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## **PROSPER ONE INTERNATIONAL HOLDINGS COMPANY LIMITED**

**富一國際控股有限公司**

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

**(Stock Code: 1470)**

### **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 APRIL 2025**

#### **ANNUAL RESULTS HIGHLIGHTS**

Revenue for the year ended 30 April 2025 increased by approximately 7.4% as compared to that of the prior financial year.

Profit for the year ended 30 April 2025 was approximately HK\$5.4 million, compared to a profit of approximately HK\$1.3 million for the prior financial year.

The Board does not recommend the payment of any dividend for the year ended 30 April 2025.

## RESULTS

The board of directors of Prosper One International Holdings Company Limited (the “**Company**”, the “**Directors**” and the “**Board**”, respectively) announces the audited consolidated results of the Company and its subsidiaries (together, the “**Group**”) for the year ended 30 April 2025 (the “**Year**”) together with the comparative figures for the immediately preceding year as follows:

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

*For the year ended 30 April 2025*

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue	3	<b>77,224</b>	71,854
Cost of sales		<u><b>(54,867)</b></u>	<u>(30,394)</u>
Gross profit		<b>22,357</b>	41,460
Other gains and losses, net	5	<b>2,087</b>	2,370
Selling and distribution costs		<b>(9,361)</b>	(21,100)
Administrative expenses		<b>(8,134)</b>	(18,015)
Finance costs	6	<u><b>(9)</b></u>	<u>(171)</u>
Profit before tax	7	<b>6,940</b>	4,544
Income tax expense	8	<u><b>(1,524)</b></u>	<u>(3,263)</u>
Profit for the year attributable to owners of the Company		<u><b>5,416</b></u>	<u>1,281</u>
Other comprehensive expense			
Item that may be reclassified subsequently to profit or loss			
— Exchange differences arising from translation of foreign operations		<u><b>(363)</b></u>	<u>(2,763)</u>
Total comprehensive income/(expense) for the year attributable to owners of the Company		<u><b>5,053</b></u>	<u>(1,482)</u>
Earnings per share — basic and diluted (HK cent per share)	10	<u><b>0.68</b></u>	<u>0.16</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 30 April 2025*

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		<b>928</b>	590
Right-of-use assets		<b>641</b>	941
Deferred tax assets		<u><b>182</b></u>	<u>237</u>
		<u><b>1,751</b></u>	<u>1,768</u>
Current assets			
Inventories		<b>7,298</b>	4,523
Trade receivables, other receivables and prepayments	<i>11</i>	<b>72,739</b>	100,962
Cash and cash equivalents		<u><b>127,130</b></u>	<u>65,837</u>
		<u><b>207,167</b></u>	<u>171,322</u>
Total assets		<u><b>208,918</b></u>	<u>173,090</u>
Capital and reserves			
Share capital		<b>8,000</b>	8,000
Reserves		<u><b>12,424</b></u>	<u>7,371</u>
Total equity		<u><b>20,424</b></u>	<u>15,371</u>
Non-current liabilities			
Deferred tax liabilities		<u><b>160</b></u>	<u>—</u>
Current liabilities			
Trade and other payables	<i>12</i>	<b>142,112</b>	110,540
Lease liabilities		<b>—</b>	941
Amount due to ultimate holding company	<i>13</i>	<b>46,074</b>	46,095
Tax liabilities		<u><b>148</b></u>	<u>143</u>
		<u><b>188,334</b></u>	<u>157,719</u>
Total liabilities		<u><b>188,494</b></u>	<u>157,719</u>
Total equity and liabilities		<u><b>208,918</b></u>	<u>173,090</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 April 2025

## 1. GENERAL INFORMATION

The Company is a public limited company incorporated in the Cayman Islands and its issued shares are listed on The Stock Exchange of Hong Kong Limited. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

In the opinion of the Directors, the immediate and ultimate holding company of the Company is Prosper One Enterprises Limited and its ultimate controlling party is Mr. Meng Guangyin, who was also the chairman of the Board of Directors and the chief executive officer of the Company before 10 April 2024.

The principal activities of the Company are investment holding and acting as agent (for financial reporting purposes) in the sales and trading of fertilisers and other related products, and the principal activities of its subsidiaries are the wholesale of watches in Hong Kong, manufacture and sales of compound fertilisers and acting as agent (for financial reporting purposes) in the sales and trading of fertiliser raw materials, fertilisers and other related products. The address of the principal place of business of the Company is Room 4801, 48/F., Hopewell Centre, No. 183 Queen's Road East, Wanchai, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company.

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

### a. 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 Accounts (“HKICPA”) for the first time, that are mandatorily effective for the current accounting period of the Group 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*

Except as described below, the application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

**b. Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) and Amendments to HKAS 1 Non-current Liabilities with Covenants**

The Group has applied the amendments for the first time in the current year.

As a result of the adoption of the amendments to HKAS 1, the Group changed its accounting policy for the classification of borrowings:

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period. Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

**c. New and amendments to HKFRS Accounting Standards in issue but not yet effective**

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective for the current accounting period. The Group has already commenced an assessment of the impact of these new and amendments to HKFRS Accounting Standards but is not yet in a position to state whether these new and amendments to HKFRS Accounting Standards would have a significant impact on its results of operations and financial position:

	<b>Effective for accounting periods beginning on or after</b>
Amendments to HKFRS 9 and HKFRS 7, <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to HKFRS 10 and HKAS 28, <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	<i>To be determine</i>
Amendments to HKFRS Accounting Standards, <i>Annual Improvements to HKFRS Accounting Standards — Volume 11</i>	1 January 2026
Amendments to HKAS 21, <i>Lack of Exchangeability</i>	1 January 2025
HKFRS 18, <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027

### 3. REVENUE

An analysis of the Group's revenue, all of which were recognised from contracts with customers within the scope of HKFRS 15 is as follows:

	2025 HK\$'000	2024 HK\$'000
<b>Revenue from contracts with customers</b>		
Sales of watches	1,162	1,771
Sales of compound fertilisers	58,099	30,960
Service income	9	10
Commission income	<u>17,954</u>	<u>39,113</u>
Total revenue	<u><u>77,224</u></u>	<u><u>71,854</u></u>

#### Revenue from contracts with customers

Information about the Group's performance obligations is summarised below:

##### *Sales of watches and compound fertilisers*

The performance obligation is recognised at a point in time when control of the products is transferred to the customer, being at the point the customer purchases the goods at the store, on delivery of the merchandise for wholesale segment, or on delivery of the compound fertilisers for manufacture and sales segment. Payment of the transaction price is due immediately, within 90 days, at the point the customer purchases the products under the wholesale and manufacture segments, or is in advance from the customers before the compound fertilisers are provided, respectively.

##### *Service income*

The Group provides services on repairing watches to customers. The performance obligation is satisfied at a point in time when the service is completed and advance payments are normally required before rendering the services. The Group's enforceable right to the payment is subject to the completion of the whole services. The services are for periods less than one year.

##### *Commission income*

The performance obligation is completed at a point in time when the services on arranging trading of fertilisers and other related products are completed. Payment is generally in advance from the customers before the agency services are provided.

All the contracts in relation to trading of fertilisers are for original expected duration of one year or less. As permitted under HKFRS 15, the transaction price allocated to the performance obligations of the Group that were unsatisfied or partially unsatisfied as at the end of the reporting periods in relation to these unsatisfied contracts is not disclosed.

#### 4. SEGMENT INFORMATION

The Group is principally engaged in the wholesale of watches and provision of watch repairing services to its customers in Hong Kong, acting as agent in the trading of fertilisers, fertiliser raw materials and other related products and has also engaged in manufacture and sales of compound fertilisers in Mainland China.

Information reported to the Group's executive directors, who are the chief operating decision makers (the "CODM") of the Group, for the purposes of resource allocation and assessment of performance, are focused on three main operations (2024: three) of the Group identified in accordance with the business nature and the size of the operations.

Specifically, the reportable and operating segments of the Group under HKFRS 8 are as follows:

- Wholesale business of watches ("Wholesale") — wholesale of multi brands of watches and provision of watch repairing services to its customers in Hong Kong
- Trading of fertilisers and other related products ("Trading") — provision of agency services in relation to trading of fertilisers and other related products in Hong Kong and Mainland China
- Manufacture and sales of compound fertilisers ("Manufacture") — manufacture and sales of compound fertilisers in Mainland China

There are no significant sales or other transactions among the segments.

##### Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segment for the two years:

*For the year ended 30 April 2025*

	Wholesale HK\$'000	Trading HK\$'000	Manufacture HK\$'000	Total HK\$'000
<b>Revenue</b>				
External sales of goods	1,162	—	58,099	59,261
External service income	9	—	—	9
External commission income	—	17,954	—	17,954
	<u>1,171</u>	<u>17,954</u>	<u>58,099</u>	<u>77,224</u>
Segment (loss)/profit	(905)	7,175	2,342	8,612
Finance costs				(9)
Unallocated group expenses				<u>(1,663)</u>
Profit before tax				<u>6,940</u>

*For the year ended 30 April 2024*

	Wholesale HK\$'000	Trading HK\$'000	Manufacture HK\$'000	Total HK\$'000
<b>Revenue</b>				
External sales of goods	1,771	—	30,960	32,731
External service income	10	—	—	10
External commission income	—	39,113	—	39,113
	<u>1,781</u>	<u>39,113</u>	<u>30,960</u>	<u>71,854</u>
Segment (loss)/profit	(5,361)	16,261	1,471	12,371
Finance costs				(171)
Unallocated group expenses				<u>(7,656)</u>
Profit before tax				<u>4,544</u>

The revenue from external parties reported to the executive directors is measured in a manner consistent with that in the consolidated statement of profit or loss and other comprehensive income.

The material accounting policies of the operating segments are the same as the Group's material accounting policies. Segment result represents the (loss) profit (incurred by) earned by each segment without allocation of central administration costs, directors' emoluments and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

No segment assets and liabilities information is provided as no such information is regularly provided to the CODM of the Group for the purpose of making decision for resources allocation and performance assessment.

**Geographical information**

During the year, the Group's operation is mainly located in Mainland China and Hong Kong. The Group's revenue by geographical location of customers, based on location of delivery of the watches, compound fertilisers or services, is detailed below:

	2025 HK\$'000	2024 HK\$'000
Mainland China	76,053	70,073
Hong Kong	<u>1,171</u>	<u>1,781</u>
Total	<u>77,224</u>	<u>71,854</u>

The Group's revenue is mainly derived from customers in Mainland China and Hong Kong. There is no single external customer who contributed more than 10% of total revenue of the Group for both years.



The information of the Group's non-current assets excluding deferred tax assets by geographical location is detailed below:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Mainland China	<u><u>1,569</u></u>	<u><u>1,531</u></u>

## Other disclosures

### *For the year ended 30 April 2025*

	Wholesale <i>HK\$'000</i>	Trading <i>HK\$'000</i>	Manufacture <i>HK\$'000</i>	Unallocated Group expenses <i>HK\$'000</i>	Total <i>HK\$'000</i>
Additions to non-current assets	—	—	477	—	477
Gain on disposal of property, plant and equipment	285	—	—	—	285
Depreciation of property, plant and equipment	—	40	99	—	139
Depreciation of right-of-use assets	—	—	296	—	296
Freight costs	—	2,038	41	—	2,079
Government grants	—	38	—	—	38
Allowance for write-down of inventories recognised	<u><u>936</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>936</u></u>

### *For the year ended 30 April 2024*

	Wholesale <i>HK\$'000</i>	Trading <i>HK\$'000</i>	Manufacture <i>HK\$'000</i>	Unallocated Group expenses <i>HK\$'000</i>	Total <i>HK\$'000</i>
Additions to non-current assets	—	548	5,980	—	6,528
Depreciation of property, plant and equipment	—	52	—	—	52
Depreciation of right-of-use assets	—	—	581	—	581
Freight costs	—	13,632	14	—	13,646
Government grants	—	66	—	—	66
Allowance for write-down of inventories recognised	<u><u>392</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>392</u></u>

## 5. OTHER GAINS AND LOSSES, NET

	2025 HK\$'000	2024 HK\$'000
Net foreign exchange gain	55	1,939
Interest income	99	281
Sundry income	3	11
Gain on disposal of property, plant and equipment	285	—
Gain from lease modifications	—	73
Government grants (note (a))	38	66
Commission income from sale of wine (note (b))	<u>1,607</u>	<u>—</u>
Total	<u><u>2,087</u></u>	<u><u>2,370</u></u>

Notes:

- (a) The government grants represent financial subsidies for compensating expenses already incurred or giving immediate financial support to the Group. There are no unfulfilled conditions or contingencies in relation to the grants and the grants were determined at the sole discretion of relevant government authorities in Mainland China and Hong Kong.

Government grant income recognised in the current year includes an amount of HK\$38,000 (2024: HK\$66,000) in respect of labour support such as employment stability and training and other subsidies provided by the relevant People's Republic of China ("PRC") government.

- (b) The Group determines that the nature of its promise is to arrange for the wine to be provided by the suppliers to the customers and hence, for financial reporting purposes under HKFRS 15, the Group is an agent not a principal. Commission income is recognised at a point in time when the services are rendered.

## 6. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on lease liabilities	<u>9</u>	<u>171</u>

## 7. PROFIT BEFORE TAX

	2025 HK\$'000	2024 HK\$'000
Profit before tax has been arrived at after charging:		
Depreciation of property, plant and equipment	139	52
Depreciation of right-of-use assets	296	581
Auditor's remuneration	850	900
Freight costs	2,079	13,646
Short-term lease expenses	389	265
Directors' remuneration	1,278	6,697
Other staff		
— Salaries and wages	7,345	10,968
— Other employee benefits	59	45
— Retirement benefit scheme contribution of other staff	<u>1,015</u>	<u>982</u>
Total staff costs	<u>9,697</u>	<u>18,692</u>
Allowance for write-down of inventories recognised in cost of sales	936	392
Carrying amount of inventories sold recognised in cost of sales	<u><u>53,931</u></u>	<u><u>30,002</u></u>

## 8. INCOME TAX EXPENSE

	2025 HK\$'000	2024 HK\$'000
Current taxation		
Hong Kong Profits Tax	—	—
PRC Enterprise Income Tax (“EIT”)	<u>1,512</u>	<u>3,440</u>
Sub-total	<u>1,512</u>	<u>3,440</u>
Over provision for prior years		
Hong Kong Profits Tax	—	—
PRC EIT	<u>(203)</u>	<u>(166)</u>
Sub-total	<u>(203)</u>	<u>(166)</u>
Deferred taxation	<u>215</u>	<u>(11)</u>
Total	<u><u>1,524</u></u>	<u><u>3,263</u></u>

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2 million taxable profits of the qualifying corporation of the Group is taxed at 8.25%, and taxable profits above HK\$2 million are taxed at 16.5%. The directors considered the amount involved from the application of the two-tiered profits tax rates as insignificant to the consolidated financial statements. Other subsidiaries in Hong Kong are subject to Hong Kong Profits Tax at the rate of 16.5%.

Under the Law of the PRC on EIT (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries was 25% for both years.

Under the EIT Law of the PRC, withholding tax of 10% is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of taxable temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to approximately RMB61,558,000 (2024: RMB55,689,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

## 9. DIVIDENDS

No dividend was paid, declared or proposed for ordinary shareholders of the Company during the years ended 30 April 2025 and 2024, nor has any dividend been proposed since the end of the reporting year.

## 10. EARNINGS PER SHARE

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

	2025	2024
Profit for the year attributable to owners of the Company (HK\$'000)	<u>5,416</u>	<u>1,281</u>
Weighted average number of ordinary shares in issue	<u>800,000,000</u>	<u>800,000,000</u>
Basic and diluted earnings per share (HK cent per share)	<u>0.68</u>	<u>0.16</u>

No adjustments have been made in calculating diluted earnings per share for both years as there were no potential ordinary shares in issue for both years.

## 11. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	2025 HK\$'000	2024 HK\$'000
Trade receivables	363	545
Other receivables		
— Rental and utilities deposits	69	120
— Others	82	82
Prepayments ( <i>note</i> )	<u>72,225</u>	<u>100,215</u>
Total	<u>72,739</u>	<u>100,962</u>

*Note:*

Prepayments as at 30 April 2025 mainly include prepayments to suppliers for procurement of fertilisers raw materials, fertilisers and other related products in China amounting to approximately HK\$69,633,000 (2024: HK\$100,043,000). The amounts prepaid to suppliers will be derecognised when the products are directly delivered to customers by the suppliers. 82% (2024: 87%) of the amounts prepaid to suppliers were paid to the related parties of the Group. The management considered that the credit risk in respect of the prepayments as at 30 April 2025 is low based on the records of product deliveries from the suppliers to customers and the deliveries made subsequent to 30 April 2025.

As at 30 April 2025, the trade receivables mainly comprised receivables from trading customers in wholesale segment. There were no specific credit terms granted to wholesale customers. The Group's credit terms granted to wholesale customers generally ranged from 60 to 90 days from the invoice date.

The following is an aging analysis of trade receivables presented based on the invoice dates.

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
Within 30 days	<b>192</b>	316
31 to 60 days	<b>17</b>	—
61 to 90 days	<b>8</b>	109
Over 90 days	<u><b>146</b></u>	<u>120</u>
Total	<u><b>363</b></u>	<u>545</u>

As at 30 April 2025, trade receivables that were past due but not impaired amounted to HK\$146,000 (2024: HK\$120,000). Trade receivables in connection with these customers are with good credit quality and no past due history. In addition, the management of the Group considers these assets are short-term in nature and the probability of default is negligible. In this regard, the directors consider that the Group's credit risk is significantly reduced. The management of the Group considered the effect of impairment on trade receivables is immaterial, no provision was made in this regard.

## 12. TRADE AND OTHER PAYABLES

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i> (Restated)
Trade payables ( <i>note</i> )	<b>70,257</b>	15,487
Other accruals and payables	<b>33,895</b>	36,357
Contract liabilities	<u><b>37,960</b></u>	<u>58,696</u>
Total	<u><b>142,112</b></u>	<u>110,540</u>

Contract liabilities represented short-term advances received from customers to arrange for the delivery of compound fertilisers to the customers, which amounted to HK\$37,960,000 (2024: HK\$58,696,000) as at 30 April 2025 and HK\$58,696,000 at the beginning of the reporting period (2024: HK\$69,651,000). The amount of advances is negotiated on a case-by-case basis with the customers. During the year ended 30 April 2025, there was a decrease in contract liabilities of HK\$51,937,000 (2024: HK\$61,949,000) which was included in the contract liabilities as at 30 April 2024 as a result of completion of the performance of the performance obligations upon delivery of the compound fertilisers to the customers. For the contract liabilities as at 30 April 2025 and 2024, the entire balances will be derecognised within twelve months from 30 April 2025 and 2024 when the products are delivered to the customers.

Other payables as at 30 April 2025 include short-term advances received from customers to arrange for the procurement of fertiliser raw materials, fertilisers and other related products amounting to approximately HK\$28,624,000 (2024: HK\$31,078,000). The amounts advanced from the customers will be derecognised when the products are directly delivered to the customers by the suppliers.

*Note:*

The following is an aging analysis of trade payables presented based on the invoice dates.

	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Within 30 days	<b>26,573</b>	1,518
31 to 60 days	<b>29,490</b>	28
Over 60 days	<b><u>14,194</u></b>	<u>13,941</u>
Total	<b><u><u>70,257</u></u></b>	<u><u>15,487</u></u>

**13. AMOUNT DUE TO ULTIMATE HOLDING COMPANY**

Amount due to ultimate holding company is unsecured, non-interest bearing and repayable on demand.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The business environment of the Group was full of challenges for the Year. The sales performance of the Group's wholesale business remained stagnant under the impact of going north more frequently for consumption and weak consumer sentiment. In view of this, the Group focused on clearing out slow-moving inventories through sales promotion activities. Moreover, fertiliser prices showed a downward trend due to oversupply and weak domestic and international demand. Coupled with a sharp drop in the trading volume of the export business, the Group's trading business also encountered many difficulties and challenges during the Year. Despite this, fueled by the manufacture and sales of compound fertilisers business, the Group's revenue increased for the Year. To tide over the difficulties, the Group adopted a series of measures to control operating costs, including but not limited to reducing staff costs.

The major products sold by the Group's trading business include urea and compound fertiliser, and the application of urea can be broadly divided into agricultural, industrial and vehicle uses. During the Year, the Group also sold self-produced compound fertiliser. Coupled with a weak domestic demand, the trading volume of compound fertiliser fell to 26,760 tonnes, representing a year-on-year decrease of approximately 45.4%. Affected by the tightening of export policies, the export volume of urea dropped to 5,003 tonnes, representing a sharp decline of approximately 94.3% compared with the same period last year, which severely affected the business performance of the Group's export business. Faced with a sharp decline in the export volume of urea, the Group demonstrated strong adaptability and actively adopted a series of marketing strategies to promote domestic sales. The domestic trading volume of urea achieved considerable growth, offsetting the impact of the decline in the trading volume of compound fertiliser, and driving a slight increase in the Group's domestic trading business revenue. Nevertheless, the Group's trading business still recorded a significant decline in revenue for the Year due to the poor performance of the Group's export business.

Since October 2023, the Group has successfully expanded its business to the manufacture and sale of compound fertilisers by leveraging its existing advantages. In 2024, affected by insufficient domestic market demand, the prices of compound fertiliser showed a downward trend. Meanwhile, the contradiction between market supply and demand still existed, and the overall market competition has intensified. To get through the hard times, the Group continued to strengthen relationships with customers and optimise product sales channels to actively expand the fertiliser product market. In early 2025, the situation improved. Due to the release of spring ploughing demand, the prices of compound fertiliser rose slightly. During the Year, the Group produced a total of 27,486 tonnes of compound fertilisers and achieved a sales volume of 26,339 tonnes.

As a result of the foregoing, the Group recorded a profit attributable to owners of the Company of approximately HK\$5.4 million for the Year, as compared to a profit of approximately HK\$1.3 million for the year ended 30 April 2024 (the “**Year 2024**”).

## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue for the Year was approximately HK\$77.2 million, representing an increase of approximately HK\$5.3 million or 7.4% from approximately HK\$71.9 million for the Year 2024. Revenue derived from trading business decreased by approximately HK\$21.1 million or 54.0% from approximately HK\$39.1 million for the Year 2024 to approximately HK\$18.0 million for the Year. Revenue derived from watch wholesale business decreased by approximately HK\$0.6 million or 33.3% from approximately HK\$1.8 million for the Year 2024 to approximately HK\$1.2 million for the Year. Revenue derived from manufacture and sales of compound fertilisers business increased by approximately HK\$27.1 million or 87.4% from approximately HK\$31.0 million for the Year 2024 to approximately HK\$58.1 million for the Year. The decrease in revenue derived from trading business was mainly due to a significant decrease in trading volume of the export business and weak market demand. The Group expanded its business to the manufacture and sales of compound fertilisers since October 2023, resulting in a corresponding increase in revenue from it.

### **Cost of sales**

Our cost of sales primarily consists of cost of inventories sold and provision for slow-moving inventories. Our cost of sales increased by approximately HK\$24.5 million from approximately HK\$30.4 million for the Year 2024 to approximately HK\$54.9 million for the Year. The cost of sales of compound fertilisers increased by approximately HK\$25.8 million or 89.6% from approximately HK\$28.8 million for the Year 2024 to approximately HK\$54.6 million for the Year. The Group expanded its business to the manufacture and sales of compound fertilisers since October 2023, resulting in a corresponding increase in the cost of sales of compound fertilisers.

### **Gross profit**

The overall gross profit decreased by approximately HK\$19.1 million or 46.0% from approximately HK\$41.5 million for the Year 2024 to approximately HK\$22.4 million for the Year. The decrease in gross profit was mainly due to a decrease of approximately HK\$21.1 million in gross profit of trading business, which was partially offset by (i) an increase of approximately HK\$1.3 million in gross profit of manufacture and sales of compound fertilisers business and (ii) an increase of approximately HK\$0.7 million in gross profit of watch wholesale business.

### **Selling and distribution costs**

Our selling and distribution costs decreased by approximately HK\$11.7 million or 55.5% from approximately HK\$21.1 million for the Year 2024 to approximately HK\$9.4 million for the Year. The decrease was primarily attributable to a decrease of freight costs. The freight costs declined significantly because of significant decrease in trading volume of the export business.



## **Administrative expenses**

Our administrative expenses decreased by approximately HK\$9.9 million or 55.0% from approximately HK\$18.0 million for the Year 2024 to approximately HK\$8.1 million for the Year. The decrease was primarily attributable to the decrease in financial advisory fee, directors' remuneration and administrative staff's salaries and allowances.

## **Finance costs**

Our finance costs decreased by approximately HK\$162,000 from approximately HK\$171,000 for the Year 2024 to approximately HK\$9,000 for the Year. The decrease was due to a decrease in finance costs on lease liabilities.

## **Profit before tax and profit attributable to owners of the Company**

The Group recorded a profit before tax of approximately HK\$6.9 million for the Year (2024: approximately HK\$4.5 million). The increase was mainly due to a decrease in total staff costs.

The profit attributable to owners of the Company increased by approximately HK\$4.1 million from approximately HK\$1.3 million for the Year 2024 to approximately HK\$5.4 million for the Year.

## **FINANCIAL POSITION**

The Group's primary source of funds were cash inflows from operating activities and loans from the ultimate holding company.

As at 30 April 2025, the Group's total cash and cash equivalents were approximately HK\$127.1 million (as at 30 April 2024: approximately HK\$65.8 million), most of which were denominated in HK\$, United States dollars and Renminbi. The current ratio (calculated by dividing current assets by current liabilities) of the Group maintained at approximately 1.1 times as at 30 April 2025 and 30 April 2024. The gearing ratio (calculated by dividing net debt by total equity) was not applicable as the Group maintained at a net cash position as at 30 April 2025 and 30 April 2024. Net debt was calculated as amount due to ultimate holding company and lease liabilities less cash and cash equivalents.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

During the Year, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Company.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 April 2025, the Group had a total of 57 (2024: 62) employees. The total remuneration costs incurred by the Group for the Year were approximately HK\$9.7 million (2024: approximately HK\$18.7 million). We review the performance of our employees annually and use the results of such review in

our annual salary review and promotion appraisal, in order to attract and retain valuable employees. Remuneration packages are generally structured by reference to market norms as well as individual qualifications, relevant experience and performance.

The Company has adopted a share option scheme (the “**Share Option Scheme**”) to enable the Board to grant share options to eligible participants with an opportunity to have a personal stake in the Company. As at the date of this announcement, there was no outstanding share option granted under the Share Option Scheme.

## **DEBTS AND CHARGE ON ASSETS**

The Group had no bank borrowings as at 30 April 2025 and 30 April 2024.

As at 30 April 2025 and 30 April 2024, the Group did not have any foreign exchange contracts, interest or currency swaps or other financial derivatives.

As at 30 April 2025 and 30 April 2024, the Group had no banking facilities for overdrafts and loans.

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

The Group did not have any plans for material investments and capital assets as at 30 April 2025.

## **SIGNIFICANT INVESTMENT HELD**

The Company did not hold any significant investment in equity interest in any company other than its subsidiaries as at 30 April 2025.

## **CAPITAL COMMITMENTS**

As at 30 April 2025, the Group did not have any material capital commitments (as at 30 April 2024: HK\$541,000).

## **CONTINGENT LIABILITIES**

The Group did not have any significant contingent liabilities as at 30 April 2025 (as at 30 April 2024: Nil).

## **FINAL DIVIDEND**

The Board has resolved not to recommend the payment of any final dividend for the Year (2024: Nil).

## **PROSPECTS**

Looking ahead, the domestic demand for fertilisers is expected to maintain growth, and fertiliser prices will fluctuate with factors such as raw material prices and low season and peak season. Under the control of environmental protection policies, the enforcement of more stringent emission standard may lead to higher production costs for manufacturers, thereby pushing up fertiliser prices. As for export

business, it is expected that export policies will not be relaxed in the short term, and the performance of export business will inevitably be affected. The development of environmentally friendly and high-efficiency fertilisers has become an emerging trend in the fertiliser industry. The Group will continue to strengthen production management, create a more environmentally friendly and energy-efficient production model, and strive to provide customers with more efficient and high-quality fertiliser products to further enhance product competitiveness. The Group will also make good use of existing resources to promote growth strategies, continuously optimise product sales channels, and actively cater to market development trends.

## **ANNUAL GENERAL MEETING**

The forthcoming annual general meeting of the Company (the “**AGM**” and the “**2025 AGM**”, respectively) is scheduled to be held on Friday, 17 October 2025. A notice convening the 2025 AGM will be published and despatched to the shareholders of the Company (the “**Shareholders**”) in due course in the manner as required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

## **CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement of the Shareholders to attend, speak and vote at the 2025 AGM, the register of members of the Company will be closed from Tuesday, 14 October 2025 to Friday, 17 October 2025 (both days inclusive), during which period no transfer of the Company’s shares (the “**Shares**”) will be registered. In order to qualify for attending, speaking and voting at the 2025 AGM, the non-registered Shareholders must lodge all duly completed transfer forms accompanied by the relevant share certificates with the Company’s Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, for registration no later than 4:30 p.m. on Monday, 13 October 2025.

## **EVENTS AFTER THE FINANCIAL YEAR**

The Group did not have any material subsequent event after the reporting year and up to the date of this announcement.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its own code of conduct governing the Directors’ transactions of the listed securities of the Company. Following a specific enquiry made by the Company with each of the Directors, all Directors confirmed that they had complied with the Model Code during the Year.

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

During the Year, the Company did not redeem any of its securities listed on the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any of such securities (including sale of treasury shares of the Company, if any).

As at 30 April 2025, the Company did not hold any treasury shares.

## **PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors, during the Year and thereafter up to the date of this announcement, the Company has maintained a sufficient public float (i.e. as least 25% of the issued share capital of the Company in public hands) for the issued Shares as required under the Listing Rules.

## **CORPORATE GOVERNANCE PRACTICES**

The Board recognises the importance of incorporating elements of good corporate governance in the management structures, internal control and risk management procedures of the Group so as to achieve effective accountability. The Company has adopted and adhered to the principles as set out in the Corporate Governance Code contained in Appendix C1 of the Listing Rules (the “**CG Code**”) and has complied with all applicable code provisions as set out in the CG Code throughout the Year and up to the date of this announcement, save for code provisions C.5.1, C.2.1 and F.2.2 of the CG Code.

### **The Board**

Code provision C.5.1 of the CG Code provides the Board should meet regularly and Board meetings should be held at least four times a year at approximately quarterly intervals. During the Year, two regular Board meetings and one other Board meeting have been held and the Board has made certain resolutions by circulation of written resolutions for all the Directors’ execution. In view of the simplicity of the Group’s businesses, regular Board meetings have not been held about quarterly during the Year. The Group’s audited consolidated annual results for the Year 2024 and unaudited consolidated interim results for the six months ended 31 October 2024 together with all corporate transactions made during the Year have been reviewed and discussed amongst the Directors at the Board meetings held in the Year. Together with the circulation of written materials to keep the Board informed throughout the Year, sufficient measures had been taken to ensure that there was efficient communication among the Directors, including the independent non-executive Directors (the “**INEDs**”).

### **Chairman and Chief Executive**

Code provision C.2.1 of the CG Code provides that the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual. During the Year and up to the date of this announcement, Mr. Liu Guoqing acts as the chairman of the Board (the “**Chairman**”) and the chief executive officer of the Company. In view of the fact that Mr. Liu Guoqing has been operating and managing the Company since 7 September 2017, the Board is of the opinion that it is appropriate and in the best interests of the Group to have Mr. Liu Guoqing taking up both roles for effective management and business development. Therefore, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstances. Nevertheless, the Company will look for suitable candidates and make necessary arrangement pursuant to the requirement under code provision C.2.1 of the CG Code as and when necessary.

## **Communication with Shareholders**

Code provision F.2.2 of the CG Code provides that, among others, the Chairman should attend the AGMs. Mr. Liu Guoqing, the Chairman, did not attend the Company's AGM held on 18 October 2024 (the "2024 AGM") due to other essential business engagements. In order to ensure an effective communication with the Shareholders, the Directors attending the 2024 AGM elected Mr. Liu Jiaqiang, an executive Director, to chair the meeting on behalf of the Chairman. The respective chairmen and/or members of the Board's Audit Committee, Remuneration Committee and Nomination Committee and a representative of the independent auditor of the Company were present at the 2024 AGM to answer relevant questions from the Shareholders present thereat. To mitigate the above, future AGMs of the Company will be scheduled properly to avoid the timetable clashes.

## **REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE**

The Audit Committee was established on 21 April 2015 with specific written terms of reference in compliance with Rule 3.22 of the Listing Rules and code provision D.3 of the CG Code. The written terms of reference were revised on 1 January 2019 to conform with the requirements under the CG Code and the Listing Rules.

The Audit Committee has reviewed the Group's audited consolidated financial statements and annual results for the Year. The Audit Committee is of the view that such financial statements have been prepared in accordance with the applicable accounting standards and in compliance with the Listing Rules and relevant statutory provisions, and is satisfied that sufficient disclosure has been made.

## **SCOPE OF WORK OF FAN, CHAN & CO. 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 Year as set out in this preliminary announcement have been agreed by the Group's independent auditor, Fan, Chan & Co. Limited ("Fan, Chan"), to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Fan, Chan 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 Fan, Chan on this preliminary announcement.

## **APPRECIATION**

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to the Board members, management and employees for their hard work and dedication that enable the Group to face the challenges and uncertainties during the Year. Last but not least, I wish to express my sincere thanks to our Shareholders, suppliers, customers and other business partners for their ongoing trust and support.

## **PUBLICATION OF ANNUAL REPORT**

The Company's annual report for the Year containing all applicable information required by the Listing Rules will be despatched to the Shareholders (if a printed copy is requested) and published on the respective websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.prosperoneintl.com](http://www.prosperoneintl.com)) in the manner as required by the Listing Rules in due course.

By order of the Board of  
**Prosper One International Holdings Company Limited**  
**Liu Guoqing**  
*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 31 July 2025

*As at the date of this announcement, the Board comprises Mr. Liu Guoqing (Chairman and Chief Executive Officer), Mr. Liu Jiaqiang, Mr. Li Dongpo (Chief Financial Officer) and Ms. Wong Wai Chu as the executive Directors; and Mr. Tian Zhiyuan, Mr. Wang Luping and Mr. Gao Jizhong as the INEDs.*