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**Shunten International (Holdings) Limited**  
**順騰國際(控股)有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 932)**

**INTERIM RESULTS ANNOUNCEMENT**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024**

The board (“**Board**”) of directors (“**Director(s)**”) of Shunten International (Holdings) Limited (“**Company**”) is pleased to present the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2024 (“**Reporting Period**”), together with the comparative figures for the six months ended 30 September 2023 (“**Last Corresponding Period**”).

**FINANCIAL HIGHLIGHTS**

|  | <b>For the six months ended</b> |                       |
|--|---------------------------------|-----------------------|
|  | <b>30 September</b>             |                       |
|  | <b>2024</b>                     | <b>2023</b>           |
|  | <b>HK\$'000</b>                 | <b>HK\$'000</b>       |
|  | <b>(unaudited)</b>              | <b>(unaudited)</b>    |
| Revenue  |                                 |                       |
| — Health and beauty supplements and products business  | <b>100,191</b>                  | 126,004               |
| — Property investment business   | <b>2,805</b>                    | 2,008                 |
|  | <b><u>102,996</u></b>           | <b><u>128,012</u></b> |
| Gross profit   | <b>79,655</b>                   | 98,164                |
| (Loss)/profit for the period attributable to owners of the Company   | <b>(4,261)</b>                  | 10,846                |
| Adjusted profit for the period attributable to owners of the Company (the “ <b>Adjusted Net Profit</b> ”)* | <b>2,739</b>                    | 14,746                |

\* The adjustment process of Adjusted Net Profit:

|  | <b>For the six months ended</b> |                 |
|--|---------------------------------|-----------------|
|  | <b>30 September</b>             |                 |
|  | <b>2024</b>                     | 2023            |
|  | <b><i>HK\$'000</i></b>          | <i>HK\$'000</i> |
| (Loss)/profit for the period attributable to owners of the Company | <b>(4,261)</b>                  | 10,846          |
| Adjustment:  |                                 |                 |
| Fair value change of investment properties                         | <u><b>7,000</b></u>             | <u>3,900</u>    |
| Adjusted Net Profit  | <u><b>2,739</b></u>             | <u>14,746</u>   |

The Adjusted Net Profit is arrived at by deducting the unrealised item relating to the fair value change of investment properties from the (loss)/profit for the period attributable to owners of the Company. The management of the Group considers that these adjusted items are not related to our daily operations and does not track such adjusted items as key operating or financial metrics internally when reviewing our performance. Therefore, by eliminating the impacts of such items in the calculation of Adjusted Net Profit, it could better reflect our underlying operating performance and could better facilitate the comparison of operating performance from period to period.

The Adjusted Net Profit is not the measures of performance under Hong Kong Financial Reporting Standards (“**HKFRSs**”). These measures do not represent, and should not be used as substitutes for, net profit or cash flows from operations as determined in accordance with HKFRSs. These measures are not necessarily an indication of whether cash flow will be sufficient to fund our cash requirements. In addition, our definitions of these measures may not be comparable to other similarly titled measures used by other companies.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 September 2024*

|  |              | <b>For the six months ended<br/>30 September</b> |  |
|--|--------------|--|--|
|  | <i>Notes</i> | <b>2024<br/>HK\$'000<br/>(unaudited)</b>         | <b>2023<br/>HK\$'000<br/>(unaudited)</b> |
| <b>REVENUE</b>   | <i>3</i>     | <b>102,996</b>                                   | 128,012                                  |
| Cost of sales  |              | <u>(23,341)</u>                                  | <u>(29,848)</u>                          |
| <b>GROSS PROFIT</b>  |              | <b>79,655</b>                                    | 98,164                                   |
| Other income, gains or losses  |              | <b>194</b>                                       | 239                                      |
| Selling and distribution expenses  |              | <b>(22,574)</b>                                  | (26,191)                                 |
| Administrative expenses  |              | <b>(49,789)</b>                                  | (51,111)                                 |
| Reversal of impairment loss under expected credit loss model on trade and other receivables  |              | <b>220</b>                                       | 248                                      |
| Fair value change of investment properties   |              | <u>(7,000)</u>                                   | <u>(3,900)</u>                           |
| <b>PROFIT FROM OPERATIONS</b>  |              | <b>706</b>                                       | 17,449                                   |
| Finance costs  | <i>5(c)</i>  | <u>(3,599)</u>                                   | <u>(3,893)</u>                           |
| <b>(LOSS)/PROFIT BEFORE TAXATION</b>   | <i>5</i>     | <b>(2,893)</b>                                   | 13,556                                   |
| Taxation   | <i>6</i>     | <u>(1,368)</u>                                   | <u>(2,757)</u>                           |
| <b>(LOSS)/PROFIT FOR THE PERIOD</b>  |              | <u>(4,261)</u>                                   | <u>10,799</u>                            |
| <b>OTHER COMPREHENSIVE INCOME/<br/>(EXPENSE) FOR THE PERIOD</b>                              |              |  |  |
| <b>Item that will not be reclassified to profit and loss:</b>                                |              |  |  |
| Change in fair value upon transfer from property, plant and equipment to investment property |              | —  | 19,612                                   |
| <b>Item that may be reclassified subsequently to profit or loss:</b>                         |              |  |  |
| Exchange differences on translation of financial statements of foreign operations            |              | <u>55</u>  | <u>(209)</u>                             |
| <b>TOTAL COMPREHENSIVE (EXPENSE)/<br/>INCOME FOR THE PERIOD</b>                              |              | <u><u>(4,206)</u></u>                            | <u><u>30,202</u></u>                     |

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**

*For the six months ended 30 September 2024*

|                                       | <b>For the six months ended<br/>30 September</b> |                      |
|---------------------------------------|--|----------------------|
|                                       | <b>2024</b>                                      | 2023                 |
| <i>Notes</i>                          | <b><i>HK\$'000</i></b>                           | <i>HK\$'000</i>      |
|                                       | <b>(unaudited)</b>                               | (unaudited)          |
| <b>(LOSS)/PROFIT FOR THE PERIOD</b>   |  |                      |
| <b>ATTRIBUTABLE TO:</b>               |  |                      |
| Owners of the Company                 | <b>(4,261)</b>                                   | 10,846               |
| Non-controlling interests             | <u>—</u>   | <u>(47)</u>          |
|                                       | <b><u>(4,261)</u></b>                            | <b><u>10,799</u></b> |
| <b>TOTAL COMPREHENSIVE (EXPENSE)/</b> |  |                      |
| <b>INCOME FOR THE PERIOD</b>          |  |                      |
| <b>ATTRIBUTABLE TO:</b>               |  |                      |
| Owners of the Company                 | <b>(4,206)</b>                                   | 30,199               |
| Non-controlling interests             | <u>—</u>   | <u>3</u>             |
|                                       | <b><u>(4,206)</u></b>                            | <b><u>30,202</u></b> |
| <b>(LOSS)/EARNINGS PER SHARE</b>      |  |                      |
| — Basic ( <i>HK cents</i> )           | <i>8</i> <b>(0.14)</b>                           | 0.35                 |
| — Diluted ( <i>HK cents</i> )         | <i>8</i> <b><u>(0.14)</u></b>                    | <b><u>0.35</u></b>   |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 September 2024*

|  |              | As at<br>30 September<br>2024  | As at<br>31 March<br>2024    |
|--|--------------|--------------------------------|------------------------------|
|  | <i>Notes</i> | <i>HK\$'000</i><br>(unaudited) | <i>HK\$'000</i><br>(audited) |
| <b>NON-CURRENT ASSETS</b>                                |              |                                |                              |
| Investment properties                                    |              | 200,100                        | 207,100                      |
| Property, plant and equipment                            |              | 11,848                         | 12,719                       |
| Right-of-use assets                                      |              | 10,643                         | 11,551                       |
| Intangible assets  |              | 21,575                         | 16,325                       |
| Prepayments and deposits                                 |              | 4,026                          | 10,671                       |
| Deferred tax assets                                      |              | 18                             | 13                           |
|  |              | 248,210                        | 258,379                      |
| <b>CURRENT ASSETS</b>                                    |              |                                |                              |
| Inventories  |              | 20,642                         | 25,880                       |
| Trade and other receivables, prepayments<br>and deposits | 9            | 40,577                         | 45,033                       |
| Tax recoverable  |              | 3,572                          | 2,342                        |
| Cash and cash equivalents                                |              | 18,704                         | 12,700                       |
|  |              | 83,495                         | 85,955                       |
| <b>CURRENT LIABILITIES</b>                               |              |                                |                              |
| Trade payables, other payables and accruals              | 10           | 16,932                         | 21,094                       |
| Contract liabilities                                     |              | 36                             | 36                           |
| Amount due to a shareholder                              |              | 11,000                         | 25,909                       |
| Bank borrowings  |              | 121,490                        | 110,965                      |
| Lease liabilities  |              | 4,751                          | 4,754                        |
| Refund liabilities                                       |              | 1,220                          | 1,260                        |
| Tax payable  |              | 1,811                          | 1,482                        |
|  |              | 157,240                        | 165,500                      |
| <b>NET CURRENT LIABILITIES</b>                           |              | <b>(73,745)</b>                | <b>(79,545)</b>              |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>             |              | <b>174,465</b>                 | <b>178,834</b>               |

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
(CONTINUED)**

*As at 30 September 2024*

|  | As at<br>30 September<br>2024         | As at<br>31 March<br>2024           |
|--|---------------------------------------|-------------------------------------|
| <i>Note</i>                                  | <i>HK\$'000</i><br><b>(unaudited)</b> | <i>HK\$'000</i><br><b>(audited)</b> |
| <b>NON-CURRENT LIABILITIES</b>               |                                       |                                     |
| Lease liabilities                            | 5,742                                 | 6,460                               |
| Deferred tax liabilities                     | <u>1,321</u>                          | <u>766</u>                          |
|  | <u>7,063</u>                          | <u>7,226</u>                        |
| <b>NET ASSETS</b>                            | <b><u>167,402</u></b>                 | <b><u>171,608</u></b>               |
| <b>EQUITY</b>                                |                                       |                                     |
| Share capital                                | 7,770                                 | 7,770                               |
| Reserves                                     | <u>160,911</u>                        | <u>165,117</u>                      |
| Equity attributable to owners of the Company | <b>168,681</b>                        | 172,887                             |
| Non-controlling interests                    | <u>(1,279)</u>                        | <u>(1,279)</u>                      |
| <b>TOTAL EQUITY</b>                          | <b><u>167,402</u></b>                 | <b><u>171,608</u></b>               |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2024*

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the six months ended 30 September 2024 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Directors have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties, which are measured at fair values, as appropriate.

Other than the additional accounting policies resulting from application of amendments to HKFRSs and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2024 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 March 2024.

### 2.1 Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual periods beginning on or after 1 April 2024 for the preparation of the Group’s condensed consolidated financial statements:

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

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)**

*For the six months ended 30 September 2024*

**3. REVENUE**

Disaggregation of revenue from contracts with customers by major products or service lines and geographical locations of customers are detailed as follows:

|  | <b>For the six months ended<br/>30 September 2024<br/>(unaudited)</b>                   |  |                           |
|--|---|--|---------------------------|
|  | <b>Health and<br/>beauty<br/>supplements<br/>and products<br/>business<br/>HK\$'000</b> | <b>Property<br/>investment<br/>business<br/>HK\$'000</b> | <b>Total<br/>HK\$'000</b> |
| <b>Disaggregated by geographical locations of customers:</b> |   |  |                           |
| Hong Kong (place of domicile)                                | <u>100,191</u>  | <u>2,805</u>   | <u>102,996</u>            |
| <b>Timing of revenue recognition:</b>                        |   |  |                           |
| Point in time  | 100,191   | —  | 100,191                   |
| Over time  | <u>—</u>  | <u>2,805</u>   | <u>2,805</u>              |
|  | <u>100,191</u>  | <u>2,805</u>   | <u>102,996</u>            |
| <b>Principal</b>   | <u>100,191</u>  | <u>2,805</u>   | <u>102,996</u>            |
|  |   |  |                           |
|  | <b>For the six months ended<br/>30 September 2023<br/>(unaudited)</b>                   |  |                           |
|  | <b>Health and<br/>beauty<br/>supplements<br/>and products<br/>business<br/>HK\$'000</b> | <b>Property<br/>investment<br/>business<br/>HK\$'000</b> | <b>Total<br/>HK\$'000</b> |
| <b>Disaggregated by geographical locations of customers:</b> |   |  |                           |
| Hong Kong (place of domicile)                                | <u>126,004</u>  | <u>2,008</u>   | <u>128,012</u>            |
| <b>Timing of revenue recognition:</b>                        |   |  |                           |
| Point in time  | 126,004   | —  | 126,004                   |
| Over time  | <u>—</u>  | <u>2,008</u>   | <u>2,008</u>              |
|  | <u>126,004</u>  | <u>2,008</u>   | <u>128,012</u>            |
| <b>Principal</b>   | <u>126,004</u>  | <u>2,008</u>   | <u>128,012</u>            |



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

### 4. SEGMENT REPORTING

Information reported to the Board, being the Chief Operating Decision Maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group’s reportable segments under HKFRS 8 *Operating Segments* are as follows:

- Health and beauty supplements and products business: development, manufacturing and sales of health and beauty supplements and products.
- Property investment business: leasing of investment properties.

#### (i) Segment revenue and results

|   | For the six months ended<br>30 September 2024<br>(unaudited)                       |   |                          |
|---|--|---|--------------------------|
|   | Health and<br>beauty<br>supplements<br>and products<br>business<br><i>HK\$'000</i> | Property<br>investment<br>business<br><i>HK\$'000</i> | Total<br><i>HK\$'000</i> |
| <b>Segment revenue:</b>                   |  |   |                          |
| Revenue from external customers           | 100,191  | 2,805   | 102,996                  |
| <b>Segment results</b>                    | <u>13,854</u>  | <u>(6,727)</u>  | 7,127                    |
| Unallocated other income, gains or losses |  |   | 5                        |
| Unallocated finance costs                 |  |   | (1,344)                  |
| Unallocated corporate expenses            |  |   | <u>(8,681)</u>           |
| Loss before taxation                      |  |   | <u>(2,893)</u>           |

|   | For the six months ended<br>30 September 2023<br>(unaudited)                       |   |                          |
|---|--|---|--------------------------|
|   | Health and<br>beauty<br>supplements<br>and products<br>business<br><i>HK\$'000</i> | Property<br>investment<br>business<br><i>HK\$'000</i> | Total<br><i>HK\$'000</i> |
| <b>Segment revenue:</b>                   |  |   |                          |
| Revenue from external customers           | 126,004  | 2,008   | 128,012                  |
| <b>Segment results</b>                    | <u>29,655</u>  | <u>(4,058)</u>  | 25,597                   |
| Unallocated other income, gains or losses |  |   | (135)                    |
| Unallocated finance costs                 |  |   | (1,586)                  |
| Unallocated corporate expenses            |  |   | <u>(10,320)</u>          |
| Profit before taxation                    |  |   | <u>13,556</u>            |

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)**

*For the six months ended 30 September 2024*

**4. SEGMENT REPORTING (CONTINUED)**

**(ii) Segment assets and liabilities**

|   | <b>As at<br/>30 September<br/>2024<br/><i>HK\$'000</i><br/>(unaudited)</b> | <b>As at<br/>31 March<br/>2024<br/><i>HK\$'000</i><br/>(audited)</b> |
|---|--|--|
| <b>Segment assets</b>                               |  |  |
| Health and beauty supplements and products business | <b>98,999</b>  | 110,512  |
| Property investment business                        | <b>201,439</b>   | 208,403  |
|   | <hr/>  | <hr/>  |
| Total reportable segment assets                     | <b>300,438</b>   | 318,915  |
| Unallocated assets                                  | <b>31,267</b>  | 25,419   |
|   | <hr/>  | <hr/>  |
| Total consolidated assets                           | <b>331,705</b>   | 344,334  |
|   | <hr/> <hr/>  | <hr/> <hr/>  |
|   | <b>As at<br/>30 September<br/>2024<br/><i>HK\$'000</i><br/>(unaudited)</b> | <b>As at<br/>31 March<br/>2024<br/><i>HK\$'000</i><br/>(audited)</b> |
| <b>Segment liabilities</b>                          |  |  |
| Health and beauty supplements and products business | <b>41,676</b>  | 16,492   |
| Property investment business                        | <b>59,941</b>  | 76,237   |
|   | <hr/>  | <hr/>  |
| Total reportable segment liabilities                | <b>101,617</b>   | 92,729   |
| Unallocated liabilities                             | <b>62,686</b>  | 79,997   |
|   | <hr/>  | <hr/>  |
| Total consolidated liabilities                      | <b>164,303</b>   | 172,726  |
|   | <hr/> <hr/>  | <hr/> <hr/>  |

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)**

*For the six months ended 30 September 2024*

**5. (LOSS)/PROFIT BEFORE TAXATION**

(Loss)/profit before taxation has been arrived at after charging the following items:

|   | <b>For the six months ended<br/>30 September</b> |                    |
|---|--|--------------------|
|   | <b>2024</b>                                      | <b>2023</b>        |
|   | <b>HK\$'000</b>                                  | <b>HK\$'000</b>    |
|   | <b>(unaudited)</b>                               | <b>(unaudited)</b> |
| <b>(a) Staff costs:</b>   |  |                    |
| Salaries, allowances, and other benefits<br>(including directors' emoluments) | 34,873   | 37,076             |
| Contributions to defined contribution retirement plans                        | 1,197  | 1,192              |
|   | <u>36,070</u>                                    | <u>38,268</u>      |
| <b>(b) Other items:</b>   |  |                    |
| Auditors' remuneration  | 705  | 757                |
| Cost of inventories   | 16,899   | 22,480             |
| Depreciation of   |  |                    |
| — property, plant and equipment   | 1,096  | 2,094              |
| — right-of-use assets   | 2,541  | 2,294              |
| Amortisation of intangible assets   | 1,550  | 550                |
| Exchange loss, net  | 115  | 212                |
| Rent for special designated counters  | 15,337   | 16,476             |
| Written-off of inventories, net of reversal                                   | 99   | 245                |
|   | <u>99</u>  | <u>245</u>         |
| <b>(c) Finance costs:</b>   |  |                    |
| Interest on bank borrowings   | 2,881  | 2,738              |
| Interest on other borrowings  | —  | 189                |
| Interest on amount due to a shareholder                                       | 433  | 716                |
| Interest on lease liabilities   | 269  | 250                |
| Others  | 16   | —                  |
|   | <u>3,599</u>                                     | <u>3,893</u>       |

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)**

*For the six months ended 30 September 2024*

**6. TAXATION**

|                         | <b>For the six months ended<br/>30 September</b>     |  |
|-------------------------|--|--|
|                         | <b>2024</b><br><i>HK\$'000</i><br><b>(unaudited)</b> | <b>2023</b><br><i>HK\$'000</i><br><b>(unaudited)</b> |
| <b>Current taxation</b> |  |  |
| Hong Kong Profits Tax   | <b>818</b>   | 2,762  |
| <b>Deferred tax</b>     | <b>550</b>   | (5)  |
|                         | <b>1,368</b>   | <b>2,757</b>   |

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of assessable profits of qualifying group entity will be taxed at 8.25%, and the assessable profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessment profits above HK\$2,000,000.

**7. DIVIDENDS**

The Board does not recommend the payment of an interim dividend for both interim periods.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

*For the six months ended 30 September 2024*

### 8. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share attributable to owners of the Company is based on the following data:

|   | For the six months ended<br>30 September |                      |
|---|--|----------------------|
|   | 2024<br>(unaudited)                      | 2023<br>(unaudited)  |
| <b>(Loss)/profit (HK\$'000)</b>   |  |                      |
| (Loss)/profit attributable to owners of the Company for<br>the purpose of basic and diluted (loss)/earnings per share | <u>(4,261)</u>                           | <u>10,846</u>        |
| <b>Number of shares</b>   |  |                      |
| Weighted average number of ordinary shares for the purpose of<br>basic and diluted (loss)/earnings per share          | <u>3,107,893,440</u>                     | <u>3,107,893,440</u> |

For the six months ended 30 September 2024 and 2023, no adjustment has been made to the basic (loss)/earnings per share amount presented in the computation of diluted (loss)/earnings per share as there were no potential dilutive ordinary shares during the periods.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2024

### 9. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

As at 30 September 2024, included in trade and other receivables, prepayments and deposits are trade receivables of approximately HK\$25,825,000 (as at 31 March 2024: approximately HK\$27,652,000).

As of the end of the reporting period, the ageing analysis of trade receivables based on the date of revenue recognition and net of allowance for credit losses were as follows:

|            | As at<br>30 September<br>2024<br><i>HK\$'000</i><br>(unaudited) | As at<br>31 March<br>2024<br><i>HK\$'000</i><br>(audited) |
|------------|---|---|
| 0–30 days  | 15,865  | 24,452  |
| 31–60 days | 9,944   | 3,200   |
| 61–90 days | 16  | —   |
|            | <u>25,825</u>   | <u>27,652</u>   |

### 10. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

As at 30 September 2024, included in trade payables, other payables and accruals are trade payables of approximately HK\$1,840,000 (as at 31 March 2024: approximately HK\$2,357,000).

As of the end of the reporting period, the ageing analysis of trade payables based on invoice dates were as follows:

|               | As at<br>30 September<br>2024<br><i>HK\$'000</i><br>(unaudited) | As at<br>31 March<br>2024<br><i>HK\$'000</i><br>(audited) |
|---------------|---|---|
| 0–30 days     | 1,094   | 919   |
| 31–60 days    | 461   | 1,006   |
| 61–90 days    | 1   | 178   |
| 91–180 days   | —   | —   |
| 181–365 days  | 30  | 2   |
| Over 365 days | 254   | 252   |
|               | <u>1,840</u>  | <u>2,357</u>  |

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group is principally engaged in the sale, marketing and distribution of health and beauty supplements and products and property investment in Hong Kong.

The Group's revenue recorded a decrease of approximately 19.5% or approximately HK\$25.0 million to approximately HK\$103.0 million for the Reporting Period as compared to approximately HK\$128.0 million for the Last Corresponding Period. Overall, the Group generated a loss attributable to owners of the Company of approximately HK\$4.3 million (Last Corresponding Period: profit of approximately HK\$10.8 million). Despite the unrealised item in respect of the fair value change of investment properties, the Group recorded an Adjusted Net Profit of approximately HK\$2.7 million for the Reporting Period (Last Corresponding Period: approximately HK\$14.7 million).

Since the publication of the latest annual report for the year ended 31 March 2024, there were no material change to the Company's business.

#### **Market overview**

In recent years, the Hong Kong Government has been taking proactive steps to promote the tourism industry, and the number of visitor arrivals to Hong Kong has recorded a significant increase. With reference to the Hong Kong Tourism Board, the total visitor arrivals in the Reporting Period recorded a significant increase of approximately 13.0% to approximately 21,360,000 as compared to approximately 18,907,000 for the Last Corresponding Period, of which tourists from Mainland China accounted for a considerable portion of approximately 77.4% for the Reporting Period. In spite of the growth momentum of visitor arrivals, the spending power of visitors reduced due to various factors including the change of consumption pattern of visitors from shopping to other experience. Also, the relative strength of Hong Kong dollars against other non-US currencies in recent years has increased the cost of travelling.

Hong Kong's retail sector remained languishing during the Reporting Period. According to the statistics from the Census and Statistics Department of Hong Kong, the overall retail sales value and the retail sales value related to the category of Chinese drugs and herbs in Hong Kong recorded a decrease of approximately 10.8% and 16.5% respectively for the Reporting Period as compared to the Last Corresponding Period. Factors including the rising trend of Hong Kong residents heading north for shopping during their leisure time, the significant increase in outbound travel during long public holidays together with the unfavourable conditions including the global rise in interest rate and the continuous slump of the local stock and property markets have weakened local consumer's sentiment. The slow recovery of the economy and the tourism industry resulted in the pressure on the revenue growth of the Group. The management of the Group will continue to closely monitor the market condition and implement appropriate strategic initiatives to optimise the overall performance of the Group.

The property market sentiment remained sluggish in Hong Kong during the Reporting Period. Although the government removed the property cooling measures at the end of February 2024, the recovery of the residential property market has remained slow due to the unfavorable economic climate and lingering high interest rates. The Hong Kong industrial and commercial property market also continues to face challenges and grapple with declining rents and rising vacancies due to limited new demand and weak market sentiment. The management of the Group will maintain a cautious yet dynamic approach when navigating uncertainty to manage the Group's property investment business.

### **Health and beauty supplements and products business**

The Group's health and beauty supplements and products are sold under the proprietary brands developed and managed by the Group ("**Proprietary Brands**") and a private label brand specifically developed for and owned by a renowned retail chain of health and beauty products in Hong Kong and Macau ("**Private Label Brand**"). The major Proprietary Brands include "Royal Medic", "Legend", "MeltyEnz", "CleansingEnz", "La Gusto", "HARUKA" and "Mr. 75", and the Private Label Brand is "Health Proof". The Group mainly sells and distributes its products through a renowned local retail chain distributor, our special designated counters, the Hong Kong Brands and Products Expo, our own e-commerce online platform and designated cross-border e-commerce platforms in Mainland China.

During the Reporting Period, the Group has conducted a series of strategic brand positioning and marketing effort to rejuvenate its brand and product images. The Group has launched a series of brand image promotion advertisements with the theme of Olympic Game in summer 2024 through television channels, which has successfully reinforced the healthy and lively brand image of "Royal Medic". Besides, the Group has increased the intensity to promote the brands and products through social media platforms including Facebook, Instagram, YouTube and Xiaohongshu, make commercial advertisements on the major television channels in Hong Kong, health seminars and road shows in shopping malls. The management of the Group believes that the advertising and promotion activities will help to enhance the brand image and reinforce the brand's presence.

The management of the Group believes that widening sales channels is essential to maintain competitive advantages in the highly competitive health and beauty supplements market. During the Reporting Period, the Group has widened its sales channels by establishing flagship stores on Tmall and Douyin in order to tap into the Mainland China market and participated in various fairs and exhibitions in Hong Kong, such as 50+ Expo and HKTDC Food Expo. The management of the Group believes that this expansion will empower us to reach a larger consumer base.



The Group’s first integrated customer relationship management system mobile application “RM Club” has officially launched since June 2024. RM Club members will be able to check their point balances and manage their point redemption through the mobile app conveniently, which offer a comprehensive digital service experience to our customers. The Group’s management believes that the new mobile app will enable us to thoroughly understand the consumption characteristics of customers, which is essential for the management to formulate more targeted marketing strategies and product development proposals to enhance the profitability of the Group.

### **Property investment business**

As at 30 September 2024, the Group continues its property investment business by owning:

- i. a 5-storey tenement building located at Sham Shui Po of Hong Kong being occupied for commercial and residential use;
- ii. a residential property located at mid-levels of Hong Kong; and
- iii. industrial properties located at Kwai Chung of Hong Kong.

As the property market sentiment remained weak in Hong Kong during the Reporting Period, the Group remains committed to prudent investment strategies in the property investment business. The Group will continue to closely monitor the conditions of the property market in Hong Kong and implement appropriate strategic initiatives to optimise the performance of the investment properties with the aim to deliver sustainable returns in the years ahead.

## **FINANCIAL REVIEW**

### **Revenue**

The revenue of the Group represents income from sales of health and beauty supplements and products business and property investment business. An analysis of revenue is as follows:

|  | <b>For the six months ended<br/>30 September</b> |                 |
|--|--|-----------------|
|  | <b>2024</b>                                      | 2023            |
|  | <b><i>HK\$’000</i></b>                           | <i>HK\$’000</i> |
| Health and beauty supplements and products | <b>100,191</b>                                   | 126,004         |
| Property investment                        | <b>2,805</b>                                     | 2,008           |
|  | <hr/>  | <hr/>           |
| Total revenue                              | <b><u>102,996</u></b>                            | <u>128,012</u>  |

The Group's health and beauty supplements and products business has declined by approximately 20.5% from approximately HK\$126.0 million for the Last Corresponding Period to approximately HK\$100.2 million for the Reporting Period, which was driven by the weak local retail market conditions and consumer sentiment in Hong Kong and Macau and the reduction of spending power and the change in consumption pattern of visitors.

Revenue from the property investment business increased by approximately 40.0% from approximately HK\$2.0 million for the Last Corresponding Period to approximately HK\$2.8 million for the Reporting Period. This change primarily reflected the additional rental income from the properties being let since February 2024 following the change in use of certain properties.

### **Cost of sales**

The cost of sales of the Group decreased by approximately 21.8% to approximately HK\$23.3 million for the Reporting Period (Last Corresponding Period: approximately HK\$29.8 million). The decrease was in line with the drop in revenue for the Reporting Period. The gross profit margin remained relatively stable with a slight increase of approximately 0.6% to approximately 77.3% for the Reporting Period (Last Corresponding Period: approximately 76.7%).

### **Selling and distribution expenses**

The selling and distribution expenses of the Group decreased by approximately 13.7% to approximately HK\$22.6 million for the Reporting Period (Last Corresponding Period: approximately HK\$26.2 million). The decrease was primarily due to (i) the adoption of cautious cost control measures over advertising and promotion expenses and (ii) the decrease in commission expenses to promoters which was in line with the drop in sales in retail shops with the presence of promoters.

### **Administrative expenses**

The administrative expenses of the Group decreased by approximately 2.5% to approximately HK\$49.8 million for the Reporting Period (Last Corresponding Period: approximately HK\$51.1 million). The decrease was mainly due to the decrease in rent from special designated counters located at the stores of a renowned retail chain distributor which is in line with the decline in sales from the special designated counters as the rent calculation is related to the gross sale proceeds from special designated counters.

### **Fair value change of investment properties**

The Group recorded a fair value loss of investment properties of approximately HK\$7.0 million during the Reporting Period (Last Corresponding Period: approximately HK\$3.9 million) as a result of the recent deterioration of property market condition in Hong Kong. During the Reporting Period, the investment properties were fair-valued by reference to the valuation reports prepared by Ravia Global Appraisal Advisory Limited, an independent professional qualified valuer not connected with the Group.

### **Finance costs**

The decrease in finance costs by approximately 7.7% from approximately HK\$3.9 million for the Last Corresponding Period to approximately HK\$3.6 million for the Reporting Period was mainly due to the decrease in the carrying amount of amount due to a shareholder.

### **Taxation**

The overall decrease in taxation by approximately 50.0% from approximately HK\$2.8 million for the Last Corresponding Period to approximately HK\$1.4 million for the Reporting Period was principally due to the net effect of the decrease in current tax which is in line with the overall decrease in taxable operating profits of subsidiaries of the Company and the increase in deferred tax expense from accelerated tax depreciation for the Reporting Period.

### **(Loss)/profit for the period and Adjusted Net Profit**

As a result of the above factors, the Group recorded a loss for the Reporting Period of approximately HK\$4.3 million (Last Corresponding Period: profit of approximately HK\$10.8 million) and the Adjusted Net Profit of approximately HK\$2.7 million (Last Corresponding Period: approximately HK\$14.7 million).

### **FINANCIAL POSITION AND LIQUIDITY**

As at 30 September 2024, cash and bank balances of the Group amounted to approximately HK\$18.7 million (as at 31 March 2024: approximately HK\$12.7 million). The current ratio (current assets divided by current liabilities) of the Group was approximately 0.5 times as at 30 September 2024 (as at 31 March 2024: approximately 0.5 times). The Group's gearing ratio, representing amount due to a shareholder and bank and other borrowings divided by total equity, was approximately 79.1% as at 30 September 2024 (as at 31 March 2024: approximately 79.8%). In view of the Group's current level of cash and bank balances, funds generated internally from operations and the unutilised banking facilities available, the Board is confident that the Group will have sufficient resources to meet its financial needs for its operations. As at 30 September 2024, the Group had unutilised general banking facilities of approximately HK\$16.5 million (as at 31 March 2024: approximately HK\$40.0 million).

## **FOREIGN EXCHANGE EXPOSURE**

Presently, the Group does not have a hedging policy with respect to the foreign exchange exposure. The Group is exposed to currency risk primarily through sales and purchases, which give rise to receivables and payables and cash balances that are denominated in foreign currencies, other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily United States dollar and Renminbi. In order to manage and minimise the foreign currency risk, the Group's management will continue to manage and monitor the foreign currency exposure to ensure appropriate measures are implemented in a timely and effective manner.

## **CAPITAL MANAGEMENT**

The Group's objective in capital management is to ensure that entities in the Group will be able to continue as a going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. The management of the Group reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will optimise its overall capital structure through the payment of dividends, issue of new share as well as the issue of new debt or the redemption of existing debt as it sees fit and appropriate. The Group also monitors capital on the basis of the net gearing ratio. The Group's overall strategy remains unchanged throughout the Reporting Period.

## **EMPLOYEE INFORMATION**

As at 30 September 2024, the Group had 245 employees (as at 31 March 2024: 247). For the Reporting Period, staff costs including remuneration of the Directors were approximately HK\$36.1 million (Last Corresponding Period: approximately HK\$38.3 million).

## **MATERIAL ACQUISITIONS AND DISPOSALS**

There were no material acquisitions or disposals of subsidiaries, associated companies and joint ventures during the Reporting Period.

## **SEGMENT INFORMATION**

Segment information of the Group is set out in note 4 to the unaudited condensed consolidated financial statements in this announcement.

## **CHARGES ON ASSETS**

As at 30 September 2024, the Group had secured bank borrowings of approximately HK\$121.5 million (as at 31 March 2024: approximately HK\$111.0 million). The banking facilities were secured by the Group's leasehold land and buildings and investment properties, having carrying amounts of approximately HK\$7.3 million (as at 31 March 2024: approximately HK\$7.5 million) and approximately HK\$200.1 million (as at 31 March 2024: approximately HK\$207.1 million) respectively as at 30 September 2024.

## **CONTINGENT LIABILITIES**

The Group did not have material contingent liabilities as at 30 September 2024 (as at 31 March 2024: Nil).

## **CAPITAL COMMITMENT**

As at 30 September 2024, the Group was committed to acquire certain property, plant and equipment with a total amount of approximately HK\$0.3 million (as at 31 March 2024: approximately HK\$0.3 million).

## **INTERIM DIVIDEND**

The Board does not recommend any payment of an interim dividend for the Reporting Period (Last Corresponding Period: Nil).

## **OUTLOOK**

To cope with the challenging and complex business environment for retailers in Hong Kong, the Group will keep pace with the market trends and continue to actively pursuing new revenue sources and enhancing its market presence in the health and beauty supplement segment by further expanding its sales channels and launching new products in order to capture the market of new customers from different ages and gender.

To capitalise on market opportunities and cater to evolving consumer needs, we will continue to promote our products through the designated cross-border e-commerce platforms to capture customers from Mainland China. This will involve the increased intensity of promotion of our products through social media platforms such as Xiaohongshu and live broadcasts by the key opinion leaders. We believe that the designated cross-border e-commerce platforms will help us to reach a broader spectrum of customers and capitalize on the immense potential that the Mainland China market offers.

Subsequent to the end of the Reporting Period, we have successfully launched the new “Legend Allergic Skin Care Patch”, the upgraded version “Royal Medic NMN Prime 32000+” and “Haruka Fish Oil 800 Plus”. In the second half of the year, the Group will continue to launch multiple new products and upgraded versions of best-selling products with different functions successively. We have invited the renowned child star Faye Wong (黃熙恩) to promote our new product “Legend Allergic Skin Care Patch” and launched relevant lively advertisements through television channels, social media and road shows since October 2024. With the aim of embracing our mission of “Being the Guardian of Your Health” to better serve our customers, our high calibre product development team will endeavour to conduct research and development to introduce a diverse range of new and upgraded products that cater to the evolving demands of our target markets.

Looking forward, in this rapid changing business environment with persistent macroeconomic uncertainties, the Group will closely monitor the dynamic economic environment and will be agile and responsive in navigating the changing retail landscape in Hong Kong. The Group is ready to forge ahead and strive to consolidate its position in the industry by grasping every new business opportunity to create higher and long-term value for our shareholders.

#### **EVENTS AFTER REPORTING PERIOD**

There are no material events occurred since the end of the Reporting Period and up to the date of this announcement.

#### **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company’s listed securities during the Reporting Period (Last Corresponding Period: Nil).

#### **CORPORATE GOVERNANCE PRACTICES**

The Company recognises the importance of good corporate governance to the Company’s growth and has devoted considerable efforts to identifying and formulating corporate governance practices appropriate to the Company’s needs. The Company has met the code provisions set out in Part 2 of the Corporate Governance Code (as amended from time to time, the “Code”) contained in Appendix C1 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) during the Reporting Period and up to the date of this announcement.

The Company has complied with the memorandum of association of the Company, the articles of association of the Company, the Companies Act of the Cayman Islands, the Securities and Futures Ordinance and the Listing Rules as well as other laws applicable to the Company.

## **COMPLIANCE WITH THE 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**”) (as amended from time to time) as set out in Appendix C3 of the Listing Rules as the code of conduct regarding Directors’ transactions in the securities of the Company. Upon the Company’s specific enquiry, all Directors have confirmed that they have fully complied with the required standards as set out in the Model Code under the Listing Rules throughout the Reporting Period, and there is no event of non-compliance. Employees of the Group, who are likely to be in possession of unpublished inside information of the Company, have been requested to comply with the provisions of the Model Code.

## **AUDIT COMMITTEE**

The audit committee of the Company (“**Audit Committee**”) is currently composed of three independent non-executive Directors, namely Mr. Leung Winson Kwan Yau (*chairman of Audit Committee*), Mr. Lam Chik Shun Marcus and Ms. Dong Jian Mei, for the purpose of reviewing and providing, inter alia, supervision over the Group’s financial reporting, internal control and risk management system with written terms of reference in compliance with the Listing Rules.

At the request of the Audit Committee, the Company’s external auditor had carried out a review of the condensed consolidated financial statements of the Group for the Reporting Period (the “**2024/2025 Interim Financial Information**”) in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. 2024/2025 Interim Financial Information has been reviewed by the Audit Committee.

## **APPROVAL OF INTERIM REPORT**

The interim report and the unaudited condensed consolidated interim results of the Group for the Reporting Period were approved and authorised for issue by the Board on 28 November 2024.

## **PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is published on the websites of the Company at [www.shunten.com.hk](http://www.shunten.com.hk) and the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). The 2024/2025 interim report will be published and despatched in the manner as required by the Listing Rules in due course.

By Order of the Board  
**Shunten International (Holdings) Limited**  
**CHEUNG Siu Fai**  
*Chairman and Executive Director*

Hong Kong, 28 November 2024

*As at the date of this announcement, the executive Director is Mr. CHEUNG Siu Fai; the non-executive Director is Ms. SO Tsz Kwan; and the independent non-executive Directors are Mr. LEUNG Winson Kwan Yau, Mr. LAM Chik Shun Marcus and Ms. DONG Jian Mei.*