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China Ecotourism Group Limited

中國生態旅遊集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1371)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 30 JUNE 2026

FINANCIAL RESULTS

The board of directors (the “Board” or the “Directors”) of China Ecotourism Group Limited (the “Company”) hereby presents the consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 30 June 2026, together with the comparative audited figures for the year ended 30 June 2025, as follows:-

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2026

		2026	2025
	Note	HK\$'000	HK\$'000 (Restated)
Continuing operations			
Revenue	3	84,064	109,236
Costs of sales and services		(47,650)	(69,582)
Gross profit		36,414	39,654
Other income		1,939	2,632
Other losses - net		(16)	(13,134)
Net reversal of impairment losses on financial assets		381	6,354
Gain on extinguishment of financial liabilities		182,373	—
Loss on reconsolidation of a subsidiary		—	(20,563)
General and administrative expenses		(50,426)	(56,870)
Operating profit/(loss)	5	170,665	(41,927)
Finance costs	6	(77,533)	(30,888)
Profit/(loss) before income tax		93,132	(72,815)
Income tax credit/(expense)	7	272	(648)
Profit/(loss) for the year from continuing operations		93,404	(73,463)
Discontinued Operations			
Profit for the year from discontinued operations		6,534	376
Profit/(loss) for the year		99,938	(73,087)
Profit/(loss) for the year attributable to:			
Owners of the Company		97,217	(72,363)
Non-controlling interests		2,721	(724)
		99,938	(73,087)
Profit/(loss) for the year attributable to owners of the Company arises from:			
- Continuing operations		90,683	(72,739)
- Discontinued operations		6,534	376
		97,217	(72,363)
Profit/(loss) for the year attributable to non-controlling interests arises from:			
- Continuing operations		2,721	(724)
		2,721	(724)
Earnings/(loss) per share attributable to owners of the Company			
From continuing and discontinued operations			
Basic and diluted (HK\$ per Share)	9	5.64	(4.69)
From continuing operations			
Basic and diluted (HK\$ per Share)	9	5.26	(4.71)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2026

	2026 HK\$'000	2025 HK\$'000 (Restated)
Profit/(loss) for the year	99,938	(73,087)
Other comprehensive income:		
<i>Item that will not be reclassified subsequently to profit and loss</i>		
Gain on revaluation of properties held for own use	105	675
	<u>105</u>	<u>675</u>
<i>Item that may be reclassified subsequently to profit and loss</i>		
Currency translation differences arising on		
- translation of financial statements of subsidiaries outside Hong Kong	6,389	1,305
	<u>6,389</u>	<u>1,305</u>
Total of other comprehensive income for the year	<u>6,494</u>	<u>1,980</u>
Total comprehensive income/(expense) for the year	<u><u>106,432</u></u>	<u><u>(71,107)</u></u>
Total comprehensive income/(expense) for the year attributable to:		
- Owners of the Company	102,321	(70,375)
- Non-controlling interests	4,111	(732)
	<u><u>106,432</u></u>	<u><u>(71,107)</u></u>
Total comprehensive income/(expense) for the year attributable to owners of the Company arising from:		
- Continuing operations	95,787	(70,751)
- Discontinued operations	6,534	376
	<u><u>102,321</u></u>	<u><u>(70,375)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	<i>Note</i>	2026 HK\$'000	2025 HK\$'000
Non-current assets			
Property, plant and equipment		4,258	4,402
Right-of-use assets		2,216	3,050
Intangible assets		5,082	7,274
Interests in associates		189	189
Financial assets at fair value through profit or loss ("FVTPL")		31	49
		11,776	14,964
Current assets			
Equity investment at FVTPL		—	—
Inventories		40,730	34,196
Accounts receivable	<i>10</i>	2,735	16,317
Prepayments, deposits and other receivables		10,856	13,519
Restricted bank deposits		17,506	19,385
Cash and bank balances		54,450	59,176
		126,277	142,593
Total assets		138,053	157,557
Current liabilities			
Accounts payable	<i>11</i>	2,013	5,919
Accruals and other payables		41,960	184,513
Contract liabilities		68,910	77,368
Amounts due to key management personnel		5,790	14,886
Tax payable		1,151	1,044
Bank and other borrowings		—	140,725
Lease liabilities		985	2,547
Unlisted bonds		—	194,699
		120,809	621,701
Net current assets/(liabilities)		5,468	(479,108)
Total assets less current liabilities		17,244	(464,144)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)*At 30 June 2026*

	<i>Note</i>	2026 HK\$'000	2025 HK\$'000
Non-current liabilities			
Deferred tax liabilities		21,942	22,793
Lease liabilities		1,351	4,478
		23,293	27,271
Net liabilities		(6,049)	(491,415)
Equity attributable to owners of the Company			
Share capital	12	3,421	77,211
Accumulated losses		(551,587)	(2,351,043)
Statutory reserve		25,609	25,609
Other reserves		280,625	1,525,036
		(241,932)	(723,187)
Non-controlling interests		235,883	231,772
Total deficit		(6,049)	(491,415)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

China Ecotourism Group Limited was incorporated in Bermuda on 13 September 2000 as an exempted company with limited liability under the Companies Act of Bermuda.

The Company and its subsidiaries (collectively referred to as the “Group”) engage in the (i) provision of technology and operation services for lottery systems, terminal equipment and gaming products in the China’s lottery market, which covers various lottery products ranging from computer generated ticket games and KENO-type lottery to new media lottery; and (ii) research and development, processing, production and sales of natural and health food. The Group was also engaged in the project development and operation of ecotourism which was discontinued in current year (see note 8).

The Company’s shares are currently listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

Going concern

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group, in light of the fact that, excluding the gain on extinguishment of financial liabilities amounting to approximately HK\$182,373,000, the Group incurred an operating loss of approximately HK\$11,708,000 for the year ended 30 June 2026 and recurring an operating loss for the year over five years, and, as of that date, the Group’s total liabilities exceeded its total assets by approximately HK\$6,049,000 and the Group’s total liabilities amounted to HK\$144,102,000. These events or conditions indicate the existence of material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern.

In this regard, the management of the Company have identified various initiatives to address the Group’s liquidity needs, which include the following:

- (a) the Group has obtained written confirmation from its major shareholder of the Company, confirming it will provide financial support in the amount of up to HK\$35,000,000 to enable the Group to meet its financial commitments as they fall due and to support its ongoing business activities. The availability period of the facility is ending on 30 September 2027 or such later date as the parties may agree in writing. As at 30 June 2026, financial support amounting to approximately HK\$13,597,000 had been utilised;
- (b) the Group will continue to implement measures to speed up the collection of outstanding accounts and other receivables; and
- (c) the Group will continue to take active measures to control administrative costs and maintain containment of capital expenditures.

2. BASIS OF PREPARATION (Cont'd)

Based on the cash flow forecast of the Group prepared by the management, the directors of the Company are of the opinion that the Group would have effectively dealt with its liabilities. Accordingly, the directors of the Company consider it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify noncurrent assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in these consolidated financial statements.

Application of new and amendments to HKFRS Accounting Standards

In the current year, the Group has applied the following amendments to HKFRSs Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 July 2025 for the preparation of the consolidated financial statements :

Amendments to HKAS 21

Lack of Exchangeability

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

3. REVENUE

An analysis of the Group's revenue for the year is as follows:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Continuing Operations		
Sales of lottery terminals and related equipment	46,443	71,550
Sales of natural and health food	210	30
Provision of technical and maintenance services	37,411	37,656
	84,064	109,236

4. SEGMENT INFORMATION

Information reported to the Board, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on revenue analysis by products.

Specifically, the Group's reportable segments are as follows:

1. Lottery systems, terminal equipment and related products – Provision of technology and operation service for lottery systems, terminal equipment and gaming products, and sales of lottery terminals and related equipment; and
2. Natural and health food – Research and development, processing, production and sales of natural and health food.

The operation of project development and operation of ecotourism was discontinued in the current year. The segment revenue and results disclosed in the following does not include any amounts for the discontinued operation, which is described in more details in note 8.

4. SEGMENT INFORMATION (Cont'd)

Segment revenue and results

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

	Lottery systems, terminal equipment and related products HK\$'000	Natural and health food HK\$'000	Total HK\$'000
For the year ended 30 June 2026			
Continuing operations			
Segment revenue:			
Revenue from contracts with customers (within the scope of HKFRS 15)	83,854	210	84,064
Segment profit	22,427	105	22,532
Interest income			474
Fair value loss on financial assets at FVTPL			(18)
Net reversal of impairment losses on financial assets			381
Gain on extinguishment of financial liabilities			182,373
Finance costs			(77,533)
Unallocated expenses			(35,077)
Profit before income tax			93,132
	Lottery systems, terminal equipment and related products HK\$'000	Natural and health food HK\$'000	Total HK\$'000
For the year ended 30 June 2025 (Restated)			
Continuing operations			
Segment revenue:			
Revenue from contracts with customers (within the scope of HKFRS 15)	109,206	30	109,236
Segment profit/(loss)	13,544	(133)	13,411
Interest income			428
Fair value gain on financial assets at FVTPL			1
Net reversal of impairment losses on financial assets			6,354
Loss on reconsolidation of a subsidiary			(20,563)
Finance costs			(30,888)
Unallocated expenses			(41,558)
Loss before income tax			(72,815)

4. SEGMENT INFORMATION (Cont'd)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

Segment assets

	At 30 June	
	2026	2025
	HK\$'000	HK\$'000
		(Restated)
Continuing operations		
Lottery systems, terminal equipment and related products	81,747	94,102
Natural and health food	953	808
Total continuing operations	82,700	94,910
Discontinued operations		
Ecotourism	—	2,220
Total segment assets	82,700	97,130
Interests in associates	189	189
Financial assets at FVTPL	31	49
Unallocated	55,133	60,189
Consolidated assets	138,053	157,557

Segment liabilities

	At 30 June	
	2026	2025
	HK\$'000	HK\$'000
		(Restated)
Continuing Operations		
Lottery systems, terminal equipment and related products	86,851	132,219
Natural and health food	13,470	11,833
Total continuing operations	100,321	144,052
Discontinued Operations		
Ecotourism	—	6,162
Total segment liabilities	100,321	150,214
Unallocated	43,781	498,758
Consolidated liabilities	144,102	648,972

5. OPERATING PROFIT/(LOSS)

The Group's operating profit/(loss) of continuing operation is arrived at after charging:

	For the year ended	
	30 June	
	2026	2025
	HK\$'000	HK\$'000
		(Restated)
Continuing operations		
Costs of sales and services		
— Amortisation of intangible assets	3,325	3,325
— Business tax	51	264
— Cost of inventories recognised as expense	36,908	56,695
— Staff costs	4,790	7,204
— Others	2,834	4,220
— Reversal of provision for allowance for inventories	(258)	(2,126)
	47,650	69,582
Legal and professional fees	8,233	3,988
Auditors' remuneration		
— Audit services	850	828
Depreciation of property, plant and equipment recognised as general and administrative expenses	907	853
Depreciation of right-of-use assets	948	761
Research and development expenditure	630	3,149

6. FINANCE COSTS

	For the year ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
		(Restated)
Continuing operations		
Interest expenses on bank and other borrowings	33,120	6,997
Interest expenses on lease liabilities	104	67
Interest expenses on amount due to a shareholder	—	1,313
Interest expenses on amounts due to key management personnel of the Group (including the directors of the Company)	176	1,422
Interest expense on others	7,919	2,832
Effective interest expense on unlisted bonds	36,214	18,257
	<u>77,533</u>	<u>30,888</u>

7. INCOME TAX (CREDIT) / EXPENSE

Hong Kong Profits Tax is calculated at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits for the year. No provision for Hong Kong Profits Tax has been made for the year ended 30 June 2026 and 2025 as the Group had no assessable profits arising in or derived from Hong Kong for both years.

The applicable enterprise income tax rate for PRC subsidiaries is 25% (2025: 25%) except for subsidiaries which are qualified as High and New Technology Enterprises and would be entitled to enjoy a beneficial tax rate of 15% (2025: 15%).

	For the year ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
Current tax		
— PRC Enterprise Income Tax	881	1,170
Deferred tax		
— Reversal of temporary differences	(1,153)	(522)
Income tax (credit)/expense	<u>(272)</u>	<u>648</u>

8. DISCONTINUED OPERATIONS

During the year ended 30 June 2026, the Group has ceased the operations of China Ecotourism Investment Limited and completed the disposal of the entire equity interest of its subsidiary 中林森林旅遊有限公司. As the Ecotourism segment is considered as a separate major line of business, the corresponding operations have been classified as discontinued operations. Accordingly, certain comparative information related to the discontinued operation has been represented.

The results of the discontinued operations for the years are presented below:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Revenue	—	2,659
Cost of sales	—	(1,346)
Gross profit	—	1,313
Other income	—	326
Other losses	—	(33)
Gain on disposal of a subsidiary	2,345	—
Gain on deregistration of a subsidiary	4,197	—
General and administrative expenses	(8)	(821)
Operating profit	6,534	785
Finance costs	—	(409)
Profit before tax from the discontinued operations	6,534	376
Income tax	—	—
Profit for the year from the discontinued operations	6,534	376
Operating loss from discontinued operation includes the following:		
Cost of sales and services		
- Others	—	1,346
Legal and professional fees	—	51

9. EARNINGS/(LOSS) PER SHARE

	For the year ended 30 June 2026			For the year ended 30 June 2025		
	Profit	Weight average number of ordinary shares	Per share amount	Loss	Weight average number of ordinary shares	Per share amount
	HK\$'000	'000	HK\$	HK\$'000	'000 (Restated)	HK\$ (Restated)
Continuing and discontinued operations						
Basic and diluted earnings/(loss) per ordinary share	97,217	17,232	5.64	(72,363)	15,442	(4.69)
Continuing operations						
Basic and diluted earnings/(loss) per ordinary share	90,683	17,232	5.26	(72,739)	15,442	(4.71)

The profit/(loss) amounts represent the profit/(loss) attributable to owners of the Company for the year.

No diluted earnings/(loss) per share is presented for both years as there was no potential dilutive ordinary share outstanding.

The weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share for the year ended 30 June 2025 has been adjusted, taking into account the effect of share consolidation effective on 29 June 2026, and assuming the event has been completed on 1 July 2024. The weighted average number of ordinary shares applied in the calculation of loss per share in the published consolidated financial statement for the year ended 30 June 2025 were 154,422,109.

10. ACCOUNTS RECEIVABLE

	At 30 June	
	2026	2025
	HK\$'000	HK\$'000
Trade receivables – goods and services	5,788	19,797
Less: Loss allowance	<u>(3,053)</u>	<u>(3,480)</u>
	<u>2,735</u>	<u>16,317</u>

Revenue from sales of goods is billed upon the delivery of products and with credit periods ranging from 30 to 180 days. Revenue from the provision of technical and maintenance services is billed on a half-yearly or yearly basis and is due 30 days after the invoice date. The ageing analysis of the accounts receivable net of loss allowance at the end of the reporting period, based on invoice date, is as follows:

	At 30 June	
	2026	2025
	HK\$'000	HK\$'000
Less than three months	2,735	15,167
Over three months but less than one year	<u>—</u>	<u>1,150</u>
	<u>2,735</u>	<u>16,317</u>

11. ACCOUNTS PAYABLE

The ageing analysis of the accounts payable at the end of the reporting period, based on invoice date, is as follows:

	At 30 June	
	2026	2025
	HK\$'000	HK\$'000
Less than three months	738	4,567
Over three months but less than one year	—	—
Over one year	<u>1,275</u>	<u>1,352</u>
	<u>2,013</u>	<u>5,919</u>

12. SHARE CAPITAL

	Number of shares	HK\$'000
Authorised:		
At 1 July 2024, 30 June 2025 and 1 July 2025 at HK\$0.50 per share	250,000,000	125,000
Share sub-division (note (a)iii)	12,250,000,000	—
Increase in authorised capital (note (a)iv)	37,500,000,000	375,000
At 30 June 2026 at HK\$0.01 per share	50,000,000,000	500,000
Issued and fully paid:		
At 1 July 2024, 30 June 2025 and 1 July 2025 at HK\$0.50 per share	154,422,109	77,211
Share consolidation (note (a)i)	(138,979,899)	—
Capital reduction and share subdivision (note (a)ii and iii)	—	(77,057)
Issue of scheme shares under specific mandate (note (b))	326,666,666	3,267
At 30 June 2026 at HK\$0.01 per share	342,108,876	3,421

Notes:

Reference is made to the announcements and circulars of the Company dated 25 March 2026, 26 May 2026, 29 May 2026, 25 June 2026 and 29 June 2026 and pursuant to a special resolution of the Company passed on 25 June 2026, including but not limited to the Capital Reorganisation, the Share Premium Cancellation and the Creditors Scheme, were duly approved by way of poll by the shareholders of the Company.

(a) It comprised the following changes to the capital structure:

- i. every ten issued shares of par value of HK\$0.50 each in share capital of the Company were consolidated into one consolidated share of par value of HK\$5.00 (“Consolidated Share”) with effective on 29 June 2026;
- ii. the par value of each issued Consolidated Share was reduced from HK\$5.00 to HK\$0.01 (“Capital Reduction”) by cancelling the paid-up capital of the Company to the extent of HK\$4.99 on each of the issued Consolidated Shares. Immediately following the capital reduction, all the credits arising from the Capital Reduction was transferred to retained earnings of the Company;
- iii. immediately following the Capital Reduction, each of the authorised but unissued share was sub-divided into fifty shares (“New Shares”) of par value of HK\$0.01 each with effect from 29 June 2026 (“Share Sub-division”); and
- iv. Upon the Share Consolidation, the Capital Reduction and the Share Sub-division, the Company’s authorised share capital was increased from HK\$125,000,000 divided into 250,000,000 shares of HK\$0.50 each to HK\$500,000,000 divided into 50,000,000,000 New Shares of HK\$0.01 each.

12. SHARE CAPITAL (Cont'd)

(b) Issue of scheme shares pursuant to the Creditors Scheme:-

On 29 June 2026, an aggregate of 326,666,666 Scheme Shares were allotted and issued to the Scheme Creditors in settlement of all Admitted Scheme Claims of the Scheme Creditors as defined in the Circular of the Company dated 26 May 2026, which amounted to approximately HK\$561,306,000. The market price of the Company's shares on 29 June 2026 was HK\$1.16 per share. Accordingly, upon completion of the settlement, approximately HK\$3,267,000 and HK\$375,667,000 were credited to share capital and share premium, respectively. The excess of the carrying amount of the liabilities owed to the Scheme Creditors over the fair value of the shares issued at the settlement date, amounting to approximately HK\$182,373,000, was recognised as a gain on extinguishment of financial liabilities in the consolidated statement of profit or loss.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 30 June 2026 (2025: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

In 2026, China's economy remained generally stable with notable structural divergences. High-tech manufacturing and foreign trade exports demonstrated strong resilience, underpinning economic growth; consumption recovered moderately, but domestic demand remained weak. The ongoing adjustment in the real estate sector and sluggish traditional investment were the main drags. Deflationary pressures eased, and policy support continued to provide a safety net, with the economy in a phase of transitioning from old to new growth drivers and a mild recovery.

During the reporting period (July 2025 to June 2026), the Group's lottery business and natural health food business operated steadily.

BUSINESS REVIEW AND OUTLOOK

Lottery Business

The Group is a leading provider of systems, terminal equipment, and game product technologies and operation services in China's public welfare lottery industry. Its business covers computer-ticket lottery, video lottery, instant lottery, new media lottery, and other related fields, while continuously exploring and nurturing emerging businesses. Leveraging deep technical expertise, effective market expansion capabilities, and standardized internal governance mechanisms, the Group has established a solid market position and strong brand reputation in the industry, building sustainable comprehensive competitiveness. While cultivating the domestic market, the Group is also actively expanding into overseas markets, creating a synergistic business pattern that combines domestic and international operations.

China Lottery Market

In recent years, China's lottery market has maintained a sound development trend. Full-year lottery sales in 2025 reached a record high, and in the first half of 2026, national lottery sales amounted to RMB 326.874 billion. Driven by sports events such as the World Cup, 2026 is expected to surpass 2025 and set another new record. Market activity continues to rise, and consumer enthusiasm for purchasing lottery tickets remains unabated. As an important source of non-tax government revenue, the steady growth of lottery public welfare funds provides sustained momentum for various public welfare fields, including social welfare and sports.

According to Ministry of Finance data, from July 2025 to June 2026, national lottery sales totaled RMB 636.989 billion, an increase of RMB 4.127 billion year-on-year. Among this, welfare lottery sales amounted to RMB 201.556 billion, a decrease of RMB 8.490 billion or 4.0%; sports lottery sales amounted to RMB 435.433 billion, an increase of RMB 12.618 billion or 3.0%. By lottery type, from July 2025 to June 2026, Lotto digital lottery sales were RMB 173.979 billion, down 2.3% year-on-year; instant lottery sales were RMB 126.848 billion, up 5.3%; Single Match Games sales were RMB 296.762 billion, up 1.2%; and KENO lottery sales were RMB 39.394 billion, down 4.3%. The proportions of Lotto digital, Single Match Games, instant lottery, and KENO lotteries in total sales were 27.3%, 46.6%, 19.9%, and 6.2%, respectively.

Computer-generated Ticket Games (“CTG”)

CTG is the main type of lottery in China's market, sold through physical lottery outlets and dedicated terminal equipment. The Group focuses on its core business, deeply cultivating key regions and critical areas, and its terminal equipment and technology system business continues to develop steadily.

The Group's subsidiaries – Guangzhou Lottnal Terminal Company Limited (“Lottnal”), Guangzhou Three Rings Yongxin Technology Company Limited (“Three Rings”), and Beijing Bestinfo Cyber Technology Company Limited (“Bestinfo”) – are all well-known enterprises in the industry. They provide Welfare Lottery and Sports Lottery institutions with core computer-ticket trading systems, integrated information management systems, lottery ticket vending terminals, and core products and services such as lottery scanners and readers.

Lottnal's R&D-produced lottery terminals, with advantages of high performance, high reliability, low power consumption, high speed, and wide paper format, are widely used in 19 provinces nationwide and have become benchmark products in the industry. Bestinfo has been deeply engaged in lottery system construction for over 20 years, continuously providing system R&D and operation and maintenance services to Guangdong Welfare Lottery and other institutions, witnessing Guangdong Welfare Lottery's annual sales leap from RMB 1 billion to RMB 10 billion and then break through RMB 20 billion – a remarkable growth that represents the largest provincial scale and highest sales volume in China's Welfare Lottery industry.

During the reporting period, leveraging its independent R&D advantages, Lottnal successfully won bids for Sports Lottery terminal procurement projects in Zhejiang, Jiangsu, Guangdong, Hunan, Xinjiang, Shanxi, Hubei and other provinces, and also provided maintenance services. On the Welfare Lottery side, the Group served Guangdong Welfare Lottery, which achieved sales of RMB 23.777 billion, ranking first among provincial Welfare Lotteries nationwide; and served Chongqing Welfare Lottery, which achieved sales of RMB 4.454 billion. In terms of system services, after winning the bid for the Guangdong Welfare Lottery computer-ticket sales management system maintenance and development project in June 2025, Bestinfo has been steadily carrying out system operation and maintenance and new feature development, ensuring the stable and efficient operation of Guangdong Welfare Lottery's sales management system and official website. The Group's market competitiveness in both the Welfare and Sports Lottery sectors has been further consolidated.

Overseas Business

The current global economy presents a complex landscape characterized by “slowing growth, sticky inflation, geopolitical divergence, and technology-driven uplift”. Amid energy price fluctuations and the aftermath of global liquidity tightening, the Philippines – one of the Group's core target markets – has demonstrated remarkable economic resilience, mainly supported by three pillars: first, the upward cycle of the global AI and semiconductor industry, driving strong growth in electronic assembly and component exports, which account for half of the Philippines' merchandise exports; second, overseas remittances from workers growing at a stable annual rate of about 3%, continuously replenishing foreign exchange reserves and effectively supporting consumer purchasing power; and third, the BPO industry, which is accelerating its transformation toward high-end IT R&D and data analytics, continuing to grow. The stable performance of these macroeconomic engines provides a favorable external environment and market foundation for the Group's local lottery business deployment.

The Group continues to empower local partners and steadily advances the commercialization process of its projects. Two self-developed digital lottery game products have obtained compliance approval from Philippine regulators. In terms of system construction and ecosystem development, technical integration with local licensed operators has been completed, while simultaneously accelerating the development of online traffic acquisition channels and steadily advancing technical development for user growth architecture, thereby laying a solid technical foundation for efficient customer acquisition after product launch. On the marketing front, the Group's partners have achieved strategic cooperation with a well-known local MCN agency and are actively preparing integrated marketing, brand communication, and user operation activities for the post-launch period.

The Group is fully confident in the successful launch and commercial prospects of this project and expects it to contribute good economic returns and long-term value to the Group's overall performance growth.

Smart Retail

The current lottery industry is undergoing accelerated channel transformation and upgrading, with rising demand for digitalization and smart capabilities in lottery retail. The process of channel restructuring and business model innovation is speeding up, and lottery institutions are continuously strengthening channel infrastructure and standardized management.

The Group was the first in the industry to propose the concept of lottery new retail, comprehensively applying innovative technologies such as smart hardware, IoT, big data, blockchain, and artificial intelligence to the operation, management, and marketing of lottery sales channels. It has developed a complete smart retail solution, including various smart terminal products, as well as smart store management, smart payment, smart marketing, and big data service systems, providing comprehensive digital empowerment to lottery institutions and sales outlets.

Video Lottery

The Group's subsidiary, Dongguan Tianyi Electronics Company Limited ("DGTY"), is the exclusive equipment provider for China Welfare Lottery's Video Lottery ("Welfare VLT") product, which ceased sales in July 2020.

In 2005, DGTY signed a ten-year cooperation contract with Beijing China Lottery Online Technology Co., Ltd. ("CLO"), under which DGTY provided Welfare VLT terminal equipment and received corresponding compensation. After the contract expired in 2015, CLO continued to use DGTY's terminals for sales and generated revenue but did not pay any usage compensation.

In 2016, DGTY filed a civil lawsuit with the Beijing People's High Court, demanding that CLO pay usage compensation for its continued use of DGTY's terminals after the contract expired. The Supreme People's Court ruled that CLO should pay DGTY RMB 54.8357 million plus interest. With respect to CLO's continued use of terminal equipment owned by DGTY for sales and profit generation for more than five years after the contract's expiration, the Group may take further legal action to protect its legitimate rights and interests.

Natural Health Food Business

In 2025, China's health supplement food market size reached RMB 244.67 billion and is expected to reach RMB 253.1 billion in 2026. The broader health food sector, including both natural health foods and nutritional health foods, has a combined market size of approximately RMB 600 billion.

During the reporting period, the natural health food business operated steadily. On the product front, we avoid product homogenization, focus on specific medicinal and edible botanical varieties, seize consumption scenario innovations, and pay attention to post-pandemic personal vitality and health maintenance, developing products with clear functions and user-friendly forms.

On the operations front, we adopt a dual-frontline approach: online, we conduct official promotion and sales through our Forest Food flagship stores on JD.com and Tmall, as well as through the Forest Food and Yongzhen Tang Health mini-program official platforms; offline, we cooperate with community leaders to attract private traffic and increase consumer customer volume.

Although industry flourished in 2025, divergence was evident, with severe homogenized competition and many irregularities, presenting both opportunities and challenges. The industry faces two core issues: insufficient basic research and fuzzy consumer awareness. On the one hand, the modern scientific mechanisms and efficacy evaluation systems for medicinal and edible products have not yet been perfected, and industry-university-research integration is insufficient; on the other hand, consumers have misunderstandings about product attributes, efficacy, and consumption methods, easily confusing them with ordinary foods or drugs, which affects market development in a standardized manner.

The industry has evolved from “shaky foundations” to “difficult trust-building”. In the future, we will support our products with solid scientific evidence, respond to the information age with complete transparency, and win consumer recognition with genuine sustainable practices.

During the reporting period, the Group's natural health food business generated meager profits and was unremarkable. The management is prudently studying the future direction and strategy for this business segment.

FUTURE OUTLOOK

In recent years, China's lottery industry has been transitioning from scale expansion to quality improvement, with high-quality development momentum continuously released and lottery sales repeatedly hitting new highs. Channel innovation, technological iteration, and the strengthening of public welfare value have become core industry trends. At the same time, the development potential of emerging overseas lottery markets is gradually being unlocked, bringing diversified opportunities for the Group.

The Group will adhere to the overall strategy of “consolidating core advantages, deepening technological innovation, and expanding global markets” to promote higher-quality and more sustainable development of its businesses.

FINANCIAL REVIEW

The Group recorded a turnover of approximately HK\$84.1 million (2025: HK\$109.2 million) from continuing operations for the year ended 30 June 2026, representing a decrease of approximately 23.0% over the last year. Profit attributable to owners of the Company for the year ended 30 June 2026 amounted to approximately HK\$97.2 million (2025: Loss attributable to owners of the Company of approximately HK\$72.4 million). The turnaround from loss to profit for the year was mainly attributable to the one-off gain for approximately HK\$182.4 million in respect of extinguishment of financial liabilities due to the issuance of scheme shares for the year ended 30 June 2026.

Liquidity, Financial Resources, Gearing Ratio and Capital Structure

The Company pursued a debt restructuring arrangement and applied to the High Court of Hong Kong for the scheme of arrangement (the “Creditors Scheme”) in 2025. On 29 June 2026, the Creditors Scheme became effective. As at 30 June 2026, the Group had no outstanding bank and other borrowings (2025: HK\$140.7 million) and the carrying amount of the unlisted bonds was HK\$Nil (2025: HK\$194.7 million).

The Group’s total deficit amounted to approximately HK\$6.0 million at 30 June 2026 (2025: HK\$491.4 million). At 30 June 2026, net current assets of the Group amounted to approximately HK\$5.5 million (2025: net current liabilities of HK\$479.1 million), including approximately HK\$72.0 million in cash and deposits with banks and financial institutions (2025: HK\$78.6 million).

The gearing ratio (defined as total liabilities over total assets) of the Group at 30 June 2026 was approximately 104.4% (2025: 411.9%).

Exposure to Exchange Rates Fluctuations

All the Group’s assets, liabilities and transactions are denominated either in Hong Kong dollar, United States dollar or Renminbi. Foreign exchange risk arising from the normal course of operations is considered to be minimal.

Contingent Liabilities

As at 30 June 2026, the Group did not have any material contingent liabilities (2025: Nil).

Staff

As at 30 June 2026, the Group employed 192 full-time employees (2025: 204). The management believes that the competence of employees is a major contributing factor to the Group’s sustained growth and advancement in profitability. Staff remuneration is based on performance and experience. In addition to basic salary, benefits for employees include a performance-related bonus, contributory provident fund, medical insurance and regulated employees’ social security program in China. The Group also adopted a share option scheme under which options may be granted to eligible staff based on individual performance. Training programs for staff are provided as and when required.

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

Save as disclosed in this announcement, neither the Company nor any of its subsidiaries purchased, or redeemed any of the Company's listed shares during the year ended 30 June 2026.

CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Corporate Governance Code (the "Code") under Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the year ended 30 June 2026, except for the deviations as disclosed below:

According to Code Provision B.2.2, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. The chairman of the Board (the "Chairman") is not subject to retirement by rotation as the Board considers that the continuity of office of the Chairperson provides the Group a strong and consistent leadership and is of great importance to the smooth operations of the Group. The Board will review the corporate governance structure and practices from time to time and shall make necessary arrangements when the Board considers appropriate.

According to Code provision C.2.1, the roles of Chairman and Chief Executive should be separate and should not be performed by the same individual. On 22 November 2024, Ms. ZHU Xinxin, an Executive Director, was appointed as the Chief Executive Officer of the Company (the "CEO") whom is responsible to oversee the management of day-to-day operations of the Group. Since the resignation of former Chairman on 22 November 2024 and up to 26 July 2026, the Company has not appointed the Chairman. The CEO and/or other executive Directors took turns to assume the role of Chairman, ensuring that directors received timely accurate, clear, complete, and reliable information until the appointment of the Chairman. On 27 July 2026, the Company appointed Mr. CHAN Ka Wang Chris as the Chairman and Executive Director and as such, the Code provision C.2.1 has been complied.

REQUIRED STANDARD OF DEALING REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings regarding securities transactions by Directors set out in the Model Code as its code of conduct for dealings in securities of the Company by the Directors (the "Code of Conduct"). Having made specific enquiry of all current Directors, the Directors confirmed that they have complied with the Code of Conduct throughout the year ended 30 June 2026.

AUDIT COMMITTEE

The Audit Committee currently comprises the three Independent Non-Executive Directors of the Company, namely Dr. MENG Zhijun, Mr. LAU Fai Lawrence and Mr. CHIANG Chi Kin Stephen.

The Audit Committee has reviewed and discussed with the management the accounting principles and practices adopted by the Group and auditing, internal controls and financial reporting matters. The consolidated results contained herein have been reviewed by the Audit Committee and approved by the Board.

REVIEW OF ANNUAL RESULTS

The figures in respect of the Company's consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 30 June 2026 as set out in this announcement have been agreed by the Group's auditor, McMillan Woods (Hong Kong) CPA Limited ("McMillan"), to the amounts set out in the Company's audited consolidated financial statements for the year ended 30 June 2026.

The work performed by McMillan 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 Hong Kong Institute of Certified Public Accountants and consequently no opinion or no assurance has been expressed by McMillan on this announcement.

By order of the Board
China Ecotourism Group Limited
CHAN Ka Wang Chris
Chairman and Executive Director

Hong Kong, 24 September 2026

As at the date of this announcement, the Board comprises Mr. CHAN Ka Wang Chris, Ms. ZHU Xinxin and Mr. DI Ling as Executive Directors; and Dr. MENG Zhijun, Mr. LAU Fai Lawrence and Mr. CHIANG Chi Kin Stephen as Independent Non-executive Directors.