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**雲白國際有限公司**  
**YNBY International Limited**  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 00030)**

**FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024  
AND CHANGE IN USE OF PROCEEDS**

The board (the “**Board**”) of directors (the “**Directors**”) of YNBY International Limited (the “**Company**”) hereby announces that the consolidated statement of profit or loss, consolidated statement of other comprehensive income and consolidated statement of financial position of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024 are as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*For the year ended 31 December 2024*

		For the year ended 31 December 2024 <i>HK\$</i>	For the nine months ended 31 December 2023 <i>HK\$</i>
	<i>Notes</i>		
<b>Revenue</b>	4	<b>754,930,252</b>	578,741,466
Cost of sales		<u><b>(688,915,550)</b></u>	<u>(529,136,617)</u>
<b>Gross profit</b>		<b>66,014,702</b>	49,604,849
Other income, gains and losses		<b>(111,573)</b>	135,974,567
Net reversal of allowance for expected credit losses		<b>327,956</b>	904,402
Selling and distribution costs		<b>(8,596,999)</b>	(5,142,193)
Administrative expenses		<u><b>(31,029,064)</b></u>	<u>(31,468,076)</u>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

For the year ended 31 December 2024

	<i>Notes</i>	For the year ended 31 December 2024 <i>HK\$</i>	For the nine months ended 31 December 2023 <i>HK\$</i>
<b>Profit from operations</b>		<b>26,605,022</b>	149,873,549
Finance costs	6	(2,715,935)	(3,466,672)
Share of loss of a joint venture		(5,334)	(1,353)
		<hr/>	<hr/>
<b>Profit before tax</b>	7	<b>23,883,753</b>	146,405,524
Income tax expense	9	(5,763,482)	(2,671,852)
		<hr/>	<hr/>
<b>Profit for the year/period</b>		<b>18,120,271</b>	143,733,672
		<hr/>	<hr/>
<b>Attributable to:</b>			
Owners of the Company		18,120,271	143,744,973
Non-controlling interests		—	(11,301)
		<hr/>	<hr/>
		<b>18,120,271</b>	143,733,672
		<hr/> <hr/>	<hr/> <hr/>
<b>Earnings per share</b>	10		
Basic (HK cents per share)		0.27	2.11
		<hr/> <hr/>	<hr/> <hr/>
Diluted (HK cents per share)		0.23	1.67
		<hr/> <hr/>	<hr/> <hr/>

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	For the year ended 31 December 2024 HK\$	For the nine months ended 31 December 2023 HK\$
Profit for the year/period	<u>18,120,271</u>	<u>143,733,672</u>
<b>Other comprehensive (expenses)/income</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Release of exchange reserve upon deconsolidation of subsidiaries	–	(2,007)
Release of exchange reserve upon disposal of a subsidiary	–	(16,186,412)
Exchange differences on translation of foreign operations	<u>(1,334,634)</u>	<u>4,494,603</u>
<b>Total comprehensive income for the year/period</b>	<u><u>16,785,637</u></u>	<u><u>132,039,856</u></u>
<b>Attributable to:</b>		
Owners of the Company	16,785,637	132,113,633
Non-controlling interests	<u>–</u>	<u>(73,777)</u>
	<u><u>16,785,637</u></u>	<u><u>132,039,856</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 HK\$	2023 HK\$
<b>Non-current assets</b>			
Property, plant and equipment		3,116,483	3,820,705
Right-of-use assets		10,362,478	14,235,984
Investment in a joint venture		10,593	15,927
		<u>13,489,554</u>	<u>18,072,616</u>
<b>Current assets</b>			
Inventories		7,019,811	39,747,819
Trade receivables	11	114,871,673	110,344,093
Loan and interest receivables		–	–
Other receivables, deposits and prepayments		11,327,644	13,709,416
Amount due from a joint venture		–	68,455
Tax recoverable		8,789,697	8,960,179
Cash and cash equivalents		212,482,172	199,324,292
		<u>354,490,997</u>	<u>372,154,254</u>
<b>Current liabilities</b>			
Trade and other payables	12	61,272,089	79,368,810
Contract liabilities		1,791,573	4,286,288
Amount due to a shareholder		30,946,177	17,447,343
Bank borrowings		2,159,734	17,655,760
Convertible bond		–	13,024,059
Lease liabilities		3,937,541	3,577,988
		<u>100,107,114</u>	<u>135,360,248</u>
<b>Net current assets</b>		<u>254,383,883</u>	<u>236,794,006</u>
<b>Total assets less current liabilities</b>		<u>267,873,437</u>	<u>254,866,622</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)***As at 31 December 2024*

	<i>Notes</i>	<b>2024</b> <b>HK\$</b>	2023 <i>HK\$</i>
<b>Non-current liabilities</b>			
Lease liabilities		<b>6,432,959</b>	10,211,781
Other payables	<i>12</i>	<b>1,500,000</b>	1,500,000
		<u><b>7,932,959</b></u>	<u>11,711,781</u>
<b>NET ASSETS</b>		<u><b>259,940,478</b></u>	<u>243,154,841</u>
<b>Capital and reserves</b>			
Share capital		<b>67,999,142</b>	67,999,142
Reserves		<b>191,941,336</b>	175,155,699
		<u><b>259,940,478</b></u>	<u>243,154,841</u>
Equity attributable to owners of the Company		<b>259,940,478</b>	243,154,841
Non-controlling interests		<u>—</u>	<u>—</u>
<b>TOTAL EQUITY</b>		<u><b>259,940,478</b></u>	<u>243,154,841</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2024*

## 1. GENERAL INFORMATION

The Company is incorporated in Bermuda with limited liability. The address of its registered office is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business is at 32/F., Cambridge House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Yunnan Baiyao Group Co., Limited ("**Yunnan Baiyao**") is the controlling shareholder of the Company.

The principal activity of the Company is investment holding. The Group is principally engaged in trading of goods and commodities.

The annual results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 December 2024 but are extracted from those financial statements.

Pursuant to a resolution of the Board dated 13 October 2023, the Company's financial year end date had been changed from 31 March to 31 December commencing from the financial period from 1 April 2023 to 31 December 2023 in order to enable the Group to rationalise and mobilise its resources with higher efficiency for the preparation of results announcement as well as reports. Accordingly, the consolidated financial statements for the current period cover the twelve months ended 31 December 2024 (the "**Reporting Period**"). The comparative figures presented for the consolidated statement of profit or loss and other comprehensive income, consolidated statement of change in equity, consolidated statement of cash flows and related notes cover the figures of the financial year from 1 April 2023 to 31 December 2023 which may not be comparable with the amounts shown for the current year.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("**HKFRSs**")

In the Reporting Period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") that are relevant to its operations and effective for its accounting year beginning on 1 January 2024. HKFRSs comprise Hong Kong Financial Reporting Standards ("**HKFRS**"); Hong Kong Accounting Standards ("**HKAS**"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

### 3. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of convertible bond which is carried at its fair value. The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest dollar except when otherwise indicated.

### 4. REVENUE

	<b>For the year ended 31 December 2024 HK\$</b>	<b>For the nine months ended 31 December 2023 HK\$</b>
Trading of goods and commodities	754,930,252	569,541,466
Other services	—	9,200,000
	<u>754,930,252</u>	<u>578,741,466</u>
Total	<u><b>754,930,252</b></u>	<u><b>578,741,466</b></u>

#### Disaggregation of revenue from contracts with customers:

	<b>For the year ended 31 December 2024 HK\$</b>	<b>For the nine months ended 31 December 2023 HK\$</b>
<b>Geographical markets</b>		
Hong Kong	329,338,814	280,812,286
The People’s Republic of China (the “PRC”)	391,016,876	268,319,370
Others	34,574,562	29,609,810
	<u>754,930,252</u>	<u>578,741,466</u>
Total	<u><b>754,930,252</b></u>	<u><b>578,741,466</b></u>
<b>Timing of revenue recognition</b>		
At a point in time	754,930,252	569,541,466
Over time	—	9,200,000
	<u>754,930,252</u>	<u>578,741,466</u>
Total	<u><b>754,930,252</b></u>	<u><b>578,741,466</b></u>

#### 4. REVENUE (Continued)

##### General trading

The Group sells goods and other commodities to the customers. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

##### Other services

Other services represent the provision of marketing services, product registration services and sourcing of OEM/ODM services.

#### 5. SEGMENT INFORMATION

Information reported to the executive directors and senior management, being the chief operating decision maker, the purposes of resource allocation and assessment of segment performance focus on types of goods or services delivered or provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reporting segments of the Group. Specifically, the Group's reportable operating segments under HKFRS 8 are (i) trading of goods and commodities; and (ii) other segment engages in the provision of marketing services, product registration services and sourcing of OEM/ODM services.

##### (a) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

	<b>Trading of goods and commodities</b>	<b>Others</b>	<b>Total</b>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
<b>Year ended 31 December 2024</b>			
Revenue			
External sales	<u>754,930,252</u>	–	<u>754,930,252</u>
Segment result	<u>54,452,940</u>	–	<u>54,452,940</u>
<b>Nine months ended 31 December 2023</b>			
Revenue			
External sales	<u>569,541,466</u>	<u>9,200,000</u>	<u>578,741,466</u>
Segment result	<u>40,992,678</u>	<u>1,302,184</u>	<u>42,294,862</u>



## 5. SEGMENT INFORMATION (Continued)

### (a) Segment revenue and results (Continued)

	<b>For the year ended 31 December 2024 <i>HK\$</i></b>	For the nine months ended 31 December 2023 <i>HK\$</i>
Segment result	<b>54,452,940</b>	42,294,862
Unallocated income, gains and losses	<b>(50,481)</b>	136,031,128
Unallocated expenses	<b>(27,797,437)</b>	<b>(28,452,441)</b>
Profit from operations	<b>26,605,022</b>	149,873,549
Finance costs	<b>(2,715,935)</b>	(3,466,672)
Share of loss of a joint venture	<b>(5,334)</b>	(1,353)
Profit before tax	<b>23,883,753</b>	146,405,524
Income tax expense	<b>(5,763,482)</b>	<b>(2,671,852)</b>
Profit for the year/period	<b>18,120,271</b>	<b>143,733,672</b>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents the profit earned from each segment without allocation of certain items, mainly comprising interest revenue, depreciation, central administration costs, directors' and chief executives' salaries, finance costs, share of loss of a joint venture and gain on disposal of a subsidiary. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

## 5. SEGMENT INFORMATION (Continued)

### (b) Segment assets and liabilities

	Trading of goods and commodities <i>HK\$</i>	Total <i>HK\$</i>
<b>As at 31 December 2024</b>		
Segment assets	312,287,211	312,287,211
Unallocated assets		<u>55,693,340</u>
		<u><u>367,980,551</u></u>
Segment liabilities	(61,261,765)	(61,261,765)
Unallocated liabilities		<u>(46,778,308)</u>
		<u><u>(108,040,073)</u></u>
<b>As at 31 December 2023</b>		
Segment assets	326,618,282	326,618,282
Unallocated assets		<u>63,608,588</u>
		<u><u>390,226,870</u></u>
Segment liabilities	(82,365,991)	(82,365,991)
Unallocated liabilities		<u>(64,706,038)</u>
		<u><u>(147,072,029)</u></u>

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable and operating segments other than certain property, plant and equipment, certain right-of-use assets, investment in a joint venture, certain other receivables, deposits and prepayments and certain bank balances and cash which are managed on a group basis.
- all liabilities are allocated to reportable and operating segments other than certain other payables, a convertible bond and certain lease liabilities which are managed on a group basis.

## 5. SEGMENT INFORMATION (Continued)

### (c) Other segment information

	Trading of goods and commodities <i>HK\$</i>	Unallocated <i>HK\$</i>	Total <i>HK\$</i>
<b>Year ended 31 December 2024</b>			
<b>Amounts included in the measure of segment profit or loss or segment assets:</b>			
Depreciation of property, plant and equipment	6,506	892,343	898,849
Depreciation of right-of-use assets	370,239	3,775,544	4,145,783
Additions to non-current assets ( <i>Note</i> )	410,681	95,130	505,811
Bank interest income	(128,460)	(159,303)	(287,763)
Reversal of allowance for ECL on loan and interest receivables	–	(327,956)	(327,956)
	<u>–</u>	<u>(327,956)</u>	<u>(327,956)</u>
	Trading of goods and commodities <i>HK\$</i>	Unallocated <i>HK\$</i>	Total <i>HK\$</i>
<b>Nine months ended 31 December 2023</b>			
<b>Amounts included in the measure of segment profit or loss or segment assets:</b>			
Depreciation of property, plant and equipment	130,429	307,764	438,193
Depreciation of right-of-use assets	993,446	2,817,568	3,811,014
Additions to non-current assets ( <i>Note</i> )	623,560	18,642,690	19,266,250
Bank interest income	(103,515)	(143,185)	(246,700)
Reversal of allowance for ECL on other receivables	(4,402)	–	(4,402)
Reversal of allowance for ECL on loan and interest receivables	–	(900,000)	(900,000)
	<u>–</u>	<u>(900,000)</u>	<u>(900,000)</u>

*Note:* Non-current assets excluded investment in a joint venture.

## 5. SEGMENT INFORMATION (Continued)

### (d) Geographic information

The Group's operations are mainly located in Hong Kong and the PRC.

Information about the Group's revenue from external customers is presented based on the location of operations. Information about the Group's non-current assets, excluding investment in a joint venture, is presented based on the geographical location of the assets.

	Revenue		Non-current assets	
	For the year ended 31 December 2024 <i>HK\$</i>	For the nine months end 31 December 2023 <i>HK\$</i>	As at 31 December 2024 <i>HK\$</i>	As at 31 December 2023 <i>HK\$</i>
Hong Kong	329,338,814	280,812,286	13,023,748	17,600,453
PRC (excluding Hong Kong)	391,016,876	268,319,370	426,647	278,923
Others	34,574,562	29,609,810	28,566	177,313
Consolidated total	<u>754,930,252</u>	<u>578,741,466</u>	<u>13,478,961</u>	<u>18,056,689</u>

### (e) Revenue from major customers:

	For the year ended 31 December 2024 <i>HK\$</i>	For the nine months ended 31 December 2023 <i>HK\$</i>
Customer A <sup>1,2</sup>	N/A <sup>4</sup>	206,981,647
Customer B <sup>1,3</sup>	182,821,804	N/A <sup>4</sup>
Customer C <sup>1,2</sup>	116,451,774	N/A <sup>4</sup>

<sup>1</sup> Revenue from trading of goods and commodities.

<sup>2</sup> Customer A and Customer C were independent third parties of the Company.

<sup>3</sup> Customer B was the Company's fellow subsidiary.

<sup>4</sup> The corresponding revenue did not contribute over 10% of the total revenue of the Group.

## 6. FINANCE COSTS

	<b>For the year ended 31 December 2024 HK\$</b>	For the nine months ended 31 December 2023 HK\$
Effective interest on a convertible bond	1,975,941	3,065,987
Interest on bank borrowings	282,375	205,535
Interest on lease liabilities	457,619	195,150
	<u>2,715,935</u>	<u>3,466,672</u>

## 7. PROFIT BEFORE TAX

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

	<b>For the year ended 31 December 2024 HK\$</b>	For the nine months ended 31 December 2023 HK\$
Auditors' remuneration		
– audit services	1,900,000	2,100,000
– non-audit services	400,000	400,000
Cost of inventories sold	688,915,550	529,136,617
Depreciation of right-of-use assets	4,145,783	3,811,014
Depreciation of property, plant and equipment	898,849	438,193
Reversal of allowance for ECL on other receivables	–	(4,402)
Reversal of allowance for ECL on loan and interest receivables	(327,956)	(900,000)
Employee benefit expenses	17,195,718	14,705,735
Expenses relating to short-term lease	530,403	389,605
Gain on disposal of a subsidiary (including in “ <b>other income, gains and losses</b> ”)	–	137,542,825
	<u>2,715,935</u>	<u>3,466,672</u>

## 8. DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2024, nor has any dividend been proposed since the end of the Reporting Period (Nine months ended 31 December 2023: nil).

## 9. INCOME TAX EXPENSES

	<b>For the year ended 31 December 2024 HK\$</b>	For the nine months ended 31 December 2023 HK\$
Current tax		
– Enterprise Income Tax in the PRC	5,246,682	2,695,557
Under/(over) provision in prior years	<u>516,800</u>	<u>(23,705)</u>
	<u><b>5,763,482</b></u>	<u><b>2,671,852</b></u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million 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%.

Under the law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries registered in the PRC is 25% during the year ended 31 December 2024 (2023: 25%).

## 10. EARNINGS PER SHARE

### Basic earnings per share

Basic earnings per share is calculated based on the profit for the year attributable to the owners of the Company of HK\$18,120,271 (2023: profit for the period attributable to the owners of the Company of approximately HK\$143,744,973) and on the weighted average number of 6,799,914,160 ordinary shares (2023: 6,799,914,160 ordinary shares).

### Diluted earnings per share

The calculation of diluted earnings per share for the year ended 31 December 2024 is based on the profit for the year attributable to the owners of the Company of HK\$19,770,182 (2023: HK\$146,305,072) and on the weighted average number of 8,737,898,656 (2023: 8,737,898,656) ordinary shares.

## 10. EARNINGS PER SHARE (Continued)

The calculation of the basic and diluted earnings per share is based on the following:

	<b>For the year ended 31 December 2024 HK\$</b>	For the nine months ended 31 December 2023 HK\$
Earnings		
Earnings for the purpose of calculating basic earnings per share	18,120,271	143,744,973
Finance costs saving after tax on conversion of convertible bond outstanding	<u>1,649,911</u>	<u>2,560,099</u>
Earnings for the purpose of calculating diluted earnings per share	<u><u>19,770,182</u></u>	<u><u>146,305,072</u></u>
	<b>For the year ended 31 December 2024</b>	For the nine months ended 31 December 2023
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	6,799,914,160	6,799,914,160
Effect of dilutive potential ordinary shares arising from convertible bond outstanding	<u>1,937,984,496</u>	<u>1,937,984,496</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u><u>8,737,898,656</u></u>	<u><u>8,737,898,656</u></u>

## 11. TRADE RECEIVABLES

	<b>2024</b> <b>HK\$</b>	2023 <i>HK\$</i>
Trade receivables	<b>114,871,673</b>	110,344,093
Less: Allowance for ECL	<u>—</u>	<u>—</u>
	<b><u>114,871,673</u></b>	<b><u>110,344,093</u></b>

Trade receivables are granted an average credit period of 90 days (2023: 90 days).

The ageing analysis of trade receivables (before allowance for ECL) is as follows:

	<b>2024</b> <b>HK\$</b>	2023 <i>HK\$</i>
0 to 90 days	<b>111,298,165</b>	101,650,176
91 to 180 days	<b><u>3,573,508</u></b>	<u>8,693,917</u>
	<b><u>114,871,673</u></b>	<b><u>110,344,093</u></b>



## 12. TRADE AND OTHER PAYABLES

	<b>2024</b>	2023
	<i>HK\$</i>	<i>HK\$</i>
Trade payables ( <i>Note</i> )	<b>50,214,610</b>	54,393,370
Other payables and accrued charges	<b>12,557,479</b>	26,475,440
	<b>62,772,089</b>	80,868,810

The total is analysed for reporting purposes as:

Current	<b>61,272,089</b>	79,368,810
Non-current	<b>1,500,000</b>	1,500,000
	<b>62,772,089</b>	80,868,810

The non-current amount is related to the provision for reinstatement cost.

*Note:* The credit period for trade payables ranges from 45 to 180 days (2023: 45 to 180 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

The following is an ageing analysis of trade payables presented based on the invoice date at the end of each reporting period:

	<b>2024</b>	2023
	<i>HK\$</i>	<i>HK\$</i>
0 to 30 days	<b>50,207,562</b>	9,243,344
31 to 60 days	–	41,798,508
Over 90 days	<b>7,048</b>	3,351,518
	<b>50,214,610</b>	54,393,370

## MANAGEMENT DISCUSSION AND ANALYSIS

### OPERATING RESULTS

#### BUSINESS REVIEW

During the year ended 31 December 2024 (the “FY2024”), the Group has been principally engaged in the trading of goods and commodities business and provision of professional services, which include the product registration and promotion services. The Group’s operations are divided into (i) the trading of goods and commodities business, encompassing (a) e-commerce trading business, (b) raw material trading business for healthcare products in the People’s Republic of China (the “PRC”), and (c) distribution of certain products (the “YNBY Products”) manufactured and branded by the Company’s controlling shareholder Yunnan Baiyao Group Co., Ltd. (雲南白藥集團股份有限公司) (“Yunnan Baiyao Group”) to overseas markets; and (ii) other segment, mainly providing marketing services, product registration services, and sourcing for OEM/ODM services.

#### Trading of goods and commodities segment

The trading of goods and commodities segment refers to (i) e-commerce trading business, (ii) raw materials trading business for healthcare products which includes the sourcing of packaging materials, pharmacy and cosmetics materials, plant extracts, etc. and then reselling of the products to the PRC corporate customers that are engaged in the manufacturing of cosmetics and healthcare products and the respective packaging materials and (iii) distribution of the YNBY Products to overseas markets.

The Group’s e-commerce trading business is primarily operated by selling products bearing third-party brands, which are sourced and procured from overseas suppliers and sold to renowned online platforms in the PRC, such as VIP.com, JD.com, Tmall and overseas online platforms, such as Coupang, Lazada and Shopee. The Company constantly communicates with its customers, being mainly the e-commerce trading platforms, to understand their demand of products. In the meantime, the Company reviews its inventory and/or seeks quotations from its extensive network of suppliers, and may place purchase orders according to suitable market situations, which are nevertheless constantly changing, within the context of the Company’s supply capabilities. Once a receipt of order from the Company’s customer is confirmed, the Company will (i) assure supply quantity and quality, from existing inventories and/or from a number of different suppliers; (ii) arrange for respective payments to the suppliers where appropriate; (iii) use own or third-party warehouse to receive the ordered goods from the Company’s suppliers, and deploy own team or appoint third party to conduct quality inspection; (iv) facilitate the delivery of the products to the Company’s customers; (v) arrange the products to go through customs inspection and clearance where appropriate; (vi) facilitate relevant customers services including but not limited to aftersales services; (vii) cooperate with business partners and formulate further marketing and sales of relevant products, and monitor the sales trend for such products; and (viii) the Company usually receives the payments from the e-commerce platforms within the credit period on each sales after the delivery of ordered goods.

Starting from trading of CBD raw materials and CBD isolate business, as a natural expansion of its CBD trading business, the Group has been engaged in the sourcing of raw materials for manufacturing since early 2022, which involved the supply of other plant extracts and raw materials for cosmetics and healthcare products, including packaging materials, sorbitol, steviol glycoside, lauric acid, glycerin, etc. to existing and potential customers in the healthcare and cosmetics industry. As a modest extension of the services previously offered by the Group, the Group no longer passively sources products required by its customers, but takes on a more active role in serving its existing and potential customers in respect of their supply chain.

We are fully equipped with the resources, experience, and subsidiaries needed to effectively navigate the healthcare product industry and are deeply confident that trading raw materials for healthcare products will be a significant contributor to the Group's profitability. Our management team is committed to leveraging these assets to continue driving growth and success in our operations.

For the FY2024, the trading of goods and commodities segment reported revenue of approximately HK\$754.9 million, representing an increase of approximately 32.6% from approximately HK\$569.5 million reported for the nine months 31 December 2023 (the "FY2023"). This segment reported a segment profit of approximately HK\$54.5 million for the FY2024 (the FY2023: approximately HK\$41.0 million). The improvement on the segment revenue and segment results is mainly attributable to (i) longer accounting period covered in the FY2024 for which the accounting periods covered 12 months in the FY2024 and 9 months in the FY2023, respectively, and (ii) expansion of distribution of YNBY products with higher profit margin in the FY2024.

#### **Other segment – marketing services, product registration services, and sourcing for OEM/ODM services**

For the provision of professional services, the Group shall (i) assist its customers on the registration of products pursuant to the relevant overseas regulatory and registration requirements; (ii) assist its customers on intellectual property registration of products; (iii) provide overseas marketing services for its customers and their products; and (iv) provide overseas market expansion services to its customers.

In the FY2024, the Group's other segment neither generated any revenue (the FY2023: HK\$9.2 million), nor incurred any profit or loss (the FY 2023: approximately HK\$1.3million).

## PROSPECTS

Data released by the National Bureau of Statistics of the PRC show that from January to November 2024, the PRC's national online retail sales achieved high growth, increasing by 7.4% year-on-year to RMB14.03 trillion. Online retail sales of physical goods reached RMB11.81 trillion, representing a 6.8% increase and accounting for 26.7% of total retail sales of consumer goods.<sup>1</sup> Furthermore, the Ministry of Commerce (MOFCOM) recently issued the "Notice on Printing and Distributing Several Policy Measures to Promote Stable Growth in Foreign Trade," proposing nine measures, including expanding the coverage of export credit insurance and optimizing cross-border trade settlement, to promote stable growth in foreign trade. These measures, which include encouraging financial institutions to increase financing support for small and medium-sized foreign trade enterprises, promoting the development of cross-border e-commerce, and expanding the catalog of imported technologies and products, are expected to boost confidence in foreign trade development and promote the high-quality development of the PRC's foreign trade.<sup>2</sup> Preliminary estimates from the General Administration of Customs show that in the first three quarters of 2024, the PRC's cross-border e-commerce import and export value reached RMB1.88 trillion, a year-on-year increase of 11.5%, exceeding the overall growth rate of the PRC's foreign trade during the same period by 6.2 percentage points.<sup>3</sup> The steady growth of the e-commerce market in China has created a favorable environment for the Group's related businesses. Leveraging the successful experience of its existing business strategies since 2022, the management believes that by capturing market opportunities in the PRC, the Group will have considerable growth prospects in the trading of goods and commodities, particularly in the e-commerce trading business. The Group has promising prospects in the trading of goods and commodities, including e-commerce trading business, supply chain trading business, and TCM international trading business.

## GENERAL AND ADMINISTRATIVE EXPENSES

For the FY2024, the Group's general and administrative expenses (which mainly comprised legal and professional fees, staff salaries, directors' fees and depreciation of right-of-use assets) amounted to approximately HK\$31.0 million (the FY2023: approximately HK\$31.5 million), representing a decrease of approximately 1.6% as compared with that in the FY2023. The upward impacts on the general and administrative expense arising from longer accounting covered in the FY2024 were offset by tight cost control during the FY2024. Hence, the general and administrative expenses remained relatively stable in the FY2024.

<sup>1</sup> 11月份社會消費品零售總額增長3.0%  
<http://finance.people.com.cn/BIG5/n1/2024/1216/c1004-40383104.html>

<sup>2</sup> 商務部關於印發促進外貿穩定增長若干政策措施的通知  
[https://www.gov.cn/zhengce/zhengceku/202411/content\\_6988626.htm](https://www.gov.cn/zhengce/zhengceku/202411/content_6988626.htm)

<sup>3</sup> 1.88萬億元！前三季度我國跨境電商繼續「加速跑」  
[https://www.gov.cn/lianbo/bumen/202410/content\\_6980300.htm](https://www.gov.cn/lianbo/bumen/202410/content_6980300.htm)

## **OTHER INCOME, GAINS AND LOSSES**

The decrease in other income, gains and losses is from gains of approximately HK\$136.0 million in the FY2023 to loss of approximately HK\$112,000 in the FY2024. Such decrease was attributable to the recognition of gain on disposal of a subsidiary of the Company amounting to approximately HK\$137.5 million in the FY2023 whereas no such gain was recognised in the FY2024.

## **FINANCE COSTS**

For the FY2024, finance costs of approximately HK\$2.7 million (the FY2023: approximately HK\$3.5 million) were incurred, representing a decrease of approximately 22.9% which was attributed by a decrease of the effective interests on a convertible bond arising from the FY2024 mainly as a result from ceasing to recognise effective interest expenses after maturity of the convertible bond on 30 October 2024.

## **INCOME TAX EXPENSES**

For the FY2024, income tax expenses of approximately HK\$5.8 million (the FY2023: approximately HK\$2.7 million) were incurred. The increase in the income tax expenses was primarily resulted from the trading profits arising from raw material trading business for healthcare products in the PRC during the FY2024.

## **EARNINGS PER SHARE**

For the FY2024, the basic earnings per share amounted to 0.27 HK cents while the diluted earnings per share amounted to 0.23 HK cents, as compared to the basic earning per share of 2.11 HK cents and diluted earning per share of 1.67 HK cents in the FY2023, mainly resulted from no gain on disposal of a subsidiary of the Company (included in other income, gains and losses) in the FY2024.

## **FINANCIAL POSITION**

The shareholders' equity increased from approximately HK\$243.2 million as at 31 December 2023 to approximately HK\$259.9 million as at 31 December 2024. Total assets decreased by approximately 5.7% from HK\$390.2 million as at 31 December 2023 to approximately HK\$368.0 million as at 31 December 2024.

## LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2024, the Group's cash and cash equivalents amounted to approximately HK\$212.5 million (31 December 2023: approximately HK\$199.3 million). As at 31 December 2024, the Group had bank borrowings denominated in Renminbi of approximately HK\$2.2 million which were at fixed rate and short-term loans with 1-year maturity (31 December 2023: HK\$17.7 million). The convertible bond had matured (31 December 2023: approximately HK\$13.0 million with coupon rate of 3% per-annum. The interest expenses of the convertible bond for the year are calculated by applying an effective interest rate of 18.79% per-annum to the liability component for 2-year period since the convertible bond were issued). The gearing ratio of the Group is approximately 0.8% as at 31 December 2024 (31 December 2023: approximately 12.6%), which is calculated by the total interest-bearing borrowings divided by the net assets of the Group.

## FINAL DIVIDEND

The Board did not propose a final dividend for the FY2024 (the FY2023: nil).

## SHARE CAPITAL, FUND-RAISING ACTIVITIES AND CHANGE IN USE OF PROCEEDS

As at 31 December 2024, the total number of issued ordinary shares (the "Shares") of the Company was 6,799,914,160 Shares (31 December 2023: 6,799,914,160 Shares).

In October 2020, the Company issued a convertible bond to Yunnan Baiyao Group with a principal of HK\$500 million with a net proceed of approximately HK\$498 million, equivalent to a net price of approximately HK\$0.257 (the "Subscription") in order to provide financial resources for exploring opportunities to diversify the businesses. A total of 1,937,984,496 ordinary shares of nominal value of HK\$0.01 per share could be converted and issued at conversion price of HK\$0.258 per share upon maturity. The closing price per shares on the date of subscription agreement (being 14 October 2019) was HK\$0.260. Please refer to the circular of the Company dated 11 September 2020 for further details. As at 31 December 2024, approximately HK\$396 million had been used from the date of Subscription in accordance with its intended use as stated in the circular of the Company dated 11 September 2020 (for further details in relation to the use of proceeds, please refer to the breakdown set out in the paragraph below), and the unused balance of the Subscription proceeds was approximately HK\$102 million.

The convertible bond had matured on 29 October 2024. Please refer to the announcement of the Company dated 29 October 2024 for further details.

In June 2022, the Company placed 351,762,000 ordinary shares of nominal value of HK\$0.01 per share with a gross proceed of approximately HK\$100 million (net proceeds of HK\$100 million) (the “Placing”) to Sunwah Great Wall Group Limited at subscription price of HK\$0.285 per share (with a net price of approximately HK\$0.284 per share) in order to supplement the Group’s long-term funding of its expansion plan and growth strategies and broaden the shareholder base. The closing price per share on the date of the Placing agreement (being 14 April 2022) was HK\$0.244. As at 31 December 2024, approximately HK\$50 million had been used from the date of the Placing in accordance with its intended use as stated in the announcements of the Company dated 14 April 2022 and 16 May 2022, and the unused balance of the Placing proceeds was approximately HK\$50 million.

In view of the tighter government policies on CBD products in Hong Kong and the overall operation environment, including but not limited to the legal aspect, of the Group, the Board, at the date of this announcement, has resolved to reallocate the utilised proceeds from the Subscription and the Placing, which were set for CBD-related business and to re-designate to the existing trading business of the Group. Please refer to the table below for the details of the reallocation. The Board considered the reallocation of the unutilised net proceeds will not have any material adverse impact on the existing business and operations of the Group and is in the best interests of the Company and its shareholders as a whole.

The following table summarises (i) application of net proceeds from the Subscription and the Placing in the FY2024 and (ii) the latest proposed change in use of proceeds and the resulting new allocation for the unutilised amount of net proceeds of the Subscription and the Placing at the date of this announcement.

	Unused balances from the net proceeds as at 31 March 2023 and 31 December 2023	Actual use of net proceeds during the period from 1 January 2024 to 31 December 2024	Unused balances from the net proceeds as at 31 December 2024	Proposed change in use of proceeds as at date of this announcement (Note 1)	New allocation for remaining portion of proceeds (Note 3)
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
<b>Subscription</b>					
Purchase of CBD isolate inventory for trading purpose	5	–	5	(5)	–
Marketing expenses for the existing trading business in Asian markets				5	5
Setting up of hemp cultivation and extraction and trading business	70	–	70	(70)	–
Expansion on existing trading business in raw materials				70	70
Expansion of CBD-related target business	27	–	27	(27)	
Expansion on existing trading business in e-commerce				27	27
	<u>102</u>	<u>–</u>	<u>102</u>	<u>–</u>	<u>102</u>
Total	<u>102</u>	<u>–</u>	<u>102</u>	<u>–</u>	<u>102</u>

	Unused balances from the net proceeds as at 31 March 2023 and 31 December 2023	Actual use of net proceeds during the period from 1 January 2024 to 31 December 2024	Unused balances from the net proceeds as at 31 December 2024	Proposed change in use of proceeds as at date of this announcement (Note 1)	New allocation for remaining portion of proceeds (Note 3)
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
<b>Placing</b>					
Expansion of CBD-based cosmetics products and industrial cannabis trading business with ASEAN	40	–	40	(40)	–
Expansion on existing trading business in raw materials				40	40
Research and development of Chinese herbal medicine in the PRC and development the trading network in Thailand, Indonesia, Singapore, Korea and Malaysia, etc (Note 2)	10	–	10	–	10
Total	<u>50</u>	<u>–</u>	<u>50</u>	<u>–</u>	<u>50</u>

*Note 1*

In view of the change in government policies on CBD products in Hong Kong and the overall operation environment of the Group, the Board has resolved to reallocate all unused proceeds from CBD-related business to existing trading business of the Group.

*Note 2*

In the past, the Group explored opportunities in respect of research and development of Chinese herbal medicine in the PRC and development of trading network in South Asia countries, but had deferred utilising the proceeds due to inherent uncertainties that exist with the opportunities.

*Note 3*

The Company intended to fully utilise the net proceeds from the Subscription and the Placing by 31 December 2026.



## **FUNDING AND TREASURY POLICY**

The Group adopts prudent treasury policies. The Group's management performs an ongoing credit evaluation of the financial conditions of its customers in order to reduce the Group's exposure of credit risk. In addition to these ongoing credit evaluations, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

## **IMPORTANT EVENTS AFFECTING THE GROUP SINCE THE END OF REPORTING PERIOD**

The Group did not have any material subsequent events after 31 December 2024 and up to the date of this announcement.

## **PLEDGE OF ASSETS**

As at 31 December 2024, no assets of the Group were pledged to secure general banking facilities granted to the Group (31 December 2023: nil).

## **CAPITAL COMMITMENTS**

As at 31 December 2024, the Group had no material capital commitments (31 December 2023: nil).

## **CONTINGENT LIABILITIES**

As at 31 December 2024, the Group had no material contingent liabilities (31 December 2023: nil).

## **FOREIGN EXCHANGE EXPOSURE**

Most of the Group's assets and liabilities are denominated in Hong Kong dollars, US dollars, Euro and Renminbi, and most of the Group's cash balances are deposited in Hong Kong dollars, US dollars, Euro or Renminbi with licensed banks in Hong Kong and the PRC. Certain portion of the Group's sales, purchases and expenses were denominated in foreign currencies which exposed the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy as the foreign currency risk is considered not significant. However, the management will continue to closely monitor the Group's foreign exchange risk exposure and may consider hedging significant foreign exchange exposure if and when necessary.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

Other details of the activities during the period as required by Schedule 5 to the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), including a fair review of the business and a discussion of the principal risks and uncertainties the Group is facing, particulars of the events affecting the Group that have occurred since the financial year ended 31 December 2024, and an indication of likely future development in the Group's business, can be found in the section of Management Discussion and Analysis in this announcement.

## **COMMODITY PRICE RISK**

The price of commodity products is influenced by international and domestic market prices and changes in global supply and demand for such products. Both the international and domestic market price of commodities as well as the volatility of their supply and demand are beyond the control of the Company. Therefore, the volatility of commodity price may affect the revenue and comprehensive income of the Group. The Group did not engage in nor enter into any trading contracts and price arrangements to hedge the risk of volatility of commodity prices.

## **EMPLOYEE REMUNERATION POLICY**

As at 31 December 2024, the Group had 35 employees (31 December 2023: 34 employees). For the FY2024, the total salaries, commissions, incentives and all other staff related costs amounted to approximately HK\$17.2 million (the FY2023: HK\$14.7 million). Our remuneration policies are in line with prevailing market practices and formulated on the basis of the performance and experience of individual employees. Apart from basic salaries, other staff benefits included defined contribution mandatory provident funds in accordance with local laws and regulations and medical insurance.

## **SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS**

For the year ended 31 December 2024, the Group did not have any significant investments, acquisitions or disposal of subsidiaries, associates and joint ventures.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

There was no specific plan for material investments or capital assets as at 31 December 2024. In the event that the Group is engaged in any plan for material investments or capital assets, the Company will make announcement(s) and comply with relevant rules under the Listing Rules as and when appropriate.

## COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Group had in the year under review complied with the Corporate Governance Code (the “**CG Code**”) as set out in part 2 of Appendix C1 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), except for the following deviation:

### Code Provision F.2.2

Code Provision F.2.2 stipulates that the chairman of the board should attend the annual general meeting of the Company.

Mr. Dong Ming, the chairman of the Board, was unable to be attend the annual general meeting of the Company held on 16 May 2024 due to other important business engagement. Mr. Tang Ming, an Executive Director, was appointed to preside over such annual general meeting at which he answered questions raised by the shareholders of the Company.

### Code Provision C.1.6

Code Provision C.1.6 stipulates that independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders.

Dr. Cheung Hoi Yu, an independent non-executive Director and the chairman of the Remuneration Committee, and Mr. Huang Bin and Mr. Qian Yinghui, the non-executive Directors, were unable to attend the annual general meeting of the Company held on 16 May 2024 due to other important business engagement.

## BOARD DIVERSITY POLICY

With an aim to achieve diversity on the Board, the Board has approved and adopted a Board Diversity Policy (the “**Policy**”) and revision to the terms of reference of the nomination committee of the Company (the “**Nomination Committee**”) to ensure the appropriate implementation of the Policy. The Policy was made with a view to achieve a sustainable and balanced development of the Company, through the invitation and selection of different talents to join the Board having due regard to the importance of Board diversity.

The Company is committed to establishing procedures of candidates selection based on a range of diversity perspectives including gender, age, cultural background, ethnicity, educational background, professional experience, skills and knowledge.

The Nomination Committee will review the Policy, as appropriate, to ensure the effectiveness of the Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

## **AUDIT COMMITTEE AND REVIEW OF ACCOUNTS**

The audit committee of the Company (the “**Audit Committee**”) was established by the Board with specific terms of reference, whose purposes include the reviewing of the accounting principles and practices adopted by the Group and discussing auditing, internal control, risk management and financial reporting matters. The Audit Committee currently comprises a non-executive director, Mr. Qian Yinghui, and three independent non-executive Directors, namely, Mr. Wong Hin Wing, Dr. Cheung Hoi Yu and Dr. Cecilia Wai Bing Pang. The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2024.

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

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

## **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 of the Listing Rules as the code of conduct regarding securities transactions by the Directors. The prohibitions on securities dealing and disclosure requirements in the Model Code also apply to the Group’s senior management and persons who are privy to price sensitive information of the Group. Having made specific enquiry, all Directors confirmed to the Company that they have complied with the Model Code during the year and up to the date of publication of this announcement.

## **THE MANAGEMENT POSITION, VIEW AND ASSESSMENT ON THE QUALIFIED OPINION AND ACTION TAKEN BY THE GROUP**

The following has been summarised from the independent auditor’s report to be issued by ZHONGHUI ANDA CPA Limited (the “**ZHONGHUI ANDA**”), the Company’s auditor, regarding qualified opinion on a matter identified in the FY2023, to be incorporated in the annual report to be issued by the Company and has set for the management’s position, views and the assessment on the qualified opinion:

## Qualified Opinion on Comparative Figures in relation to the Matter Identified in FY2023

### *Insufficient accounting records of Wan Long Xing Ye Commercial Trading (Shenzhen) Limited (“Wan Long Shenzhen”)*

As advised by the board of directors, since the departure of certain former key management personnel who were responsible for the operational, financial and accounting matters of Wan Long Shenzhen in 2022, who the Group were unable to contact and communicate with, Wan Long Shenzhen has retained the basic business records, including but not limited to management accounts, ledgers and sub-ledgers accounts, certain vouchers, bank statements, certain agreements and documentation (collectively referred to as the “**Basic Records**”), that were left behind by the former management and accounting departments of Wan Long Shenzhen as far as possible. The Basic Records were not considered to be of a sufficient level for their audit purposes. More specific business records and supporting explanations of Wan Long Shenzhen’s accounting records were needed for their audit, including but not limited to, (i) certain supporting documents of certain business transactions, such as invoices, receipts and purchase orders; (ii) detailed explanation of the accounting entries made (collectively, the “**Specific Records**”).

In the absence of the Specific Records of the Wan Long Shenzhen following the departure of certain former key management personnel in 2022, the board of directors considered that they could only use their best endeavor to preserve the books and records that were left behind by the former management and the accounting departments and they were unable to determine whether these Specific Records were complete in the first place, and they had no other access to such Specific Records despite they have taken all reasonable steps and have used their best endeavor to locate such Specific Records.

As a result of the above matters, ZHONGHUI ANDA have not been able to obtain sufficient appropriate audit evidence to ascertain whether the income and expenses for the nine months ended 31 December 2023, as detailed below, and other related disclosure notes in relation to Wan Long Shenzhen, as included in the consolidated financial statements of the Group, have been accurately recorded and properly accounted for in the consolidated financial statements.

### *Extract of Statement of Profit or Loss and Other Comprehensive Income*

	For the nine months ended 31 December 2023 HK\$
Revenue	—
Cost of sales	—
Other income, gains and losses	22,815,913
Selling and distribution expenses	(2,780)
Administrative expenses	(35,527)
Income tax credit	23,579

Accordingly, ZHONGHUI ANDA were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded transactions and the elements making up the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows for the nine months ended 31 December 2023.

During the nine months ended 31 December 2023, Wan Long Shenzhen was disposed of in December 2023, gain on disposal of approximately HK\$137,542,825 was recognised in the consolidated statement of profit or loss and other comprehensive income for the nine months ended 31 December 2023 and as disclosed in note 36 to the consolidated financial statements of the Group.

As a result of the matters mentioned above, ZHONGHUI ANDA have not been able to obtain sufficient appropriate audit evidence to ascertain whether the gain arisen from the disposal of Wan Long Shenzhen included in the consolidated statement of profit or loss and other comprehensive income for the nine months ended 31 December 2023 and other related disclosure notes in relation to the disposal of Wan Long Shenzhen, as included in the consolidated financial statements of the Group, have been accurately recorded and properly accounted for in the consolidated financial statements.

### **The management position, view and assessment**

As disclosed in the section headed “the Management Position, View and Assessment on the Qualified Opinion and action taken by the Group” under “Management Discussion and Analysis” of the annual report of the Company for the nine months ended 31 December 2023, the basis giving rise to the qualified opinion on the FY2024 Financial Statements was developed based on the qualified opinion on the FY2023 Financial Statements in relation to the disposal of the Wan Long Shenzhen in which sufficient accounting records were absent. ZHONGHUI ANDA was unable to obtain sufficient appropriate audit evidence to ascertain whether the gain arising from the disposal of Wan Long Shenzhen included in the consolidated statement of profit or loss and other comprehensive income in FY2023 and other related disclosure notes in relation to the disposal of Wan Long Shenzhen, unavoidably resulting in ZHONGHUI ANDA being unable to draw comfort on the comparative figures of the same item contained in the FY2024 Financial Statements. Having considered that Wan Long Shenzhen had been disposed of in December 2023, the Company is of the view that the above basis giving rise to the qualified opinion on the FY2024 Financial Statements will be removed from the consolidated financial statements of the Company for the financial year ended 31 December 2025 (the “**FY2025**”), and accordingly, such basis for the FY2024 Financial Statements will be properly addressed in the consolidated financial statements of the Company in FY2025.

## **SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2024. The work performed by ZHONGHUI ANDA CPA Limited 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 HKICPA and consequently no assurance has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

## **ANNUAL GENERAL MEETING AND PUBLICATION OF ANNUAL REPORT**

This annual results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.0030.com.hk](http://www.0030.com.hk)).

A notice convening the annual general meeting of the Company will be despatched to the shareholders of the Company together with the 2024 Annual Report and available on the aforesaid websites in due course.

By Order of the Board  
**YNBY International Limited**  
**Tang Ming**  
*Executive Director & Chief Executive Officer*

Hong Kong, 14 March 2025

*As at the date of this announcement, the Board of the Company comprises: Executive Directors: Mr. Dong Ming (Chairman), Mr. Tang Ming (Chief Executive Officer) and Mr. Liu Zhouyang; Non-executive Directors: Mr. Qian Yinghui and Mr. Huang Bin; Independent Non-executive Directors: Mr. Wong Hin Wing, Dr. Cheung Hoi Yu and Dr. Cecilia Wai Bing Pang.*