9,860
Reversal of impairment loss on trade receivables	**(5,962)**	(3,545)
Reversal of impairment loss on other receivables	**(690)**	(49)
Impairment loss on loan receivables	**4,720**	–
Fixed assets written off	**7**	–
Intangible assets written off	**–**	374
Rental income #	**(970)**	(977)
Staff costs (excluding directors' emoluments)		
Staff salaries, bonus and allowances	**20,298**	20,285
Retirement benefits scheme contributions	**488**	453
	20,786	20,738

Included in sales of agri-products in note 3.

8. DIVIDENDS

The Board does not recommend the payment of a final dividend in respect of the year ended 30 June 2025 (2024: HK$Nil).

9. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK$205,083,000 (2024: HK$196,448,000) and the weighted average number of ordinary shares of 176,189,015 (2024: 112,809,468) in issue during the year.

Diluted loss per share

No diluted loss per share is presented as the Company did not have any potentially dilutive ordinary shares for both years ended 30 June 2025 and 2024.

10. LOAN RECEIVABLES

	2025	2024
	HK$'000	*HK$'000*
Gross loan receivables	**19,332**	–
Impairment loss on loan receivables	**(4,720)**	–
	14,612	–
Analysed as:		
Current assets	**4,370**	–
Non-current assets	**10,242**	–
	14,612	–

The Group's loan receivables are denominated in HK$. The loan receivables are unsecured, interest-bearing at 6% per annum and repayable with fixed terms agreed with the customers.

A maturity profile of the loan receivables as at the end of the reporting period, based on the maturity date, net of impairment loss, is as follows:

	2025	2024
	HK$'000	*HK$'000*
Within one year	**4,370**	–
One to two years	**5,331**	–
Two to five years	**4,911**	–
	14,612	–

The loan receivables are not yet past due at the end of the reporting period.

11. TRADE RECEIVABLES

		2025 HK$'000	2024 HK$'000
Trade receivables arising from			
Trading	*(note (a))*	**165,458**	184,818
Dealing in securities and margin financing			
— Cash clients	*(note (b))*	**5,779**	5,850
— Margin clients	*(note (c))*	**–**	36,346
		171,237	227,014
Impairment loss on trade receivables		**(12,823)**	(31,671)
		158,414	195,343

Notes:

(a) For trade receivables arising from trading, the Group normally allows credit terms to established customers ranging from 30 to 210 days (2024: 30 to 210 days).

The aging analysis of trade receivables arising from trading, net of impairment loss, based on the date of recognition of the sale, is as follows:

	2025 HK$'000	2024 HK$'000
1–30 days	**34,818**	43,322
31–60 days	**29,195**	30,177
61–90 days	**22,864**	29,673
Over 90 days	**71,537**	74,946
	158,414	178,118

At 30 June 2025, trade receivables arising from trading of approximately HK$4,881,000 (2024: HK$4,705,000) were past due but not impaired. The Group does not hold any collateral over these balances. These relate to a number of independent customers for whom there is no recent history of default. The vast majority of the amounts had been settled subsequent to the reporting period. The aging analysis of these trade receivables is as follows:

	2025 HK$'000	2024 HK$'000
Up to 90 days	**4,856**	3,947
Over 90 days	**25**	758
	4,881	4,705

As at 30 June 2025, trade receivables arising from trading are unsecured and interest-free.

(b) At 30 June 2025, cash client receivables of approximately HK$5,779,000 (2024: HK$5,850,000) were past due. Approximately HK$5,779,000 (2024: HK$5,850,000) was impaired for which net impairment loss of approximately HK$71,000 was reversed (2024: HK$536,000 was recognised) during the year. No aging analysis is disclosed as, in the opinion of the directors, an aging analysis does not give additional value in view of the nature of these cash client receivables arising from dealing in securities.

As at 30 June 2025, cash client receivables from dealing in securities past due are unsecured and bear interest of 9.25% per annum (2024: 9.25% per annum).

(c) Margin clients are required to pledge securities collateral to the Group in order to obtain credit facilities. The amount of credit facilities granted to the margin clients is determined with reference to the market value of securities accepted by the Group. Margin loans due from margin clients are either current or repayable on demand for those margin clients subject to margin calls. No aging analysis is disclosed as, in the opinion of the Directors, aging analysis does not give additional analysis value in view of the nature of these trade receivables from margin clients.

As at 30 June 2024, margin client receivables arising from margin financing were interest-bearing at rates ranging from 6% to 8% per annum.

As at 30 June 2024, the total market value of securities pledged as collateral in respect the margin loans to customers were approximately HK$17,225,000.

12. TRADE PAYABLES

	2025	2024
	HK$'000	*HK$'000*
Trade payables arising from		
Trading	**55,429**	55,336
Dealing in securities		
— Cash clients	**156**	265
	55,585	55,601

The trade payables to cash clients arising from dealing in securities are repayable on demand. The Group has a practice to satisfy all the requests for payment within one business day. No aging analysis is disclosed as, in the opinion of the Directors, the aging analysis does not give additional value in view of the nature of the business.

The aging analysis of trade payables arising from trading, based on the date of receipt of goods purchased, is as follows:

	2025	2024
	HK$'000	*HK$'000*
1–30 days	**30,849**	17,730
31–60 days	**18,583**	18,243
61–90 days	**5,335**	9,538
Over 90 days	**662**	9,825
	55,429	55,336

Trade payables to cash clients arising from dealing in securities also include those payables where the corresponding clients' monies are placed in trust and segregated accounts with authorised financial institutions of approximately HK$156,000 (2024: HK$265,000).

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

During FY2024/25, the Group is principally engaged in (i) the trading of packaged foods, beverages and household consumable products (the "**FMCG Trading Business**"); (ii) the trading of agri-products ("**Agri-Products Trading Business**") and the upstream farming business ("**Upstream Farming Business**") (collectively the "**Agri-Products Business**"); and (iii) other businesses arising from the securities brokerage and margin financing business (the "**Other Business**"). The first two businesses come together to form two vertically integrated supply chains allowing the Group to effectively deliver perishable and non-perishable consumer products in China.

During FY2024/25, the global economy continued to face a number of challenges, including slow global economic growth coupled with high interest rate environments, the announcement of tariff escalation by the United States triggering high policy risks and dampening global trade, as well as the negative spillovers from the wars in Ukraine and the Middle East. In China, the economic growth has been dragged down by the real estate and debt crisis over past few years after the coronavirus disease 2019 (COVID-19) (the "**pandemic**"). Although the Chinese GDP growth has slightly improved in the second half of FY2024/25, the growth was unbalanced and primarily driven by its industrial growth. The retail sales remained weak with growth in a range between 2.1% and 6.4% compared to the last financial year. It lost its momentum in June 2025 and grew the least in four months at 4.8%, despite the launches of the different government measures to boost consumption, reflecting the fact that Chinese consumers were still cautious with their discretionary spending due to economic downturn and uncertainty. Simultaneously, the competition from domestic products has been intensifying in spite of the weak market demand. The domestic brands were price competitive and employed advertising activities to increase market share, there had been a growing preference among Chinese consumers for domestic goods, leading to unfavourable market conditions for the imported goods under the FMCG Trading Business. In light of the above fierce market competition, the Group has been carrying on a continuous review to trim down its operations for imported goods to minimize the operation costs and overheads and the Group has been sourcing domestic products to counteract the challenging macroenvironment faced by the import goods under the FMCG Trading Business. Additionally, the Group carefully developed the trading business for other ancillary products like fertilizer, together with more flexible pricing strategies to stay competitive. The overall revenues recorded a fall of 3.2% from approximately HK$442.0 million to approximately HK$428.0 million compared to FY2023/24, amid lingering slow economic growth. The gross profit margin remained stable for FY2024/25, primarily attributable to the improvement in the gross profit margin of the Agri-Products Business but offset by the decline in the gross profit margin of the FMCG Trading Business. During FY2024/25, the sourcing costs of the FMCG Trading Business have kept rising but the Group could not pass on the increased costs to customers, and even had to reduce selling prices for certain kinds of products due to keen competition. On the other hand, the Group managed to increase the selling prices for certain imported and self-grown agricultural products to reflect their improving quality, which in turn improved the gross profit margin of the Agri-Products Business.

The overall operating environment is still fraught with uncertainties, especially the lack of growth momentum and the ongoing unpredictable trade policies imposed by different major nations. The Group will continue to adopt conservative stance on future developments, implement cost-saving initiatives and ensure a strong and healthy financial position to weather any unforeseeable headwinds.

FINANCIAL PERFORMANCE

During the financial year under review, the Group generated total revenue of approximately HK$428.0 million as compared to approximately HK$442.0 million for FY2023/24, representing a fall of approximately 3.2%. The decrease in revenues was mainly attributable to the decrease in the revenues of the FMCG Trading Business, but partly offset by the increase in the revenues of the Agri-Products Business. During the financial year under review, the revenues of the FMCG Trading Business continued to drop due to weak market demand and keen competition from domestic brands. The Group had to reduce selling prices of certain products to maintain competitiveness in a tough market. The Group continued to refine its product mix, reducing product categories facing fierce competition like beverage to reduce different kinds of operating expenses like marketing expenses, which also decreased the revenue of the FMCG Trading Business. On the other hand, the Group managed to increase selling prices for certain imported and self-grown agricultural products by virtue of their upgraded quality thanks to the improved procurement network and cultivation skills. Additionally, some revenues for the fertilizer trading business were recognised during FY2024/25, thus increasing the revenues of the Agri-Products Business compared to the last financial year, which partially counteracted the decline in the revenue of the FMCG Trading Business. During FY2024/25, the revenue of the securities brokerage and margin financing business declined because the Group continued to shrink its scale of operations.

Gross profit margin remained fairly stable at approximately 8.0% compared to approximately 8.3% of FY2023/24, which was a combination of the increase in the gross profit margin of the Agri-Products Business but offset by the decrease in the gross profit margin of the FMCG Trading Business. During FY2024/25, the Group continued to expand its procurement network in order to source more agricultural products with distinctive market differentiations, which enabled the Group to increase selling prices to reflect their upgraded and high quality, and thus improving the gross profit margin of the Agri-Products Business. On the other hand, although the Group did not participate in price war for the FMCG Trading Business, the Group had to reduce selling prices for certain products to stay competitive, let alone passed on the rising sourcing costs to customers, which suppressed the overall gross profit margin and offset the improvement contributed by the Agri-Products Business.

Changes in fair value due to biological transformation decreased from approximately HK$19.7 million to approximately HK$10.2 million. The decrease was mainly attributable to lower depreciation as certain assets and investments of the Upstream Farming Business were impaired and fully depreciated in FY2023/24.

Other gains and income decreased to approximately HK$10.7 million compared to approximately HK$12.3 million in FY2023/24. Other gains and income mainly represented interest income of approximately HK$4.9 million derived from the investments in the bonds issued by China Healthwise Holdings Limited ("**China Healthwise**"), an interest income from bank deposits of approximately HK$1.2 million, a fair value gain and a redemption gain on the convertible bonds issued by China Healthwise of approximately HK$7.2 million, and other miscellaneous income of approximately HK$0.8 million, and partly offset by a fair value loss on the investments in Global Mastermind Holdings Limited of approximately HK$3.4 million.

Selling and distribution expenses increased by approximately 18.9% from approximately HK$43.6 million to approximately HK$51.9 million compared to FY2023/24, representing approximately 12.1% of total revenue (FY2023/24: 9.9%). The increase in the selling and distribution expenses as a percentage of turnover was mainly attributable to the trading business for fertilizers and the increase in freight and transportation, logistics handling costs in distribution hubs and amortisation amount for distribution rights during the financial year under review. Selling and distribution expenses included, among others, promotion campaigns for the development of sales and marketing channels, outlays on brand building, marketing, freight and transportation, depreciation amount for right-of-use assets, commission as well as sales force, logistics handling and distribution expenses all together spent in support of the Group's sales activities.

Administrative expenses increased by approximately 3.7% from approximately HK$62.4 million to approximately HK$64.7 million compared to FY2023/24. The increase in administrative expenses was primarily attributable to the increase in business activities and general inflation in the post-pandemic era, but partly offset by the Group's various cost saving initiatives.

Net impairment losses on trade receivables, loan receivables and deposits and other receivables were approximately HK$4.8 million (FY2023/24: HK$6.3 million) as the Group has continued to take a cautious approach on the receivables that exposed to a higher risk of collectability given these uncertain economic conditions, partly offset by the reversal of the impairment losses on trade receivables and deposits and other receivables in previous years.

Impairment losses on non-financial assets of approximately HK$117.1 million (FY2023/24: HK$112.8 million) represented impairment losses on the Upstream Farming Business segment assets, of which approximately HK$62.9 million for fixed assets, approximately HK$32.0 million for bearer plants, approximately HK$10.8 million for right-of-use assets, approximately HK$5.1 million for construction in progress and approximately HK$6.3 million for prepayments. During the financial year under review, the business environment of the Group remained challenging, especially for new developments like agri-tourism business, new arable land development and fruit processing centre in Jiangxi for the reasons that (i) the economic growth of the PRC continued to be dragged down by the real estate crisis and the weak market demand after the pandemic; (ii) the capital commitment and recurring operating expenses were expected to be significant for the operation commencement; and (iii) the competition was fierce, in particular the agri-tourism business which required well-established sales network and tremendous promotions to attract visitors as well as different formalities required for the operations, absence of reliable business partners who are familiar with tourism industry severely affected the business development plan under the current environment. During FY2024/25, the Group has been negotiating with various travel agencies, but no solid collaboration plan could be finalized. Given these unfavorable circumstances, the Group was more conservative on the abovementioned new developments and the Group will only reactivate the development plan when the market shows signs of recovery and suitable business partners are in place to jointly invest in the abovementioned new developments. As the economic performance of the abovementioned new developments deviated from the original plan, leading to a decline in future free cash flows and thus an impairment loss to its carrying amount compared with its value in use. The management has adopted the income approach consistently as in the previous financial year as the valuation method, with a pre-tax discount rate of 9.67% for the current year (FY2023/24: 10.45%). The income approach is an appropriate method that can reflect the value of cash flow generated by the continuous operation of the assets, which is consistent with the requirements under HKAS 36 in determining the value in use of cash generating units.

Other operating expenses increased from approximately HK$0.5 million to approximately HK$1.1 million. Other operating expenses for FY2024/25 mainly represented an one time restructuring cost related to the Upstream Farming Business of approximately HK$1.0 million and other miscellaneous expenses of approximately HK$0.1 million.

Finance costs were kept at a minimal level during the financial year.

Net loss for the year ended 30 June 2025 was approximately HK$205.1 million (FY2023/24: HK$196.4 million). The increase in the net loss was mainly attributable to a combination of approximately 3.2% decrease in turnover, approximately 18.9% increase in selling and distribution expenses, approximately 3.7% increase in administrative expenses, approximately HK$1.5 million decrease in other gains and income, approximately HK$4.3 million increase in impairment losses on non-financial assets, and approximately HK$0.6 million increase in other operating expenses, but partly offset by approximately HK$9.6 million decrease in changes in fair value due to biological transformation, and approximately HK$1.5 million decrease in net impairment losses on trade receivables, loan receivables and deposits and other receivables.

BUSINESS REVIEW

FMCG Trading Business

The FMCG Trading Business sells packaged foods, beverages and household consumable products into the domestic Chinese market. These products are largely sourced overseas through the Group's wide-reaching global procurement network and are imported primarily from Australasia, Europe, the Americas and South East Asia. The FMCG Trading Business contributed approximately HK$248.7 million in revenues to the Group for FY2024/25, decreased by approximately 6.7% from that contributed in FY2023/24. The decrease in revenues was primarily attributable to the weak market demand and the fierce competition against domestic brands. During the financial year under review, China's economic growth was still weak and unbalanced, the fierce competition from domestic brands which continuously used low prices to grab market share on top of their tremendous advertisements further worsened the business environment. In view of the keen competition, the Group had to reduce selling prices for certain products and even trimmed down its operations for some imported goods to stay competitive, which inevitably affected its revenue and gross profit margin for FY2024/25. Against this backdrop, the Group continuously refined its product mix and sourced new products, not only from overseas suppliers, but also seeking cooperations with domestic manufacturers in view of the great improvement in the quality of Chinese products in recent years. In future, the Group will closely follow the market trends to streamline and scale down its trading business for unprofitable imported goods and contemplate exporting different variety of new products from China to Asian and European markets.

This business unit can be classified into three categories including packaged foods, beverages and household consumable products with their respective contribution of approximately 85%, 10% and 5%. Packaged foods, including biscuits, candies, chocolate, condiments, margarine, milk powder products, healthy food, noodles, snacks, rice and nourishing and exclusively licensed branded products, remained as the most important category, followed by beverage products. During FY2024/25, the contribution percentage of packaged foods further increased compared to that of the last financial year, primarily due to the drop of the contribution from beverages in light of keen competition.

Agri-Products Business

The Agri-Products Business contains trading fresh produce imported from countries like Australasia and South East Asia as well as upstream cultivations in China. This business unit generated approximately HK$178.2 million for the FY2024/25, increased by approximately 3.3% as compared to approximately HK$172.5 million generated in FY2023/24, primarily attributable to the increase in the revenue of the Agri-Products Trading Business. The Upstream Farming Business was fairly stable in revenue compared to the last financial year.

Agri-Products Trading Business

Similar to the FMCG Trading Business, this business segment was also affected by the weak market demand and the keen competition from domestic products, but the Group managed to increase selling prices for certain agricultural products by virtue of their upgraded quality thanks to the improved procurement network. Additionally, the Dongguan processing centre continued to facilitate the Agri-Products Trading Business with more efficient operations, coupled with some contribution from the trading business for fertilizers, thus increasing the revenue and the gross profit margin of the Agri-Products Trading Business. The processing centre is a vital hub for the domestic fresh produce trading business and has been sustaining a steady growth in demand and revenue after the pandemic. During FY2024/25, it served and provided pre-processed, processed and ready-to-cook fresh produce products to a number of established fast-food chain brands and school dining halls.

Upstream Farming Business

During the financial year under review, the Group continued to carefully operate in the plantations of early crop oranges and ponkans in the Jiangxi's farming base. The revenue of the upstream farming business remained fairly stable compared to the last financial year in spite of the weak market demand. During FY2024/25, the product quality has been steadily improving, primarily stemmed from the better agricultural skills and the operation commencement of the fruit processing centre which provided various functions including fruit washing, sorting and grading, packing and storage. The Group has been continuously deploying its resources into research and development to improve its agricultural skills over past few years, such as establishing a research and test-lab centre and engaging different farming experts during the course of improving its arable lands. Therefore, the product quality and variety of the Group's self-grown agricultural products have been continuously enhancing, coupled with high quality processing procedures being carried out at the fruit processing centre which further facilitated its quality assurance and brand building, providing more room for the Group to adjust selling prices for certain products, notwithstanding the sluggish economy and market demand.

The Group has been continuously reviewing the feasibility of the new developments of the Upstream Farming Business including new arable land development, fruit processing centre and agri-tourism business in Jiangxi. In view of the weak macroeconomic environment and keen competition, the Group decelerated its pace in the development of these new businesses, especially the agri-tourism business which requires further capital commitment and well-established network for its operation commencement and also on-going working capital commitment for daily operations. During FY2024/25, the Group had been negotiating with various travel agencies in order to facilitate its development, however no solid collaboration plan could be finalized. In view of the weak market demand, the Group also deferred the development of new arable lands as well as the fruit processing centre in Jiangxi which was planned to serve third party products. Given many unfavorable factors, the Group was more conservative on these new developments and has lowered its expectations for future business performance and prospects, resulting in impairment losses on the relevant assets and investments of the Upstream Farming Business because its value in use is lower than the carrying amount of the relevant segment assets.

Other Business

The Other Business contains providing securities trading, margin financing and IPO subscription brokerage services through Sino Wealth Securities Limited. The revenue of the securities brokerage and margin financing business, primarily brokerage commission, decreased by approximately 63.1% compared to the last financial year. The decrease in the revenue was primarily attributable to the Group's continuous shrinkage of its operations during FY2024/25.

PRINCIPAL RISKS AND UNCERTAINTIES

A number of factors are crucial for the results and business operations of the Group, some of which are inherent to FMCG Trading Business, Agri-Products Business and Other Business and some are from external macro-environment. The major principal risks and uncertainties are summarised as follows:

1) Economic and Financial Market Volatility

The Group's trading businesses are impacted by fluctuations in the global economy and financial market, particularly those in China. The decline in China's economic growth inevitably affected the level of disposable income and consumer confidence, and hence weighing on the demand on the Group's products and revenues. Therefore, if there is any significant financial volatility and economic setback, or even economic shutdown caused by force majeure events such as global pandemic and wars, the Group's operations and financial performance may be adversely affected. The economic risks may result in financial market turbulence and market disruption, which may severely affect the operations of the securities brokerage and margin financing business.

2) Increasing Market Competition

The industries in which the Group operates in China are highly competitive. The Group's competitiveness is its product differentiation by providing high quality imported products at reasonable prices. However, the Group's competitiveness may be weakening in light of increasing market competition arising from the improvement of domestic product quality and the higher penetration of cross-border internet shopping. The Hong Kong financial industry is also a highly competitive market and the Group cannot assure to maintain existing client base.

3) Increasing Political Risks

Political risks including the recent rise of global protectionism may severely affect the Group's trading businesses. The increase in tariffs and various customs formalities as a result of the protectionism will increase the import costs and decrease the competitiveness of the Group's imported products, and the Group cannot assure to pass on the increased costs to customers or maintain existing client base under such circumstances.

4) Supply Chain Risk

The Group sources products from a number of overseas suppliers. The cooperation is based on well-entrenched relationship and fair terms of trade between the Group and suppliers. However, the Group cannot warrant that the relationship with each supplier will remain unchanged, and in the event the Group is unable to reach agreement upon reasonable terms with any suppliers and cannot find suitable substitute suppliers, the Group's operations may be affected. Supply chain may also be disrupted by force majeure events such as global pandemic and wars, the freight costs may rocket and the Group cannot warrant to restock inventory timely.

5) Inclement Weather Condition

The Group's Upstream Farming Business is highly dependent on the weather condition. Inclement weather condition will inevitably damage the level of crop productivity and thus the revenues of the Upstream Farming Business. Furthermore, the climate conditions of the areas where the suppliers for the Group's Agri-Products Trading Business are located could also severely affect the stability of product supply.

6) Financial Risk

The Group is exposed to various financial risks, including but not limited to, interest rate risk, currency risk, credit default risk, liquidity risk and policy risk. While the Group actively monitors these risks and adopts risk management measures to mitigate the potential adverse effects that could be derived from these risks, the Group cannot warrant that these risks can be fully hedged and the Group may suffer when unexpected financial events occur.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group devotes much attention to environmental protection and is committed to promoting environment-friendly behaviours in the course of business activities. The Group implemented different measures and set out guidelines for saving electricity, water and other precious resources and encouraged recycle of office supplies and other materials. The Group also operated major food processing centres and logistics facilities in strict compliance with the relevant environmental regulations and internationally recognised standards.

KEY RELATIONSHIP

The Group's success highly depends on the support from key relationships with employees, suppliers and customers. The Group understands the importance of maintaining a good relationship with them to achieve its immediate and long-term business goals.

The Group is continuously offering training and encouraging continuing education for our employees. Meanwhile, the Group recognises the value of its key personnel in maintaining team morale and competitiveness. Both internal promotion and external recruitment are applied to select and promote top employees for vacant positions and attract qualified candidates to join the Group.

The Group cooperates with a number of suppliers based on long term relationships. The Group emphasises on the communication with suppliers and timely keeps them abreast of market trend in China's consumer market. The Group also provides value-added and tailor-made services to our suppliers to increase their stickiness.

The Group's customers include wholesalers, on-premise customers, e-commerce operators and securities investors. The Group's most important mission is to deliver high quality, safe and niche products to our customers. The Group continuously conducts market research and expands various communication channels to understand customers' needs.

During FY2024/25, there was no material and significant dispute between the Group and its employees, suppliers and customers.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the management is aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During FY2024/25, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

SIGNIFICANT INVESTMENT HELD AND ITS PERFORMANCE

At 30 June 2025, the Group held convertible bonds and straight bonds issued by China Healthwise.

China Healthwise is a listed company in the main board of the Stock Exchange and together with its subsidiaries are principally engaged in sale of Chinese health products, money lending business and investment in financial instruments. On 19 August 2024, 8 October 2024, 15 November 2024 and 22 November 2024, the Group and China Healthwise entered into a subscription agreement and three supplemental agreements (collectively the "**Subscription Agreement**") for subscribing the bonds issued by China Healthwise in the aggregate principal amount of HK$72.3 million, of which HK$16.8 million is the principal amount of the convertible bonds and HK$55.5 million is the principal amount of the straight bonds (collectively the "**Bonds**"). On 31 December 2024, all conditions precedents to the subscription of the Bonds under the Subscription Agreement have been satisfied and the Bonds were issued. The consideration for the subscription of the Bonds was set off against the outstanding principal amount of HK$72.3 million under the outstanding convertible bonds issued by China Healthwise to the Group on 11 October 2018 (the "**Bonds 2018**").

The convertible bonds bear interest at a rate of 6% per annum, the conversion price at which the convertible bonds is to be converted into conversion share shall be HK$0.088 per conversion share. Based on the conversion price of HK$0.088 per conversion share, a maximum of 190,909,090 new shares may be allotted and issued by China Healthwise, which represents approximately 19.86% of the issued share capital as enlarged by the issue and allotment of the new shares. As at 30 June 2025, the outstanding principal amount of the convertible bonds was HK$16.8 million and its fair value classified and measured through profit or loss was approximately HK$20.8 million, hence recorded a fair value gain on investment of approximately HK$4.0 million.

The straight bonds bear interest at a rate of 8% per annum. As at 30 June 2025, the outstanding principal amount of the straight bonds was HK$55.5 million and its fair value classified and measured through other comprehensive income was approximately HK$48.2 million.

The maturity dates of the Bonds shall be two years from the date of issue 31 December 2024. The aggregate fair value of the Bonds at 30 June 2025 was approximately HK$69.0 million, representing approximately 10.5% of the Group's total assets, and the Group recorded an aggregate of interest income of approximately HK$4.9 million from the aforesaid investment in China Healthwise during the financial year.

The objective for the aforesaid investment is to better utilise the Group's available cash and seek higher interest income and potential capital gain in view of the uncertain global trading market.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a healthy financial position throughout the year under review. The Group financed its operations and business development with internally generated resources and equity funding.

On 12 August 2024, the Company issued 21,000,000 ordinary shares to not less than six independent placees at the placing price of HK$0.233 per share. The aggregate nominal value of the placing shares was HK$210,000. The market price of the shares on 19 July 2024, being the date of the placing agreement, was HK$0.241 per share. The gross proceeds of the placing was approximately HK$4.9 million. The net proceeds of the placing was approximately HK$4.6 million, representing a net issue price (i.e. placing price less expenses incurred in the placing) of approximately HK$0.22 per placing share, was fully utilised as general working capital of the Group as intended.

At 30 June 2025, the Group did not have any interest-bearing borrowings (30 June 2024: HK$0.1 million), hence no gearing ratio was presented (30 June 2024: 0.02%). The gearing ratio was expressed as a ratio of total bank borrowings to total assets. As at 30 June 2025, the Group's bank facilities were secured by corporate guarantees provided by the Company and certain subsidiaries of the Company, and charge over minimal securities (30 June 2024: corporate guarantees provided by the Company and certain subsidiaries of the Company, charge over investments of a subsidiary in carrying amount of approximately HK$3.5 million and pledged bank deposits of certain subsidiaries in carrying amount of approximately HK$2.0 million).

A significant portion of sales, purchases, services income and bank and cash equivalents of the Group were either denominated in Renminbi, Hong Kong dollars or US dollars. The Group will closely monitor the foreign currency exposure and may consider arranging for hedging facilities when it is necessary. At 30 June 2025, the Group did not have any significant hedging instrument outstanding.

At 30 June 2025, the Group's current assets amounted to approximately HK$421.6 million (30 June 2024: HK$514.4 million) and the Group's current liabilities amounted to approximately HK$66.2 million (30 June 2024: HK$65.8 million). The Group's current ratio maintained at a level of approximately 6.4 at 30 June 2025 (30 June 2024: 7.8). At 30 June 2025, the Group had total assets of approximately HK$658.5 million (30 June 2024: HK$869.6 million) and total liabilities of approximately HK$81.6 million (30 June 2024: HK$82.7 million).

USE OF PROCEEDS FROM RIGHTS ISSUE 2017

On 11 January 2017, the Company raised from a rights issue the net proceeds of approximately HK$207.3 million (the "**Rights Issue 2017**").

Set out below are the details of the use of the net proceeds of approximately HK$207.3 million from the Rights Issue 2017.

Approximate HK$ million	Planned use of proceeds as disclosed in the announcement of the Company dated 10 March 2021	Remaining proceeds as at 30 June 2024	Change of use of proceeds as disclosed in the announcement of the Company dated 27 September 2024	**Utilised during the year ended 30 June 2025**	**Utilised as at 30 June 2025**	**Remaining proceeds as at 30 June 2025**	Expected timeline for the intended use
(i) Securities brokerage business for compliance with its financial resources and for future expansion purpose	80.0	–	–	**–**	**80.0**	**–**	–
(ii) Upgrade of cold storage and logistics facilities in Shanghai	12.0	–	–	**–**	**12.0**	**–**	by 31 December 2021
(iii) Renovation and equipping of fruit processing centre in Jiangxi	14.0	–	–	**–**	**14.0**	**–**	by 30 June 2022
(iv) Installation of cold storage and logistics facilities in Jiangxi	17.0	–	–	**–**	**17.0**	**–**	by 31 October 2022
(v) Set up of new processing agri-product centre in Dongguan	34.0	–	–	**–**	**34.0**	**–**	by 31 December 2022
(vi) Research and development expenses in upstream farming	4.0	–	–	**–**	**4.0**	**–**	by 31 March 2022
(vii) Set up of an agricultural research and test-lab centre in Jiangxi	6.0	–	–	**–**	**6.0**	**–**	by 30 June 2024
(viii) Promotion and marketing activities	10.0	2.8	(2.8)	**–**	**7.2**	**–**	by 30 June 2024
(ix) Set up of an agri-tourism park with various facilities in Jiangxi	27.0	–	–	**–**	**27.0**	**–**	by 30 June 2024
(x) Working capital and general corporate purposes	3.3	–	2.8	**2.8**	**6.1**	**–**	by 30 June 2025
Total	207.3	2.8	–	**2.8**	**207.3**	**–**	

USE OF PROCEEDS FROM RIGHTS ISSUE 2024

On 24 May 2024, the Company raised from a rights issue the net proceeds of approximately HK$17.4 million (the "**Rights Issue 2024**").

Set out below are the details of the use of the net proceeds of approximately HK$17.4 million from the Rights Issue 2024.

Approximate HK$ million	Planned use of proceeds as disclosed in the prospectus of the Company dated 30 April 2024	Remaining proceeds as at 30 June 2024	**Utilised during the year ended 30 June 2025**	**Utilised as at 30 June 2025**	**Remaining proceeds as at 30 June 2025**	Expected timeline for the intended use
(i) Development of the fertilizers trading business under the Agri-Products Business	13.9	13.5	**6.3**	**6.7**	**7.2**	by 30 September 2025
(ii) General working capital of the Group	3.5	3.5	**3.5**	**3.5**	**–**	by 30 June 2025
Total	17.4	17.0	**9.8**	**10.2**	**7.2**	

USE OF PROCEEDS FROM PLACING 2024

On 12 August 2024, the Company raised from a placing the net proceeds of approximately HK$4.6 million (the "**Placing 2024**").

Set out below are the details of the use of the net proceeds of approximately HK$4.6 million from the Placing 2024.

Approximate HK$ million	Planned use of proceeds as disclosed in the announcement of the Company dated 12 August 2024	**Utilised during the year ended 30 June 2025**	**Utilised as at 30 June 2025**	**Remaining proceeds as at 30 June 2025**
General working capital of the Group	4.6	**4.6**	**4.6**	**–**
Total	4.6	**4.6**	**4.6**	**–**

NUMBER AND REMUNERATION OF EMPLOYEES

At 30 June 2025, the Group had 243 employees for its operations in China, Hong Kong and Macau. The Group's employees are remunerated in accordance with their work performance and experience. The Group also participates in a retirement benefit scheme for its staff in the PRC and a defined Mandatory Provident Fund Scheme for its staff in Hong Kong. For the year ended 30 June 2025, no forfeited contributions by the Group on behalf of employees who leave the scheme prior to vesting fully in such contributions was used by the Group to reduce the existing level of contributions. The Group provides various trainings to employees including but not limited to induction training, on-the-job training provided by department heads and sponsorship program for position-related self-education and professional qualification.

SHARE OPTION SCHEME

The Group has adopted a share option scheme on 21 December 2018 of which the Board may, at its discretion, grant options to eligible participants of the share option scheme. During the year ended 30 June 2025, no share options were granted or to be granted, exercised, vested, cancelled nor lapsed and the Company had no share options outstanding or unvested under the share option scheme at 30 June 2025 (30 June 2024: Nil). The number of options available for grant under the share option scheme mandate at 1 July 2024, 30 June 2025 and the date of this announcement was 9,363,480, which represented approximately 5.2% of the issued shares of the Company at the date of this announcement.

DEVELOPMENT AND PROSPECTS

During FY2024/25, the global economic outlook continued to be extremely volatile due to the new tariffs imposed by the United States and unresolved geographical tensions. China's economy has been experiencing sprawling real estate crisis, which is still weighing on Chinese consumers' sentiment. The more intense competition from domestic brands further worsened the overall operating environment and cast a gloomy outlook over the Group's businesses.

Against this backdrop, the Group will focus on its core businesses, including the FMCG Trading Business and the Agri-Products Trading Business. The Group will continue to reinforce and expand procurement network in order to source more suitable and niche products from both international and domestic suppliers. As aforesaid, the Group will continue to explore different variety of new product options for export from China to Asian and European markets by virtue of the price and quality competitiveness of Chinese products. On the other hand, the Group will also strengthen its operations of the processing centre in Dongguan to further expand its operations in the PRC. Additionally, the Group will adopt more flexible pricing strategies to cope with the market fluctuations with an aim of maintaining stable gross profit margins.

For the Upstream Farming Business, although its operations and distribution channels have been improving over past years, the weak market demand, the inclement weather and rising cultivation costs continue to pose a threat to the operations. While the Group will continue to enhance our agricultural skills by engaging different farming experts and putting resources into research and development, the Group will take a very cautious stance and only implement the development plan when the market shows signs of recovery and suitable business partners are in place to jointly participate in the new developments in order to minimize risks.

DIVIDEND

The Board does not recommend the payment of a final dividend for the financial year ended 30 June 2025 (2024: Nil).

CORPORATE GOVERNANCE

The Company has applied the principles of the Corporate Governance Code (the "**CG Code**") as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and complied with all the applicable code provisions of the CG Code throughout the financial year ended 30 June 2025, except with deviation from code provision C.2.1.

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separated and should not be performed by the same individual. Since March 2012, the Board has appointed Mr. Lam Kwok Hing ("**Mr. Lam**") as Chief Executive Officer in view of Mr. Lam's in-depth experience in the industry and thorough understanding of the Group's overall operations. As a result of the appointment, the roles of Chairman and Chief Executive Officer are performed by Mr. Lam. Mr. Lam is the co-founder of the Group and has over 30 years' experience in the consumer products industry. In the context of the challenging business environment, the Board believes that a consistent leadership, effective and efficient planning and implementation of business decisions and strategies are of utmost importance. While all major decisions of the Group were made in consultation with and under due consideration and approval by the Board, the Board believes that by virtue of Mr. Lam's in-depth experience and understanding of the Group, vesting the roles of Chairman and Chief Executive Officer on Mr. Lam can generate benefits for the Group and shareholders as a whole and at the same time the balance of power and authority between the Board and the management of the Group is effectively maintained.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, they all confirmed that they had fully complied with the required standard set out in the Model Code throughout the financial year ended 30 June 2025, except for Mr. Mok Tsan San who vacated the office as an executive director on 15 April 2025.

UPDATE ON DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

With effect from 15 April 2025, Mr. Mok Tsan San ("**Mr. Mok**") vacated the office of executive director of the Company. Mr. Mok has not held any directorship in the subsidiaries of the Company.

With effect from 1 August 2024, Mr. Hung Hing Man has resigned as the independent non-executive director of China Information Technology Development Limited (stock code: 8178), a company listed on the GEM of the Stock Exchange.

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

Throughout the financial year ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

REVIEW OF ANNUAL RESULTS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 30 June 2025 as set out in the preliminary announcement have been reviewed by Audit Committee and agreed by the Group's auditors, RSM Hong Kong, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by RSM Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by RSM Hong Kong on the preliminary announcement.

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This final results announcement is available for viewing on the websites of the Stock Exchange and the Company. The 2024/25 annual report of the Company will be despatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Heng Tai Consumables Group Limited
Lam Kwok Hing
Chairman

Hong Kong, 26 September 2025

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Lam Kwok Hing (Chairman), Ms. Lee Choi Lin Joecy, Ms. Gao Qin Jian and Mr. Chan Cheuk Yu Stephen; and three independent non-executive directors, namely Ms. Mak Yun Chu, Mr. Poon Yiu Cheung Newman and Mr. Hung Hing Man.