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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 NINE MONTHS ENDED
31 DECEMBER 2023

The board (the “Board”) of directors (the “Directors”) of YNBY International Limited (formerly known as Ban Loong Holdings 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 nine months ended 31 December 2023 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the nine months ended 31 December 2023

		For the nine months ended 31 December 2023	For the year ended 31 March 2023
	<i>Note</i>	HK\$	HK\$
Revenue	4	578,741,466	452,908,674
Cost of sales		<u>(529,136,617)</u>	<u>(429,997,831)</u>
Gross profit		49,604,849	22,910,843
Other income, gains and losses		135,974,567	396,670
Net reversal of allowance/(allowance) for expected credit losses		904,402	(130,410,893)
Selling and distribution costs		<u>(5,142,193)</u>	<u>(13,226,323)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)*For the nine months ended 31 December 2023*

		For the nine months ended 31 December 2023 HK\$	For the year ended 31 March 2023 HK\$
Administrative expenses		<u>(31,468,076)</u>	<u>(39,623,800)</u>
Profit/(loss) from operations		149,873,549	(159,953,503)
Finance costs	7	(3,466,672)	(5,906,421)
Share of loss of a joint venture		<u>(1,353)</u>	<u>(42,720)</u>
Profit/(loss) before tax	6	146,405,524	(165,902,644)
Income tax expenses	9	<u>(2,671,852)</u>	<u>(2,956,277)</u>
Profit/(loss) for the period/year		<u>143,733,672</u>	<u>(168,858,921)</u>
Attributable to:			
Owners of the Company		143,744,973	(168,870,808)
Non-controlling interests		<u>(11,301)</u>	<u>11,887</u>
		<u>143,733,672</u>	<u>(168,858,921)</u>
Earnings/(loss) per share	10		
Basic (HK cents per share)		<u>2.11</u>	<u>(2.51)</u>
Diluted (HK cents per share)		<u>1.67</u>	<u>(2.51)</u>

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the nine months ended 31 December 2023

	For the nine months ended 31 December 2023 HK\$	For the year ended 31 March 2023 HK\$
Profit/(loss) for the period/year	<u>143,733,672</u>	<u>(168,858,921)</u>
Other comprehensive (expenses)/income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Release of exchange reserve upon deconsolidation of subsidiaries	(2,007)	2,937
Release of exchange reserve upon disposal of a subsidiary	(16,186,412)	–
Exchange differences on translation of foreign operations	<u>4,494,603</u>	<u>(2,173,698)</u>
Total comprehensive income/(expenses) for the period/year	<u><u>132,039,856</u></u>	<u><u>(171,029,682)</u></u>
Attributable to:		
Owners of the Company	132,113,633	(170,986,257)
Non-controlling interests	<u>(73,777)</u>	<u>(43,425)</u>
	<u><u>132,039,856</u></u>	<u><u>(171,029,682)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	<i>Notes</i>	As at 31 December 2023 HK\$	As at 31 March 2023 <i>HK\$</i>
Non-current assets			
Property, plant and equipment		3,820,705	976,207
Right-of-use assets		14,235,984	2,750,928
Investment in a joint venture		<u>15,927</u>	<u>17,280</u>
		<u>18,072,616</u>	<u>3,744,415</u>
Current assets			
Inventories		39,747,819	50,290,472
Trade receivables	11	110,344,093	72,979,248
Loan and interest receivables		–	–
Other receivables, deposits and prepayments		13,709,416	24,434,492
Amount due from a joint venture		68,455	61,200
Tax recoverable		8,960,179	9,525,322
Cash and cash equivalents		<u>199,324,292</u>	<u>159,003,957</u>
		<u>372,154,254</u>	<u>316,294,691</u>
Current liabilities			
Trade and other payables	12	79,368,810	126,582,036
Contract liabilities		4,286,288	34,950,735
Amount due to a shareholder		17,447,343	17,392,891
Bank borrowings		17,655,760	–
Convertible bond		13,024,059	13,615,541
Lease liabilities		<u>3,577,988</u>	<u>2,753,903</u>
		<u>135,360,248</u>	<u>195,295,106</u>
Net current assets		<u>236,794,006</u>	<u>120,999,585</u>
Total assets less current liabilities		<u>254,866,622</u>	<u>124,744,000</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)*As at 31 December 2023*

	As at 31 December 2023 HK\$	As at 31 March 2023 HK\$
	<i>Note</i>	
Non-current liabilities		
Convertible bond	–	11,342,531
Lease liabilities	10,211,781	98,172
Other payables	<i>12</i> 1,500,000	–
	11,711,781	11,440,703
NET ASSETS	243,154,841	113,303,297
Capital and reserves		
Share capital	67,999,142	67,999,142
Reserves	175,155,699	43,042,066
Equity attributable to owners of the Company	243,154,841	111,041,208
Non-controlling interests	–	2,262,089
TOTAL EQUITY	243,154,841	113,303,297

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2023

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 Group") 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 nine months ended 31 December 2023 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 has 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 statement for the current period covers the nine months ended 31 December 2023. 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 2022 to 31 March 2023 which may not be comparable with the amounts shown for the current period.

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

In the current 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 April 2023. 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 period 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

	For the nine months ended 31 December 2023 HK\$	For the year ended 31 March 2023 HK\$
Trading of goods and commodities	569,541,466	452,908,674
Other services	9,200,000	–
Total	<u>578,741,466</u>	<u>452,908,674</u>

Disaggregation of revenue from contracts with customers:

	For the nine months ended 31 December 2023 HK\$	For the year ended 31 March 2023 HK\$
Geographical markets		
Hong Kong	280,812,286	258,701,742
The People’s Republic of China (the “PRC”)	268,319,370	193,358,269
Others	29,609,810	848,663
Total	<u>578,741,466</u>	<u>452,908,674</u>

Timing of revenue recognition

At a point in time	569,541,466	452,908,674
Over time	9,200,000	–
Total	<u>578,741,466</u>	<u>452,908,674</u>

The Group sells goods and other commodities to the customers. Sales are recognized 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.

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.

	Trading of goods and commodities	Others	Total
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Nine months ended 31 December 2023			
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>
Year ended 31 March 2023			
Revenue			
External sales	<u>452,908,674</u>	<u>–</u>	<u>452,908,674</u>
Segment result	<u>(122,494,022)</u>	<u>–</u>	<u>(122,494,022)</u>

5. SEGMENT INFORMATION (Continued)
(a) Segment revenue and results (Continued)

	For the nine months ended 31 December 2023 HK\$	For the year ended 31 March 2023 HK\$
Segment result	42,294,862	(122,494,022)
Unallocated income, gains and losses	136,031,128	2,385,062
Unallocated expenses	<u>(28,452,441)</u>	<u>(39,844,543)</u>
Profit/(loss) from operations	149,873,549	(159,953,503)
Finance costs	(3,466,672)	(5,906,421)
Share of loss of a joint venture	<u>(1,353)</u>	<u>(42,720)</u>
Profit/(loss) before tax	146,405,524	(165,902,644)
Income tax expense	<u>(2,671,852)</u>	<u>(2,956,277)</u>
Profit/(loss) for the period/year	<u><u>143,733,672</u></u>	<u><u>(168,858,921)</u></u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents the profit earned/(loss incurred) 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>
As at 31 December 2023		
Segment assets	326,618,282	326,618,282
Unallocated assets		<u>63,608,588</u>
		<u>390,226,870</u>
Segment liabilities	(82,365,991)	(82,365,991)
Unallocated liabilities		<u>(64,706,038)</u>
		<u>(147,072,029)</u>
As at 31 March 2023		
Segment assets	283,896,559	283,896,559
Unallocated assets		<u>36,142,547</u>
		<u>320,039,106</u>
Segment liabilities	(147,600,075)	(147,600,075)
Unallocated liabilities		<u>(59,135,734)</u>
		<u>(206,735,809)</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, 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>
Nine months ended 31 December 2023			
Amounts included in the measure of segment profit or loss or segment assets:			
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>
	Trading of goods and commodities <i>HK\$</i>	Unallocated <i>HK\$</i>	Total <i>HK\$</i>
Year ended 31 March 2023			
Amounts included in the measure of segment profit or loss or segment assets:			
Depreciation of property, plant and equipment	365,524	301,628	667,152
Depreciation of right-of-use assets	1,450,010	3,454,438	4,904,448
Additions to non-current assets (<i>Note</i>)	339,785	366,736	706,521
Bank interest income	213,001	14,943	227,944
Reversal of allowance for ECL on other receivables	(303,865)	–	(303,865)
Allowance for ECL on other receivables	131,781,958	–	131,781,958
Reversal of allowance for ECL on loan and interest receivables	–	(1,067,200)	(1,067,200)
	<u>–</u>	<u>(1,067,200)</u>	<u>(1,067,200)</u>

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

5. **SEGMENT INFORMATION (Continued)**

(d) **Geographic information**

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 nine months ended 31 December 2023 HK\$	For the year ended 31 March 2023 HK\$	As at 31 December 2023 HK\$	As at 31 March 2023 HK\$
Hong Kong	280,812,286	258,701,742	17,600,453	1,991,498
PRC (excluding Hong Kong)	268,319,370	193,358,269	278,923	1,710,907
Others	29,609,810	848,663	177,313	24,730
Consolidated total	<u>578,741,466</u>	<u>452,908,674</u>	<u>18,056,689</u>	<u>3,727,135</u>

(e) **Revenue from major customers:**

	For the nine months ended 31 December 2023 HK\$	For the year ended 31 March 2023 HK\$
Customer A ^{1,2}	<u>206,981,647</u>	<u>197,378,951</u>

¹ Revenue from trading of goods and commodities.

² Customer A was an independent third party.

6. PROFIT/(LOSS) BEFORE TAX

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

	For the nine months ended 31 December 2023 HK\$	For the year ended 31 March 2023 HK\$
Auditors' remuneration	2,100,000	1,500,000
Cost of inventories sold	529,136,617	429,997,831
Depreciation of right-of-use assets	3,811,014	4,904,448
Depreciation of property, plant and equipment	438,193	667,152
Allowance for ECL on other receivables	–	131,781,958
Reversal of allowance for ECL on other receivables	(4,402)	(303,865)
Reversal of allowance for ECL on loan and interest receivables	(900,000)	(1,067,200)
Employee benefit expenses	14,705,735	17,499,129
Expenses relating to short-term lease	389,605	200,400
Gain on disposal of a subsidiary (including in "other income, gains and losses")	<u>137,542,825</u>	<u>–</u>

7. FINANCE COSTS

	For the nine months ended 31 December 2023 HK\$	For the year ended 31 March 2023 HK\$
Effective interest on convertible bond	3,065,987	5,712,068
Interest on bank borrowings	205,535	–
Interest on lease liabilities	<u>195,150</u>	<u>194,353</u>
Total	<u>3,466,672</u>	<u>5,906,421</u>

8. DIVIDEND

No dividend was paid or proposed during the nine months ended 31 December 2023, nor has any dividend been proposed since the end of the reporting period (Year ended 31 March 2023: nil).

9. INCOME TAX EXPENSES

	As at 31 December 2023 HK\$	As at 31 March 2023 HK\$
Current tax		
– Enterprise Income Tax in the PRC	2,695,557	2,755,981
(Over)/under provision in prior years	<u>(23,705)</u>	<u>200,296</u>
	<u><u>2,671,852</u></u>	<u><u>2,956,277</u></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% from 1 January 2008 onwards.

10. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

Basic earnings per share is calculated based on the profit for the period attributable to the owners of the Company of approximately HK\$143,744,973 (31 March 2023: loss for the year attributable to the owners of the Company of approximately HK\$168,870,808) and on the weighted average number of 6,799,914,160 ordinary shares (31 March 2023: 6,736,307,881 ordinary shares).

Diluted earnings/(loss) per share

The calculation of diluted earnings per share for the period ended 31 December 2023 based on the profit for the period attributable to the owners of the Company of approximately HK\$146,305,072 and on the weighted average number of approximately 8,737,898,656 ordinary shares.

10. EARNINGS/(LOSS) PER SHARE (Continued)**Diluted earnings/(loss) per share (Continued)**

The calculation of the basic and diluted earnings/(loss) per share is based on the following:

	For the nine months ended 31 December 2023 HK\$	For the year ended 31 March 2023 HK\$
Earnings/(loss)		
Earnings/(loss) for the purpose of calculating basic earnings/(loss) per share	143,744,973	(168,870,808)
Finance costs saving after tax on conversion of convertible bond outstanding	<u>2,560,099</u>	<u>N/A*</u>
Earnings/(loss) for the purpose of calculating diluted earnings/(loss) per share	<u>146,305,072</u>	<u>(168,870,808)</u>
	For the nine months ended 31 December 2023 HK\$	For the year ended 31 March 2023 HK\$
Number of shares		
Issued ordinary shares at the beginning of the period/year	6,799,914,160	6,448,152,160
Effect of new shares issued	<u>–</u>	<u>288,155,721</u>
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	6,799,914,160	6,736,307,881
Effect of dilutive potential ordinary shares arising from convertible bond outstanding	<u>1,937,984,496</u>	<u>N/A*</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>8,737,898,656</u>	<u>6,736,307,881</u>

* As the exercise of the Group's outstanding convertible bond for the year ended 31 March 2023 would be anti-dilutive, the calculation of diluted loss per share for the year ended 31 March 2023 does not assume the exercise of the Group's convertible bond.

11. TRADE RECEIVABLES

	As at 31 December 2023 HK\$	As at 31 March 2023 HK\$
Trade receivables	110,344,093	85,508,072
Less: Allowance for ECL	<u>–</u>	<u>(12,528,824)</u>
	<u>110,344,093</u>	<u>72,979,248</u>

Trade receivables are granted an average credit period of 90 days (31 March 2023: 90 days).

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

	As at 31 December 2023 HK\$	As at 31 March 2023 HK\$
0 to 90 days	101,650,176	72,979,248
91 to 180 days	8,693,917	–
Over 365 days	<u>–</u>	<u>12,528,824</u>
	<u>110,344,093</u>	<u>85,508,072</u>

12. TRADE AND OTHER PAYABLES

	As at 31 December 2023 HK\$	As at 31 March 2023 HK\$
Trade payables (<i>Note</i>)	54,393,370	15,067,996
Other payables and accrued charges	<u>26,475,440</u>	<u>111,514,040</u>
	<u>80,868,810</u>	<u>126,582,036</u>
The total is analysed for reporting purposes as:		
Current	79,368,810	126,582,036
Non-current	<u>1,500,000</u>	<u>–</u>
	<u>80,868,810</u>	<u>126,582,036</u>

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 (year ended 31 March 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 aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

	As at 31 December 2023 HK\$	As at 31 March 2023 HK\$
0 to 30 days	9,243,344	191,845
31 to 60 days	41,798,508	14,869,103
Over 90 days	<u>3,351,518</u>	<u>7,048</u>
	<u>54,393,370</u>	<u>15,067,996</u>

MANAGEMENT DISCUSSION AND ANALYSIS
OPERATING RESULTS
BUSINESS REVIEW

During the nine months ended 31 December 2023 (“FY2023”), the Group has been principally engaged in the trading of goods and commodities business, which mainly comprises e-commerce trading business and raw materials trading 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 manufactured and branded by Yunnan Baiyao Group (“YNBY Products”) 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 CBD 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 China, such as VIP.com, JD.com, Tmall and overseas online platforms, such as coupang. 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 after-sales 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.

The Group commenced its hemp CBD raw materials trading and CBD isolate business in 2019. 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, CBD materials, 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 one of the significant contributors to the Group's profitability. Our management team is committed to leveraging these assets to continue driving growth and success in our operations.

Starting from May 2023, in order to assist Yunnan Baiyao Group's products in expanding to overseas markets by utilizing the existing overseas distribution network and marketing experiences of the Group, the Group distributed YNBY Products to overseas markets. The new distribution network was not only in line with Yunnan Baiyao Group's globalization strategy but also generating a new revenue stream for the Group. The synergistic effects was therefore achieved.

For FY2023, the trading of goods and commodities segment reported revenue of approximately HK\$569.5 million, representing an increase of 25.7% from approximately HK\$452.9 million reported for year ended 31 March 2023 ("FY2022/23"). This segment reported a segment profit of approximately HK\$41.0 million for FY2023 (FY2022/23: a segment loss of approximately HK\$122.5 million). The improvement on the segment revenue and segment results is mainly attributable to (i) significant decrease in net allowance for expected credit loss; and (ii) significant increase in gross profit as a result of improvement on the business operations.

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.

The Group is playing a pivotal role in connecting Chinese medical/pharmaceutical companies with global resources. These resources include an international supply chain, Contract Research Organizations (CROs), industry experts, and global product registration services. The Group aids its domestic partners in expanding their businesses onto the global stage. The Group can better utilize the global network and resources and improve the cost efficiency over the established overseas platform by providing the professional services.

Leveraging its global resources, the Group is forging an international platform for the development and distribution of healthcare products. With its base in Hong Kong, the Group collaborates closely with global partners to introduce quality healthcare products/services to Asian markets. By establishing distribution channels, providing product registration services, and conducting marketing promotion for pharmaceutical and healthcare companies/brands from around the world in various Asian markets, the Group aims to offer a comprehensive range of healthcare products and services. It further strives to aid its partners in expanding their businesses into diverse regions.

In FY2023, the Group's other segment began to generate revenue of approximately HK\$9.2 million (FY2022/23: nil), resulting in a segment profit of approximately HK\$1.3 million (FY2022/23: nil).

PROSPECTS

According to MOFCOM Department of Electronic Commerce and Informatization, China's online e-commerce business grew strongly in 2023, online retail sales in China reached RMB15.42 trillion, representing a year-on-year increase of 11%; the online retail sales of physical goods reached a record high, accounting for 27.6% of the total retail sales of consumer goods.¹ In addition, the cross-border e-commerce in China import and export (including B2B) reached RMB2.38 trillion, representing a year-on-year increase of 15.6%.² The steady growth of the e-commerce market in China has created a favourable environment for the Group's relevant businesses. With successful experience on the existing business strategies, the management is confident that the Group will have promising growth prospects in trading of goods and commodities, especially in e-commerce trading business, by capturing the opportunities in China.

¹ Head of MOFCOM Department of Electronic Commerce and Informatization gave a briefing on the development of China's e-commerce in 2023

<http://www.mofcom.gov.cn/article/xwfb/xwsjfzr/202401/20240103467547.shtml>

² China experienced a 15.6% surge in total cross-border e-commerce (CBEC) import-export volumes

<https://www.yidaiyilu.gov.cn/p/0JPOMQMJ.html>

ADMINISTRATIVE EXPENSES

For FY2023, the Group's administrative expenses (which mainly comprised legal and professional fees, staff salaries, directors' fees and depreciation of right-of-use assets) amounted to approximately HK\$31.5 million (FY2022/23: approximately HK\$39.6 million), representing a decrease of approximately 20.5%. The decrease in the administrative expenses was principally due to shorter reporting period as a result of the change of financial year end date.

OTHER INCOME, GAINS AND LOSSES

The increase in other income, gains and losses is from approximately HK\$396,000 in FY2022/23 to approximately HK\$136.0 million in FY2023. A gain on disposal of a wholly-owned subsidiary amounted to approximately HK\$137.5 million, calculated by the difference between net liabilities derecognized and consideration received from the disposal. After the disposal, the financial results of the subsidiary were no longer consolidated into the financial statements of the Group.

FINANCE COSTS

For FY2023, finance costs of approximately HK\$3.5 million (FY2022/23: approximately HK\$5.9 million) were incurred, representing a decrease of approximately 40.7% which was attributed by a decrease of the effective interests arising from FY2022/23 to FY2023. The decrease was mainly resulted from the decrease in the amortization of effective interest on a convertible bond and shorter reporting period as a result of the change of financial year end date.

INCOME TAX EXPENSES

For FY2023, income tax expenses of approximately HK\$2.7 million (FY2022/23: approximately HK\$3.0 million) were incurred. The decrease in the income tax was mainly resulted from the absence of underprovision on the income tax during the period.

EARNINGS/(LOSS) PER SHARE

For FY2023, the basic earnings per share amounted to 2.11 HK cents while the diluted earnings per share amounted to 1.67 HK cents, as compared to the basic and diluted loss per share of 2.51 HK cents in FY2022/23, mainly resulted from the (i) the gain on disposal of a subsidiary of the Company (included in other income, gains and losses); (ii) significant decrease in net allowance for expected credit loss; and (iii) significant increase in gross profit as a result of improvement on the business operations.

FINANCIAL POSITION

The shareholders' equity increased from approximately HK\$113.3 million as at 31 March 2023 to approximately HK\$243.2 million as at 31 December 2023. The increase was mainly due to the net profit recognized during the reporting period. Total assets increased by approximately 21.9% from HK\$320.0 million as at 31 March 2023 to approximately HK\$390.2 million as at 31 December 2023 as a result of the expansion of the operation during the period.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2023, the Group's cash and cash equivalents amounted to approximately HK\$199.3 million (31 March 2023: approximately HK\$159.0 million). As at 31 December 2023, the Group had bank borrowings of approximately HK\$17.7 million which were at fixed rate and short-term loans with 1-year maturity (31 March 2023: nil) and a convertible bond with carrying amount of approximately HK\$13.0 million (31 March 2023: approximately HK\$25.0 million) with coupon rate of 3% per-annum. The interest expenses 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 12.6% as at 31 December 2023 (31 March 2023: approximately 22.0%), which is calculated by the total interest-bearing borrowings divided by the net assets of the Group.

FINAL DIVIDEND

The board (the "Board") of the directors (the "Directors") of the Company did not propose a final dividend for FY2023 (FY2022/23: nil).

SHARE CAPITAL AND FUND-RAISING ACTIVITIES

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

SHARE CAPITAL AND FUND-RAISING ACTIVITIES (Continued)

In June 2022, the Company placed 351,762,000 ordinary shares of nominal value of HK\$0.01 per share (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) 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 subscription agreement (being 14 April 2022) was HK\$0.244. As at 31 December 2023, 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.

The Company applied the net proceeds from the Subscription and Placing as follows:

	Planned use of proceeds <i>HK\$’ million</i>	Utilised amount up to 31 December 2023 <i>HK\$’ million</i>	Difference between the planned allocation net proceeds and actual usage of the net proceeds <i>HK\$’ million</i> (Note 1)	Unused balance from the net proceeds <i>HK\$’ million</i> (Note 2)
Subscription				
Expansion of existing trading business in cosmetics and personal care products	100	100	–	–
Expansion of CBD-based cosmetics and personal care product trading business	90	58	(32)	–
Purchase of CBD isolate inventory for trading purpose	20	15	–	5
Setting up of hemp cultivation and extraction and trading business	70	–	–	70
Expansion of CBD- related target business	40	–	(13)	27
Expansion of existing money lending business	50	43	(7)	–
Repayment of bonds issued by the Company in 2014	70	70	–	–
Repayment of interests derived from the Convertible Bonds	–	28	28	–
General working capital	58	82	24	–
Total	<u>498</u>	<u>396</u>	<u>–</u>	<u>102</u>

SHARE CAPITAL AND FUND-RAISING ACTIVITIES (Continued)

	Planned use of proceeds <i>HK\$' million</i>	Utilised amount up to 31 December 2023 <i>HK\$' million</i>	Difference between the planned allocation net proceeds and actual usage of the net proceeds <i>HK\$' million</i>	Unused balance from the net proceeds <i>HK\$' million</i> <i>(Note 2)</i>
Placing				
Expansion of CBD- based cosmetics products and industrial cannabis trading business with ASEAN	45	5	–	40
Research and development of Chinese herbal medicine in the PRC and development the trading network in Thailand, Indonesia, Singapore, Korea and Malaysia, etc	25	15	–	10
Development of the health food products network in Thailand and the trade with ASEAN	25	25	–	–
General working capital	5	5	–	–
Total	<u>100</u>	<u>50</u>	<u>–</u>	<u>50</u>

Note 1

As disclosed in the announcements of the Company dated 5 December 2023, in light of the changes in the government policies with respect to the ban of CBD products in Hong Kong and the overall market environment, the Company has reallocated its net proceeds from “expansion of CBD-based cosmetics and personal care product trading business” to “Repayment of interests derived from the Convertible Bonds”. In particular, the Company allocated HKD28 million of its net proceed to the repayment of interests derived from the Convertible Bonds and allocated HKD24 million to its general working capital.

Note 2

As at 31 December 2023, the Company had no further plan to change the application of the remaining net proceeds for the purpose as disclosed. The Company intends to fully utilised the net proceeds from the Subscription and Placing by 31 March 2024.

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 2023 and up to the date of this announcement.

PLEDGE OF ASSETS

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

CAPITAL COMMITMENTS

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

CONTINGENT LIABILITIES

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

FOREIGN EXCHANGE EXPOSURE

Most of the Group's assets and liabilities are denominated in Hong Kong dollars, US dollars and Renminbi, and most of the Group's cash balances are deposited in Hong Kong dollars, US dollars or Renminbi with 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 regulated 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 March 2023, and an indication of likely future development in the Group's business, can be found in the section of Management Discussion and Analysis.

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 2023, the Group had 34 employees (31 March 2023: 37 employees). For FY2023, the total salaries, commissions, incentives and all other staff related costs amounted to approximately HK\$14.7 million (FY2022/23: HK\$17.5 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 provident funds and medical insurance. The Company may also grant share options to eligible employees to motivate their performance and contribution to the Group.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

For the nine months ended 31 December 2023, 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 2023. 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:

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES (Continued)

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 attend the annual general meeting of the Company held on 8 February 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.

SHARE OPTION SCHEME

The share option scheme of the Company adopted on 30 September 2013 has expired on 29 September 2023.

During the nine months ended 31 December 2023, no options were granted or exercised under the share option scheme.

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 nine months ended 31 December 2023.

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

During the nine months ended 31 December 2023, 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 period and up to the date of publication of this announcement.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following has been extracted from the independent auditor’s report issued by ZHONGHUI ANDA CPA Limited, the Company’s auditor, to be incorporated in the annual report to be issued by the Company:

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the nine months ended 31 December 2023 in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Qualified Opinion

1. *Revenue and cost of sales reversed during the year ended 31 March 2023*

Due to the departure of certain former key management personnel who were responsible for the operational, financial and accounting matters in 2022, who the Group were unable to contact and communicate with, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the appropriateness of the revenue and cost of sales transactions reversed by the subsidiary of the Company, Wan Long Xing Ye Commercial Trading (Shenzhen) Limited (“Wan Long Shenzhen”), of RMB67,165,177 (equivalent to HK\$76,995,023) and RMB66,875,294 (equivalent to HK\$76,662,715), respectively, for the year ended 31 March 2023 (“2023 Reversed Transactions”). As a result, we were unable to determine whether any adjustments might have been found necessary in respect of the 2023 Reversed Transactions.

2. *Trade and other payables*

Due to the departure of certain former key management personnel who were responsible for the operational, financial and accounting matters in 2022, who the Group were unable to contact and communicate with, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the existence, rights and obligations, completeness and valuation and allocation of the trade and other payables amounted to HK\$18,183,078 as at 31 March 2023. There are no other satisfactory audit procedures that we could adopt to determine whether any adjustments might have been found necessary in respect of the trade and other payables for the year ended 31 March 2023.

3. *Insufficient accounting records of 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 our audit purposes. More specific business records and supporting explanations of Wan Long Shenzhen’s accounting records were needed for our 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, in addition to paragraph 1 and 2, we have not been able to obtain sufficient appropriate audit evidence to ascertain whether the income and expenses for the year ended 31 March 2023 and nine months ended 31 December 2023 and the assets and liabilities as at 31 March 2023 of Wan Long Shenzhen, 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 <i>HK\$</i>	For the year ended 31 March 2023 <i>HK\$</i>
Revenue	–	–
Cost of sales	–	–
Other income, gains and losses	22,815,913	(818,034)
Net allowance for expected credit losses	–	(131,724,848)
Selling and distribution costs	(2,780)	(138,880)
Administrative expenses	(35,527)	(2,748,193)
Finance costs	–	(3,528)
Income tax credit/(expense)	23,579	(24,564)

Extract of Statement of Financial Position

	As at 31 March 2023 <i>HK\$</i>
Non-current asset	1,710,907
Current asset	
Trade receivables	–
Other receivables, deposits and prepayments	1,532,838
Other current assets	<u>46,440</u>
Current liabilities	
Trade and other payables	90,962,696
Contract liabilities	34,950,735
Other current liabilities	1,377,957

Accordingly, we 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, the consolidated statement of financial position, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 March 2023 and 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 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 to be disclosed in note to the consolidated financial statements of the Group.

As a result of the matters mentioned above and in paragraphs 2, we have not been able to obtain sufficient appropriate audit evidence to ascertain whether the gain arisen from the disposal of Wan Lon 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.

Any adjustments to the figures as described from paragraph 1 to 3 above might have a consequential effect on the Group's consolidated financial performance and its consolidated cash flows for the nine months period ended 31 December 2023 and year ended 31 March 2023 and the consolidated financial position of the Group as at 31 March 2023, and the related disclosures thereof in the consolidated financial statements.

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 nine months ended 31 December 2023 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 nine months ended 31 December 2023. 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) and the Company (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 2023 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, 22 March 2024

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.