

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



## **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)**

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

The board (the “**Board**”) of directors (the “**Director(s)**”) announces the audited consolidated results of Shunten International (Holdings) Limited (the “**Company**”, together with its subsidiaries collectively referred to as the “**Group**”) for the year ended 31 March 2025, together with the comparative figures for the previous financial year. The audited consolidated results of the Group for the year ended 31 March 2025 were reviewed by the audit committee of the Company (the “**Audit Committee**”) and agreed with the auditors.

## FINANCIAL HIGHLIGHTS

	2025 HK\$'000	2024 HK\$'000
Revenue		
– Health and beauty supplements and products business	199,918	230,580
– Property investment business	5,130	5,006
Total	<b>205,048</b>	<b>235,586</b>
Gross profit	157,953	184,212
(Loss)/profit for the year attributable to owners of the Company	(36,243)	571
Adjusted (loss)/profit for the year attributable to owners of the Company (the “Adjusted Net (Loss)/Profit”)*	<b>(5,843)</b>	<b>15,571</b>
* The adjustment process of Adjusted Net (Loss)/Profit:		
	2025 HK\$'000	2024 HK\$'000
(Loss)/profit for the year attributable to owners of the Company	(36,243)	571
Adjustment:		
Fair value change of investment properties	30,400	15,000
Adjusted Net (Loss)/Profit	<b>(5,843)</b>	<b>15,571</b>
<p>The Adjusted Net (Loss)/Profit is arrived at by deducting the unrealised item relating to the fair value change of investment properties from the (loss)/profit for the year attributable to owners of the Company. The management of the Group considers that the adjusted item is not related to our daily operations and does not track such adjusted item 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 (Loss)/Profit, it could better reflect our underlying operating performance and could better facilitate the comparison of operating performance from year to year.</p> <p>The Adjusted Net (Loss)/Profit is not the measures of performance under HKFRS Accounting Standards. These measures do not represent, and should not be used as substitutes for, net (loss)/profit or cash flows from operations as determined in accordance with HKFRS Accounting Standards. 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.</p>		

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

*For the year ended 31 March 2025*

		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>REVENUE</b>	4	<b>205,048</b>	235,586
Cost of sales		<u>(47,095)</u>	<u>(51,374)</u>
<b>GROSS PROFIT</b>		<b>157,953</b>	184,212
Other income, gains or losses		<b>941</b>	1,643
Selling and distribution expenses		<b>(53,131)</b>	(54,499)
Administrative expenses		<b>(102,002)</b>	(103,802)
Reversal of/(impairment loss) under expected credit loss model on trade and other receivables		<b>202</b>	(203)
Fair value change of investment properties		<b>(30,400)</b>	(15,000)
Finance costs	6	<u><b>(6,931)</b></u>	<u>(7,777)</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>	7	<b>(33,368)</b>	4,574
Taxation	8	<u><b>(2,875)</b></u>	<u>(4,056)</u>
<b>(LOSS)/PROFIT FOR THE YEAR</b>		<u><b>(36,243)</b></u>	<u>518</u>
<b>OTHER COMPREHENSIVE (EXPENSE)/ INCOME</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 properties		–	27,770
<b>Item that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translation of financial statements of foreign operations		<u><b>(20)</b></u>	<u>(141)</u>
<b>OTHER COMPREHENSIVE (EXPENSE)/ INCOME FOR THE YEAR</b>		<u><b>(20)</b></u>	<u>27,629</u>
<b>TOTAL COMPREHENSIVE (EXPENSE)/ INCOME FOR THE YEAR</b>		<u><b>(36,263)</b></u>	<u>28,147</u>

		2025	2024
	Notes	HK\$'000	HK\$'000
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the Company		(36,243)	571
Non-controlling interests		—	(53)
		<u>(36,243)</u>	<u>518</u>
<b>Total comprehensive (expense)/income attributable to:</b>			
– Owners of the Company		(36,263)	28,144
– Non-controlling interests		—	3
		<u>(36,263)</u>	<u>28,147</u>
<b>(Loss)/earnings per share attributable to owners of the Company for the year:</b>			
Basic and diluted (HK cents)	10	<u>(1.17)</u>	<u>0.02</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 31 March 2025*

		<b>2025</b>	2024
	<i>Notes</i>	<b>HK\$'000</b>	<i>HK\$'000</i>
<b>Non-current assets</b>			
Investment properties		<b>176,700</b>	207,100
Property, plant and equipment		<b>10,961</b>	12,719
Right-of-use assets		<b>9,362</b>	11,551
Intangible assets		<b>19,345</b>	16,325
Prepayments and deposits	<i>11</i>	<b>2,358</b>	10,671
Deferred tax assets		<b>62</b>	13
		<b>218,788</b>	258,379
<b>Current assets</b>			
Inventories		<b>24,893</b>	25,880
Trade and other receivables, prepayments and deposits	<i>11</i>	<b>37,100</b>	45,033
Tax recoverable		<b>2,591</b>	2,342
Cash and cash equivalents		<b>5,532</b>	12,700
		<b>70,116</b>	85,955
<b>Current liabilities</b>			
Trade payables, other payables and accruals	<i>12</i>	<b>20,930</b>	21,094
Contract liabilities		<b>51</b>	36
Amount due to a shareholder		<b>–</b>	25,909
Bank and other borrowings		<b>118,955</b>	110,965
Lease liabilities		<b>4,234</b>	4,754
Refund liabilities		<b>1,339</b>	1,260
Tax payable		<b>48</b>	1,482
		<b>145,557</b>	165,500
<b>Net current liabilities</b>		<b>(75,441)</b>	(79,545)
<b>Total assets less current liabilities</b>		<b>143,347</b>	178,834

	2025	2024
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current liabilities</b>		
Lease liabilities	5,730	6,460
Deferred tax liabilities	2,272	766
	<u>8,002</u>	<u>7,226</u>
<b>Net assets</b>	<u><b>135,345</b></u>	<u><b>171,608</b></u>
<b>Equity</b>		
Share capital	7,770	7,770
Reserves	128,854	165,117
	<u>136,624</u>	<u>172,887</u>
Equity attributable to owners of the Company		
Non-controlling interests	(1,279)	(1,279)
	<u>135,345</u>	<u>171,608</u>
<b>Total equity</b>	<u><b>135,345</b></u>	<u><b>171,608</b></u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 March 2025*

## 1. GENERAL INFORMATION

Shunten International (Holdings) Limited is a public limited company incorporated and domiciled in the Cayman Islands as an exempted company with limited liability on 5 December 2011 under the Companies Act of the Cayman Islands. The Company's shares are listed on the Main Board of the Stock Exchange.

The Company is an investment holding company and 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 consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### **Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2024 for the preparation of the 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 HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties that are measured at fair values at the end of the reporting period.

During the year ended 31 March 2025, the Group incurred a net loss of approximately HK\$36,243,000 and, as of that date, the Group had net current liabilities of approximately HK\$75,441,000. The Group’s bank balances and cash as at 31 March 2025 amounted to approximately HK\$5,532,000 as compared to the Group’s bank and other borrowings of totaling approximately HK\$118,955,000, of which contained repayable on demand clause. The directors of the Company have given careful consideration to the future liquidity of the Group when preparing the consolidated financial statements. Taking into account the ongoing availability of finance to the Group, including (i) the cash flows generated from its operations; (ii) the compliance with the bank borrowings’ covenants which had no indication that the bank will require immediate repayment of the outstanding bank borrowings in the coming twelve months since the Group has always complied with those covenants with pledged assets of the Group’s leasehold land and buildings and investment properties of approximately HK\$7,174,000 and approximately HK\$176,700,000 respectively; together with (iii) the undrawn loan facilities provided by a shareholder and executive director of the Company of approximately HK\$18,000,000, the directors of the Company are of the opinion that the Group has sufficient working capital to meet in full its financial obligations as they fall due for at least the next twelve months from the end of the reporting period and accordingly these consolidated financial statements have been prepared on a going concern basis.

### 4. REVENUE

An analysis of the Group’s revenue is as follows:

	2025 HK\$’000	2024 HK\$’000
<b>Revenue from contracts with customers</b>		
Revenue from health and beauty supplements and products business	199,918	230,580
<b>Revenue from other source</b>		
Revenue from property investment business	5,130	5,006
	<u>205,048</u>	<u>235,586</u>

Disaggregation of revenue from contracts with customers from health and beauty supplements and products business are detailed as follows:

	2025 HK\$'000	2024 HK\$'000
<b>Timing of revenue recognition:</b>		
Point in time	<u>199,918</u>	<u>230,580</u>
Principal	<u>199,918</u>	<u>230,580</u>

### Health and beauty supplements and products business

Revenue from health and beauty supplements and products business is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Certain contracts for the sale of health and beauty supplements and products business provide customers with rights of return. The rights of return give rise to variable consideration. For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned. Revenue is recognised for sales which are considered highly probable that a significant reversal in the cumulative revenue recognised will not occur. For goods that are expected to be returned, a refund liability is recognised. The Group's right to recover the product when customers exercise their right to return products is recognised as right-of-use assets and corresponding adjustment to cost of sales.

The Group operates a customer loyalty program where customers accumulate reward points for purchases of certain products which entitle them to exchange certain products and cash coupons. A contract liability for revenue relating to the reward points is recognised at the time of sale. Revenue from the reward points is recognised when the reward points are redeemed or expired. Since the reward points expire on 31 March each year, there are no contract liabilities as at 31 March 2025 and 2024.

All goods provided by the Group are for contracts with originally expected duration of one year or less. As permitted under HKFRS 15 "Revenue from Contracts with Customers", the transaction price allocated to these unsatisfied contracts is not disclosed.

### Property investment business

Revenue from property investment business is arisen from the operating leases with fixed lease payment.

## 5. SEGMENT REPORTING

Information reported to the Board of the Company, 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.

### (a) Segment revenue, results, assets and liabilities

Information regarding the Group’s reportable segments as provided to the Group’s CODM for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2025 and 2024 are set out below:

#### (i) Segment revenue and results

	For the year ended 31 March 2025		
	Health and beauty supplements and products business HK\$'000	Property investment business HK\$'000	Total HK\$'000
<b>Segment revenue</b>			
Revenue from external customers	<u>199,918</u>	<u>5,130</u>	<u>205,048</u>
<b>Segment results</b>	<u>20,142</u>	<u>(29,648)</u>	(9,506)
Unallocated other income, gains or losses			11
Unallocated finance costs			(2,419)
Unallocated corporate expenses			<u>(21,454)</u>
Loss before taxation			<u><u>(33,368)</u></u>

For the year ended 31 March 2024			
	Health and beauty supplements and products business <i>HK\$'000</i>	Property investment business <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment revenue</b>			
Revenue from external customers	230,580	5,006	235,586
<b>Segment results</b>	52,140	(15,425)	36,715
Unallocated other income, gains or losses			766
Unallocated finance costs			(3,284)
Unallocated corporate expenses			(29,623)
Profit before taxation			4,574
<b>(ii) Segment assets and liabilities</b>			
	<b>2025</b> <b><i>HK\$'000</i></b>	<b>2024</b> <b><i>HK\$'000</i></b>	
<b>Segment assets</b>			
Health and beauty supplements and products business	94,708	110,512	
Property investment business	177,985	208,403	
Total reportable segment assets	272,693	318,915	
Unallocated assets	16,211	25,419	
Total consolidated assets	288,904	344,334	

	2025 HK\$'000	2024 HK\$'000
<b>Segment liabilities</b>		
Health and beauty supplements and products business	49,647	16,492
Property investment business	46,892	76,237
	<hr/>	<hr/>
Total reportable segment liabilities	96,539	92,729
Unallocated liabilities	57,020	79,997
	<hr/>	<hr/>
Total consolidated liabilities	<b>153,559</b>	<b>172,726</b>
	<hr/> <hr/>	<hr/> <hr/>

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

- All assets are allocated to operating segments other than deferred tax assets, tax recoverable, unallocated property, plant and equipment, unallocated right-of-use assets, unallocated intangible assets, unallocated cash and cash equivalents and other unallocated corporate assets as these assets are managed on a group basis.
- All liabilities are allocated to operating segments other than deferred tax liabilities, tax payable, unallocated bank and other borrowings, amount due to a shareholder, unallocated lease liabilities and other unallocated corporate liabilities as these liabilities are managed on a group basis.

(iii) **Other segment information**

	For the year ended 31 March 2025			
	Health and beauty supplements and products business HK\$'000	Property investment business HK\$'000	Unallocated HK\$'000	Total HK\$'000
<b>Other information</b>				
Additions of property, plant and equipment	354	–	–	354
Addition of right-of-use assets	3,710	–	–	3,710
Addition of intangible assets	6,800	–	–	6,800
Depreciation of property, plant and equipment	1,967	–	145	2,112
Depreciation of right-of-use assets	3,000	–	2,899	5,899
Amortisation of intangible assets	3,780	–	–	3,780
Reversal of impairment loss on trade and other receivables	(198)	–	(4)	(202)
Written down of inventories, net of reversal	85	–	–	85
Fair value change of investment properties	–	30,400	–	30,400
Finance costs	1,366	3,146	2,419	6,931
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

For the year ended 31 March 2024

	Health and beauty supplements and products business <i>HK\$'000</i>	Property investment business <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Other information</b>				
Additions of property, plant and equipment	4,246	–	726	4,972
Addition of right-of-use assets	1,025	–	7,647	8,672
Addition of intangible assets	10,000	–	–	10,000
Depreciation of property, plant and equipment	2,970	–	1,202	4,172
Depreciation of right-of-use assets	2,921	–	922	3,843
Amortisation of intangible assets	1,100	–	–	1,100
Impairment loss on trade and other receivables	203	–	–	203
Reversal of impairment loss on property, plant and equipment	(948)	–	–	(948)
Written down of inventories, net of reversal	422	–	–	422
Fair value change of investment properties	–	15,000	–	15,000
Finance costs	246	4,247	3,284	7,777

**(b) Geographical information**

Analysis of the Group's revenue and results as well as analysis of the Group's carrying amount of segment assets by geographical market are not presented as the Group's operations and assets for the years ended 31 March 2025 and 2024 are mainly located in Hong Kong (place of domicile).

**(c) Information about major customer**

Revenue from external customer contributing 10% or more of the total revenue of the Group is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A*	111,892	137,366

\* The revenue was derived from the health and beauty supplements and products business.

## 6. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on bank borrowings	5,950	5,686
Interest on other borrowings	–	205
Interest on amount due to a shareholder	457	1,266
Interest on lease liabilities	499	620
Others	25	–
	<u>6,931</u>	<u>7,777</u>

## 7. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging/(crediting) the followings:

	2025 HK\$'000	2024 HK\$'000
<b>(a) Staff costs (including directors' emoluments):</b>		
Salaries, commission, allowances, and other benefits	73,090	76,370
Retirement benefits	2,410	2,392
	<u>75,500</u>	<u>78,762</u>
<b>(b) Other items:</b>		
Auditors' remuneration	1,218	1,280
Cost of inventories	33,264	37,652
Depreciation charge:		
– property, plant and equipment	2,112	4,172
– right-of-use assets	5,899	3,843
Amortisation of intangible assets (included in administrative expenses)	3,780	1,100
Rent for special designated counters	31,359	32,716
Written down of inventories, net of reversal	85	422
Rental income from investment properties less direct outgoings of HK\$843,000 (2024: HK\$988,000)	(4,287)	(4,018)
	<u>(4,287)</u>	<u>(4,018)</u>

## 8. TAXATION

	2025 HK\$'000	2024 HK\$'000
<b>Current tax</b>		
Hong Kong Profits Tax	1,373	3,712
<b>Under (over) provision in respect of prior years</b>		
Hong Kong Profits Tax	45	(404)
<b>Deferred tax</b>	1,457	748
	<u>2,875</u>	<u>4,056</u>

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of assessable profits of qualifying corporations will be taxed at 8.25%, and the assessable profits above HK\$2,000,000 will be taxed at 16.5%.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime is insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

Under the Law of the People's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

For the years ended 31 March 2025 and 2024, no provision for PRC EIT has been made in the consolidated financial statements as the Group has no assessable profits under EIT.

## 9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the years ended 31 March 2025 and 2024, nor has any dividend been proposed since the end of the reporting periods.

## 10. (LOSS)/EARNINGS PER SHARE

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

	2025 HK\$'000	2024 HK\$'000
(Loss)/profit for the year attributable to owners of the Company for the purpose of basic and diluted (loss)/earnings per share	<u>(36,243)</u>	<u>571</u>
	2025 '000	2024 '000
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share	<u>3,107,893</u>	<u>3,107,893</u>

For the years ended 31 March 2025 and 2024, 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 years.

# 11. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2025 HK\$'000	2024 HK\$'000
Trade receivables	25,302	29,136
Less: Allowance for credit losses	(1,304)	(1,484)
	<u>23,998</u>	<u>27,652</u>
Other receivables	2,591	2,493
Prepayments	5,465	16,120
Utility, trade and other deposits	7,369	9,438
Right-of-return assets	175	163
Less: Allowance for credit losses	(140)	(162)
	<u>39,458</u>	<u>55,704</u>
	<u>39,458</u>	<u>55,704</u>
	2025 HK\$'000	2024 HK\$'000
Analysis of trade and other receivables, prepayments and deposits		
Non-current portion	2,358	10,671
Current portion	37,100	45,033
	<u>39,458</u>	<u>55,704</u>
	<u>39,458</u>	<u>55,704</u>

As at 1 April 2023, trade receivables from contracts with customers amounted to HK\$40,000,000 (net of allowance for credit losses of approximately HK\$1,433,000).

As at 31 March 2025, included in the Group's trade receivables balances are debtors with aggregate carrying amount of approximately HK\$3,442,000 (2024: HK\$3,200,000) which are past due. Out of the past due balances, no trade receivable (2024: Nil) has been past due 90 days or more and is not considered as in default due to long-term/on-going relationship, good repayment record and continuous repayment from these customers.

The Group generally allows credit period ranging from 0 to 90 days.

The following is an ageing analysis of trade receivables (net of allowance for credit losses) based on the date of revenue recognition.

	2025 HK\$'000	2024 HK\$'000
0–30 days	20,556	24,452
31–60 days	3,442	3,200
	<u>23,998</u>	<u>27,652</u>
	<u>23,998</u>	<u>27,652</u>

## 12. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	3,856	2,357
Salary and welfare payables	10,271	10,327
Accrued advertising expenses	2,668	3,626
Other payables and accruals	2,961	2,480
Interest payables	242	1,299
Deposits from tenants	932	1,000
Receipt in advance for leasing of an investment property	—	5
	<u>20,930</u>	<u>21,094</u>

The credit period on trade payable is ranging from 0 to 90 days.

The following is an ageing analysis of trade payables based on invoice date.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–30 days	1,387	919
31–60 days	660	1,006
61–90 days	1,165	178
91–180 days	401	—
181–365 days	—	2
Over 365 days	243	252
	<u>3,856</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 13.0% or approximately HK\$30.6 million to approximately HK\$205.0 million for the year ended 31 March 2025 (the “**Reporting Period**”) as compared to approximately HK\$235.6 million for the year ended 31 March 2024 (the “**Last Corresponding Period**”). Overall, the Group generated a loss attributable to owners of the Company of approximately HK\$36.2 million (Last Corresponding Period: profit of approximately HK\$0.6 million). Apart from the unrealised item in respect of the fair value change of investment properties, the Group recorded an Adjusted Net Loss of approximately HK\$5.8 million for the Reporting Period (Last Corresponding Period: Adjusted Net Profit of approximately HK\$15.6 million).

#### Market overview

In recent years, the Hong Kong Government has introduced a raft of measures to boost the tourism industry, including the resumption of the Multiple-entry Individual Visit Scheme for Shenzhen permanent residents since December 2024 and the organisation of various mega events, 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 11.5% to approximately 45,502,000 as compared to approximately 40,814,000 for the Last Corresponding Period, of which tourists from Mainland China accounted for a considerable portion of approximately 76.0% for the Reporting Period. Despite 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 led to cautious spending by tourists.

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 8.7% and 12.2% 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 weekends, the significant increase in outbound travel during long public holidays together with the unfavourable conditions including the combination of macroeconomic headwinds 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 has taken steps to closely monitor the market and economic challenges and implemented appropriate strategic initiatives to consolidate its foundation and 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 has maintained 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", "Prof Health", "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, we have successfully launched multiple new products including the new "Dr Immune", "Prof Gut Brain", "Prof Sleep" and "Legend Allergic Skin Care Patch", and upgraded versions of best-selling products with different functions including "Royal Medic NMN Prime 32000+", "Haruka Fish Oil 800 Plus", "Health Proof Vitamin C 250mg" and "Health Proof Vitamin E 400IU".

In terms of marketing, the Group has conducted a series of strategic brand positioning and marketing effort to rejuvenate its brand and product images. In addition to Ms. Michelle Yim Wai Ling (米雪), the existing spokesperson of the "Royal Medic" brand, and Mr. Hins Cheung (張敬軒), the existing spokesperson of our hero product "Royal Medic NMN", the Group has invited Mr. Johnny Hui (強尼), a popular artist in Hong Kong to be the spokesperson of various products including "Royal Medic Eye Health 2.0" and "Royal Medic Joints Well". We have also title sponsored a TV drama "Oh No, I Gotta Ghost Bust!" (弊傢伙！我要去祓魔) broadcasted on ViuTV during February 2025. Besides, 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. The management of the Group believes that these advertising and promotion activities are effective means to enhance the brand image and reinforce the brand’s public 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. In addition to the Hong Kong Brands and Products Expo, the Group has participated in various fairs and exhibitions in Hong Kong, such as 50+ Expo and HKTDC Food Expo. The management of the Group believes that these expansions have empowered 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 can check their point balances and manage their point redemption through the mobile app conveniently, which offers a comprehensive digital service experience to our customers. The Group’s management believes that the new mobile app can 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 31 March 2025, 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:

	For the year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Health and beauty supplements and products	199,918	230,580
Property investment	5,130	5,006
<b>Total revenue</b>	<b>205,048</b>	<b>235,586</b>

The Group's health and beauty supplements and products business has declined by approximately 13.3% from approximately HK\$230.6 million for the Last Corresponding Period to approximately HK\$199.9 million for the Reporting Period, which was driven by the weak local retail market conditions and consumer sentiment in Hong Kong and Macau as well as the reduction of spending power and the change in consumption pattern of visitors.

Revenue from the property investment business slightly increased by approximately 2.0% from approximately HK\$5.0 million for the Last Corresponding Period to approximately HK\$5.1 million for the Reporting Period. This change primarily reflected the additional rental income from a short-term lease of a property during the Reporting Period.

### Cost of sales and gross profit

The Group's cost of sales primarily comprises cost of raw materials and packaging materials, staff costs related to production and subcontracting costs. The cost of sales of the Group decreased by approximately 8.4% to approximately HK\$47.1 million for the Reporting Period (Last Corresponding Period: approximately HK\$51.4 million). The decrease was primarily due to the combined effects of the drop in revenue and the increase in production staff costs during the Reporting Period. The Group's overall gross profit margin remained relatively stable with a slight decrease of approximately 1.2% to approximately 77.0% for the Reporting Period (Last Corresponding Period: approximately 78.2%).

## **Selling and distribution expenses**

The Group's selling and distribution expenses principally consist of advertising and promotion expenses, engagements of artistes to endorse the Group's products, commission expenses to promoters and exhibition expenses. The selling and distribution expenses of the Group decreased by approximately 2.6% to approximately HK\$53.1 million for the Reporting Period (Last Corresponding Period: approximately HK\$54.5 million). The decrease was primarily due to 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 Group's administrative expenses mainly comprise salaries and benefits to employees, rent for special designated counters, consultancy fees, depreciation of property, plant and equipment, depreciation of right-of-use assets and amortisation of intangible assets. The administrative expenses of the Group decreased by approximately 1.7% to approximately HK\$102.0 million for the Reporting Period (Last Corresponding Period: approximately HK\$103.8 million). The decrease was mainly due to (i) 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 and (ii) the adoption of cautious cost control measures over back-office expenses.

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

The Group recorded a fair value loss of investment properties of approximately HK\$30.4 million during the Reporting Period (Last Corresponding Period: approximately HK\$15.0 million) as a result of the ongoing deterioration of property market condition in Hong Kong. During the Reporting Period, the fair value of the investment properties was determined with reference to the valuation reports prepared by Ravia Global Appraisal Advisory Limited, an independent professional qualified valuer not connected to the Group.

## **Finance costs**

The Group's finance costs mainly represent interest on bank borrowings, interest on amount due to a shareholder and interest on lease liabilities. The finance costs decreased by approximately 11.5% from approximately HK\$7.8 million for the Last Corresponding Period to approximately HK\$6.9 million for the Reporting Period which was mainly due to the reduction in the average balance of amount due to a shareholder during the Reporting Period.

## **Taxation**

Income tax expense primarily consists of profits tax for current year and movements in deferred tax assets/liabilities. The overall decrease in taxation 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 year and Adjusted Net (Loss)/Profit**

As a result of the above factors, the Group recorded a loss for the Reporting Period of approximately HK\$36.2 million (Last Corresponding Period: profit of approximately HK\$0.5 million) and the Adjusted Net Loss of approximately HK\$5.8 million (Last Corresponding Period: Adjusted Net Profit of approximately HK\$15.6 million).

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

The Adjusted Net (Loss)/Profit is not the measures of performance under HKFRS Accounting Standards. These measures do not represent, and should not be used as substitutes for, net (loss)/profit or cash flows from operations as determined in accordance with HKFRS Accounting Standards. 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.

## **INTANGIBLE ASSETS**

As at 31 March 2025, the intangible assets of the Group amounted to approximately HK\$19.3 million (2024: approximately HK\$16.3 million). Intangible assets mainly include computer softwares and club membership.

## **FINANCIAL POSITION AND LIQUIDITY**

As at 31 March 2025, cash and bank balances of the Group amounted to approximately HK\$5.5 million (2024: approximately HK\$12.7 million) and the current ratio (current assets divided by current liabilities) of the Group was approximately 0.5 times as at 31 March 2025 (2024: approximately 0.5 times). The Group's gearing ratio, representing total borrowings (including bank and other borrowings and amount due to a shareholder) divided by total equity, was approximately 87.9% as at 31 March 2025 (2024: approximately 79.8%). The increase in gearing ratio was primarily due to the decrease in total equity as at the end of the Reporting Period. 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 31 March 2025, the Group had unutilised general banking facilities and loan facilities provided by a shareholder and executive director of approximately HK\$10 million (2024: approximately HK\$40 million) and HK\$18 million (2024: Nil) respectively.

## **CAPITAL MANAGEMENT**

The Group's objectives in managing capital are 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 balance its overall capital structure through the payment of dividends, new share issues 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 31 March 2025, the Group had 237 employees (2024: 247). For the Reporting Period, staff costs including Directors' remuneration were approximately HK\$75.5 million (Last Corresponding Period: approximately HK\$78.8 million).

## **REMUNERATION POLICY**

The Group's directors and senior management receive compensation in the form of salaries, benefits in kind and discretionary bonuses with reference to salaries paid by comparable companies, time commitment and the performance of the Group. The Group also reimburses them for expenses, which are necessarily and reasonably incurred for the provision of services to the Group or executing their functions in relation to the operations of the Group. In addition, the Company adopted a share option scheme as an incentive to Directors (excluding independent non-executive Directors) and eligible participants. The Group regularly reviews and determines the remuneration and compensation package of the Group's directors and senior management, by reference to, among other things, market level of salaries paid by comparable companies, the respective responsibilities of the Group's directors and the performance of the Group.

## OUTLOOK

The Hong Kong retail industry is expected to face various challenges in the financial year ending 31 March 2026 (“FY2025/26”). With the changing consumption patterns of local residents and tourists in recent years, the retail industry is undergoing a transformation, making the business environment continue to be fraught with challenges. Businesses will therefore need to navigate a complex landscape marked by intense competition and shifting demand.

To cope with the challenging and complex business environment for retailers in Hong Kong, the Group will keep pace with the market trends, continue to actively pursuing new revenue sources, and enhance its market presence in the health and beauty supplement segment by further expanding its sales channels and launching new products to cater for the emerging demands for new customers from different ages and gender. 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 endeavor to conduct research and development to introduce a diverse range of new and upgraded products to meet the evolving demands of our target markets.

The Group is proactively preparing to establish a new brand dedicated to premium health and beauty supplements, which will be launched through a renowned distribution channel in Hong Kong in FY2025/26. This initiative aims to offer a diverse range of products that appeal to individuals who are busy in balancing work and family roles, thereby attracting new customers and generating additional revenue streams. By developing distinct brand identities, we seek to invigorate our presence in this challenging business environment. This strategic move will not only diversify our distribution channels but also enhance the Group’s competitiveness, positioning us for sustainable growth in the future.

The Hong Kong property market is expected to remain challenging, particularly for commercial and shop premises, which continue to experience fluctuation in market demand and rental income. We will continue to focus on prudent approach on managing the property investment segment in order to enhance the occupancy rates and sustain stable rental income to the Group.

In this rapid changing business environment with persistent macroeconomic uncertainties, the Group will maintain a cautious and financial prudent approach, that is characterized by cost optimization in the coming year. Starting from FY2025/26, the Group has implemented defensive measures including cautious cost control on procurement, advertising and back-office expenses. The Group believes that such cost control measures will mitigate the adverse financial impact brought by the challenging economic environment.

Looking forward, 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.

## **MATERIAL DISPOSALS OR ACQUISITIONS**

There was no material disposal and acquisition of subsidiaries, associated companies and joint ventures during the Reporting Period.

## **SIGNIFICANT INVESTMENTS**

As at 31 March 2025, there was no significant investment with a carrying amount accounting for 5% or more of the Group's total assets.

## **CONTINGENT LIABILITIES**

The Group did not have material contingent liabilities as at 31 March 2025.

## **CAPITAL COMMITMENT**

As at 31 March 2025, the Group was committed to acquire certain property, plant and equipment with a total amount of approximately HK\$0.7 million (as at 31 March 2024: approximately HK\$0.3 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.

## **CHARGES ON ASSETS**

As at 31 March 2025, the Group had secured bank borrowings of approximately HK\$119.0 million (2024: approximately HK\$111.0 million). The banking facilities are secured by the Group's leasehold land and buildings and investment properties with carrying amount of approximately HK\$7.2 million (2024: approximately HK\$7.5 million) and approximately HK\$176.7 million (2024: approximately HK\$207.1 million) respectively as at 31 March 2025.

## **EVENTS AFTER REPORTING PERIOD**

There is no significant event occurring after the Reporting Period and up to the date of this announcement.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

Based on the Group's risk management system, the Group has examined all of the possible risks and uncertainties that might affect the Group and considered that the most important risks and uncertainties would include:

### **Regulatory risks**

The change in the regulatory policies and laws in respect of the monitoring and control of food and health supplement products which include Chinese medicinal ingredients may impact on the future development of health supplements industry. If the Group fails to keep up and comply with these changes, such factors would affect the Group's success.

The Group has closely monitored the regulatory changes, strengthened its interpretation and analysis capability of regulatory policies and would adjust strategies in advance to cope with the ever-changing operating environment.

### **Business risks**

The Group's health and beauty supplements and products business is closely related to the economic conditions of Hong Kong. Slowing economic growth or a recession may affect consumers' preferences and spending which in turn could have a material adverse effect on the Group's business, operating results and financial conditions. In response to these challenges, the Group will closely monitor the changing economic conditions and also actively implement effective measures to control the administration and production costs. The Group will also continue to roll out more new products and open up more distribution channels, and diversify its business to improve the Group's overall performance.

The Group's property investment business depends on the performance of the property market in Hong Kong. Any downturn in the Hong Kong property market may materially and adversely affect the financial position, operations, businesses and prospects of the Group and may lead to fair value loss of the Group's investment properties. The property market in Hong Kong can be affected by many factors, including but not limited to, changes in Hong Kong's economic, political, social and legal environment and changes in Hong Kong's fiscal and monetary policy, all of which are beyond the control of the Group. The Group will continue to implement prudent asset management strategies to maintain occupancy levels and optimise rental returns.

#### **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).

#### **FINAL DIVIDEND**

The Board does not recommend the payment of a final dividend for the Reporting Period (Last Corresponding Period: Nil).

#### **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Friday, 29 August 2025 to Wednesday, 3 September 2025, both dates inclusive, for the purpose of determining the shareholders' eligibility to attend and vote at the annual general meeting of the Company to be held on Wednesday, 3 September 2025 (the "2025 AGM") and during which no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the 2025 AGM, all completed transfer forms accompanied by the relevant share certificates of the Company must be lodged with the Company's Hong Kong branch share registrar and transfer agent, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Thursday, 28 August 2025.

## **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 as set out in Part 2 of the Corporate Governance Code (as amended from time to time, the "**Code**") contained in Appendix C1 to the Listing Rules 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 REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (as amended from time to time, the "**Model Code**") 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 provisions of the Model Code.

## **AUDIT COMMITTEE**

The Company has an Audit Committee which has been established in compliance with Rule 3.21 of the Listing Rules. The Audit Committee comprises three members, namely Mr. Leung Winson Kwan Yau (*chairman of Audit Committee*), Ms. Dong Jian Mei and Mr. Lam Chik Shun Marcus, all are independent non-executive Directors.

The Audit Committee has reviewed the consolidated financial statements and final results of the Group for the Reporting Period. The Audit Committee is of the view that the consolidated financial statements have been prepared in accordance with the applicable accounting standards, the Listing Rules and the statutory provisions, and sufficient disclosures have already been made and also discussed auditing, risk management, internal control and financial reporting matters.

## **SCOPE OF WORK OF MOORE CPA LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Reporting Period as set out in this preliminary announcement have been agreed by the Group's auditor, Moore CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Moore 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 Moore CPA Limited on this preliminary announcement.

## **PUBLICATION OF THE FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This final results announcement is published on the respective 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 Annual Report and the Notice of 2025 AGM will be published and despatched in due course in the manner as required by the Listing Rules.

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

Hong Kong, 26 June 2025

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