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Vitasoy International Holdings Ltd.

維他奶國際集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 345)

ANNOUNCEMENT OF RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2025

HIGHLIGHTS

Financial Summary

	2025	2024	
	HK\$ million	HK\$ million	Change
Revenue	3,227	3,443	-6%
Gross Profit	1,648	1,777	-7%
Gross Profit Margin	51.1%	51.6%	-0.5ppt
Profit from operations	247	257	-4%
Profit after taxation	179	176	+2%
Profit attributable to equity shareholders of the Company	172	171	+1%
Basic earnings per share	HK16.2 cents	HK15.9 cents	+2%
EBITDA*	479	496	-4%

* EBITDA refers to earnings before interest income, finance costs, income tax, depreciation and amortisation.

- The Group recorded a 6% decrease in revenue, primarily due to challenges faced by the Chinese Mainland operations, which were affected by softer market conditions.
- The Group's gross profit margin decreased slightly to 51.1%, mainly due to higher trade promotional expenses and lower sales prices in the Chinese Mainland, partly offset by favourable commodity costs and more efficient manufacturing operations.
- Profit attributable to equity shareholders of the Company increased by 1%.
- Cash and bank deposits, net of bank loans, was HK\$1,014 million at 30th September 2025.
- Key business highlights
 - ◆ Chinese Mainland – Revenue declined due to weakness in the general trade business not completely offset by the growth in the Omni channel including snack chains whilst maintaining our double-digit operating profit margin.
 - ◆ Hong Kong Operation (Hong Kong SAR, Macau SAR and Exports) – Solid Hong Kong Operation performance negatively affected by temporary setbacks in the Vitaland business, Macau SAR and exports to the United States, but maintaining double-digit operating profit margin performance.
 - ◆ Australia and New Zealand – Strong revenue growth and continued albeit gradual profitability improvements after manufacturing stabilisation.
 - ◆ Singapore – Domestic and export tofu business continued to gain momentum, offset by some softness in beverage business.
- During the interim financial period, the Company and its subsidiary bought back a total of 21,416,000 issued shares of the Company on The Stock Exchange of Hong Kong Limited at an aggregate consideration (excluding expenses) of approximately HK\$199 million.
- Based on the Group's financial performance and cash position, the Board of Directors has declared an interim dividend of HK4.0 cents per ordinary share (previous interim financial period: HK4.0 cents), payable on 23rd December 2025.

Note: "Hong Kong SAR" stands for the Hong Kong Special Administrative Region of the People's Republic of China.

"Macau SAR" stands for the Macao Special Administrative Region of the People's Republic of China.

RESULTS

In this announcement, “we” and “our” refer to the Company (as defined below) and, where the context otherwise requires, the Group (as defined below).

The Board of Directors (the “Board”) of Vitasoy International Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) and the Group’s interest in a joint venture for the six months ended 30th September 2025 (the “interim financial period”), as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Six months ended 30th September	
		2025	2024
		HK\$’000	HK\$’000
		(Unaudited)	(Unaudited)
Revenue	4, 5	3,226,665	3,443,462
Cost of sales		(1,578,508)	(1,666,377)
Gross profit		1,648,157	1,777,085
Other income		39,129	35,198
Marketing, selling and distribution expenses		(975,639)	(997,625)
Administrative expenses		(322,330)	(380,535)
Other operating expenses	6(c)	(142,604)	(177,175)
Profit from operations		246,713	256,948
Finance costs	6(a)	(13,248)	(16,871)
Profit before taxation	6	233,465	240,077
Income tax	7	(54,708)	(64,342)
Profit for the period		178,757	175,735
Attributable to:			
Equity shareholders of the Company		171,643	170,515
Non-controlling interests		7,114	5,220
Profit for the period		178,757	175,735
Earnings per share	9		
Basic		HK 16.2 cents	HK 15.9 cents
Diluted		HK 16.2 cents	HK 15.9 cents

Details of dividends payable to equity shareholders of the Company are set out in note 8.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30th September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit for the period	178,757	175,735
Other comprehensive income for the period (after tax):		
Items that may be reclassified subsequently to profit or loss:		
- Exchange differences on translation of financial statements of subsidiaries and joint venture outside Hong Kong	34,837	54,583
Total comprehensive income for the period	213,594	230,318
Attributable to:		
Equity shareholders of the Company	204,631	221,946
Non-controlling interests	8,963	8,372
Total comprehensive income for the period	213,594	230,318

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30th September 2025	At 31st March 2025
	Note	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment			
- Investment properties		2,809	2,872
- Right-of-use assets		385,842	420,266
- Other property, plant and equipment		2,261,889	2,354,881
		<u>2,650,540</u>	<u>2,778,019</u>
Deposits for the acquisition of property, plant and equipment		603	63
Intangible assets		18	9
Interest in joint venture		-	-
Deferred tax assets		209,222	226,078
Other receivables	10	17,620	18,178
Pledged deposit		862	819
		<u>2,878,865</u>	<u>3,023,166</u>
Current assets			
Inventories		472,361	533,268
Trade and other receivables	10	984,742	823,619
Current tax recoverable		835	172
Cash and bank deposits		1,273,958	1,268,475
		<u>2,731,896</u>	<u>2,625,534</u>
Current liabilities			
Trade and other payables	11	1,841,969	1,771,019
Bank loans	12	238,647	228,916
Lease liabilities		106,418	109,921
Current tax payable		41,496	32,129
		<u>2,228,530</u>	<u>2,141,985</u>
Net current assets		<u>503,366</u>	<u>483,549</u>
Total assets less current liabilities		<u>3,382,231</u>	<u>3,506,715</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	At 30th September 2025		At 31st March 2025	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)		(Audited)	
Non-current liabilities					
Bank loans	12	21,238		36,482	
Lease liabilities		159,476		188,239	
Employee retirement benefit liabilities		24,201		24,216	
Deferred tax liabilities		66,060		66,414	
Other payables	11	9,354		9,182	
			280,329		324,533
NET ASSETS			3,101,902		3,182,182
CAPITAL AND RESERVES					
Share capital			1,055,611		1,047,526
Reserves			1,941,912		2,035,632
Total equity attributable to equity shareholders of the Company			2,997,523		3,083,158
Non-controlling interests			104,379		99,024
TOTAL EQUITY			3,101,902		3,182,182

Notes:

1. Independent review

The interim financial report is unaudited, but has been reviewed by KPMG, the Company's auditors, in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), whose unmodified review report is included in the interim financial report to be sent to shareholders. In addition, the interim financial report has been reviewed by the Company's Audit Committee.

2. Basis of preparation

The financial information set out in this announcement does not constitute the unaudited interim financial report of the Group for the six months ended 30th September 2025 but is extracted from that unaudited interim financial report which has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by HKICPA.

The financial information relating to the financial year ended 31st March 2025, which is included in the announcement of the results for the interim financial period as comparative information, does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31st March 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor, KPMG, has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

3. Material Accounting Policies

The interim financial report has been prepared in accordance with the same accounting policies adopted in the FY2024/2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the FY2025/2026 annual financial statements.

The Group has applied the Amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to the interim financial report for the current accounting period. The amendments do not have a material impact on the interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. Revenue

The principal activities of the Group are the manufacture and sale of food and beverages. Revenue represents the invoiced value of products sold, net of returns, rebates and discounts.

No disaggregation of revenue from contracts with customers is presented as the entire revenue of the Group is derived from the manufacture and sale of food and beverages, and is recognised at point in time.

5. Segment reporting

(a) Segment results, assets and liabilities

The Group manages its businesses by entities, which are organised geographically. Information regarding the Group's reporting segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below:

	Chinese Mainland		Hong Kong Operation		Australia and New Zealand		Singapore		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
For the six months ended										
30th September										
Revenue from external customers	1,778,248	1,958,184	1,112,283	1,156,030	279,191	273,395	56,943	55,853	3,226,665	3,443,462
Inter-segment revenue	151,206	72,175	35,811	17,992	1,693	1,462	1,673	1,709	190,383	93,338
Reportable segment revenue	1,929,454	2,030,359	1,148,094	1,174,022	280,884	274,857	58,616	57,562	3,417,048	3,536,800
Reportable segment profit/(loss) from operations	191,127	218,305	134,982	159,451	(22,065)	(45,508)	(1,015)	(2,104)	303,029	330,144
Additions to non-current segment assets during the period	10,826	9,889	47,459	53,704	18,452	9,140	969	3,501	77,706	76,234
	At 30th September 2025	At 31st March 2025	At 30th September 2025	At 31st March 2025	At 30th September 2025	At 31st March 2025	At 30th September 2025	At 31st March 2025	At 30th September 2025	At 31st March 2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment assets	2,329,980	2,372,148	4,202,601	4,374,207	483,714	444,929	131,918	89,068	7,148,213	7,280,352
Reportable segment liabilities	1,489,059	1,617,612	1,118,839	1,191,251	262,295	261,893	31,140	31,883	2,901,333	3,102,639

5. Segment reporting (continued)

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

	Six months ended 30th September	
	2025	2024
	HK\$'000	HK\$'000
Revenue		
Reportable segment revenue	3,417,048	3,536,800
Elimination of inter-segment revenue	(190,383)	(93,338)
Consolidated revenue	<u>3,226,665</u>	<u>3,443,462</u>

	Six months ended 30th September	
	2025	2024
	HK\$'000	HK\$'000
Profit or loss		
Reportable segment profit from operations	303,029	330,144
Finance costs	(13,248)	(16,871)
Unallocated head office and corporate expenses	(56,316)	(73,196)
Consolidated profit before taxation	<u>233,465</u>	<u>240,077</u>

	At 30th September	At 31st March
	2025	2025
	HK\$'000	HK\$'000
Assets		
Reportable segment assets	7,148,213	7,280,352
Elimination of inter-segment receivables	(1,767,611)	(1,898,057)
	<u>5,380,602</u>	<u>5,382,295</u>
Deferred tax assets	209,222	226,078
Current tax recoverable	835	172
Unallocated head office and corporate assets	20,102	40,155
Consolidated total assets	<u>5,610,761</u>	<u>5,648,700</u>

	At 30th September	At 31st March
	2025	2025
	HK\$'000	HK\$'000
Liabilities		
Reportable segment liabilities	2,901,333	3,102,639
Elimination of inter-segment payables	(524,522)	(759,267)
	<u>2,376,811</u>	<u>2,343,372</u>
Employee retirement benefit liabilities	24,201	24,216
Deferred tax liabilities	66,060	66,414
Current tax payable	41,496	32,129
Unallocated head office and corporate liabilities	291	387
Consolidated total liabilities	<u>2,508,859</u>	<u>2,466,518</u>

6. Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30th September	
	2025	2024
	HK\$'000	HK\$'000
(a) Finance costs:		
Interest on bank loans	4,582	6,735
Interest on lease liabilities	8,666	10,136
	<u>13,248</u>	<u>16,871</u>

	Six months ended 30th September	
	2025	2024
	HK\$'000	HK\$'000
(b) Other items:		
Interest income	(13,160)	(17,424)
Depreciation		
- Investment properties	63	63
- Right-of-use assets	58,680	56,198
- Other assets	186,320	200,231
Amortisation of intangible assets	10	83
Cost of inventories (Note)	<u>1,584,129</u>	<u>1,672,946</u>

Note:

Cost of inventories included recognition of write down of inventories of HK\$5,990,000 (previous interim financial period: HK\$16,731,000).

6. Profit before taxation (continued)

Profit before taxation is arrived at after charging/(crediting): (continued)

	Six months ended 30th September	
	2025	2024
	HK\$'000	HK\$'000
(c) Other operating expenses:		
Staff costs	85,957	90,047
Sundry tax in Chinese Mainland	21,544	23,630
Withholding tax on royalty and interest income	7,912	9,555
Quality assurance and sampling expenses	8,718	6,188
Depreciation and amortisation	7,304	7,108
Professional fees	6,129	6,794
Repair and maintenance expenses	2,859	3,343
Exchange gain	(11,958)	(10,867)
Donations	607	1,141
Net loss on disposal of property, plant and equipment	2,150	452
Recognition of write down of inventories	378	1,415
(Reversal)/recognition of impairment losses on trade and other receivables	(291)	469
(Reversal)/recognition of impairment losses on property, plant and equipment (Note)	(790)	26,076
Others	12,085	11,824
	142,604	177,175

Note:

During the interim financial period, the carrying amount of certain items of property, plant and equipment previously written down were restated at their recoverable amounts by HK\$790,000 (previous interim financial period: written down by HK\$26,076,000) which were estimated using the higher of fair value less costs of disposal and value in use. In the previous interim financial period an impairment of HK\$26,232,000 was recognised on various items of property, plant and equipment held in the books of the Chinese Mainland operations reflecting the cessation of usage, where the recoverable amounts of these items were considered minimal. No further charge was recognised in the current interim financial period.

7. Income tax

(a) Income tax in the consolidated statement of profit or loss represents:

	Six months ended 30th September	
	2025	2024
	HK\$'000	HK\$'000
Current tax – Hong Kong Profits Tax	17,865	16,927
Current tax – Outside Hong Kong	16,415	14,515
Deferred taxation	20,428	32,900
	54,708	64,342

The provision for Hong Kong Profits Tax is calculated at 16.5% (previous interim financial period: 16.5%) of the estimated assessable profits for the interim financial period. Taxation for subsidiaries outside Hong Kong is charged at the appropriate rates of taxation currently ruling in the relevant tax jurisdictions.

(b) Pillar Two income tax

The Group has applied the temporary exception issued by the HKICPA in July 2023 from the accounting requirements for deferred taxes in HKAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

For the financial year ended 31st March 2025, the Group was subject to the Global Anti-Base Erosion Model Rules (“Pillar Two model rules”) published by the Organisation for Economic Co-operation and Development (“OCED”). The Group’s earnings in Canada (with its subsidiary in United States) and Australia, where Pillar Two legislation has been enacted satisfied the Transitional Country-by-Country Reporting (“CbCR”) Safe Harbour criteria and as a result there was no top-up tax impact for the financial year ended 31st March 2025.

For the financial year ending 31st March 2026, the Group does not meet the Pillar Two threshold as stated in the rules. Accordingly, there is no top-up tax impact for the financial year ending 31st March 2026.

The Group will continue to monitor the Pillar Two developments and reassess the potential impact on its tax position as necessary.

8. Dividends

- (a) Dividends payable to equity shareholders of the Company attributable to the interim financial period

	Six months ended 30th September	
	2025	2024
	HK\$'000	HK\$'000
Interim dividend declared after the interim financial period of HK4.0 cents per ordinary share (previous interim financial period: HK4.0 cents per ordinary share)	41,741	42,870

The interim dividend declared after 30th September 2025 is based on 1,043,529,089 ordinary shares, being the total number of issued shares at the date of approval of the interim financial report.

The interim dividend declared after 30th September 2025 was not recognised as a liability at 30th September 2025.

- (b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim financial period

	Six months ended 30th September	
	2025	2024
	HK\$'000	HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the interim financial period, of HK10.2 cents per ordinary share (previous interim financial period: HK6.3 cents per ordinary share)	107,026	67,520

9. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$171,643,000 for the interim financial period (previous interim financial period: HK\$170,515,000) and the weighted average number of 1,057,870,000 ordinary shares (previous interim financial period: 1,071,485,000 ordinary shares) in issue during the interim financial period, calculated as follows:

Weighted average number of ordinary shares

	Six months ended 30th September	
	2025	2024
	Number of shares '000	Number of shares '000
Issued ordinary shares at 1st April	1,073,094	1,072,815
Effect of share options exercised	246	-
Effect of share awards vested	187	127
Effect of shares purchased under share award scheme	(866)	(1,457)
Effect of share buy-back programme	(14,791)	-
Weighted average number of ordinary shares at 30th September (note 9(b))	<u>1,057,870</u>	<u>1,071,485</u>

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$171,643,000 for the interim financial period (previous interim financial period: HK\$170,515,000) and the weighted average number of 1,060,073,000 ordinary shares (previous interim financial period: 1,072,516,000 ordinary shares) after adjusting for the effects of all dilutive potential ordinary shares, calculated as follows:

Weighted average number of ordinary shares (diluted)

	Six months ended 30th September	
	2025	2024
	Number of shares '000	Number of shares '000
Weighted average number of ordinary shares at 30th September (note 9(a))	1,057,870	1,071,485
Effect of deemed issue of ordinary shares under the Company's share option scheme for nil consideration	884	-
Effect of shares awarded under share award scheme	1,319	1,031
Weighted average number of ordinary shares (diluted) at 30th September	<u>1,060,073</u>	<u>1,072,516</u>

As at 30th September 2025, the Group had potential dilutive shares in connection with its share option scheme and share award scheme. Certain share options and share awards could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per shares because they are anti-dilutive for the period.

10. Trade and other receivables

	At 30th September 2025 HK\$'000	At 31st March 2025 HK\$'000
<i>Current assets:</i>		
Trade debtors and bills receivable, net of loss allowance	838,677	709,847
Other debtors, deposits and prepayments	146,065	113,772
	<u>984,742</u>	<u>823,619</u>
<i>Non-current assets:</i>		
Rental deposits	<u>17,620</u>	<u>18,178</u>

As of the end of the interim financial period, the ageing analysis of trade debtors and bills receivable (which are included in trade and other receivables), based on the invoice date and net of loss allowances, is as follows:

	At 30th September 2025 HK\$'000	At 31st March 2025 HK\$'000
Within three months	835,516	699,253
Three to six months	3,059	10,542
Over six months	102	52
	<u>838,677</u>	<u>709,847</u>

Trade debtors and bills receivable are generally due within one to three months from the date of billing. Management has a credit policy in place and the exposure to the credit risk is monitored on an ongoing basis. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, the Group does not obtain collateral from customers.

11. Trade and other payables

	At 30th September 2025 HK\$'000	At 31st March 2025 HK\$'000
<i>Current liabilities:</i>		
Trade creditors and bills payable	794,385	837,077
Accrued expenses and other payables	984,637	895,682
Receipts in advance from customers	62,947	38,260
	<u>1,841,969</u>	<u>1,771,019</u>
<i>Non-current liabilities:</i>		
Other payables	<u>9,354</u>	<u>9,182</u>

As of the end of the interim financial period, the ageing analysis of trade creditors and bills payable, based on the invoice date, is as follows:

	At 30th September 2025 HK\$'000	At 31st March 2025 HK\$'000
Within three months	792,091	836,098
Three to six months	1,998	757
Over six months	296	222
	<u>794,385</u>	<u>837,077</u>

The Group's general payment terms are one to two months from the invoice date.

12. Bank loans

As of the end of the interim financial period, the bank loans were repayable as follows:

	At 30th September 2025 HK\$'000	At 31st March 2025 HK\$'000
Within one year or on demand	238,647	228,916
After one year but within two years	21,238	36,482
	<u>259,885</u>	<u>265,398</u>

As of the end of the interim financial period, no bank loans were secured by charges over property, plant and equipment. None of the Group's banking facilities were subject to compliance with financial covenants.

INTERIM DIVIDEND

The Board of the Company has declared an interim dividend of HK4.0 cents per ordinary share for the interim financial period (previous interim financial period: HK4.0 cents), to shareholders whose names appear on the Register of Members at the close of business on Thursday, 11th December 2025. Dividend warrants will be sent to shareholders on or about Tuesday, 23rd December 2025.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed on Thursday, 11th December 2025. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 10th December 2025.

MANAGEMENT REPORT

Business Highlights

For the first half of the 2025/2026 financial year (the "interim financial period"), the Group recorded a 6% decrease in revenue, primarily due to challenges faced by the Chinese Mainland operations, which were affected by softer market conditions.

The Group's gross profit margin and operating margin were at 51.1% and 7.6% respectively and the profit attributable to equity shareholders of the Company was HK\$172 million.

In the Chinese Mainland market, the category growth rates of plant milk and tea are slowing down, and consumers are shifting away from traditional general trade channels to a variety of online platforms including social and instant commerce platforms as well as differentiated club stores and snack chains. Revenue declined by 9% due to a slow down in the general trade channels where we have a significant presence and this was not completely offset by our growth in the online commerce and snack chains channel where we are working to build scale. Nevertheless, during the interim financial period, we have grown market share in the soy milk and plant milk categories, driven by effective promotion and competitive pricing. In the tea category, we are improving our market share, supported by successful innovations such as our new VITA Ya Shi Xiang Lemon Tea.

The Hong Kong Operation (Hong Kong SAR, Macau SAR and Exports) recorded a 4% reduction in revenue primarily due to weak performance of the Vitaland business, Macau SAR and exports to the United States. The Macau SAR business was negatively impacted by the sluggish economic recovery while the Vitaland business was affected by a lesser number of school days because of more frequent adverse weather conditions in the typhoon season. Exports to the United States were disrupted by the imposition of tariffs that had a dampening effect on demand. More importantly, the Hong Kong SAR beverage business delivered another half of solid performance and maintained its leading position in the market. Accretive product innovation has complemented the stability of our core established business and contributed to sustained growth.

Revenue from Australia and New Zealand was HK\$279 million, up 5% in local currency. Both household penetration rate and market share continue to grow across our core platforms. The operating loss further narrowed to HK\$22 million from HK\$46 million after stabilising production and further reducing costs.

In Singapore, revenue from both the domestic and export tofu business continued to grow during the interim financial period whilst the imported beverage business remained under pressure from intense competition. In the Philippines, we focused on our multi-serve business growth and continue to reduce variable expenses.

Based on the Group's financial performance and cash position, the Board of Directors has declared an interim dividend of HK4.0 cents per ordinary share (previous interim financial period: HK4.0 cents per ordinary share), payable on 23rd December 2025.

Financial Highlights

The financial position of the Group remains solid. The following is an analysis of key financial indicators, including revenue, gross profit margin and return on capital, for the period under review.

Revenue

- For the interim financial period, the Group's revenue decreased by 6% to HK\$3,227 million (previous interim financial period: HK\$3,443 million).

Gross Profit and Gross Profit Margin

- The Group's gross profit for the interim financial period was HK\$1,648 million (previous interim financial period: HK\$1,777 million), representing a decrease of 7%, mainly due to lower sales volume, higher trade promotional expenses and lower sales prices in the Chinese Mainland, partly offset by favourable commodity costs and more efficient manufacturing operations.
- Gross profit margin decreased slightly to 51.1% for the interim financial period (previous interim financial period: 51.6%).

Operating Expenses

- Total operating expenses decreased 7% to HK\$1,441 million (previous interim financial period: HK\$1,555 million).
- Marketing, selling and distribution expenses decreased 2% to HK\$976 million (previous interim financial period: HK\$998 million), mostly contributed by lower transportation costs and savings in staff-related expenses.
- Administrative expenses decreased by 15% to HK\$322 million (previous interim financial period: HK\$381 million), mainly due to the absence of last year's one-off severance payments incurred by Vitasoy (Shanghai) Company Limited and improved operational efficiency.
- Other operating expenses mainly included staff costs for employees in support functions, impairment of property, plant and equipment, and sundry tax charges in the Chinese Mainland. These expenses lowered by 20% to HK\$143 million (previous interim financial period: HK\$177 million) mainly due to the absence of last year's impairment of property, plant and equipment.

EBITDA (Earnings Before Interest Income, Finance Costs, Income tax, Depreciation and Amortisation)

- EBITDA for the interim financial period was HK\$479 million, a decrease of 4%, mainly due to the decline in gross profit, partly offset by effective operating cost rationalisation in our operations.
- The EBITDA to revenue margin for the interim financial period increased from 14% to 15%.

Profit From Operations

- Profit from operations for the interim financial period was HK\$247 million, a decrease of 4% from a profit of HK\$257 million in the previous interim financial period.

Profit Before Taxation

- Profit before taxation for the interim financial period decreased by 3% to HK\$233 million (previous interim financial period: HK\$240 million).

Taxation

- Income tax charged for the interim financial period was HK\$55 million (previous interim financial period: HK\$64 million), mainly due to lower profit in the Chinese Mainland business. The effective tax rate was 23% for the interim financial period.

Profit Attributable to Equity Shareholders of the Company

- Profit attributable to equity shareholders of the Company for the interim financial period was HK\$172 million (previous interim financial period: HK\$171 million), representing an increase of 1% as compared with the previous interim financial period.

Financial Position

- The Group finances its operations and capital expenditure primarily through internally generated cash as well as banking facilities provided by its principal bankers. As of 30th September 2025, cash and bank deposits amounted to HK\$1,274 million (31st March 2025: HK\$1,268 million), of which 70%, 24% and 3% were denominated in Hong Kong dollars (HKD), Renminbi (RMB) and United States dollars (USD) respectively (31st March 2025: 81%, 14% and 3%). As of 30th September 2025, the Group had a net cash balance (cash and bank deposits less bank borrowings, bills payable and lease liabilities) of HK\$671 million (31st March 2025: HK\$657 million). Available banking facilities amounted to HK\$888 million (31st March 2025: HK\$971 million) to facilitate future cash flow needs.
- The Group's debt amounted to HK\$603 million (31st March 2025: HK\$610 million), of which bank borrowings were HK\$260 million (31st March 2025: HK\$265 million), bills payable were HK\$77 million (31st March 2025: HK\$47 million) and lease liabilities were HK\$266 million (31st March 2025: HK\$298 million).
- The gearing ratio (total debt/total equity attributable to equity shareholders of the Company) was maintained at 20% (31st March 2025: 20%). Excluding lease liabilities from total debt, the gearing ratio was 11% (31st March 2025: 10%).
- The Group's return on capital employed (ROCE, being EBITDA for the interim financial period/average non-current debt and equity as at 30th September 2025 and 31st March 2025) for the interim financial period was 14% (previous interim financial period: 14%).
- Capital expenditure incurred during the interim financial period increased to HK\$57 million (previous interim financial period: HK\$45 million), primarily due to regular replacement and upgrades of our production lines and equipment.
- As at 30th September 2025, the Group pledged a bank deposit of approximately HK\$1 million as security for a bank guarantee for a lease arrangement (31st March 2025: HK\$1 million).

Non-financial Key Performance Indicators

- The Group has already disclosed various non-financial key performance indicators (KPIs) in the Sustainability Report FY2024/2025, which was published in July 2025 together with the Annual Report FY2024/2025. The KPIs focused on product and packaging portfolio improvements (“making the right products”) and reductions in energy used (“making products the right way”). It is expected that the Group will continue to remain on its published glide path throughout the year ending 31st March 2026, and those KPIs will be published in the Sustainability Report FY2025/2026 to be released in July 2026.

Tax Strategy

- When considering tax, the Group gives due consideration to the importance of its corporate and social responsibilities. More specifically, the Group commits to paying taxes in the countries where it creates value and complying fully with tax laws across all relevant jurisdictions. The Group also commits to following the Organisation for Economic Co-operation and Development (OECD) transfer pricing guidelines and to ensuring that the arm’s length principle is always observed in transactions between Group companies. The Group also actively supports the OECD international tax reform work on Base Erosion and Profit Shifting (BEPS) on Pillar Two. In addition, the Group commits to being open and transparent with tax authorities about the Group’s tax affairs and to disclosing relevant information to enable tax authorities to carry out their reviews.

Financial Risk Management

- The Group’s overall financial management policy focuses on anticipating, controlling and managing risks, covering transactions directly related to the underlying businesses of the Group. For synergy, efficiency and control, the Group operates a central cash and treasury management system for all subsidiaries. Borrowings are normally taken out in local currencies by the operating subsidiaries to fund their investments and to partially mitigate foreign currency risks.

General Review

Chinese Mainland

- In the Chinese Mainland operations, the decline in revenue was primarily attributable to revenue contraction in general trade, partially offset by solid increases in the Omni channel including snack chains channel, which are now being scaled up. We continued to focus on improving our commercial execution, securing the correct value equation and driving relevant product innovation. This has led to VITASOY growing market share in both the soy milk and plant milk categories, and VITA tea also improving its market share in the ready-to-drink tea category as the result of broad adoption of our more competitive pricing strategy and the successful launch of our new VITA Ya Shi Xiang Lemon Tea.
- We continued to maintain operating profit margin at 11% for the interim financial period owing to the implementation of cost optimisation measures, which helped offsetting the drop in sales.

Hong Kong Operation (Hong Kong SAR, Macau SAR and Exports)

- Our Hong Kong SAR beverage business continued to strengthen its market leadership in the non-alcoholic beverages category. New product launches such as VITASOY Low Sugar Peach Soyabean Milk and VITA Ya Shi Xiang Lemon Tea together with the continuing popularity of the VLT Zero and Sparkling ranges and the solid market position of VITA No Sugar Tea sustained the Company's strong leadership in these categories.
- The Vitaland business was negatively affected by fewer school days during the interim financial period as a result of adverse weather conditions in the typhoon season. We are currently addressing deteriorating sales in the softer retail market of the Macau SAR via new commercial strategies.
- The imposition of, and frequent changes to, tariffs imposed by the United States have had a negative impact on our North America business albeit not significant to the total Group revenue. We are adjusting our commercial strategy as the tariff situation evolves.

Australia and New Zealand

- Australia and New Zealand registered 5% sales growth in local currency terms and gained market share on core platforms. This was the result of the full restoration of commercial activities following a recovery in manufacturing capacity following last year's production issues, as well as ongoing cost reduction production efforts. Accordingly, the profitability improved with the operating loss being reduced significantly to HK\$22 million as compared with the same period last year.

Singapore

- Total revenue decreased by 1% in local currency during the interim financial period. The loss from operations was significantly reduced by 53% in local currency terms.
- Both the domestic and export tofu business continued gaining momentum during the interim financial period with sustained revenue growth. The comparative decline in beverage sales was mainly due to lower priced competitive products as well as our new distributor cycling off a higher base last year.

General Outlook

External macro and competitive environment are evolving rapidly. The Chinese Mainland is at the forefront of this important evolution. Following some challenges in the first half of the financial year, Hong Kong Operation will work to accelerate growth in the second half of the financial year, while our operations in Australia and New Zealand and Singapore will endeavour to accelerate growth and further reduce operating losses.

Despite the short-term challenges, we remain confident in our long-term potential for continuous scaling up.

Chinese Mainland

- As we navigate an increasingly dynamic landscape in our industry, particularly with regard to the evolution of sales channels, we will continue to strengthen the capabilities of our Chinese Mainland operations and also drive stronger execution of VITASOY and VITA brands across core geographies to secure value competitiveness. To achieve the above, we are resourcing and strengthening our sales team to secure the acceleration of sales.
- We are confident in building our capabilities to win customers via planning and executing propositions collaboratively and also to perform with agility and impact on the new social media and e-commerce environment.

Hong Kong Operation (Hong Kong SAR, Macau SAR and Exports)

- We will continue to drive product innovation to support commercial excellence and maintain a very well-established business in Hong Kong Operation. We are also addressing the short-term challenges in the Vitaland business, Macau SAR and exports to the United States, and focusing on further growth of sales in the second half of the financial year.

Australia and New Zealand

- Building on our recovered manufacturing capacity following last year's production issues, our Australia and New Zealand operations continue to increase market penetration and work on gaining market share across the soy, oat and almond categories. We will also continue to drive our chilled category business that is adding net incremental business in this exciting new category.
- Following the narrowing of the operating loss in the first half of the financial year by improvements in manufacturing and operational efficiency, we will stay focused on continuing to deliver improvements in the second half of the financial year.

ASEAN (Singapore and the Philippines)

- The Singapore operation will continue to scale up the domestic and export tofu business while further reducing cost and improving beverages performance in order to improve profitability.
- In the Philippines, the plant-based category continues to grow very healthily at double-digit year on year since our entry, with the oat and almond segments leading such growth. Our joint venture in the Philippines with Universal Robina Corporation continue to sustain the business. We are also determined to keep driving scale and improving profitability in this exciting market.

CORPORATE GOVERNANCE

The Company is firmly committed to a high level of corporate governance and adherence to the governance principles and practices emphasising transparency, independence, accountability, responsibility and fairness.

The Company has, throughout the interim financial period, complied with the code provisions set out in the Corporate Governance Code contained in Part 2 of Appendix C1 of the Listing Rules.

REVIEW OF INTERIM RESULTS BY AUDIT COMMITTEE

The Audit Committee comprises three Independent Non-executive Directors, namely, Mr. Paul Jeremy BROUGH (Chairman), Mr. Anthony John Liddell NIGHTINGALE and Dr. Roy Chi-ping CHUNG.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including the review of the Group's unaudited interim financial report for the interim financial period.

The Audit Committee reviews and assesses the effectiveness of the Company's risk management and internal control systems which cover all material financial, operational and compliance controls. The Audit Committee also reviews regularly the corporate governance structure and practices within the Company and monitors compliance fulfilment on an ongoing basis.

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

During the interim financial period, the Company and its subsidiary bought back a total of 21,416,000 issued shares of the Company on The Stock Exchange of Hong Kong Limited at an aggregate consideration (excluding expenses) of approximately HK\$198,791,000. Details of the shares bought back during the interim financial period are set out below:

<i>Month/Year</i>	<i>Number of shares bought back</i>	<i>Purchase price per share</i>		<i>Aggregate consideration (excluding expenses)</i>
		<i>Highest</i>	<i>Lowest</i>	
	'000	HK\$	HK\$	HK\$'000
April 2025	4,866	9.90	9.00	46,174
July 2025	12,282	9.26	9.16	113,465
August 2025	3,050	9.26	9.08	28,014
September 2025	1,218	9.15	9.08	11,138
	<u>21,416</u>			<u>198,791</u>

During the interim financial period, the Company cancelled 24,430,000 shares that were bought back during the period from March to August 2025. As at 30th September 2025, the total number of shares in issue was 1,049,545,089 shares.

Subsequent to the interim financial period, the Company bought back additional 4,798,000 shares in October 2025. All these shares, together with the 1,218,000 shares bought back in September 2025, were cancelled on 13th November 2025. As at the date of this announcement, (i) the total number of shares in issue is 1,043,529,089, and (ii) the Company does not hold any shares repurchased pending cancellation or hold any treasury shares.

Save as disclosed above, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the interim financial period.

PUBLICATION OF INTERIM REPORT ON THE WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED

The Company's interim report for the interim financial period will be published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk and the Company's website at www.vitasoy.com in due course.

By Order of the Board
Winston Yau-lai LO
Executive Chairman

Hong Kong, 25th November 2025

As at the date of this announcement, Mr. Winston Yau-lai LO, Mr. Roberto GUIDETTI and Mr. Eugene LYE are executive directors. Ms. Yvonne Mo-ling LO, Mr. Peter Tak-shing LO and Ms. May LO are non-executive directors. Mr. Anthony John Liddell NIGHTINGALE, Mr. Paul Jeremy BROUGH, Dr. Roy Chi-ping CHUNG and Ms. Wendy Wen-yee YUNG are independent non-executive directors.