KINGWELL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1195



ANNUAL REPORT 2026

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Corporate Information

DIRECTORS

Mao Yangguang *(Chairman and Chief Executive Officer)*
Du Yun
Cheung Chuen*
Ng Ching Yee*
Wang Haipeng*

* Independent Non-executive Director

COMPANY SECRETARY

Poon Yan Wai

AUTHORISED REPRESENTATIVES

Mao Yangguang
Poon Yan Wai

AUDIT COMMITTEE

Wang Haipeng *(Chairman)*
Cheung Chuen
Ng Ching Yee

REMUNERATION COMMITTEE

Wang Haipeng *(Chairman)*
Mao Yangguang
Cheung Chuen

NOMINATION COMMITTEE

Mao Yangguang *(Chairman)*
Ng Ching Yee
Wang Haipeng

CORPORATE GOVERNANCE COMMITTEE

Ng Ching Yee *(Chairman)*
Cheung Chuen
Wang Haipeng

LEGAL ADVISOR FOR CAYMAN ISLANDS LAW

Conyers Dill & Pearman

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

REGISTERED OFFICE

Cricket Square
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P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Tsim Sha Tsui East
Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3
Building D,
P.O. Box 1586
Gardenia Court, Camana Bay
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

TRADING CODE ON THE STOCK EXCHANGE OF HONG KONG LIMITED

1195

WEBSITE

http://kingwell.todayir.com

Financial Results

- Revenue for the Year decreased to approximately RMB69.5 million.
- Gross profit for the Year was approximately RMB20.9 million.
- Loss before tax for the Year was approximately RMB4.6 million.
- Loss for the Year attributable to owners of the Company was approximately RMB11.1 million.
- Total comprehensive loss for the Year attributable to owners of the Company was approximately RMB12.4 million.
- Basic loss per share attributable to ordinary equity holders of the Company was RMB0.38 cents.
- Total equity of the Group decreased to RMB108.2 million.

Chairman's Statement

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of Kingwell Group Limited ("Kingwell" or the "Company"), I am presenting the financial report of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 30 June 2026 (the "Year").

The Group had its wholly-owned subsidiaries companies to provide the property management services such as Xuzhou Taihua Property Service Co., Ltd.# (徐州泰華物業管理有限公司) ("Xuzhou Taihua") and Jiangsu Tianan Hongji Property Management Co., Ltd.# (江蘇天安鴻基物業管理有限公司) ("Jiangsu Tianan"), in which, the size of the property under management are approximately 254,248 square meters in aggregate. Also, the Group has 515 units parking lots and 3 blocks of 3-storey commercial buildings (total gross floor area of 3,267 square meters). The above held for sales properties and investment properties, and property under management are in the Xuzhou Yueqiao Flower Garden# (徐州月橋花院) (the "Xuzhou Project"), located at Fuchun Road, Yunlong District, Xuzhou City, Jiangsu Province, the People's Republic of China ("PRC"). The Group expects that the Xuzhou Project will make no significant contribution to the Group.

The Shenzhen Hailian Property Management Co., Ltd.# (深圳市海聯物業管理有限公司) ("Shenzhen Hailian") and Huizhou Huiyang Peninsula One Property Management Co., Ltd.# (惠州市惠陽半島壹號物業管理有限公司) ("Peninsula One") provide property management services in Shenzhen and Huizhou, and have 852 units parking lots in Huizhou, in which, the size of the property under management are approximately 3,050,000 square meters in aggregate, which are both located in the Guangdong-Hong Kong-Macao Greater Bay Area (the "Greater Bay Area"). According to the Outline Development Plan for the Greater Bay Area# (粵港澳大灣區發展規劃綱要) issued by The State Council of the PRC in February 2019, both Huizhou and Shenzhen are the cities that becoming the focus of the future development of the Greater Bay Area. Therefore, the Group believes that Shenzhen Hailian and Peninsula One will have growth potential.

There are only remaining few inventories for sales in the property development project "Anlu Taihe Paradise" in Anlu City, Hubei Province in the PRC, which is developed by Anlu Taihe Real Estate Development Company# (安陸泰合房地產開發有限公司) ("Anlu Taihe"). The Group does not expect Anlu Taihe will contribute significant income.

Finally, I would like to express my greatest gratitude to the Board, management and staff of the Group for their strenuous contribution in the past year. Furthermore, I would also like to take this opportunity to sincerely thank our customers, suppliers, business partners and shareholders for their continuous support and trust. I believe all members of the Group will dedicate their best effort to drive business growth and to deliver enhanced returns to shareholders.

Mao Yangguang
Chairman

Hong Kong, 28 September 2026

English name is for identification only

RESULTS

For the Year, revenue of the Group amounted to approximately RMB69,455,000 (2025: RMB70,884,000), representing a decrease by approximately 2% as compared with last year. The decrease in revenue was mainly due to the decrease in contribution from Peninsula One's property management service fee income.

During the Year, the Group recorded a gross profit of approximately RMB20,897,000 (2025: RMB20,200,000) and loss before tax of approximately RMB4,616,000 (2025: profit before tax: RMB608,000) respectively. The increase in gross profit was due to the cost reduction under the control over Peninsula One and Shenzhen Hailian during the Year. The increase in loss before tax for the Year were due to the write-down of inventories to net realisable value and goodwill impairment incurred in Xuzhou Project during the Year.

During the Year, the loss attributable to owners of the Company for the Year was approximately RMB11,138,000 (2025: RMB5,042,000). Basic loss per share during the Year was RMB0.38 cents (2025: RMB0.17 cents).

BUSINESS REVIEW

Property Development, Property Leasing and Property Management Services Business

The Group had its wholly-owned subsidiaries of property management companies to provide the property management services such as Xuzhou Taihua and Jiangsu Tianan, in which, the size of the property under management are approximately 254,248 square meters in aggregate. Also, the Group has 515 units parking lots and 3 blocks of 3-storey commercial buildings (total gross floor area of 3,267 square meters). The above held for sales properties and investment properties, and property under management are in the Xuzhou Yueqiao Flower Garden* (徐州月橋花院) (the "Xuzhou Project"), located at Fuchun Road, Yunlong District, Xuzhou City, Jiangsu Province, the PRC.

The Group owned 51% equity interests in each of Shenzhen Hailian and Peninsula One. Pursuant to the agreement dated 18 January 2022, the vendor undertakes and guarantees to the Group that the net profit (after excluding the non-recurring gains and losses) of the Shenzhen Hailian and Peninsula One for the year ended 31 December 2025 (the "2025 Guaranteed Net Profit") should not be less than RMB6,200,000. The 2025 Guaranteed Net Profit has been fulfilled. Shenzhen Hailian and Peninsula One provide property management services in Shenzhen and Huizhou, and have 852 units parking lots in Huizhou, in which, the size of the property under management are approximately 3,050,000 square meters in aggregate.

Goodwill acquired through business combinations of Jiangsu Tianan, Shenzhen Hailian and Peninsula One is allocated to the property development, property leasing and property management services cash-generating units ("CGUs") for impairment testing.

For the Year, the Group engaged an independent professionally qualified valuer to evaluate the recoverable amount of the CGUs. Based on the valuation report, an impairment loss of RMB4,821,000 was recognised for the Jiangsu Tianan CGU (2025: Nil). The impairment loss recognised was included in "Other expenses" in the consolidated statement of profit or loss and other comprehensive income.

* *English name is for identification only*

BUSINESS REVIEW (Continued)

The recoverable amount of each of the CGUs has been determined based on a value-in-use calculation using cash flow projections based on financial budgets approved by management covering a period of five years. The growth rates used to extrapolate the cash flows beyond the period are based on the estimated growth rate of the unit, taking into account the industry growth rate, past experience and the medium or long term growth target of each of the CGUs. The discount rates applied to the cash flow projections of the CGU of Jiangsu Tianan and CGU of Shenzhen Hailian and Peninsula One for the Year ended 30 June 2026 were 23.3% (2025: 22.9%) and 22.8% (2025: 22.0%), respectively, and cash flows of the CGUs beyond the five-year period were extrapolated using a growth rate of 2% (2025: 2%), which is consistent with the industry growth estimate.

During the Year, the property management services business had sustainable development and provided stable income.

The property development project "Anlu Taihe Paradise" at Liang Ji Bei Road, Anlu Economic Development District in Anlu city, Hubei province in the PRC (Postal code 432600), is developed by the Anlu Taihe Real Estate Development Company* ("Anlu Taihe") (安陸泰合房地產開發有限公司) and is wholly-owned by the Group. The project comprises three phases, constructions were completed in 2007, 2009 and 2011 respectively, with a total gross floor area of approximately 272,568 square meters and are approved for residential and commercial composite uses. The land use rights of the properties have been granted for a term expiring on 22 August 2065.

Some of the properties are held by the Group as investment purpose to generate rental income. Properties held by the Group for investment purpose are classified as investment properties and stated at fair value as at 30 June 2026.

The sales properties and investment properties were faced a difficult operating environment due to the real estate demand downturn in the PRC.

During the Year, the Group is mainly engaged in provision of property management services and sale of properties and parking lots, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's management for purposes of resources allocation and performance assessment. Therefore, no further operating segment analysis thereof is presented.

Geographic Information

Revenue from operations derived from sales to external customers located in Chinese mainland was RMB69,455,000 (2025: RMB70,884,000).

BUSINESS PROSPECTS

The Group had 515 units parking lots and 3 blocks of 3-storey commercial buildings in the Xuzhou Project. The above properties and property management business in Xuzhou City, Jiangsu Province, the PRC, will enhance the Group's expertise in the daily management of properties in the PRC. Also, the Group will enhance the management services and provide the tailor-made services to our customers in Xuzhou. Due to the difficult business environment, the Group expects that the Xuzhou Project will make no significant contribution to the Group.

Shenzhen Hailian and Peninsula One provide property management services in Shenzhen and Huizhou, and have 852 units parking lots in Huizhou, in which, the size of the property under management are approximately 3,050,000 square meters in aggregate, which are both located in the Greater Bay Area. According to the Outline Development Plan for the Greater Bay Area issued by The State Council of the PRC in February 2019, both Huizhou and Shenzhen are the cities that becoming the focus of the future development of the Greater Bay Area. Therefore, the Group believes that Huizhou and Shenzhen have growth potential.

There are only remaining few inventories for sales in the Anlu Taihe project. The Group does not expect Anlu Taihe will contribute significant income in the future.

Looking ahead, the Group will search for potential projects to expand the business in the PRC.

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

For the year ended 30 June 2026, the Group's working capital requirement was principally financed by its internal resources.

As at 30 June 2026, the Group had cash and cash equivalents, net current assets and total assets less current liabilities of approximately RMB32,541,000 (2025: RMB38,609,000), RMB85,064,000 (2025: RMB95,138,000) and RMB111,058,000 (2025: RMB119,651,000), respectively.

As at 30 June 2026, the Group had no interest-bearing borrowings (2025: Nil).

Total equity attributable to owners of the Company as at 30 June 2026 decreased by approximately RMB12,378,000 to approximately RMB86,867,000 (2025: RMB99,245,000). The gearing ratio (calculated as the ratio of net debt: capital and net debt) of the Group as at 30 June 2026 was 8.08% (2025: 0.61%).

SIGNIFICANT INVESTMENTS

The Group held no significant investment during the Year.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group had no material acquisitions or disposals of subsidiaries, associates or joint ventures during the Year.

EMPLOYEES' INFORMATION

Emolument Policy and Long-Term Incentive Scheme

As at 30 June 2026, the Group employed a total of 518 (2025: 477) employees. It is a policy of the Group to review its employees' pay levels and performance bonus system regularly to ensure that the remuneration policy is competitive within the relevant industry. The Group also provides a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training appropriate to individual needs. During the Year, the employment cost (including Directors' emoluments) amounted to approximately RMB36,678,000 (2025: RMB38,816,000). For the purpose of providing appropriate long-term incentive to the Group's employees, share options may be granted to staff, Directors and consultants under the Company's 2019 share option scheme (the "2019 Share Option Scheme") adopted in 2019. As at the date of this annual report, no option has been granted under the 2019 Share Option Scheme.

Basis of Determining Emolument to Directors

Apart from benchmarking against the market, the Company looks at individual competence and contributions in determining the exact level of remuneration for each Director. Appropriate benefits schemes are in place for the Company's Directors, including the share option scheme.

Retirement Benefit Scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those Hong Kong employees who are eligible to participate in the MPF Scheme, whose contributions are made based on a percentage of the employees' basic salaries and the employees of the Group's subsidiaries which operate in Chinese mainland are required to participate in a central pension scheme (the "Central Pension Scheme", together with the MPF Scheme, the "Defined Contribution Schemes") operated by the local municipal government, which these subsidiaries are required to contribute a certain percentage, which was pre-determined by the local municipal government, of the sum of basic salary and allowance of employees to the Central Pension Scheme. The contributions by the Group for the Defined Contribution Schemes are charged to the consolidated statement of profit or loss and other comprehensive income as they become payable in accordance with the relevant rules of the respective schemes.

The Group's contributions to the Defined Contribution Schemes vest fully and immediately with the employees. Accordingly, (i) for each of the two years ended 30 June 2025 and 30 June 2026, there was no forfeiture of contributions under the Defined Contribution Schemes; and (ii) there were no forfeited contributions available for the Group to reduce its existing level of contributions to the Defined Contribution Schemes as at 30 June 2025 and 30 June 2026.

For each of the two years ended 30 June 2025 and 30 June 2026, the Group did not have any defined benefit plan.

CHARGES ON GROUP ASSETS

As at 30 June 2026, none of the Group's assets were pledged to secure general banking facilities to the Group (2025: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND EXPECTED SOURCES OF FUNDING

In the future, the Group will continue to implement its diversified development strategy and proactively search for potential investment opportunities.

The Group had no future plans for material investments and expected sources of funding as at 30 June 2026.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group has foreign currency risk as certain financial assets and liabilities are denominated in foreign currencies, principally in Hong Kong dollars. The Group also manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposure such as Hong Kong Dollars in order to keep the net exposure to an acceptable level. The Group has not used any hedging arrangement to hedge its foreign exchange risk exposure.

CAPITAL COMMITMENTS

As at 30 June 2026, the Group had no capital commitments (2025: Nil).

CONTINGENT LIABILITIES

As at 30 June 2026, the banking facilities of RMB239,000 were granted to buyers of certain properties developed by the Group (2025: RMB238,000).

DIVIDEND

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

Biographical Information of Directors and Senior Management

DIRECTORS

Executive Directors

Mr. Mao Yangguang, aged 52, is an executive Director, Chairman, chief executive officer and authorised representative of the Company since July 2023. He is also a director of various subsidiaries of the Company, including Stephigh Group Limited, Well Gold Group Limited, Rise Win Group Limited, Rising Ray China Group Limited and China Integration Group Limited. Mr. Mao has over 29 years of working experience in various business in PRC. Mr. Mao graduated for a four-year study major in Business Administration from Hebei University of Economics and Business in 1996. Mr. Mao is also a member of the remuneration committee of the Company and the Chairman of the nomination committee of the Company. Mr. Mao was appointed as executive Director on 20 July 2023.

Mr. Du Yun, aged 53, is an executive Director of the Company since June 2020. He was the Guangzhou Region Deputy General Manager of the Yango Group Limited# from January 2018 to 2021. He was the associate dean of the Guangdong Provincial Academy of Building Research College# from July 2011 to January 2018. He was the director of the Guangzhou City Urban and Rural Construction Committee Highway Department# from October 2010 to July 2011. He was the director of the Guangzhou City Municipal Garden Technology Department# from February 2009 to October 2010. Mr. Du has over 31 years of working experience in both government and private sector in PRC. Mr. Du obtained a Doctor of Geotechnical Engineering degree from the China University of Mining and Technology in 2001. Mr. Du also is a senior engineer. Mr. Du was appointed as an executive Director on 19 June 2020.

Independent Non-executive Directors

Mr. Cheung Chuen, aged 52, is an independent non-executive Director of the Company since September 2004. He is a certified public accountant practicing in the United States of America and Hong Kong. Mr. Cheung graduated from Hong Kong Shue Yan University in 1999 majoring in accounting and obtained a master degree in professional accounting from the Hong Kong Polytechnic University in 2004. He is a member of the American Institute of Certified Public Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Cheung has over the years gained extensive experience in accounting and auditing. He has been appointed as an independent non-executive Director of the Company since 30 September 2004. Mr. Cheung currently is an executive director of China High Precision Automation Group Limited (stock code: 591), a listed company in Hong Kong. Mr. Cheung is also a member of each of the audit committee, remuneration committee and corporate governance committee of the Company.

Ms. Ng Ching Yee, aged 64, is an independent non-executive Director of the Company since February 2024. She is the Director and Deputy General Manager of the Sino United Publishing (Holdings) Limited since May 2009. She has over 48 years of experience in the publishing field. Ms. Ng graduated from the University of South Australia in Business Administration. She has been appointed as an independent non-executive Director of the Company on 1 February 2024. Ms. Ng is also a member of each of the audit committee and the nomination committee of the Company and the chairman of the corporate governance committee of the Company.

English name is for identification only

Independent Non-executive Directors (Continued)

Mr. Wang Haipeng, aged 55, is an independent non-executive Director of the Company since July 2025. He is chairman of Shantou Xinchuangneng Renewable Resources Co., Ltd* (汕頭市新創能再生資源有限公司) since January 2020. He has over 20 years of senior management experience in investment and business sector. Mr. Wang graduated for a two and half years study in Bachelor of Finance from Sun Yat-sen University of Business Finance (中山大學) in 2013. He has been appointed as an independent non-executive Director of the Company on 1 July 2025. Mr. Wang is also the chairman of each of the audit committee and the remuneration committee, a member of each of the corporate governance committee and the nomination committee of the Company.

SENIOR MANAGEMENT

Mr. Poon Yan Wai, aged 56, is the financial controller, company secretary and authorised representative of the Company since March 2011. Mr. Poon joined the Company in March 2011 and has over 20 years of experience in the auditing and accounting field. Mr. Poon is a Fellow Member of the Hong Kong Institute of Certified Public Accountants. He also holds a Bachelor's degree in Accountancy and Master's degree in Corporate Finance from the Hong Kong Polytechnic University.

* *English name is for identification only*

Corporate Governance Report

The Group is committed to statutory and regulatory corporate governance standards and adherence to the principles of corporate governance emphasising accountability, transparency, independence, fairness and responsibility.

The Group has complied with the code provisions in the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules throughout the Year, except the following deviation:

Code Provision C.2.1

Under the code provision C.2.1 of the CG Code states that the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. Being aware of the said deviation from code provision C.2.1, but in view of the current rapid development of the Group, the Board believes that with the support of the management, vesting the roles of both chairman and chief executive officer of the Company by Mr. Mao Yangguang can facilitate execution of the Group's business strategies and boost effectiveness of its operation. In addition, under the supervision by the Board which consists of three independent non-executive Directors, the interests of the shareholders will be adequately and fairly represented. The Company will seek to re-comply with code provision C.2.1 by identifying and appointing a suitable and qualified candidate to the position of the chief executive officer of the Company in future.

A. BOARD OF DIRECTORS

1. Composition of the Board of Directors

As at 30 June 2026, the Board consisted of two executive Directors and three independent non-executive Directors. Each of the Directors' respective biographical details are set out in the section headed "Biographical Information of Directors and Senior Management" of this annual report.

The composition of the Board is well balanced with each Director having sound knowledge, experience and/or expertise relevant to the business of the Group. To the best knowledge of the Company, save as disclosed in the section headed "Biographical Information of Directors and Senior Management" of this annual report, there is no financial, business, family or other material/relevant relationship among members of the Board (including the Chairman and the Chief Executive Officer).

2. Role and Functions of the Board of Directors

The Board is accountable to the shareholders for managing the Company in a responsible and effective manner. Also, the Board decides on overall strategies and monitors the Group's performance.

The Board is responsible for the oversight of the Company's business and affairs with the objective of enhancing shareholder value. The Board also makes decisions on matters such as approving the annual results and interim results, notifiable and connected transactions, appointment and re-appointment of Directors, declaring dividends and adopting accounting policies, etc. Details of the experience and qualifications of Directors are set out in the section headed "Biographical Information of Directors and Senior Management" of this annual report.

The Board delegates the authority and responsibility for implementing day-to-day operations, business strategies and management of the Group's businesses to the Executive Directors and the management. When the Board delegates aspects of its management and administration functions to the management, it has given clear directions as to the powers of the management, in particular, with respect to the circumstances where the management shall report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

3. Board Meetings and Board Practices

During the Year, the Board conducted 4 meetings and the Board will meet on other occasions when a board level decision on a particular matter is required. The attendance records of those meetings held are set out below:

Directors' Attendance at Board Meetings	No. of attendance
Executive Directors	
Mr. Mao Yangguang	4/4
Mr. Du Yun	4/4
Independent Non-executive Directors	
Mr. Cheung Chuen	4/4
Ms. Ng Ching Yee	4/4
Mr. Wang Haipeng *(appointed on 1 July 2025)*	4/4
Mr. Ling Aiwen *(resigned on 1 July 2025)*	0/0

The Directors will receive details of agenda items for decision and detailed documents in advance of each Board meeting. The Company Secretary is responsible for distributing detailed documents to Directors prior to the Board meetings to ensure that the Directors are able to make informed decisions regarding the matters discussed in the meetings. The Company Secretary is also responsible for ensuring the procedures of the Board meetings are observed and providing to the Board opinions on matters in relation to the compliance with the procedures of the Board meetings.

4. General Meetings

During the Year, the Company convened one general meeting which is the annual general meeting held on 3 December 2025.

Directors' Attendance at General Meetings	No. of attendance
Executive Directors	
Mr. Mao Yangguang	1/1
Mr. Du Yun	1/1
Independent Non-executive Directors	
Mr. Cheung Chuen	1/1
Ms. Ng Ching Yee	1/1
Mr. Wang Haipeng *(appointed on 1 July 2025)*	1/1
Mr. Ling Aiwen *(resigned on 1 July 2025)*	0/0

5. Directors' Training

According to the code provision C.1 of the CG Code, all Directors should participate in a programme of continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the board remains informed and relevant. The Company should be responsible for arranging and funding training, placing an appropriate emphasis on the roles, functions and duties of the Directors of the Company. The Company continuously updates the Directors on the latest development regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

During the Year, the Directors participated in the following continuous professional development:

Name of Directors	1.Board and Director Responsibilities	2.Compliance with Listing Rules and Hong Kong Laws	3.Corporate Governance and ESG	4.Risk Management and Internal Controls	5.Industry and Business Updates	Total Hours
Executive Directors						
Mr. Mao Yangguang	2*#	2*#	2*#	2*#	4*#^	12
Mr. Du Yun	2*#	2*#	2*#	2*#	4*#^	12
Independent Non-executive Directors						
Mr. Cheung Chuen	6*#	6*#	6*#	6*#	4*#^	28
Ms. Ng Ching Yee	2*#	2*#	2*#	2*#	4*#^	12
Mr. Wang Haipeng *(appointed on 1 July 2025)*	4*#	4*#	4*#	4*#	8*#^	24
Mr. Ling Aiwen *(resigned on 1 July 2025)*	N/A	N/A	N/A	N/A	N/A	N/A

* Internal Training
\# External Training
^ Self-study

Notes:

1. Professional training was arranged by the Company to update the Directors' knowledge. External Training has been provided by BMI Professional Training Centre Limited.

2. The Company received from each of the Directors the confirmations on taking continuous professional training.

3. Mr. Cheung Chuen had attending external training session provided by Loeb & Loeb LLP.

4. On 27 June 2025, Mr. Wang has (i) obtained legal advice from Mason Ching & Associates, a firm of solicitors qualified to advise on Hong Kong law, as regards the requirements under the Listing Rules that are applicable to him as a Director and the possible consequences of making a false declaration or giving false information to the Stock Exchange; and (ii) confirmed he understood his obligations as a Director.

   In compliance with Rule 3.09H, Mr. Wang Haipeng has completed the required continuous professional development under Rule 3.09H.

6. Chairman and Chief Executive Officer

CG Code provisions C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company does not segregate the roles of chairman and chief executive officer and Mr. Mao Yangguang held both of the chairman and chief executive officer positions, as explained in the paragraph headed "Code Provision C.2.1" above in the Corporate Governance Report.

7. Independent Non-executive Directors

On 1 July 2025, Mr. Wang Haipeng confirmed that he meets all independence criteria as set out in Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules"). Mr. Wang declared that he does not have any relationship with any Director, senior management or substantial or controlling shareholder (as defined in the Listing Rules) of the Company, nor does he have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

In compliance with Rule 3.10(1) of the Listing Rules, there are three independent non-executive Directors representing more than one third of the Board. Among the three independent non-executive Directors, one of them has appropriate professional qualifications in accounting or relevant financial management expertise as required by Rule 3.10(2) of the Listing Rules.

The independent non-executive Directors bring independent judgment on issues of strategy, performance and risk. The Company has received from each of the independent non-executive Directors written confirmations of their independence pursuant to Rule 3.13 of the Listing Rules. Based upon the said confirmations, the Board considers that all the independent non-executive Directors are independent.

The independent non-executive Directors were appointed for a specific term of service. Mr. Cheung Chuen, Ms. Ng Ching Yee and Mr. Wang Haipeng were appointed as independent non-executive Directors on 30 September 2004, 1 February 2024 and 1 July 2025, their appointment letters have been signed with the Company for a term of one year commencing from 1 January 2026, 1 February 2026 and 1 July 2026, respectively. According to their terms of service, Mr. Cheung Chuen, Ms. Ng Ching Yee and Mr. Wang Haipeng are subject to retirement by rotation and offer themselves for re-election in accordance with the articles of association of the Company.

8. Appointment, Re-election and Removal of Directors

According to the articles of association of the Company, one-third of the Directors are required to retire from office at each annual general meeting, provided that every Director shall be subject to retirement by rotation at least once in every three years.

According to the articles of association of the Company, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board under this Article shall hold office only until the first annual general meeting of the Company after his/her appointment, and shall then be eligible for re-election at such meeting.

B. BOARD COMMITTEES

1. Remuneration Committee

The Company established a remuneration committee (the "Remuneration Committee") in November 2005 with written terms of reference revised to be substantially the same as the provisions as set out in the CG Code. The Remuneration Committee is responsible for advising the Board on the remuneration policy and framework of the Directors and senior management; reviewing and having delegated responsibility to determine the remuneration packages of individual executive directors and senior management, including benefits in kinds, pension rights and compensation payments, with reference to the Company's objectives from time to time; and to review and/or approve matters relating to the share schemes under Chapter 17 of the Listing Rules.

As at 30 June 2026, the Remuneration Committee consisted of three members, comprising one executive Director, Mr. Mao Yangguang, and two independent non-executive Directors, Mr. Wang Haipeng and Mr. Cheung Chuen. Mr. Wang Haipeng is the chairman of the Remuneration Committee. During the Year, two meetings were held to review the remuneration packages of the Board and the senior management. The attendance record of the Remuneration Committee meeting held is set out below:

Directors' Attendance at Remuneration Committee Meeting	**No. of attendance**
Mr. Wang Haipeng *(Chairman of the Remuneration Committee, appointed on 1 July 2025)*	2/2
Mr. Cheung Chuen	2/2
Mr. Mao Yangguang	2/2
Mr. Ling Aiwen *(Chairman of the Remuneration Committee, resigned on 1 July 2025)*	0/0

Remuneration of Directors and Senior Management

The emoluments of the members of the senior management by band for the year ended 30 June 2026 are set out below:

	Number of members	
	2026	2025
Emolument bands		
Nil to HK$1,000,000	**–**	–
HK$1,000,001 to HK$1,500,000	**1**	1

Further particulars regarding Directors' emoluments and the five highest paid individuals as required to be disclosed pursuant to Appendix D2 to the Listing Rules are set out in notes 8 and 9 to the financial statements.

2. Audit Committee

The Company established an audit committee (the "Audit Committee") in May 2001 with written terms of reference revised to be substantially the same as the provisions as set out in the CG Code. The Audit Committee acts as an important link between the Board and the Company's auditor in matters within the scope of the Group's audit. The duties of the Audit Committee are to review and discuss on the effectiveness of the external audit and risk evaluation of the Company, as well as the Company's annual report and accounts, interim reports and to provide advice and comments to the Board. The Audit Committee is also responsible for reviewing and supervising the Group's financial reporting, risk management and internal control systems. The Audit Committee has reviewed the annual results of the Group for the Year.

As at 30 June 2026, the Audit Committee consisted of three members and they are all the independent non-executive Directors, namely Mr. Cheung Chuen, Ms. Ng Ching Yee and Mr. Wang Haipeng. Mr. Wang Haipeng is the chairman of the Audit Committee. During the Year, two meetings were held to review the consolidated financial statements for the year ended 30 June 2025 and the unaudited condensed consolidated interim financial statements for the six months ended 31 December 2025 with the recommendations to the Board for approval; and to review the accounting principals and policies adopted by the Group and its system of risk management and internal control systems. The attendance records of the Audit Committee meetings held are set out below:

Directors' Attendance at Audit Committee Meetings	**No. of attendance**
Mr. Wang Haipeng *(Chairman of the Audit Committee, appointed on 1 July 2025)*	2/2
Mr. Cheung Chuen	2/2
Ms. Ng Ching Yee	2/2
Mr. Ling Aiwen *(resigned on 1 July 2025)*	0/0

3. Nomination Committee

The Company established a nomination committee (the "Nomination Committee") on 26 March 2012 with written terms of reference revised to be substantially the same as the provisions as set out in the CG Code. The Nomination Committee is responsible for electing and recommending candidates for directorship, based on assessment of their professional qualifications and experience and is also responsible for assessing the independence of each Independent non-executive Director.

The Directors are evaluated based on professional qualifications, relevant work experience, existing directorships on Main Board and GEM, and their ability to commit time to Board responsibilities. The Nomination Committee assesses each Director's effectiveness, integrity and independence, considering their contribution to Board discussions and decisions. This ongoing evaluation process ensures that the Board is composed of qualified individuals capable of fulfilling their responsibilities and driving the Company's success.

As at 30 June 2026, the Nomination Committee consisted of three members, comprising one executive Director, Mr. Mao Yangguang, and two independent non-executive Directors, Ms. Ng Ching Yee and Mr. Wang Haipeng. Mr. Mao Yangguang is the chairman of the Nomination Committee. During the Year, the Nomination Committee conducted two meetings to assess the independence of the Independent Non-executive Director. The attendance record of the Nomination Committee meeting held is set out below:

Directors' Attendance at Nomination Committee Meeting	**No. of attendance**
Mr. Mao Yangguang *(Chairman of the Nomination Committee)*	2/2
Ms. Ng Ching Yee	2/2
Mr. Wang Haipeng *(appointed on 1 July 2025)*	2/2
Mr. Ling Aiwen *(resigned on 1 July 2025)*	0/0

Nomination Policy

The Board has adopted the nomination policy (the "Nomination Policy") on 26 September 2018 which sets out the nomination criteria and procedures for the Company to select candidate(s) for possible inclusion in the Board. The Nomination Policy could assist the Company to achieve board diversity in the Company and enhance the effectiveness of the Board and its corporate governance standard.

When assessing the suitability of a candidate, factors such as the qualifications, skills, experience and gender diversity will be taken into consideration as a whole. In the case of independent non-executive Directors, they must further satisfy the independence criteria set out within Rule 3.13 of the Listing Rules. Since the selection of candidates should ensure that diversity remains a central feature of the Board, a range of diverse perspectives, including but not limited to gender, age, cultural and educational background, or professional experience would be considered.

The process to identify potential candidates for the Board would be as follows:

(1) identifying potential candidates, including recommendations from the Board members, professional search firms and the shareholders of the Company;

(2) evaluating the candidates based on the approved selection criteria through methods such as reviewing the resume and conducting the background checks;

(3) reviewing the profiles of the shortlisted candidates and interviewing them; and

(4) making recommendations to the Board on the selected candidates.

The Nomination Policy also includes the Board succession plan to assess whether vacancies on the Board would be created or expected due to the Directors' resignation, retirement, death and other circumstances and to identify candidates in advance if necessary. The Nomination Policy will be reviewed on a regular basis.

C. COMPANY SECRETARY

Mr. Poon Yan Wai was appointed as the financial controller, company secretary and authorised representative of the Company. The biographical information of Mr. Poon is set out on page 11 under the section headed "Biographical Information of Directors and Senior Management". According to Rule 3.29 of the Listing Rules, Mr. Poon took no less than 15 hours of relevant professional training.

D. SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code of Securities Transaction by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors.

Having made specific enquiries of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the Year.

E. RISK MANAGEMENT AND INTERNAL CONTROL

The Board has reviewed the effectiveness of the risk management and internal control systems of the Company and its subsidiaries at least annually during the Year, in accordance with Code Provision D.2.1 of the Corporate Governance Code. Furthermore, the internal policies and procedures in areas such as corporate operations, finance, and risk monitoring have been improved based on this standardized framework, with the following details disclosed:

Maintaining a sound risk management and internal control systems is vital to the fulfillment of the Group's business objectives as well as its long-term sustainable growth. The Board acknowledges its overall responsibility in evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives set out in Principle D.2 of the Corporate Governance Code, and ensures that the Group has established and maintained an appropriate and effective risk management and internal control systems. The Audit Committee will review and control significant risks.

The Company's management encourages increasing the awareness on risk and control throughout the Group, and sets up the objectives, performance targets and policies for managing the key risks, including strategic planning, business operations, legal and regulatory compliance, expenditure control, environment, health and safety. The Group has a well-established organizational structure with defined levels of responsibility and authority and reporting procedures. The Group adopts a control and risk self-assessment methodology and continuously assesses and manages its risk profile on a regular basis. The Group identifies, assesses and ranks the risks according to their likelihood, financial consequence and reputational impact on the Group, so as to ascertain relevant risks that need priority control. Staff accountable for risks are required to submit risk alerts with risk mitigation plan promptly and regular risk reports are presented to the management, the Board and the Audit Committee for on-going review and monitoring.

The executive Directors review operational and financial reports and key operating statistics and hold regular meetings with division managers to review the implementation of the Group's risk management and internal control.

Budgets are prepared annually by the management and are subject to review and approval firstly by chief executive officer and then by the Board. Amendments to the operating results budget of each year are prepared on a quarterly basis, and submit for executive Directors' approval after comparing with its original budgets.

The Group has established guidelines and procedures for expenditure approval and control. Operating expenditure is subject to overall budget control, with the approval levels being set by reference to the level of authority of each executive and officer. Capital expenditure is also subject to overall control within the approved budget of individual projects with more specific control and approval being required for overspending, non-budgeted expenditure and significant expenditure within the approved budget. Monthly reports of actual versus budgeted and approved expenditure are also reviewed by the management.

The Group has established effective guidelines, procedures and internal control systems for the identification, capture and reporting of operational, financial and compliance-related information to ensure all the employees to carry out their designed responsibilities.

Any material internal issues identified are timely communicated and evaluated for their potential impacts. The corrective measures should obtain proper approval from management before implementation. The implementation steps should be monitored by both management and internal audit department to ensure these issues are properly recorded and resolved.

The Company has also established policies and procedures for the handling and dissemination of inside information. It is the responsibility of all Directors and employees who have access to and in control of the Group's information to provide adequate safeguard to prevent any abuse or misuse of those information. The information to be disclosed should be properly reviewed and approved by proper management to ensure its appropriateness and accuracy, and be closely monitored before and after disclosure. The Group strictly prohibits the use of insider information to secure personal advantage.

(i) The Company has conducted risk assessments (including environmental, social, and governance risks); and (ii) There were no significant changes to the risk management and internal control systems during the Year. The Company continuously enhances its risk management and internal control framework and capabilities, and integrates them into daily operations to support long-term business growth and sustainable development.

The Board's conclusion on the appropriateness and effectiveness of the risk management and internal control systems is supported and corroborated by multiple sources, including: confirmation from management through periodic assessments and assurances to the Board regarding the operation of internal controls; confirmation from the relevant Board committee responsible for risk management and internal controls (i.e., the Audit Committee) regarding the effectiveness of its supervisory functions; and confirmation from the independent advisor on the effectiveness of its functions, further corroborating the effectiveness of internal controls over financial reporting.

During the Year, the Board, through the Audit Committee, assessed the effectiveness of the Company's risk management and internal control systems. The scope of the review included financial, operational, and compliance controls; information disclosure procedures and internal controls; and the adequacy of resources and staff training. After a detailed review, no material control failures or weaknesses (including previously reported but unresolved issues) were identified during the Year Accordingly, no remedial actions are currently required or planned. The Board and Audit Committee have reviewed the internal control report issued by the independent advisor. The review results indicate that, for the year ended 30 June 2026, the risk management and internal control systems of the Company are effective and adequate, with no issues requiring significant attention in financial, operational, or compliance controls. The Board conducts such a review annually.

There are inherent limitations in any internal control systems and accordingly the Group's internal control systems are established to provide reasonable (but not absolute) assurance against any material misstatement or losses.

F. ACCOUNTABILITY AND AUDIT

1. Directors' and Auditor's Responsibility for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements. The Group's consolidated financial statements are prepared in accordance with all relevant statutory requirements and applicable accounting standards. The Directors are responsible for ensuring that appropriate accounting policies have been adopted and applied consistently, and that judgments and estimates made are prudent and reasonable.

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group. Having made appropriate enquiries, the Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the consolidated financial statements.

The reporting responsibilities of external auditor of the Company are disclosed in "Independent Auditor's Report".

2. Auditor's Remuneration

During the Year, the remuneration paid/payable to the Company's auditor, Ernst & Young, is set out as follows:

Nature of Services	**Fee paid/payable** HK$'000
Audit services	1,970
Non-audit services	
– Agreed-upon procedures on 2026 interim results	150
– Report on the 2025 Guaranteed Net Profit	–*
– Agreed-upon procedures on the preliminary announcement of 2026 final results	–*

Note: The fee is incorporated in the fee for audit services.

G. BOARD DIVERSITY POLICY

The Nomination Committee adopted a board diversity policy on 30 August 2013. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background and professional experience. Appointments will be based on merit, measured against objective criteria, and the skills and experience that the selected candidates will bring to the Board.

In respect of the gender diversity of the Board, as at the date of the Annual Report, 4 Directors are male and 1 Director is female. The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance, and sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. It is expected that the ratio of female Directors will reach not less than 20% in the following years. The Company will achieve this goal through active nomination of suitable candidates without gender limitation to the newly appointed Directors in the next few years.

Work Force Diversity Policy

Moreover, the current gender ratio of the senior management is 1 male per 0 female and the current gender ratio of the company workforce (excluding senior management) is 100 males per 59 females, compared with 100 males per 54 females of last year. The Company has already achieved gender diversity and will continue focusing on the area because workforce gender diversity is associated with resources that can provide a sustained competitive advantage to the Company, which includes market insight, creativity and innovation, and improved problem-solving ability. Men's and women's different experiences may provide insights into the different needs of male and female customers. Further, men and women may have different cognitive abilities, such as men's proficiency in mathematics and women's proficiency in verbal and interpersonal skills. Therefore, a mix of cognitive abilities in a gender diverse team may enhance the team's overall creativity and innovation as proved by research. Moreover, a gender diverse team produces high quality decisions. Although there may be some mitigating circumstances where gender diversity can be very hard to achieve (for instance, male workers are more commonly seen regarding physical labor and female workers are more often seen during psychological consultation), the Company will keep focusing on the workforce gender diversity to maintain its current strength as well as to further improve its competitivity in the future.

The following table further illustrates the diversity of the Board members as of the date of this report:

Name of Directors	Account and Finance Industry	Corporate Governance Industry	Business Development; Business Consultation and Advisory; Business Management
Executive Directors			
Mr. Mao Yangguang			✓
Mr. Du Yun			✓
Independent Non-executive Directors			
Mr. Cheung Chuen	✓		
Ms. Ng Ching Yee		✓	
Mr. Wang Haipeng *(appointed on 1 July 2025)*	✓		
Mr. Ling Aiwen *(resigned on 1 July 2025)*			✓

Board Skills Matrix

The Board believes that having Directors with a broad and balanced mix of skills and expertise is crucial to supporting the Group's strategic, direction, governance and business needs. To ensure that the Board remains equipped with relevant skills and expertise, the Nomination Committee conducted a review and satisfied with the Board skills for the year ended 30 June 2026 with details appended below:

Director's skills Area	Relevance to the Company	Expertise coverage (% of entire Board of 5 Directors)
Strategy and Leadership	Having ability to identify and set strategic opportunities, direction, providing effective oversight of management, and to achieve long-term sustainable growth of the corporate objective	100
Industry knowledge and experience	Making informed decisions, understanding of the Company's daily operations and marking development and competition as well as technology and innovation	100
Financial literacy/business acumen	Having ability to read and comprehend corporate accounts, financial reporting requirements	80
Risk management and compliance	Safeguarding the Company, having ability and experience in implementing, managing or overseeing risk management and internal control systems for legal and regulatory compliance	100
Chinese Mainland exposure	Navigating the Chinese Mainland regulatory environment, assessing market opportunities and risks and supporting the corporate's strategic development	100

The Board demonstrates strong capabilities across the above skill keys areas and it is considered that the existing combination of skills, experience and diversity of the Directors are adequate and aligns with the strategy and corporate culture of the Company.

Mechanisms To Ensure Independent Views

The Company makes certain that the Board has access to independent views and input through the mechanisms listed below:

1. The Nomination Committee should review the Board composition and the independence of the independent non-executive Directors annually, in particular the portion of the independent non-executive Directors and the independence of the independent non-executive Director who has served for more than nine years.

2. A written confirmation was received by the Company under Rule 3.13 of the Listing Rules from each of the independent non-executive Directors in relation to his/her independence to the Company. The Company considers all its independent non-executive Directors to be independent.

3. In view of good corporate governance practices and to avoid conflict of interests, the Directors who are also Directors and/or senior management of the Company's controlling shareholders and/or certain subsidiaries of the controlling shareholders, would abstain from voting in the relevant Board resolutions on the transactions with the controlling shareholders and/or its associates.

4. The chairman of the Board shall meet with independent non-executive Directors at least once annually.

5. All members of the Board can seek independent professional advice when necessary to perform their responsibilities in accordance with the Company's policy. The mechanisms to ensure independent views are reviewed by the Nomination Committee for ensuring independent views and input are available to the Board on an annual basis, whether in terms of proportion, recruitment and independence of independent non-executive Directors, or their contribution and access to external independent professional advice.

Board Performance Review

The Company has implemented regular evaluation of the performance and effectiveness of the Board once every two years in the form of a questionnaire to all Directors individually. Each Director is invited to provide his/her views on the performance of the Board and any suggestions for improving the board process. The results of the evaluation are reviewed by the Nomination Committee and submitted to the Board.

A board performance review has been conducted for the year ended 30 June 2026. Based on the evaluation conducted, the Directors were satisfied with the performance of the Board and considered the Board continued to operate effectively.

Corporate Governance Committee

The Company established a corporate governance committee (the "Corporate Governance Committee") on 26 March 2012 with written terms of reference to be substantially the same as the provisions as set out in the CG Code. The Corporate Governance Committee is responsible for developing and reviewing the Company's policies and practices on corporate governance.

As at 30 June 2026, the Corporate Governance Committee consisted of three members and they are all the independent non-executive Directors, namely Mr. Cheung Chuen, Ms. Ng Ching Yee and Mr. Wang Haipeng. Ms. Ng Ching Yee is the chairman of the Corporate Governance Committee. During the Year, two meetings were held by the Corporate Governance Committee to review the corporate matters of the Company that the Company had complied with the principles and applicable code provision of the CG Code and was not aware of any non-compliance to relevant legal and regulatory requirements. The attendance records of the Corporate Governance Committee meetings held are set out below:

Directors' Attendance at Corporate Governance Committee Meetings	**No. of attendance**
Ms. Ng Ching Yee *(Chairman of the Corporate Governance Committee)*	2/2
Mr. Cheung Chuen	2/2
Mr. Wang Haipeng *(appointed on 1 July 2025)*	2/2
Mr. Ling Aiwen *(resigned on 1 July 2025)*	0/0

H. SHAREHOLDERS' RIGHTS

Convening an extraordinary general meeting

Pursuant to article 58 of the articles of association of the Company, any one or more members of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Putting enquiries to the Board

To ensure effective communication between the Board and the Shareholders, the Company has adopted a shareholders' communication policy (the "Policy") on 26 March 2012. Under the Policy, the Company's information shall be communicated to the Shareholders mainly through general meetings, including annual general meetings, the Company's financial reports (interim reports and annual reports), and its corporate communications and other corporate publications on the Company's website and the Stock Exchange's website.

Shareholders may at any time make a request for the Company's information to the extent such information is publicly available. Any such questions shall be first directed to the Company Secretary at the Company's head office and principal place of business in Hong Kong at Units 314-315, Wing On Plaza, 62 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong or the Company's Hong Kong branch registrar and transfer office, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Putting forward proposals at shareholders' meeting

The number of shareholders necessary for a requisition for putting forward a proposal at a shareholders' meeting shall be any number of shareholders representing not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings at the date of the requisition.

A copy or copies of requisition signed by all requisitionists shall be deposited, with a sum reasonably sufficient to meet the Company's expenses in giving notice of the proposed resolution or circulating any necessary statement, at the Company's head office and principal place of business in Hong Kong in the case of:

(i) a requisition requiring notice of a resolution, not less than six weeks before the meeting; and

(ii) any other requisition, not less than one week before the meeting.

The Company will verify the requisition and upon confirming that the requisition is proper and in order, the Board will proceed with necessary procedures.

I. CONSTITUTIONAL DOCUMENTS

During the Year, the Company has amended its Memorandum and Articles of Association (the "M&A") to (i) reflect and align with the latest regulatory requirements, including the relevant requirements of the Listing Rules in connection with hybrid meetings and electronic voting requirements, treasury shares and the electronic dissemination of corporate communications by listed issuers; (ii) modernise and provide flexibility to the Company in relation to the conduct of general meetings; and (iii) make certain other housekeeping changes.

The Board has also adopted the third amended and restated M&A incorporating and consolidating all the amendments. Details of the amendments were set out in the Company's circular to Shareholders dated 28 October 2025. A copy of the latest version of the M&A is available on the websites of the Company and the Stock Exchange.

J. INVESTORS AND SHAREHOLDERS RELATIONS

The Company recognises the importance of providing current and relevant information to its shareholders (the "Shareholders"). This shareholders' communication policy (the "Policy") aims to set out the provisions with the objective to ensure that the Shareholders and potential investors are provided with equal and timely access to balanced and understandable information about the Company, in order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders and potential investors to engage actively with the Company.

Shareholders' communication policy

The board of directors of the Company (the "Board") shall maintain an on-going dialogue with Shareholders and will regularly review the Policy to ensure its effectiveness.

Information is communicated to the Shareholders as well as the stakeholders through periodic disclosure through the Company's financial reports (interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the disclosures submitted to The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and other corporate publications on the Stock Exchange's website and corporate communications on the Stock Exchange website (www.hkex.com.hk) and the Company's website (http://kingwell.todayir.com).

Effective and timely dissemination of information to Shareholders shall be ensured at all times. Any questions, requests and comments can be addressed to the Company by mail to Units 314-315, Wing On Plaza, 62 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong or by email to 1195@kingwellgroup.com.hk or through the Company's share registrar.

The Company believes that communication with Shareholders by electronic means, particularly through its website, is an efficient way to distribute information in a timely and convenient manner. Shareholders are encouraged to access to the corporate communications posted on the Company's website to help reduce the quantity of printed copies and hence reduce the impact on the environment.

The Company's website will be updated with material posted to the Stock Exchange website immediately thereafter. Such material includes but not limited to financial statements, results announcements, circulars and notices of general meetings and associated explanatory documents.

Shareholders may at any time make a request for the Company's information to the extent such information is publicly available.

Shareholders shall be provided with designated contacts, email addresses and enquiry lines of the Company in order to enable them to make any query in respect of the Company.

The Company has reviewed the shareholders' communication policy conducted for the year ended 30 June 2026 and considered that the shareholders' communication policy has been well implemented and effective.

The Board is directly accountable to, and gives high priority to communicating with, shareholders. Information about the Company and its activities is provided to shareholders in its Interim Reports and the Annual Report as well as on the Company's website.

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. The Company held 1 general meeting during the Year. The Board seeks to understand investor needs through ongoing dialogue between members of the Board and investors throughout the Year on a quarterly basis, and Committee Chairs and senior management seek to engage with major shareholders quarterly during the Year on matters within their area of responsibility, where practicable and appropriate.

Our shareholder communications policy summarises how we communicate with our shareholders, including through financial reporting, general shareholder meetings, investor and analyst meetings and Company's website. The policy is reviewed annually, and in the Year the Board confirmed that it was satisfied with its implementation and effectiveness.

We also publish our current and past financial results and shareholder information such as dividend payments and shareholder meeting details.

Directors are encouraged to develop an understanding of the views of shareholders. Enquiries from individuals on matters relating to their shareholdings and Company's business are welcomed. Any individual or institutional investor can make an enquiry by contacting the investor relations team, Chairman and Company Secretary. Our Independent non-executive Directors are also available to shareholders if they have concerns that cannot be resolved or for which the normal channels would not be appropriate. They can be contacted via the Company Secretary.

K. DIVIDEND POLICY

The Board has adopted the dividend policy (the "Dividend Policy") on 26 September 2018 which sets out the appropriate procedure on declaring and recommending the dividend payment of the Company. The Company takes priority to distributing dividends in cash and shares its profits with the shareholders of the Company. The dividend distribution decision of the Company will depend on, among others, the financial results, the current and future operations, liquidity and capital requirements, financial condition and other factors as the Board may deem relevant. The Board may also declare special dividends from time to time. The Dividend Policy will be reviewed on a regular basis. The Board makes all dividend decisions in accordance with those principles in the Company's dividend policy.

Share Information

Company's shares are listed on the Stock Exchange. As at 30 June 2026, the number of issued shares 2,894,091,737 shares. The Company has only one class of share, where all the shares (100%) rank equally in all respects, including in relation to dividends, distributions and voting.

Share Ownership Composition

Throughout the year ended 30 June 2026, the Company was in compliance with the minimum public float requirement under Listing Rules by maintaining its public float at the level of at least 25% of its total issued shares. As at 30 June 2026, Company's public float was 71.03% of its total issued shares.

Shareholding Ownership as at 30 June 2026[1]

Name/category of Shareholders	Number of shares held	% of shares in issue[2]
(a) Shareholders who are not members of "the public" under the Listing Rules		
Union Day Group Limited[3]	838,327,869	28.97
(b) Shareholders who are members of "the public" under the Listing Rules		
Others	2,055,763,868	71.03
	2,894,091,737	**100.00**

1 This table is compiled based on the information disclosed in the Disclosure of Interests notices (DI notices) filed under Part XV of the SFO and other relevant information received by the Company up to the date of this Annual Report and on the assumption that all such information disclosed in the DI notice or received by the Company is accurate and complete.

2 Percentage may not add up to the total due to rounding.

3 838,327,869 shares are held by Union Day Group Limited (a company incorporated in the British Virgin Islands with limited liability) which is 40%, 30% and 30% beneficially held Mr. Du Yun, Mr. Wong Man Fai and Ms. Chan Ying Tsz respectively. Mr. Du Yun is as a Director of the Company.

Report of the Directors

The Directors submit herewith this annual report together with the audited consolidated financial statements for the Year.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and other particulars of the subsidiaries are set out in note 1 to the financial statements.

The analysis of the principal activities and geographical locations of the operations of the Group during the Year are set out in note 4 to the financial statements.

BUSINESS REVIEW

The business review of the Group for the Year is set out in the sections of Chairman's Statement, Management Discussion and Analysis, Environmental, Social and Governance ("ESG") Report, Five Year Financial Summary and the paragraphs below.

Details of the Group's ESG progress and performance in 2026 are disclosed in the 2026 ESG Report.

The Group complies with the requirements under the Companies Ordinance, the Listing Rules and the Securities and Futures Ordinance (the "SFO") for the disclosure of information and corporate governance. The Group also complies with the requirements of Employment Ordinance and ordinances relating to occupational safety for the interest of employees of the Group. Save as disclosed under the section headed "Management Discussion and Analysis" above, no important event affecting the Group has occurred since the end of the Year.

Key Risk Factors

The following lists out the key risks and uncertainties facing the Group.

Impact of Local and International Regulations

The business operation of the Group is also subject to government policy, relevant regulations and guidelines established by the regulatory authorities. Failure to comply with the rules and requirements may lead to penalties, amendments or suspension of the business operation by the authorities. The Group closely monitors changes in government policies, regulations and markets as well as conducting studies to assess the impact of such changes.

Third-Party Risks

The Group has been relying on third-party service providers in parts of business to improve performance and efficiency of the Group. While gaining the benefits from external service providers, the management realizes that such operational dependency may pose a threat of vulnerability to unexpected poor or lapses in service including reputation damage, business disruption and monetary losses. To address such uncertainties, the Group engages only reputed third-party providers and closely monitors their performance.

Key Relationships with Employees, Customers and Suppliers

The Group recognizes the accomplishment of the employees by providing comprehensive benefit package, career development opportunities and internal training appropriate to individual needs. The Group provides a healthy and safe workplace for all employees. No strikes and cases of fatality due to workplace accidents are found in the Year.

Our largest customer was the property developer of the Yueqiao Flower Garden in Xuzhou. Except the daily property management services, the Group had provided the tailor made services to our largest customer in Xuzhou. All the major customers were the independent third parties of the Group, in which, the largest customer had the business relationship with the Group for over seven years.

For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of management. Details of the trade receivables of the Group as at 30 June 2026 are set out in note 18 to the financial statements.

It may cause financial loss to the Group due to failure to discharge an obligation by the counterparties. In order to mitigate such risk, the Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

The Group will take care of customers' need and provide after sales services such as assisting them to get property owner title deed, providing repair and maintenance services and decoration advice services.

The Group values the views and opinions of all customers through various means and channels, including the usage of business intelligence to understand customer trends and needs and regular analyse on customer feedback. The Group also conducts comprehensive tests and checks to ensure that only superior quality property and services are offered to customers.

Our major suppliers were services providers for our management services business and had business relationship with the Group for 2 years or less. All the major suppliers were independent third parties of the Group. The credit terms granted by the major suppliers were determined according to contract terms. For the details of trade payables, please refer to note 21 to the financial statements.

The Group encompasses working relationships with suppliers to meet our customers' needs in an effective and efficient manner. The departments work closely to make sure the tendering and procurement process is conducted in an open, fair and just manner. The Group's requirements and standards are also well-communicated to suppliers before the commencement of a project.

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the Year is as follows:

	Percentage of the Group's total	
	Sales	**Purchases**
The largest customer	3%	
Five largest customers in aggregate	4%	
The largest supplier		10%
Five largest suppliers in aggregate		27%

At no time during the Year have the Directors, their close associates or any shareholders of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

FINANCIAL STATEMENTS

The loss of the Group for the Year and the financial position of the Group as at 30 June 2026 are set out in the financial statements on pages 47 to 50.

DIVIDENDS

The Board does not recommend the payment of a final dividend for the Year (2025: Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from 4 December 2026 to 10 December 2026, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending the forthcoming annual general meeting, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on 3 December 2026.

SHARE CAPITAL

Details of the issued share capital of the Company during the Year are set out in note 25 to the financial statements.

RESERVES

Details of movements in the reserves of the Group during the Year are set out in the consolidated statement of changes in equity and in note 26 to the financial statements.

DISTRIBUTABLE RESERVES

Details of the movements in reserves of the Company during the Year are set out in note 33 to the financial statements.

As at 30 June 2026, the Company had no reserves available for cash distribution. In accordance with the Companies Law (Revised) of the Cayman Islands and the Company's articles of association, the contributed surplus of the Company is available for distribution or payment of dividends to shareholders provided that the Company is able to pay off its debts as and when they fall due. The Company's share premium account, with a balance of RMB678,834,000 as at 30 June 2026, may be distributed in the form of fully paid bonus shares.

SUBSIDIARIES

Particulars of the Company's subsidiaries as at 30 June 2026 are set out in note 1 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the Year are set out in note 12 to the financial statements.

BORROWING FACILITIES

No borrowing facilities was granted to the Group as at 30 June 2026 (2025: Nil).

CHARITABLE DONATIONS

No charitable donation was made by the Group during the Year (2025: Nil).

EQUITY-LINKED AGREEMENT

Other than the share option scheme as disclosed below, no equity-linked agreement were entered into by the Company during the Year or subsisting at the end of the Year.

SHARE OPTION SCHEME (2003)

At the extraordinary general meeting of the Company held on 9 January 2003, an ordinary resolution was passed to adopt a share option scheme (the "2003 Share Option Scheme").

Summary of the 2003 Share Option Scheme

(A) Purpose of the 2003 Share Option Scheme

The purpose of the 2003 Share Option Scheme is to provide incentives and rewards to eligible participants (as defined hereinafter) who contribute to the success of the Group.

(B) Participants of the 2003 Share Option Scheme

Pursuant to the 2003 Share Option Scheme, the Board may offer eligible participants (being employees (whether full time or part time) or executives or officers of the Company or any of its subsidiaries (including executive and non-executive Directors of the Company or any of its subsidiaries) and business consultants, agents, legal or financial advisers who the Board considers, in its sole discretion, will contribute or have contributed to the Company or any of its subsidiaries) ("Eligible Participants") options to subscribe for such number of shares in the Company.

(C) Total number of shares available for issue under the 2003 Share Option Scheme

The total number of shares which may be issued upon exercise of all options to be granted under the 2003 Share Option Scheme will be 40,262,500 shares, representing 10% of the shares in issue as at the adoption date on 9 January 2003. On 23 December 2005 and 22 December 2006, an ordinary resolution was passed at each of that annual general meeting to refresh the number of shares available for issue up to 10% of the shares in issue as at the resolution date, representing 46,762,500 and 55,316,900 shares respectively. The maximum number of shares to be issued upon the exercise of all outstanding options granted and yet to be exercised under the 2003 Share Option Scheme must not in aggregate exceed 30% of the relevant shares of the Company in issue from time to time. As at the date of this annual report, there are no outstanding share options and no securities are available for issue under the 2003 Share Option Scheme.

(D) Maximum entitlement of each participant

The maximum number of shares in respect of which options may be granted to any individual in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at any point of time. Any further grant of options in excess of this 1% limit shall be subject to the issue of a circular by the Company and the approval of the shareholders in general meeting.

(E) Option period

Option may be exercised after it has vested at any time during the year to be notified by the Board at the time of the grant of the option but shall be in any event not later than 10 years from the offer date, subject to the provisions for early termination of the 2003 Share Option Scheme.

No vesting period is specified under the 2003 Share Option Scheme.

(F) Payment on acceptance of option

Options granted must be taken up within 21 days from the offer date, upon payment of HK$1.00 per grant.

(G) Basis of determining the subscription price

The subscription price per share under the 2003 Share Option Scheme is determined by the Board, save that such price must not be less than the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of offer to grant option, which must be a business day; (b) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the date of offer to grant option; and (c) the nominal value of the share of the Company.

(H) Remaining life of the 2003 Share Option Scheme

The 2003 Share Option Scheme was terminated following the adoption of a new share option scheme on 11 February 2010.

SHARE OPTION SCHEME (2010)

At the extraordinary general meeting of the Company held on 11 February 2010, an ordinary resolution was passed to adopt a share option scheme (the "2010 Share Option Scheme").

Summary of the 2010 Share Option Scheme

(A) Purpose of the 2010 Share Option Scheme

The purpose of the 2010 Share Option Scheme is to provide incentives and rewards to Eligible Participants (as defined hereinafter) who contribute to the success of the Group.

(B) Participants of the 2010 Share Option Scheme

Pursuant to the 2010 Share Option Scheme, the Board may offer eligible participants (being employees (whether full time or part time) or executives or officers of the Company or any of its subsidiaries (including executive and non-executive Directors of the Company or any of its subsidiaries) and business consultants, agents, legal or financial advisers who the Board considers, in its sole discretion, will contribute or have contributed to the Company or any of its subsidiaries) ("Eligible Participants") options to subscribe for such number of shares in the Company.

(C) Total number of shares available for issue under the 2010 Share Option Scheme

The initial total number of shares which may be issued upon exercise of all options to be granted under the 2010 Share Option Scheme will be 95,024,050 shares, representing 10% of the shares in issue as at the date of the 2010 extraordinary general meeting. On 24 May 2010, 7 December 2010, 20 December 2013, 12 December 2014, and 18 December 2015 an ordinary resolution was passed at each of the extraordinary general meeting or annual general meeting to refresh the number of shares available for issue up to 10% of the shares in issue as at the resolution date, representing 106,203,250, 151,234,450, 218,844,789, 239,868,256 and 288,409,173 shares respectively. The maximum number of shares to be issued upon the exercise of all outstanding options granted and yet to be exercised under the 2010 Share Option Scheme must not in aggregate exceed 30% of the relevant shares of the Company in issue from time to time. As at the date of this annual report, there are no outstanding options and no securities are available for issue under 2010 Share Option Scheme.

(D) Maximum entitlement of each participant

The maximum number of shares in respect of which options may be granted to any individual in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at any point of time. Any further grant of options in excess of this 1% limit shall be subject to the issue of a circular by the Company and the approval of the shareholders in general meeting.

(E) Option period

An option may be exercised after it has vested at any time during the year to be notified by the Board at the time of the grant of the option but shall be in any event not later than 10 years from the offer date, subject to the provisions for early termination of the 2010 Share Option Scheme.

No vesting period is specified under the 2010 Share Option Scheme.

(F) Payment on acceptance of option

Options granted must be taken up within 7 days or such other period as the Board may decide from the offer date, upon payment of HK$1.00 per grant.

(G) Basis of determining the subscription price

The subscription price per share under the 2010 Share Option Scheme is determined by the Board, save that such price must not be less than the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of offer to grant option, which must be a business day; (b) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the date of offer to grant option; and (c) the nominal value of the share of the Company.

(H) Remaining life of the 2010 Share Option Scheme

The 2010 Share Option Scheme was terminated following the adoption of a new share option scheme on 12 December 2019.

SHARE OPTION SCHEME (2019)

At the annual general meeting of the Company held on 12 December 2019, an ordinary resolution was passed to adopt a share option scheme (the "2019 Share Option Scheme").

Summary of the 2019 Share Option Scheme

(A) Purpose of the 2019 Share Option Scheme

The purpose of the 2019 Share Option Scheme is to provide incentives and rewards to Eligible Participants (as defined hereinafter) who contribute to the success of the Group.

(B) Participants of the 2019 Share Option Scheme

Pursuant to the 2019 Share Option Scheme, the Board may offer eligible participants (being employees (whether full time or part time) or executives or officers of the Company or any of its subsidiaries (including executive and non-executive Directors of the Company or any of its subsidiaries) and business consultants, agents, legal or financial advisers who the Board considers, in its sole discretion, will contribute or have contributed to the Company or any of its subsidiaries) ("Eligible Participants") options to subscribe for such number of shares in the Company.

(C) Total number of shares available for issue under the 2019 Share Option Scheme

The initial total number of shares which may be issued upon exercise of all options to be granted under the 2019 Share Option Scheme will be 288,409,173 shares, representing 10% of the shares in issue as at the date of the 2019 annual general meeting.

During the Year, no options were granted, exercised, lapsed and cancelled under the 2019 Share Option Scheme. There were no outstanding options under the 2019 Share Option Scheme at the beginning and at the end of the year ended 30 June 2026.

As at the date of this annual report, the total number of shares available for issue under the 2019 Share Option Scheme are 288,409,173 shares, representing 9.97% of the issued share capital of the Company.

The number of options available for grant under the scheme mandate of the 2019 Share Option Scheme as 1 July 2025 and 30 June 2026 is 288,409,173.

The number of shares that may be issued in respect of options granted under all schemes of the Company during the Year is nil, representing 0% of the weighted average number of shares of relevant class in issue of the Company for the Year.

(D) Maximum entitlement of each participant

The maximum number of shares in respect of which options may be granted to any individual in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at any point of time. Any further grant of options in excess of this 1% limit shall be subject to the issue of a circular by the Company and the approval of the shareholders in general meeting.

(E) Option period

An option may be exercised after it has vested at any time during the year to be notified by the Board at the time of the grant of the option but shall be in any event not later than 10 years from the offer date, subject to the provisions for early termination of the 2019 Share Option Scheme.

The vesting period for options shall not be less than 12 months.

(F) Payment on acceptance of option

Options granted must be taken up within 7 days or such other period as the Board may decide from the offer date, upon payment of HK$1.00 per grant.

(G) Basis of determining the subscription price

The subscription price per share under the 2019 Share Option Scheme is determined by the Board, save that such price must not be less than the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of offer to grant option, which must be a business day; (b) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the date of offer to grant option; and (c) the nominal value of the share of the Company.

(H) Remaining life of the 2019 Share Option Scheme

The 2019 Share Option Scheme will remain valid until 11 December 2029. The remaining life of the 2019 Share Option Scheme is 3 years.

Apart from the foregoing, at no time during the Year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS

The Directors during the Year and up to the date of this annual report are:

Executive Directors
Mr. Mao Yangguang *(Chairman and Chief Executive Officer)*
Mr. Du Yun

Independent Non-executive Directors
Mr. Cheung Chuen
Ms. Ng Ching Yee
Mr. Wang Haipeng *(appointed on 1 July 2025)*

DIRECTORS' SERVICE AGREEMENTS

Each of the executive Directors appointed after 1 July 2009 listed below has entered into a service contract with the Company for a term of one year from the date of their appointments and their appointments will continue thereafter until terminated by six months' notice in writing served by either party on the other. The commencement dates of the renewal contracts at the same terms as per above of the Executive Directors are as follows:

Mr. Mao Yangguang	20 July 2023
Mr. Du Yun	19 June 2020

Mr. Cheung Chuen, Ms. Ng Ching Yee and Mr. Wang Haipeng were appointed as independent non-executive Directors on 30 September 2004, 1 February 2024 and 1 July 2025 respectively, appointment letters of Mr. Cheung Chuen, Ms. Ng Ching Yee and Mr. Wang Haipeng have been renewed with the Company for a term of one year commencing from 1 January 2026, 1 February 2026 and 1 July 2026 respectively.

According to their terms of services, Mr. Cheung Chuen, Ms. Ng Ching Yee and Mr. Wang Haipeng are subject to retirement by rotation and offer themselves for re-election in accordance with the articles of association of the Company.

Save as disclosed above, none of the Directors has a service agreement with the Company or any of its subsidiaries, which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the chief executives of the Company were deemed or taken to have under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long positions in the shares of the Company

Name	Capacity	Number of issued ordinary shares held	Total approximate % of the issued share capital
Mr. Du Yun	Interest held through controlled corporation	838,327,869 (Note)	28.97

Note: 838,327,869 Shares are held by Union Day Group Limited (a company incorporated in the British Virgin Islands with limited liability) which is 40% beneficially owned by Mr. Du Yun.

Save as disclosed above, as at 30 June 2026, none of the Directors nor the chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2026, according to the register of members kept by the Company pursuant to Section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the following person/entity (other than the Directors or chief executives of the Company) had an interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or be directly and indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote on all circumstances at general meetings of the Company:

Long positions in the shares of the Company

Name	Capacity	Number of issued ordinary shares held	Total approximate % of the issued shares
Union Day Group Limited	Beneficial owner	838,327,869 (Note)	28.97

Note: 838,327,869 shares are held by Union Day Group Limited (a company incorporated in the British Virgin Islands with limited liability) which is 40% beneficially owned by Mr. Du Yun.

Save as disclosed above, the Company has not been notified of any other interests or short positions representing 5% or more of the issued shares of the Company and recorded in the register maintained under Section 336 of the SFO as at 30 June 2026.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed above, at no time during the Year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or chief executives of the Company or their respective close associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

DISCLOSURE OF CHANGE IN INFORMATION ON DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the change of information on Directors are as follows:

Mr. Cheung Chuen, Ms. Ng Ching Yee and Mr. Wang Haipeng are independent non-executive Directors, have re-entered into appointment letters with the Company for a term of one year commencing from 1 January 2026, 1 February 2026 and 1 July 2026.

INDEMNITY OF DIRECTORS

The Company has maintained appropriate directors and officers liability insurance and such permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the Year.

DIRECTORS OF SUBSIDIARIES

The name of director who has served on the board of directors of the subsidiaries of the Company during the Year and up to the date of this report are as follows:

Mr. Mao Yangguang

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in note 30 to the financial statements, no transaction, arrangement or contract of significance to which the Company or any of its subsidiaries was a party, and in which a director of the Company had a material interest, subsisted at the end of the Year or at any time during the Year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors or the management shareholders or the substantial shareholders of the Company, or any of their respective close associates (as defined in the Listing Rules) had any material interest in a business that competes or may compete with the business of the Group.

MANAGEMENT CONTRACT

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company or its subsidiaries were entered into or existed during the Year.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 117 to 118 of the annual report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

AUDIT COMMITTEE

The Company established the Audit Committee since 8 May 2001 with written terms of reference and the duties of the Audit Committee include reviewing the Company's annual reports and interim reports and providing advice and comments to the Directors. The Audit Committee is also responsible for reviewing and supervising the financial reporting, risk management and internal control systems of the Group.

As at the date of this annual report, the Audit Committee comprises three independent non-executive Directors, namely Mr. Cheung Chuen, Ms. Ng Ching Yee and Mr. Wang Haipeng. During the Year, the Audit Committee met twice to review the interim and annual results of the Group.

CORPORATE GOVERNANCE

A report on the principle corporate governance practices adopted by the Company is set out on pages 12 to 27.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

AUDITOR

Ernst & Young will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Ernst & Young as auditor of the Company is to be proposed at the forthcoming annual general meeting.

By Order of the Board

Mao Yangguang
Chairman

Hong Kong, 28 September 2026

Independent Auditor's Report

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Independent auditor's report
To the shareholders of Kingwell Group Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Kingwell Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 47 to 116 which comprise the consolidated statement of financial position as at 30 June 2026, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Net realisable value of inventories	
As at 30 June 2026, the carrying values of the Group's completed properties held for sale of RMB33,719,000 and parking lots held for sale of RMB62,219,000 ("Inventories") were significant. These Inventories were stated at the lower of cost and net realisable value. The calculation of the net realisable value of the Inventories at the end of the reporting period was performed by management. The net realisable value of the Group's Inventories was determined by reference to the expected future selling prices, the estimated future selling costs and the relevant taxes, as well as a valuation report issued by an independent professionally qualified valuer. During the year, a provision of RMB3,513,000 was recognised to write down the completed properties held for sale to net realisable value. The calculation of the net realisable value of the Inventories involved significant management judgement and estimation in assessing the expected future selling prices, the estimated future selling costs and the relevant taxes. We identified the assessment of the net realisable value of the Group's Inventories as a key audit matter because of the significance of the Inventories to the total assets of the Group and the inherent risks involved in estimating future selling prices, particularly in light of the current economic circumstances. Related disclosures are included in notes 2.4, 3 and 17 to the financial statements.	We performed the following procedures: • conducted full physical inspection of the Inventories; • evaluated the valuation methodology adopted by management for assessing the net realisable value of the Inventories and reviewed the key estimates and assumptions adopted in the valuations, including those relating to selling prices, market available data, historical data, and sales budget plan maintained by the Group; • considered the competence, capabilities and objectivity of management's external expert; and • involved internal valuation expert to assist us in critically assessing the methodology and assumptions used in the evaluation of the net realisable value of the Inventories conducted by management's external expert.

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill	
As at 30 June 2026, the net carrying amount of goodwill arising from business combination was RMB11,831,000. The goodwill is related to the physical assets and intangible assets used in a cash-generating unit ("CGU"). According to HKAS 36 *Impairment of assets*, goodwill is subject to impairment testing at least at the end of each financial year. The management of the Group engaged an independent professionally qualified valuer to evaluate the recoverable amount of the CGU. Based on the valuation report, an impairment loss of RMB4,821,000 was recognised during the year. We identified the impairment assessment of goodwill as a key audit matter because the balance of goodwill was significant to the Group, and significant judgements were involved in the assessment of the recoverable amount of the CGU, including assumptions such as business plan, future cash flows and discount rates. Related disclosures are included in notes 2.4, 3 and 15 to the financial statements.	We performed the following procedures: • considered the competence, capabilities and objectivity of management's external expert; • evaluated the methodology and assumptions used by management and management's external expert to estimate the recoverable amount of the CGU; • checked the rationality and reliability of the business plan and future cash flows as well as the consistency of the forecast; and • involved internal valuation expert to assist us in critically assessing the methodology and assumptions applied in the model, including the discount rates and sustainable growth rate.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. LEUNG, Yat Him (practising certificate number: P08017).

Ernst & Young
Certified Public Accountants

28 September 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 30 June 2026

	Notes	2026 RMB'000	2025 RMB'000
REVENUE	5	**69,455**	70,884
Cost of sales		**(48,558)**	(50,684)
Gross profit		**20,897**	20,200
Other income and gains	5	**1,823**	3,786
Selling and distribution expenses		**–**	(6)
Administrative expenses		**(13,809)**	(15,076)
Impairment losses on financial assets		**(8,205)**	(4,678)
Other expenses		**(5,302)**	(3,607)
Finance costs	7	**(20)**	(11)
(LOSS)/PROFIT BEFORE TAX	6	**(4,616)**	608
Income tax expense	10	**(2,730)**	(2,563)
LOSS FOR THE YEAR		**(7,346)**	(1,955)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of financial statements		**(193)**	47
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of the Company's financial statements		**(1,047)**	15
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(1,240)**	62
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(8,586)**	(1,893)

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

Year ended 30 June 2026

	Note	2026 RMB'000	2025 RMB'000
(Loss)/profit attributable to:			
Owners of the Company		**(11,138)**	(5,042)
Non-controlling interests		**3,792**	3,087
		(7,346)	(1,955)
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(12,378)**	(4,980)
Non-controlling interests		**3,792**	3,087
		(8,586)	(1,893)

	Note	2026 RMB cents	2025 RMB cents
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	11	**(0.38)**	(0.17)

Consolidated Statement of Financial Position

Year ended 30 June 2026

	Notes	2026 RMB'000	2025 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	**533**	560
Investment properties	13	**6,372**	1,080
Right-of-use assets	14	**638**	305
Goodwill	15	**11,831**	16,652
Other intangible assets	16	**6**	11
Deferred tax assets	24	**6,614**	5,905
Total non-current assets		**25,994**	24,513
CURRENT ASSETS			
Inventories	17	**95,938**	104,246
Trade receivables	18	**23,361**	27,951
Deposits and other receivables	19	**18,659**	7,002
Restricted deposits	20	**239**	238
Cash and cash equivalents	20	**32,541**	38,609
Total current assets		**170,738**	178,046
CURRENT LIABILITIES			
Trade payables	21	**3,118**	3,595
Other payables and accruals	22	**37,061**	35,626
Contract liabilities	23	**4,759**	5,567
Lease liabilities	14	**220**	202
Tax payable		**40,516**	37,918
Total current liabilities		**85,674**	82,908
NET CURRENT ASSETS		**85,064**	95,138
TOTAL ASSETS LESS CURRENT LIABILITIES		**111,058**	119,651

Consolidated Statement of Financial Position (Continued)

Year ended 30 June 2026

	Notes	2026 RMB'000	2025 RMB'000
NON-CURRENT LIABILITIES			
Lease liabilities	14	**425**	108
Deferred tax liabilities	24	**2,415**	2,739
Total non-current liabilities		**2,840**	2,847
Net assets		**108,218**	116,804
EQUITY			
Equity attributable to owners of the Company			
Issued capital	25	**253,688**	253,688
Reserves	26	**(166,821)**	(154,443)
		86,867	99,245
Non-controlling interests		**21,351**	17,559
Total equity		**108,218**	116,804

Mao Yangguang
Director

Du Yun
Director

Consolidated Statement of Changes In Equity

Year ended 30 June 2026

	Attributable to owners of the Company									
	Issued capital RMB'000 (Note 25)	Share premium account RMB'000 (Note 26)	Statutory reserve RMB'000 (Note 26)	Capital reserve RMB'000	Contribution reserve RMB'000 (Note 26)	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 July 2024	253,688	678,834	12,970	19	48,448	16,841	(906,575)	104,225	14,472	118,697
Loss for the year	–	–	–	–	–	–	(5,042)	(5,042)	3,087	(1,955)
Other comprehensive income for the year:										
Exchange differences on translation of financial statements	–	–	–	–	–	62	–	62	–	62
Total comprehensive loss for the year	–	–	–	–	–	62	(5,042)	(4,980)	3,087	(1,893)
Transfer to statutory reserve	–	–	742	–	–	–	(742)	–	–	–
At 30 June 2025	253,688	678,834*	13,712*	19*	48,448*	16,903*	(912,359)*	99,245	17,559	116,804

	Attributable to owners of the Company									
	Issued capital RMB'000 (Note 25)	Share premium account RMB'000 (Note 26)	Statutory reserve RMB'000 (Note 26)	Capital reserve RMB'000	Contribution reserve RMB'000 (Note 26)	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 July 2025	253,688	678,834	13,712	19	48,448	16,903	(912,359)	99,245	17,559	116,804
Loss for the year	–	–	–	–	–	–	(11,138)	(11,138)	3,792	(7,346)
Other comprehensive income for the year:										
Exchange differences on translation of financial statements	–	–	–	–	–	(1,240)	–	(1,240)	–	(1,240)
Total comprehensive loss for the year	–	–	–	–	–	(1,240)	(11,138)	(12,378)	3,792	(8,586)
Transfer to statutory reserve	–	–	563	–	–	–	(563)	–	–	–
At 30 June 2026	253,688	678,834*	14,275*	19*	48,448*	15,663*	(924,060)*	86,867	21,351	108,218

* These reserve accounts comprise a deficit in the consolidated other reserves of RMB166,821,000 (2025: RMB154,443,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 30 June 2026

	Notes	2026 RMB'000	2025 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		**(4,616)**	608
Adjustments for:			
Finance costs	7	**20**	11
Interest income	5	**(117)**	(400)
Depreciation of property, plant and equipment	6	**86**	119
Depreciation of right-of-use assets	6	**259**	226
Amortisation of intangible assets	6	**5**	5
Impairment of trade receivables	6	**4,260**	4,010
Impairment of other receivables	6	**3,945**	668
Write-down of inventories to net realisable value	6	**3,513**	–
Changes in fair value of investment properties	6	**445**	–
Impairment of goodwill	6	**4,821**	3,316
		12,621	8,563
(Increase)/decrease in inventories		**(942)**	307
Decrease/(increase) in trade receivables		**330**	(6,624)
Increase in deposits and other receivables		**(15,942)**	(2,027)
(Increase)/decrease in restricted deposits		**(1)**	927
(Decrease)/increase in trade payables		**(477)**	457
Increased/(decrease) in other payables and accruals		**841**	(5,919)
Decrease in contract liabilities		**(808)**	(1,956)
Cash used in operations		**(4,378)**	(6,272)
Taxes paid		**(1,165)**	(2,196)
Net cash flows used in operating activities		**(5,543)**	(8,468)

Consolidated Statement of Cash Flows (Continued)

Year ended 30 June 2026

	Notes	2026 RMB'000	2025 RMB'000
Net cash flows used in operating activities		**(5,543)**	(8,468)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**117**	400
Purchases of items of property, plant and equipment		**(63)**	(11)
Net cash flows from investing activities		**54**	389
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease payment	28(b)	**(277)**	(240)
Net cash flows used in financing activities		**(277)**	(240)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(5,766)**	(8,319)
Cash and cash equivalents at beginning of year		**38,609**	46,869
Effect of foreign exchange rate changes, net		**(302)**	59
CASH AND CASH EQUIVALENTS AT END OF YEAR	20	**32,541**	38,609
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	20	**32,541**	38,609

1. CORPORATE AND GROUP INFORMATION

Kingwell Group Limited is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands.

During the year, the Group was involved in the following principal activities:

- provision of property management services; and
- sale of properties and parking lots.

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Stephigh Group Limited	British Virgin Islands ("BVI")/ Hong Kong	US$50,000	100%	–	Investment holding
Well Gold Group Limited	Hong Kong	HK$1	100%	–	Investment holding
Rise Win Group Limited	BVI/Hong Kong	US$50,000	–	100%	Investment holding
Rising Ray China Group Limited	Hong Kong	HK$10,000	–	100%	Investment holding
Anlu Taihe Real Estate Development Company ("安陸泰合房地產開發有限公司")*	PRC/Chinese mainland	RMB30,000,000	–	100%	Development and sale of real estate
Xuzhou Taihua Property Service Co., Ltd. ("徐州泰華物業管理有限公司")	PRC/Chinese mainland	RMB2,000,000	–	100%	Property management services
Jiangsu Tianan Hongji Property Management Co., Ltd. ("Jiangsu Tianan") ("江蘇天安鴻基物業管理有限公司")	PRC/Chinese mainland	RMB10,000,000	–	100%	Property management services
China Integration Group Limited	Hong Kong	HK$100,000	–	100%	Investment holding
Shenzhen Integration Holding Group Co., LTD. ("深圳融匯控股集團有限公司")*	PRC/Chinese mainland	RMB10,000,000	–	100%	Investment holding
Xuzhou Integration Commercial Management Co., Ltd. ("Xuzhou Integration") ("徐州融匯商業管理有限公司")	PRC/Chinese mainland	RMB2,000,000	–	100%	Property management services
Huizhou Huiyang Peninsula One Property Management Co., Ltd. ("Peninsula One") ("惠州市惠陽半島壹號物業管理有限公司")	PRC/Chinese mainland	RMB3,000,000	–	51%	Property management services

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's subsidiaries are as follows: (Continued)

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Shenzhen Hailian Property Management Co., Ltd. ("Shenzhen Hailian") ("深圳市海聯物業管理有限公司")	PRC/Chinese mainland	RMB3,000,000	–	51%	Property management services
Zhaoqing Hailian Property Management Co., Ltd. ("肇慶市海聯物業管理有限公司")	PRC/Chinese mainland	RMB1,000,000	–	51%	Property management services
Huizhou Huiyang Peninsula New City Property Management Co., Ltd. ("惠州市惠陽半島新城市物業管理有限公司")	PRC/Chinese mainland	RMB1,000,000	–	51%	Property management services
Shenzhen Huihai Technology Logistics Supply Chain Co., Ltd. ("深圳市匯海科技物流供應鏈有限公司")	PRC/Chinese mainland	RMB5,000,000	–	51%	Transportation agency services
Yingtong Supply Chain Technology (Shenzhen) Co., Ltd. ("盈通供應鏈科技 (深圳) 有限公司")	PRC/Chinese mainland	RMB4,000,000	–	51%	Transportation agency services

* Registered as a wholly-foreign-owned enterprise under the law of the People's Republic of China ("PRC").

2. ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 30 June 2026. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in the consolidated statement of profit or loss and other comprehensive income. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies and disclosures

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

2.3 Issued but not yet effective HKFRS accounting standards

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[2]
HKFRS 19 and its Amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[1]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual/reporting periods beginning on or after 1 January 2027
3 No mandatory effective date yet determined but available for adoption

2. ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective HKFRS accounting standards (Continued)

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*.

As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share and HKAS 34 Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards or IFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

2. ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective HKFRS accounting standards (Continued)

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Amendments to HKAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of HKAS 29 Financial Reporting in Hyperinflationary Economies, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2. ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective HKFRS accounting standards (Continued)

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing HKFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing HKFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 30 June. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Business combinations and goodwill (Continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its investment properties and financial assets at fair value through profit or loss at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	–	based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	–	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3	–	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Related parties (Continued)

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; (If the Group is itself such a plan) and the sponsoring employers of the post-employment benefit plan;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Property, plant and equipment and depreciation (Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	3.8%
Leasehold improvements	2.1%
Furniture and fixtures	7.3%-33.3%
Motor vehicles	17.8%-20.0%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Property management contract and customer relationship

Property management contract and customer relationship acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of five years from the acquisition date for the property management contract and customer relationship.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	2 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Leases (Continued)

Group as a lessee (Continued)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in profit or loss when the right of payment has been established.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Derecognition of financial assets (Continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Financial liabilities (Continued)

Financial liabilities at amortised cost (trade and other payables)

After initial recognition, trade and other payables are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Completed properties held for sale

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost includes all development expenditure, applicable borrowing costs and other direct costs attributable to such properties. Cost is determined by an apportionment of the total costs of land and buildings attributable to unsold properties. Net realisable value is determined by the directors based on the prevailing market prices on an individual property basis less costs to be incurred in selling the property.

Parking lots

Parking lots are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Income tax (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

PRC land appreciation tax ("LAT")

According to the requirements of the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值稅暫行條例) effective from 1 January 1994 and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值稅暫行條例實施細則) effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights and buildings in Chinese mainland (being the proceeds from sales of properties less deductible expenditures including borrowing costs and property development expenditures) is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation of land value with an exemption provided for property sales of ordinary residential properties (普通標準住宅) if their appreciation values do not exceed 20% of the sum of the total deductible items.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(a) Provision of property management services

Revenue from the provision of property management services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

(b) Parking services

Revenue from the provision of parking services is recognised over the scheduled period on a straight-line basis.

(c) Sale of properties and parking lots

Revenue from the sale of properties and parking lots is recognised at the point in time when the purchasers obtain the physical possession or the legal title of the properties and parking lots and the Group has a present right to payment and the collection of the consideration is probable.

Other income

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Income from consultation service is recognised at the point in time when the service is completed.

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of those employees in Hong Kong who are eligible to participate. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in Renminbi ("RMB"). The functional currency of the Company is the Hong Kong dollar ("HK$"). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised profit or loss.

Differences arising on settlement or translation of monetary items are recognised profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on retranslation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currency of the subsidiaries in Chinese mainland is RMB, while the functional currencies of the subsidiaries outside Chinese mainland is HK$. As at the end of the reporting period, the assets and liabilities of those entities with the functional currencies other than RMB are translated into RMB at exchange rates prevailing at the end of the reporting period and their profits or losses are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Foreign currencies (Continued)

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of those entities of which the functional currencies are currencies other than RMB are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of those entities which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

The Group has tax losses of RMB2,158,000 (2025: RMB5,057,000) carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by RMB4,747,000. Further details on deferred taxes are disclosed in note 24 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Judgements (Continued)

Property lease classification – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all the fair value of the commercial property, that it retains substantially all the significant risks and rewards incidental to ownership of these properties which are leased out and accounts for the contracts as operating leases.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Recognition of a deferred tax liability for withholding taxes

Deferred income tax liability has been established for withholding tax that would be payable on a certain portion of the profits of the subsidiaries in Chinese mainland to be repatriated and distributed by way of dividends.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 30 June 2026 was RMB11,831,000 (30 June 2025: RMB16,652,000). Further details are given in note 15 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on aging for groupings of various customer segments that have similar loss patterns (i.e., by customer type and ageing).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 18 to the financial statements.

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

(a) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;

(b) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The principal assumptions for the Group's estimation of the fair value include those related to recent market selling prices for similar properties in the same location and condition, appropriate discount rates, and expected future maintenance costs. The carrying amount of investment properties at 30 June 2026 was RMB6,372,000 (30 June 2025: RMB1,080,000). Further details are given in note 13 to the financial statements.

Net realisable value of inventories

The Group writes down inventories, including properties held for sale and parking lots, to net realisable value based on assessment of the realisability of the inventories, which takes into account net sales value based on prevailing market conditions. If there is a decrease in net sales value, the net realisable value will decrease, which may result in writing down the inventories to net realisable value. Write-downs are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value of inventories is adjusted in the period in which such estimate is changed.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

LAT

The Group is subject to LAT in Chinese mainland. The provision for LAT is based on management's best estimates according to its understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects. The Group has completed its LAT declaration with the tax authorities for certain property development projects. The final outcome could be different from the amounts that were initially recorded, and any differences will impact the LAT expenses and the related provision in the period in which the differences realise.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is mainly engaged in provision of property management services and sale of properties and parking lots, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's management for purposes of resource allocation and performance assessment. Therefore, no further operating segment analysis thereof is presented.

Geographical information

(a) Revenue from external customers

	2026 RMB'000	2025 RMB'000
Chinese mainland	**69,455**	70,884

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2026 RMB'000	2025 RMB'000
Chinese mainland	**19,279**	18,519
Hong Kong	**101**	89
Total non-current assets	**19,380**	18,608

The non-current asset information above is based on the locations of the assets, which excludes deferred tax assets.

Information about major customers

No information about major customers is presented as no single customer contributed over 10% of total revenue of the Group during the year ended 30 June 2026 (30 June 2025: Nil).

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2026 RMB'000	2025 RMB'000
Revenue from contracts with customers		
Rendering of property management services	**55,536**	57,911
Parking fee	**13,693**	12,596
Sale of parking lots	**226**	187
Sale of properties	**–**	190
Total	**69,455**	70,884

Revenue from contracts with customers

(i) Disaggregated revenue information

	2026 RMB'000	2025 RMB'000
Types of goods or services		
Property management services	**55,536**	57,911
Parking fee	**13,693**	12,596
Sale of parking lots	**226**	187
Sale of properties	**–**	190
Total	**69,455**	70,884
Geographical market		
Chinese mainland	**69,455**	70,884
Timing of revenue recognition		
Goods transferred at a point in time	**226**	377
Services transferred over time	**69,229**	70,507
Total	**69,455**	70,884

5. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue information (Continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2026	2025
	RMB'000	RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Property management services	**5,567**	7,247
Sale of properties	**–**	190
	5,567	7,437

(ii) Performance obligations

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

Property management services

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. Property management service contracts are for periods of one to two years.

Parking fee

The performance obligation is satisfied over time as services are rendered and payment is usually received after the services are rendered.

5. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers (Continued)

(ii) Performance obligations (Continued)

Sale of parking lots/properties

For contracts entered into with customers for the sale of parking lots/properties, the Group does not have an enforceable right to payment prior to the transfer of the relevant parking lots/properties to customers. Revenue from the sale of parking lots/properties is therefore recognised at the point in time when the parking lots/properties are transferred to customers, being the point in time when the customers obtain the control of the parking lots/properties and the Group has a present right to payment and collection of the consideration is probable.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June are as follows:

	2026 **RMB'000**	2025 RMB'000
Amounts expected to be recognised as revenue:		
Within one year	**5,927**	6,340
After one year	**198**	–
Total	**6,125**	6,340

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to property management services, of which the performance obligations are to be satisfied within two years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

	2026 **RMB'000**	2025 RMB'000
Other income		
Rental income:		
Fixed lease payments	**1,227**	1,541
Consultation service fee	**–**	1,268
Interest income from financial assets at fair value through profit or loss	**90**	374
Bank interest income	**27**	26
Others	**479**	577
Total other income	**1,823**	3,786

6. (LOSS)/PROFIT BEFORE TAX

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

	Notes	2026 RMB'000	2025 RMB'000
Cost of inventories sold		**200**	307
Cost of services provided		**20,180**	20,654
Depreciation of property, plant and equipment	12	**86**	119
Depreciation of right-of-use assets	14(a)	**259**	226
Amortisation	16	**5**	5
Lease payments not included in the measurement of lease liabilities	14(c)	**645**	668
Impairment of goodwill*	15	**4,821**	3,316
Auditor's remuneration		**1,898**	1,966
Employee benefit expense (excluding directors' remuneration (note 8)):			
Salaries and wages		**32,868**	35,314
Pension scheme contributions		**3,037**	2,709
Total		**35,905**	38,023
Foreign exchange differences		**(3)**	(16)
Impairment losses on financial assets:			
Impairment of trade receivables	18	**4,260**	4,010
Impairment of other receivables	19	**3,945**	668
Write-down of inventories to net realisable value**	17	**3,513**	–
Change in fair value of investment properties*	13	**445**	–
Tax late payment surcharge*		**–**	98

* These amounts were included in "other expenses" in the consolidated statement of profit or loss and other comprehensive income.

** These amounts were included in "cost of sales" in the consolidated statement of profit or loss and other comprehensive income.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2026 RMB'000	2025 RMB'000
Interest on:		
Lease liabilities	**20**	11

8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2026 RMB'000	2025 RMB'000
Fees	**343**	352
Other emoluments:		
Allowances	**430**	441
Pension scheme contributions	**–**	–
Total	**773**	793

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2026			2025		
	Salaries, allowances, and benefits in kinds RMB'000	**Pension Scheme Contributions RMB'000**	**Total Remunerations RMB'000**	Salaries, allowances, and benefits in kinds RMB'000	Pension Scheme Contributions RMB'000	Total Remunerations RMB'000
Mr. Cheung Chuen	**129**	**–**	**129**	132	–	132
Ms. Ng Ching Yee	**107**	**–**	**107**	110	–	110
Mr. Wang Haipeng*	**107**	**–**	**107**	–	–	–
Mr. Ling Aiwen**	**–**	**–**	**–**	110	–	110
Total	**343**	**–**	**343**	352	–	352

* Appointed on 1 July 2025

** Resigned on 1 July 2025

There were no other emoluments payable to the independent non-executive directors during the year (2025: Nil).

8. DIRECTORS' REMUNERATION (Continued)

(b) Executive directors

Allowances paid to executive directors during the year were as follows:

	2026			2025		
	Salaries, allowances and benefits in kinds RMB'000	**Pension Scheme contributions RMB'000**	**Total remunerations RMB'000**	Salaries, allowances and benefits in kinds RMB'000	Pension Scheme contributions RMB'000	Total remunerations RMB'000
Mr. Mao Yangguang	**269**	**–**	**269**	276	–	276
Mr. Du Yun	**161**	**–**	**161**	165	–	165
	430	**–**	**430**	441	–	441

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one (2025: one) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining four (2025: four) non-director, highest paid employees for the year are as follows:

	2026 RMB'000	2025 RMB'000
Salaries, allowances and benefits in kind	**1,909**	1,958
Pension scheme contributions	**53**	54
Total	**1,962**	2,012

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2026	2025
Nil to HK$1,000,000	**3**	3
HK$1,000,001 to HK$1,500,000	**1**	1
Total	**4**	4

10. INCOME TAX

The Company is a tax-exempted company registered in the Cayman Islands and conducts substantially all of its business through its subsidiaries established in Chinese mainland (the "PRC Subsidiaries").

No provision for Hong Kong profits tax has been made (2025: Nil) as the Group did not generate any assessable profits in Hong Kong during the year. Taxes on profits assessable in Chinese mainland have been calculated at the rate of 25% (2025: 25%).

	2026	2025
	RMB'000	RMB'000
Current – Chinese mainland		
Provision for corporate income tax	**3,763**	4,223
Provision for LAT	**–**	19
Deferred (note 24)	**(1,033)**	(1,679)
Total tax charge for the year	**2,730**	2,563

A reconciliation of the tax expense applicable to (loss)/profit before tax at the statutory tax rate for Chinese mainland in which the major subsidiaries of the Company are domiciled and/or operate to the tax expense at the effective tax rate is as follows:

	2026	2025
	RMB'000	RMB'000
(Loss)/profit before tax	**(4,616)**	608
Tax at the Chinese mainland statutory income tax rate of 25%	**(1,154)**	152
Lower tax rates for specific provinces or enacted by local authority*	**1,588**	502
Temporary differences utilised from previous periods	**–**	(173)
Expenses not deductible for tax	**1,206**	854
Effect of withholding tax at 10% on the distributable profits of the Group's PRC subsidiaries	**(324)**	446
Tax losses not recognised	**54**	567
Temporary differences not recognised	**2,144**	196
Utilised tax losses not recognised in previous periods	**(784)**	–
Provision for LAT	**–**	19
Tax charge at the Group's effective rate	**2,730**	2,563

* Specific provinces or local authority mainly represented the Cayman Islands and Hong Kong.

11. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the Company of RMB11,138,000 (2025: RMB5,042,000), and the weighted average number of ordinary shares of 2,894,091,737 (2025: 2,894,091,737) outstanding during the year.

The Group had no potentially dilutive ordinary shares outstanding during the years ended 30 June 2026 and 2025.

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Leasehold improvements RMB'000	Furniture and fixtures RMB'000	Motor vehicles RMB'000	Total RMB'000
30 June 2026					
At 1 July 2025:					
Cost	1,861	639	576	1,036	4,112
Accumulated depreciation and impairment	(1,543)	(555)	(514)	(940)	(3,552)
Net carrying amount	318	84	62	96	560
At 1 July 2025, net of accumulated depreciation and impairment	318	84	62	96	560
Additions	–	–	54	9	63
Depreciation provided during the year (note 6)	–	(32)	(15)	(39)	(86)
Exchange realignment	–	(1)	(2)	(1)	(4)
At 30 June 2026, net of accumulated depreciation and impairment	318	51	99	65	533
At 30 June 2026:					
Cost	1,861	614	606	1,027	4,108
Accumulated depreciation and impairment	(1,543)	(563)	(507)	(962)	(3,575)
Net carrying amount	318	51	99	65	533

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Buildings RMB'000	Leasehold improvements RMB'000	Furniture and fixtures RMB'000	Motor vehicles RMB'000	Total RMB'000
30 June 2025					
At 1 July 2024:					
Cost	1,861	639	571	1,030	4,101
Accumulated depreciation and impairment	(1,543)	(523)	(499)	(871)	(3,436)
Net carrying amount	318	116	72	159	665
At 1 July 2024, net of accumulated depreciation and impairment	318	116	72	159	665
Additions	–	–	5	6	11
Depreciation provided during the year (note 6)	–	(32)	(22)	(65)	(119)
Exchange realignment	–	–	7	(4)	3
At 30 June 2025, net of accumulated depreciation and impairment	318	84	62	96	560
At 30 June 2025:					
Cost	1,861	639	576	1,036	4,112
Accumulated depreciation and impairment	(1,543)	(555)	(514)	(940)	(3,552)
Net carrying amount	318	84	62	96	560

13. INVESTMENT PROPERTIES

	2026 RMB'000	2025 RMB'000
Carrying amount at 1 July	**1,080**	1,080
Transfer from completed properties held for sale	**5,737**	–
Net loss from a fair value adjustment (note 6)	**(445)**	–
Carrying amount at 30 June	**6,372**	1,080

The Group's investment properties consist of certain commercial properties in Chinese mainland. The directors of the Company have determined that the investment properties are commercial properties, based on the nature, characteristics and risks of each property. The Group's investment properties were revalued on 30 June 2026 based on valuations performed by BonVision International Appraisals Limited, an independent professionally qualified valuer, at RMB6,372,000 (2025: RMB1,080,000). Each year, the Group's directors and the chief financial officer decide to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's directors and the chief financial officer have discussions with the valuer on the valuation assumptions and valuation results when the valuation is performed.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	Fair value measurement at 30 June 2026 using			
Recurring fair value measurement for:	**Quoted prices in active markets (Level 1) RMB'000**	**Significant observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**	**Total RMB'000**
Commercial properties	**–**	**–**	**6,372**	**6,372**

	Fair value measurement at 30 June 2025 using			
Recurring fair value measurement for:	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Commercial properties	–	–	1,080	1,080

13. INVESTMENT PROPERTIES (Continued)

Fair value hierarchy (Continued)

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2025: Nil).

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Commercial properties RMB'000
Carrying amount at 1 July 2024	1,080
Additions	–
Net loss from a fair value adjustment recognised in profit or loss	–
Carrying amount at 1 July 2024 and 30 June 2025	1,080
Transfer from completed properties held for sales	5,737
Net loss from a fair value adjustment recognised in profit or loss	(445)
Carrying amount at 30 June 2026	6,372

Set out below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

	Valuation techniques	**Significant unobservable inputs**	**Range or weighted average**	
			2026	2025
Commercial properties A	Direct comparison approach	Market unit sales rate (RMB/sq. m.)	**1,827-2,610**	1,890-2,700
Commercial properties B	Direct comparison approach	Market unit sales rate (RMB/sq. m.)	**18,000-22,063**	n.a.

The direct comparison approach requires a valuation by assuming sales of the property interests in its existing state with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market and also considers the basis of capitalisation of the net income receivable, if necessary. A significant increase (decrease) in the estimated market unit sales rate in isolation would result in a significant increase (decrease) in the fair value of the investment properties.

14. LEASES

The Group as a lessee

The Group has lease contracts for various items of leased properties used in its operations. Leases of properties generally have lease terms of 2 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Notes	**Buildings** RMB'000
As at 1 July 2024		251
Additions		280
Depreciation charge	6	(226)
As at 30 June 2025 and 1 July 2025		305
Additions		592
Depreciation charge	6	(259)
As at 30 June 2026		638

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	Note	**2026 RMB'000**	2025 RMB'000
Carrying amount at 1 July		**310**	259
New leases		**592**	280
Accretion of interest recognised during the year	7	**20**	11
Payments		**(277)**	(240)
Carrying amount at 30 June		**645**	310
Analysed into:			
Current portion		**220**	202
Non-current portion		**425**	108

14. LEASES (Continued)

The Group as a lessee (Continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Notes	2026 RMB'000	2025 RMB'000
Interest on lease liabilities	7	**20**	11
Depreciation charge of right-of-use assets	6	**259**	226
Expense relating to short-term leases (included in administrative expenses)	6	**645**	668
Total amount recognised in profit or loss		**924**	905

The Group as a lessor

The Group also leases out the public area of the property in Chinese mainland. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB1,227,000 (2025: RMB1,541,000).

At 30 June 2026, the undiscounted lease payments receivable by the Group in future periods under operating leases with its tenants are as follows:

	2026 RMB'000	2025 RMB'000
Within one year	**822**	502
After one year but within two years	**277**	303
After two years but within three years	**18**	50
Total	**1,117**	855

15. GOODWILL

	2026 RMB'000	2025 RMB'000
At the beginning of the year:		
Cost	**19,968**	19,968
Accumulated impairment	**(3,316)**	–
net carrying amount	**16,652**	19,968
Cost at 1 July, net of accumulated impairment	**16,652**	19,968
Impairment during the year (note 6)	**(4,821)**	(3,316)
At 30 June	**11,831**	16,652
At the end of the year:		
Cost	**19,968**	19,968
Accumulated impairment	**(8,137)**	(3,316)
Net carrying amount	**11,831**	16,652

Impairment testing of goodwill

Goodwill acquired through business combinations of Jiangsu Tianan, Shenzhen Hailian and Peninsula One is allocated to the property development, property leasing and property management services cash-generating units ("CGUs") for impairment testing.

The carrying amounts of goodwill as at 30 June 2026 allocated to the CGU of Jiangsu Tianan and CGU of Shenzhen Hailian and Peninsula One were nil (2025: RMB4,821,000) and RMB11,831,000 (2025: RMB11,831,000), respectively. The recoverable amount of each of the CGUs has been determined based on a value-in-use calculation using cash flow projections based on financial budgets approved by management covering a period of five years. The growth rates used to extrapolate the cash flows beyond the period are based on the estimated growth rate of the unit, taking into account the industry growth rate, past experience and the medium or long term growth target of each of the CGUs. The discount rates applied to the cash flow projections of the CGU of Jiangsu Tianan and CGU of Shenzhen Hailian and Peninsula One for the year ended 30 June 2026 were 23.3% (2025: 22.9%) and 22.8% (2025: 22.0%), respectively, and cash flows of the CGUs beyond the five-year period were extrapolated using a growth rate of 2% (2025: 2%), which is consistent with the industry growth estimate.

15. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

The carrying amount of the CGU of Jiangsu Tianan was impaired by RMB4,821,000 during the year (2025: Nil). The carrying amount of the CGU of Shenzhen Hailian and Peninsula One was impaired by RMB3,316,000 during the year ended 30 June 2025. Consequently, the carrying amounts of goodwill of the CGU of Jiangsu Tianan and CGU of Shenzhen Hailian and Peninsula One were written down by RMB4,821,000 (2025: Nil) and nil (2025: RMB3,316,000), respectively, in the current year. The impairment loss recognised was included in "Other expenses" in the consolidated statement of profit or loss and other comprehensive income. The recoverable amount of the CGU of Jiangsu Tianan was nil as at 30 June 2026 and the impairment provided was attributable to sluggish revenue growth and higher working capital requirements for the property management services. The recoverable amount of the CGU of Shenzhen Hailian and Peninsula One was RMB11,831,000 as at 30 June 2026.

Assumptions were used in the value-in-use calculations for the years ended 30 June 2026 and 30 June 2025. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted sales amount – The budgeted sales amount is based on the historical data and management's expectation on the future market.

Pre-tax discount rate – The pre-tax discount rate used reflects the current market assessments of the time value of money and the risks specific to each of the group of CGUs.

Terminal growth rate – The growth rate used to extrapolate the cash flows of the CGUs beyond the five-year period based on the prevailing industry practice.

The values assigned to the key assumptions on market development and discount rates are consistent with external information sources.

The goodwill in relation to the CGU of Jiangsu Tianan had been fully impaired based on the current year's goodwill impairment testing result. In the opinion of the directors of the Company, if the budgeted sales amount increased by 1%, the impairment loss would decrease by RMB24,000 during the year. If the terminal growth rate increased by 1.5% from 2%, the impairment loss would decrease by RMB100,000 during the year. If the pre-tax discount rate decreased by 1% from 23.3%, the impairment loss would decrease by RMB77,000 during the year.

16. OTHER INTANGIBLE ASSETS

	Software RMB'000	Property management contract and customer relationship RMB'000	Total RMB'000
30 June 2026			
Cost at 1 July 2025, net of accumulated amortisation and impairment	11	–	11
Amortisation provided during the year (note 6)	(5)	–	(5)
At 30 June 2026	6	–	6
At 30 June 2026:			
Cost	16	2,580	2,596
Accumulated amortisation	(10)	(2,580)	(2,590)
Net carrying amount	6	–	6

	Software RMB'000	Property management contract and customer relationship RMB'000	Total RMB'000
30 June 2025			
Cost at 1 July 2024, net of accumulated amortisation and impairment	16	–	16
Amortisation provided during the year (note 6)	(5)	–	(5)
At 30 June 2025	11	–	11
At 30 June 2025:			
Cost	16	2,580	2,596
Accumulated amortisation	(5)	(2,580)	(2,585)
Net carrying amount	11	–	11

17. INVENTORIES

	2026 RMB'000	2025 RMB'000
Completed properties held for sale	**33,719**	41,827
Parking lots	**62,219**	62,419
Total	**95,938**	104,246

As at 30 June 2026, impairment provision of RMB6,366,000 (2025: RMB2,853,000) has been recognised to write down the carrying amount of completed properties held for sale to the estimated net realisable value.

Included in parking lots are civil air defence properties which amounted to RMB19.6 million (2025: RMB19.6 million). According to the PRC laws and regulations, new buildings constructed in cities should contain basement areas that can be used for civil air defence purposes in times of war. A developer can manage and use such areas designated as civil air defence properties at other times and generate profits from such use. However, in times of war, such areas may be used by the government at no cost.

18. TRADE RECEIVABLES

	2026 RMB'000	2025 RMB'000
Trade receivables	**37,422**	37,752
Impairment	**(14,061)**	(9,801)
Net carrying amount	**23,361**	27,951

The Group's trade receivables arise from the provision of property management services. A credit period of generally six months is granted to the property developer for whom the Group provides property management services. The property's owners are required to pay the property management fee based on certain fee level within the range approved by local government. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

18. TRADE RECEIVABLES (Continued)

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2026 RMB'000	2025 RMB'000
Within 1 month	**2,221**	2,932
1 to 2 months	**1,894**	2,137
2 to 3 months	**1,719**	1,953
Over 3 months	**17,527**	20,929
Total	**23,361**	27,951

The Group measures the loss allowance for trade receivables at an amount equal to the lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The movements in the loss allowance for impairment of trade receivables are as follows:

	2026 RMB'000	2025 RMB'000
At the beginning of year	**9,801**	5,791
Impairment losses (note 6)	**4,260**	4,010
At the end of year	**14,061**	9,801

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 30 June 2026

	Ageing			
	Less than 1 month	1 to 3 months	Over 3 months	Total
Expected credit loss rate	**0.00%**	**0.00%**	**44.51%**	**37.57%**
Gross carrying amount (RMB'000)	**2,221**	**3,613**	**31,588**	**37,422**
Expected credit losses (RMB'000)	**–**	**–**	**14,061**	**14,061**

18. TRADE RECEIVABLES (Continued)

As at 30 June 2025

	Ageing			
	Less than 1 month	1 to 3 months	Over 3 months	Total
Expected credit loss rate	0.00%	0.00%	31.89%	25.96%
Gross carrying amount (RMB'000)	2,932	4,090	30,730	37,752
Expected credit losses (RMB'000)	–	–	9,801	9,801

19. DEPOSITS AND OTHER RECEIVABLES

	2026 RMB'000	2025 RMB'000
Maintenance fund	**1,927**	1,927
Deposits	**5,922**	188
Other receivables	**17,904**	8,036
	25,753	10,151
Impairment allowance	**(7,094)**	(3,149)
Total	**18,659**	7,002

The Group has applied the general approach to provide for expected credit losses on the deposits and other receivables and considered the historical loss rate and adjusted for forward-looking macroeconomic data in calculating the expected credit loss rate. Except for certain receivables for which the counterparty failed to make the demanded payment within the credit term and the Group has made provision (the "Defaulted Receivables") of RMB7,094,000 (2025: RMB3,149,000), the other balances are normally settled within the credit term with no historical default and past due amounts. Except for the Defaulted Receivables, the Group estimated that the expected credit loss rate for the other receivables is minimal.

The movements in the loss allowance for impairment of other receivables are as follows:

	2026 RMB'000	2025 RMB'000
At the beginning of year	**3,149**	2,481
Impairment losses (note 6)	**3,945**	668
At the end of year	**7,094**	3,149

20. CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS

	2026 RMB'000	2025 RMB'000
Cash and bank balances	**32,541**	38,609
Restricted deposits	**239**	238
Subtotal	**32,780**	38,847
Less: Pledged deposits for banking facilities	**239**	238
Cash and cash equivalents	**32,541**	38,609

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB24,997,000 (2025: RMB34,504,000). The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. At the end of the reporting period, deposits of RMB239,000 (2025: RMB238,000) were pledged to banks in respect of mortgage loan facilities granted by the banks to the buyers of certain properties developed by the Group.

21. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2026 RMB'000	2025 RMB'000
Within 1 month	**682**	1,445
1 to 3 months	**456**	88
3 months to 1 year	**59**	131
Over 1 year	**1,921**	1,931
Total	**3,118**	3,595

The trade payables are non-interest-bearing and are normally settled on 180-day terms.

22. OTHER PAYABLES AND ACCRUALS

	2026 RMB'000	2025 RMB'000
Deposits and temporary receipts from property owners	**11,385**	11,418
Other tax payables	**7,777**	9,204
Payroll and welfare payables	**2,758**	2,524
Accruals and other payables	**15,141**	12,480
Total	**37,061**	35,626

Other payables are non-interest-bearing and have an average term of six months.

23. CONTRACT LIABILITIES

	30 June 2026 RMB'000	30 June 2025 RMB'000	1 July 2024 RMB'000
Short-term advances received from customers			
Property management services	**4,759**	5,567	7,333
Sales of properties	**–**	–	190
Total	**4,759**	5,567	7,523

Contract liabilities include short-term advances received from customers in connection with the Group's sale of properties and provision of property management services. The decrease in contract liabilities in 2026 was due to the decrease in short-term advances received from property owners in relation to the property management services.

24. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

	Withholding taxes RMB'000	Fair value adjustment of properties for sale RMB'000	Right-of-use assets RMB'000	Total RMB'000
At 1 July 2024	2,349	944	–	3,293
Deferred tax charged to profit or loss during the year (note 10)	446	–	76	522
Release upon distribution of dividends (note 10)	(1,000)	–	–	(1,000)
At 30 June 2025 and 1 July 2025	1,795	944	76	2,815
Deferred tax credited to profit or loss during the year (note 10)	(324)	–	83	(241)
At 30 June 2026	**1,471**	**944**	**159**	**2,574**

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese mainland. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007.The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Chinese mainland in respect of earnings generated from 1 January 2008.

Deferred tax assets

	Impairment of financial assets RMB'000	Lease Liabilities RMB'000	Total RMB'000
At 1 July 2024	4,778	2	4,780
Deferred tax credited to profit or loss during the year (note 10)	1,126	75	1,201
At 30 June 2025 and 1 July 2025	5,904	77	5,981
Deferred tax credited to profit or loss during the year (note 10)	708	84	792
At 30 June 2026	**6,612**	**161**	**6,773**

24. DEFERRED TAX (Continued)

The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2026 RMB'000	2025 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	**6,614**	5,905
Net deferred tax liabilities recognised in the consolidated statement of financial position	**(2,415)**	(2,739)

Deferred tax assets have not been recognised in respect of the following items:

	2026 RMB'000	2025 RMB'000
Tax losses	**2,158**	5,057
Deductible temporary differences	**16,918**	5,127
	19,076	10,184

The Group has tax losses arising in Chinese mainland of RMB1,940,000 (2025: RMB4,886,000) that will expire in the next five years for offsetting against future taxable profits.

The Group has tax losses arising in Hong Kong of RMB218,000 (2025: RMB171,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these tax losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the above items can be utilised.

25. SHARE CAPITAL

Shares

	2026 HK$'000	2025 HK$'000
Authorised:		
5,000,000,000 ordinary shares of HK$0.10 each	**500,000**	500,000
100,000,000 non-redeemable convertible preferred shares of HK$1.00 each	**100,000**	100,000
Total	**600,000**	600,000

	2026 RMB'000	2025 RMB'000
Issued and fully paid:		
2,894,091,737 ordinary shares	**253,688**	253,688

The ordinary shares of the Company do not have a par value.

A summary in the Company's share capital is as follows:

	Number of shares in issue	Share capital RMB'000
At 30 June 2026	2,894,091,737	253,688

26. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 51 of the financial statements.

(i) Share premium account

Under the Companies Law (Revised) of the Cayman Islands, share premium is distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of share premium if (a) it is, or after the payment would be, unable to pay its liabilities as they become due, or (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital account.

(ii) Statutory reserve

In accordance with the PRC regulations, each of the PRC Subsidiaries is required to allocate 10% of its profit after tax, as determined under the PRC accounting regulations, to the statutory reserve until such reserve reaches 50% of its registered capital. Part of the statutory reserve may be used either to offset losses, or to be converted to increase the paid-up capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

(iii) Capital contribution reserve

The capital contribution reserve represents the difference between the fair value of the interest-free financial assistance provided by the former shareholder of the Company initially recognised in the financial statements and the nominal amount of cash received/receivable by the Group.

27. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	2026	2025
Percentage of equity interest held by non-controlling interests:		
Shenzhen Hailian	**49%**	49%
Peninsula One	**49%**	49%

	2026	2025
	RMB'000	RMB'000
Profit/(loss) for the year allocated to non-controlling interests:		
Shenzhen Hailian	**4,209**	3,217
Peninsula One	**(417)**	(130)
Total	**3,792**	3,087

27. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (Continued)

	2026 RMB'000	2025 RMB'000
Accumulated balances of non-controlling interests at the reporting date:		
Shenzhen Hailian	**30,739**	26,530
Peninsula One	**(9,388)**	(8,971)
Total	**21,351**	17,559

The following table illustrates the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations.

	Shenzhen Hailian	
	2026 RMB'000	2025 RMB'000
Revenue	**42,937**	42,940
Total expenses	**(34,347)**	(36,375)
Profit for the year	**8,590**	6,565
Total comprehensive income for the year	**8,590**	6,565
Current assets	**80,049**	76,316
Non-current assets	**8,484**	7,995
Current liabilities	**(25,375)**	(30,059)
Non-current liabilities	**(425)**	(108)
Net cash flows (used in)/from operating activities	**(600)**	147
Net cash flows used in financing activities	**(277)**	(240)
Net decrease in cash and cash equivalents	**(877)**	(93)

27. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (Continued)

	Peninsula One	
	2026	2025
	RMB'000	RMB'000
Revenue	**19,429**	20,522
Total expenses	**(20,280)**	(20,786)
Loss for the year	**(851)**	(264)
Total comprehensive loss for the year	**(851)**	(264)
Current assets	**60,934**	53,221
Non-current assets	**2,733**	1,943
Current liabilities	**(82,825)**	(73,471)
Net cash flows from/(used in) operating activities	**260**	(1,204)
Net cash flows used in investing activities	**–**	(5)
Net increase/(decrease) in cash and cash equivalents	**260**	(1,209)

28. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB592,000 (2025: RMB280,000) and RMB592,000 (2025: RMB280,000), respectively, in respect of lease arrangements for property and buildings.

(b) Changes in liabilities arising from financing activities

2026

	Lease liabilities RMB'000
As at 1 July 2025	**310**
Changes from financing cash flows	**(277)**
New leases	**592**
Interest expenses	**20**
As at 30 June 2026	**645**

2025

	Lease liabilities RMB'000
As at 1 July 2024	259
Changes from financing cash flows	(240)
New leases	280
Interest expenses	11
As at 30 June 2025	310

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	2026 RMB'000	2025 RMB'000
Within financing activities	**277**	240
Within operating activities	**645**	668

29. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities of the Group not provided for in the consolidated financial statements were as follows:

	2026 RMB'000	2025 RMB'000
Guarantees given to banks in connection with facilities granted to:		
Buyers of certain properties developed by the Group	**239**	238

As at 30 June 2026, banking facilities of RMB239,000 were granted to the buyers of certain properties developed by the Group (2025: RMB238,000). Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principal together with the accrued interest and penalty owed by the defaulted purchasers to the banks, and the Group is entitled to take over the legal titles and possession of the related properties. The Group's guarantee periods start from the dates of grant of the relevant mortgage loans and end upon the issuance of real estate ownership certificates.

The directors consider that in case of default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principal together with the accrued interest and penalty, and therefore, no provision has been made in the consolidated financial statements for the guarantees.

30. RELATED PARTY TRANSACTIONS

(a) Compensation of key management personnel of the Group:

	2026 RMB'000	2025 RMB'000
Short term employee benefits	**1,485**	1,523
Post-employment benefits	**16**	17
Total compensation paid to key management personnel	**1,501**	1,540

Further details of directors' emoluments are included in note 8 to the financial statements.

31. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2026

	Financial assets at amortised cost RMB'000
Financial assets	
Trade receivables	**23,361**
Financial assets included in deposits and other receivables	**18,659**
Restricted deposits	**239**
Cash and cash equivalents	**32,541**
Total	**74,800**

	Financial liabilities at amortised cost RMB'000
Financial liabilities	
Trade payables	**3,118**
Financial liabilities included in other payables and accruals	**22,924**
Total	**26,042**

31. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

2025

	Financial assets at amortised cost RMB'000
Financial assets	
Trade receivables	27,951
Financial assets included in deposits and other receivables	7,002
Restricted deposits	238
Cash and cash equivalents	38,609
Total	73,800

	Financial liabilities at amortised cost RMB'000
Financial liabilities	
Trade payables	3,595
Financial liabilities included in other payables and accruals	22,718
Total	26,313

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and restricted deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, other receivables, trade payables and other payables and accruals, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's operating results and cash flows are not substantially affected by changes in market interest rates. In addition, the Group has no significant interest-bearing assets and liabilities except for cash and cash equivalents, and restricted deposits. Cash at banks earns interest at floating rates based on daily bank deposit rates, and has no material exposures to interest rate risk.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of management.

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which was mainly based on past due information unless other information was available without undue cost or effort, and year-end staging classification as at 30 June. The amounts presented are gross carrying amounts for financial assets.

As at 30 June 2026	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade receivables*	–	–	–	37,422	37,422
Financial assets included in deposits and other receivables					
– Normal**	18,659	–	–	–	18,659
– Doubtful	–	–	7,094	–	7,094
Restricted deposits	239	–	–	–	239
Cash and cash equivalents	32,541	–	–	–	32,541
Total	51,439	–	7,094	37,422	95,955

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

As at 30 June 2025	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade receivables*	–	–	–	37,752	37,752
Financial assets included in deposits and other receivables					
– Normal**	7,002	–	–	–	7,002
– Doubtful	–	–	3,149	–	3,149
Restricted deposits	238	–	–	–	238
Cash and cash equivalents	38,609	–	–	–	38,609
Total	45,849	–	3,149	37,752	86,750

* For trade receivables to which the Group applied the simplified approach for impairment, information is disclosed in note 18 to the financial statements.

** The credit quality of the financial assets included in deposits and other receivables was considered to be "normal" when they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets was considered to be "doubtful".

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	2026 **On demand and less than 12 months** **RMB'000**
Trade payables	**3,118**
Financial liabilities included in other payables and accruals	**22,924**
Total	**26,042**

	2025 On demand and less than 12 months RMB'000
Trade payables	3,595
Financial liabilities included in other payables and accruals	22,718
Total	26,313

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2026 and 2025.

The Group monitors capital using a gearing ratio, which is net debt divided by the adjusted capital plus net debt. Net debt includes trade payables and certain other payables and accruals, less cash and cash equivalents. Capital represents equity attributable to owners of the Company.

The gearing ratios as at the end of the reporting periods were as follows:

	2026 **RMB'000**	2025 RMB'000
Trade payables	**3,118**	3,595
Other payables and accruals	**37,061**	35,626
Less: Cash and cash equivalents	**32,541**	38,609
Net debt	**7,638**	612
Equity attributable to owners of the Company	**86,867**	99,245
Adjusted capital	**86,867**	99,245
Capital and net debt	**94,505**	99,857
Gearing ratio	**8.08%**	0.61%

33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2026 RMB'000	2025 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	**101**	89
Investments in subsidiaries	**25,483**	25,483
Total non-current assets	**25,584**	25,572
CURRENT ASSETS		
Due from a subsidiary	**86,374**	95,093
Deposits and other receivables	**216**	227
Cash and cash equivalents	**893**	2,473
Total current assets	**87,483**	97,793
CURRENT LIABILITIES		
Due to a subsidiary	**64,297**	65,866
Other payables and accruals	**4,435**	6,438
Total current liabilities	**68,732**	72,304
NET CURRENT ASSETS	**18,751**	25,489
TOTAL ASSETS LESS CURRENT LIABILITIES	**44,335**	51,061
Net assets	**44,335**	51,061
EQUITY		
Issued capital	**253,688**	253,688
Other reserves (note)	**(209,353)**	(202,627)
Total equity	**44,335**	51,061

Mao Yangguang
Director

Du Yun
Director

33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

	Share premium account RMB'000	Capital reserve RMB'000	Contribution reserve RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 July 2025	678,834	19	48,448	(20,861)	(909,067)	(202,627)
Loss for the year	–	–	–	–	(5,679)	(5,679)
Other comprehensive income for the year:						
Exchange differences on translation of the Company's financial statements	–	–	–	(1,047)	–	(1,047)
Total comprehensive loss for the year	–	–	–	(1,047)	(5,679)	(6,726)
At 30 June 2026	678,834	19	48,448	(21,908)	(914,746)	(209,353)

	Share premium account RMB'000	Capital reserve RMB'000	Contribution reserve RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 July 2024	678,834	19	48,448	(20,876)	(903,615)	(197,190)
Loss for the year	–	–	–	–	(5,452)	(5,452)
Other comprehensive income for the year:						
Exchange differences on translation of the Company's financial statements	–	–	–	15	–	15
Total comprehensive loss for the year	–	–	–	15	(5,452)	(5,437)
At 30 June 2025	678,834	19	48,448	(20,861)	(909,067)	(202,627)

34. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 28 September 2026.

Five Year Financial Summary

	Years ended 30 June				
	2026	2025	2024	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
RESULTS					
Revenue	**69,455**	70,884	71,415	74,542	32,957
Income/(loss) from operations	**225**	3,935	(3,362)	(10,092)	(3,008)
Finance costs	**(20)**	(11)	(19)	(9)	(1)
Impairment of goodwill	**(4,821)**	(3,316)	–	–	–
Provisions for impairment of intangible assets	**–**	–	–	–	(10,119)
(Loss)/profit before tax	**(4,616)**	608	(3,381)	(10,101)	(13,128)
Income tax expense	**(2,730)**	(2,563)	(3,977)	(9,478)	(3,663)
Loss for the year	**(7,346)**	(1,955)	(7,358)	(19,579)	(16,791)
(Loss)/profit attributable to:					
Owners of the Company	**(11,138)**	(5,042)	(9,966)	(23,101)	(10,818)
Non-controlling interests	**3,792**	3,087	2,608	3,522	(5,973)
	(7,346)	(1,955)	(7,358)	(19,579)	(16,791)
Dividends	**–**	–	–	–	–

Five Year Financial Summary (Continued)

	As at 30 June				
	2026	2025	2024	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS AND LIABILITIES					
Property, plant and equipment	**533**	560	665	780	871
Other non-current assets	**25,461**	23,953	26,095	25,472	73,439
Net current assets	**85,064**	95,138	95,294	102,669	74,072
Total assets less current liabilities	**111,058**	119,651	122,054	128,921	148,382
Non-current liabilities	**(2,840)**	(2,847)	(3,357)	(2,945)	(2,027)
Net assets	**108,218**	116,804	118,697	125,976	146,355
EQUITY					
Issued capital	**253,688**	253,688	253,688	253,688	253,688
Reserves	**(166,821)**	(154,443)	(149,463)	(139,576)	(139,342)
Non-controlling interests	**21,351**	17,559	14,472	11,864	32,009
Total equity	**108,218**	116,804	118,697	125,976	146,355