# ASIAN CITRUS HOLDINGS LIMITED
# 亞洲果業控股有限公司*

*(incorporated in Bermuda with limited liability)*
(Stock Code : 73)

# 2025/26
# ANNUAL REPORT

* *For identification purposes only*

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# FINANCIAL HIGHLIGHTS

## RESULTS OF OPERATIONS

| | For the year ended 30 June | | |
|---|---|---|---|
| | **2026 (RMB Million)** | 2025 (RMB Million) | % change |
| **Reported financial information** | | | |
| Revenue | **82.0** | 75.4 | 8.8 |
| Other income and gains or losses | **4.3** | 3.7 | 16.2 |
| Loss before income tax | **(26.4)** | (28.4) | (7.0) |
| Loss attributable to the owners of the Company | **(26.8)** | (24.0) | 11.7 |
| Basic loss per share attributable to the owners of the Company (RMB) | **(1.800)** | (1.611) | 11.7 |

## FINANCIAL POSITION

| | **As at 30 June 2026 (RMB Million)** | As at 30 June 2025 (RMB Million) | % change |
|---|---|---|---|
| Total assets | **106.0** | 144.6 | (26.7) |
| Net current assets | **26.4** | 44.0 | (40.0) |
| Cash and cash equivalents | **5.6** | 9.5 | (41.1) |
| Total equity | **83.9** | 110.9 | (24.3) |
| Current ratio | **2.3** | 2.4 | (4.2) |

# CHAIRMAN'S STATEMENT

On behalf of the board ("**Board**") of directors ("**Directors**"), I am pleased to present the latest development, progress and annual results of Asian Citrus Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") for the year ended 30 June 2026 (the "**Year**").

## REVIEW

In the past year, the People's Republic of China (the "**PRC**") economy has been resilient as evidenced by growth in gross domestic product ("**GDP**") amidst subdued consumer and investor confidence while ongoing geopolitical conflicts and rising trade protectionism continue to shape the global landscape. Despite persistent domestic demand weakness and external uncertainty, the PRC's GDP expanded by 5% year-on-year in 2025, meeting the government's official annual target and in the first half of 2026, the PRC's GDP continued to expand by 4.7% year-on-year.

The PRC domestic economy continued to undergo structural changes, with continuous growth on manufacturing upgrade and high-tech manufacturing while underscored by the persistent weakness in the housing market as well as high level of precautionary household savings which hindered domestic consumptions.

In light of such challenges surrounding the business environment and the aforesaid dynamics of the domestic consumer market, the Group will continue to review and formulate its strategy prudently to adopt in this ever-changing environment.

During the Year, for the Group's planting, cultivation and sale of agricultural produce business (the "**Plantation Business**"), being carried out at Hepu Plantation located in Guangxi, the PRC (the "**Hepu Plantation**"), the Group continued to focus on passion fruit as its primary product. However, due to the severe weather conditions at the material time which were beyond our control, the crop yield and quality of the passion fruits did not meet our expectation and coupled with the increase in competition, it was difficult to command a sustainable selling price of the passion fruits, thus adversely affecting our profit margin for the Plantation Business. Based on the results of internal feasibility study with a view to broaden the revenue base for our Plantation Business, in the last quarter of calendar year 2025, the Group began to adjust the usage of its farmland and cultivate crispy honey kumquats. However, due to the longer cropping time for crispy honey kumquats in nature, they might need a few seasons before generating a meaningful contribution for the Plantation Business.

As for the fruit distribution business of the Group (the "**Fruit Distribution Business**"), it is the Group's strategy to evaluate the fruit market by gathering and analysing the latest market information, amongst others, the latest fruit trends (popularity and price), types of fruits and quality in order to estimate the level of demand of the markets. Sales of winter jujube and watermelon were the Group's key contributors to the revenue. During the second half of the Year, external market environment has worsened with increased market competition and higher distribution costs, thus rendering a difficult position for the Fruit Distribution Business to generate reasonable returns to the Group. The Group took a prudent approach by cautiously evaluating the market conditions at the material time with the view to avoid potential losses in this segment.

According to the 15th Five-Year Plan for Economic and Social Development of the PRC published in March 2026, enhancing comprehensive agricultural production capacity, quality and efficiency is one of the PRC's key policies. Such initiatives include the development of scientific, quality, branded and green agriculture, with an aim to bring agriculture into a modernised and scaled industry. With the increase in health awareness fueled by PRC's national campaign such as Healthy China 2030 and nationwide per capita disposable income in the PRC, the demand for fresh and quality fruits in the PRC is expected to increase. To this end, in June 2026, the Group initiated a fundraising exercise with an aim to optimize and improve its existing operations, logistics and post-harvest management arrangements through the procurement and phased deployment of advanced passive cold storage solutions to strengthen the competitive edge for the Fruit Distribution Business. However, the fundraising exercise was unsuccessful and the Group was unable to deploy additional resources to revitalise the Fruit Distribution Business, though the Group will continue to monitor the latest development of the fruit market, the Group intends to maintain its flexibility to reallocate resources to other business segments that can potentially bring reasonable return to the Group.

The air-conditioners and other electronic appliances distribution business of the Group (the "**Air-conditioners and Other Electronic Appliances Distribution Business**") primarily operated in Meizhou and Shenzhen, the PRC, during the Year. As part of the effort to stimulate consumer sentiment, local government implemented subsidies for consumers to purchase energy-efficient and smart home appliances. In the previous year, as most of 深圳市金龍建設工程有限公司 (Shenzhen Jinlong Construction Engineering Co., Ltd.*) ("**Jinlong Construction**") customers were smaller-scale physical stores, they did not participate in the white electric goods subsidies program (the "**Subsidies Program**"). During the Year, an increased number of customers took part in the Subsidies Program and with the combination of the incentive program and surging demand, the Group was able to capture such business opportunities and the revenue attributable to this segment experienced notable increase as compared to the year ended 30 June 2025 (the "**Prior Year**").

During the Year, the Group's sales and distribution of consumables and others business (the "**Sales and Distribution of Consumables and Others Business**"), through its online and offline sale and distribution channels, continued to under-perform the Group's expectation due to, amongst other things, weakened customer demand as well as intense competition. The Group will closely monitor prevailing market conditions and prudently adjust its strategy and resource allocation from time to time.

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## PROSPECTS

It is expected that the business environment will remain challenging. Despite the economic uncertainties, the Group still attained an increase in revenue, which amounted to approximately RMB82.0 million, representing an increase of approximately 8.8% as compare to approximately RMB75.4 million for the Prior Year.

Looking ahead, we will continue to closely monitor the economic situation, adjust our business strategies in a timely manner, and strive to achieve sustainable growth for the Group and maximize returns for our shareholders.

## APPRECIATION

I, on behalf of the Board, would like to express our sincere gratitude to our valued shareholders, customers and business partners for your immense support and trust in the Company. We would also like to express my heartfelt thanks to our dedicated management team and staff for their professionalism, determination and invaluable contribution to the Group during the Year.

**Li Ziying**
*Chairman*

30 September 2026

## OUTLOOK

The principal business activities of the Group include (i) the Plantation Business; (ii) the Fruit Distribution Business; (iii) the Air-conditioners and Other Electronic Appliances Distribution Business; and (iv) the Sales and Distribution of Consumables and Others Business.

Looking ahead, while the current business environment remains uncertain, the Board acknowledges the necessity of streamlining the Group's operations to ensure long-term sustainability and maintain market competitiveness. We will continue to review the Group's operations and financial performances with an aim to optimize the Group's existing business and adjust our business strategies in a timely manner and will continue to seek viable business opportunities to diversify risks and enhance Shareholders' value in the long run.

As for the Plantation Business, the Group has begun to cultivate crispy honey kumquats, however, given that the longer crop cycle of the crispy honey kumquats, they will take a few seasons before the sales of crispy honey kumquats will have a meaningful contribution to the Group's revenue. The Group will continue to explore the feasibility of the plantation of other fruits which may further improve and broaden the income base of the Group and increase shareholders' return as a whole in the long run.

As for the Fruit Distribution Business, due to fierce market competition as well as the increase in distribution costs, the Group will cautiously consider and continuously evaluate the selection of suitable type(s) and quantities of the selected fruits to be purchased for subject season. With the failed attempt to raise capital to enhance the competitive edge of the Fruit Distribution Business, the Group will continue to cautiously monitor the market, including customers' preference, demand and supply in the market and price of the fruits, as well as to implement cost control as well identifying suitable financing with an aim to rejuvenate the Fruit Distribution Business.

The Air-conditioners and Other Electronic Appliances Distribution Business remains the largest source of revenue of the Group during the Year. With the Group's customers, being smaller-scale physical stores, participating in the Subsidies Program to purchase energy-efficient and smart home appliances, the Group intends to continue to capture such momentum with an aim to attain economies of scale, thus having greater bargaining power to negotiate with suppliers and attain higher profit margin.

Depending on the availability of financial resources and the prevailing market conditions, the Group plans to explore business opportunities in other cities in the PRC or to broaden its product portfolio where its competitive advantages would be beneficial to its business expansion.

As for the Sales and Distribution of Consumables and Others Business, given the weak consumer sentiment and fierce competition, the Group will closely monitor prevailing market conditions and prudently adjust its strategy and resource allocation from time to time.

## BUSINESS REVIEW

During the Year, against the backdrop of a challenging operating environment, the Group recorded revenue of approximately RMB82.0 million for the Year, representing an increase of approximately 8.8% as compared to the revenue of approximately RMB75.4 million for the Prior Year, which was mainly attributable to the increase in sales in the Air-conditioners and Other Electronic Appliances Distribution Business.

The Group recorded a net loss attributable to the owners of the Company of approximately RMB26.8 million for the Year, representing an increase of approximately RMB2.8 million as compared to approximately RMB24.0 million for the Prior Year.

During the Year, the Group continued to focus on passion fruits for the Plantation Business, however, the revenue generated from the Plantation Business amounted to approximately RMB0.6 million as compared to the Prior Year of approximately RMB1.6 million, this was mainly due to the crop yield and the quality of the Group's harvest of passion fruits were severely affected by the unexpected heavy rain at the material time. The Group has diversified to commence cultivating crispy honey kumquats, thus aiming to improve the overall performance of the Plantation Business in the long run.

Due to the immense competition and the increase in distribution costs, the Fruit Distribution Business recorded a substantial decrease in revenue of approximately 41.5% from approximately RMB28.7 million for the Prior Year to approximately RMB16.8 million during the Year. Sales of winter jujube and watermelon were the Group's key contributors in this segment while the Group has introduced watermelons as its new product in the last quarter of Prior Year.

The Air-conditioners and Other Electronic Appliances Distribution Business continued to focus on distribution and installation of air-conditioners in Meizhou and Shenzhen, the PRC. During the Year, some of the Group's customers participated in the Subsidies Program, leading to a substantial increase in revenue of approximately 50.9% from approximately RMB42.3 million for the Prior Year to approximately RMB63.8 million during the Year.

For the Sales and Distribution of Consumables and Others Business, principal products/services include the sales and distribution of consumables through e-commerce channels. During the Year, the Sales and Distribution of Consumables and Others Business contributed revenue of approximately RMB0.8 million as compared to approximately RMB1.5 million for the Prior Year.

## FINANCIAL REVIEW

### *Revenue*

The Group recorded total revenue of approximately RMB82.0 million (2025: RMB75.4 million) for the Year.

The Group's operations composed of five operating and reportable segments, namely (i) Plantation Business; (ii) Fruit Distribution Business; (iii) Air-conditioners and Other Electronic Appliances Distribution Business; (iv) Sales and Distribution of Consumables and Others Business; and (v) Cryptocurrencies trading. Below is an analysis of the revenue of the Group.

| | For the year ended 30 June | | |
|---|---|---|---|
| | **2026** | 2025 | % change |
| | **RMB'000** | RMB'000 | |
| Plantation Business | **599** | 1,595 | (62.4)% |
| Fruit Distribution Business | **16,807** | 28,706 | (41.5)% |
| Air-conditioners and Other Electronic Appliances Distribution Business | **63,769** | 42,267 | 50.9% |
| Sales and Distribution of Consumables and Others Business | **845** | 1,530 | (44.8)% |
| Cryptocurrencies trading | **–** | 1,322 | (100)% |
| Total | **82,020** | 75,420 | 8.8% |

For the Year, the Group recorded revenue of approximately RMB0.6 million (2025: RMB1.6 million) from the Plantation Business in the Hepu Plantation. In both years, the major crops that derived revenue are passion fruits. During the Year, the revenue has declined due to the severe weather condition at Hepu Plantation, included but not limited to abnormal pouring rain and typhoons resulting in negative impact on harvest quality and quantity. In addition, the Group has kicked off its cultivation of crispy honey kumquats at around the last quarter of calendar year 2025. Owing to its relatively longer cropping period in nature, they are yet to contribute revenue stream.

In respect of the Fruit Distribution Business, the Group recorded revenue of approximately RMB16.8 million (2025: RMB28.7 million), representing a decline of approximately 41.5%. This contraction was driven by an increasingly competitive market landscape. Facing heightened competition and compressed profit margins, the Group adopted a more disciplined and cautious approach to order acceptance, consciously trimming sales that offered little to no commercial return. In view of these prevailing market dynamics and the challenge of entering a fiercely contested market without incurring losses, the Group has proactively sought ways to turn the business around, including the fundraising efforts i.e., rights issue, dedicated to enhancing its logistics network with a view to improving margins. Despite of unsuccessful turnaround initiatives, the Group will continue to explore alternative paths forward, and maintain the flexibility to reallocate resources to other existing business segments or new business developments if the segment remains unviable.

Regarding the Air-conditioners and Other Electronic Appliances Distribution Business, the Group recorded revenue of approximately RMB63.8 million (2025: RMB42.3 million) for the Year, representing a surge of approximately 50.9%. This significant growth was primarily driven by two key factors. First, the Group diversified its product portfolio by introducing commercial freezer units during the Year, which served as a new revenue contributor. Second, benefiting from PRC government subsidies implemented to encourage consumer purchases of energy-efficient and smart home appliances, end-consumer demand rebounded strongly. In the previous year, most Jinlong Construction's customers, being smaller-scale physical stores, were not participants in the aforesaid subsidy programs. During the Year, some of the customers have taken part in the subsidy program, enabling the retail network extends to capture the surging demand and drive a robust increase in purchase orders.

During the Year, the revenue generated from the Sales and Distribution of Consumables and Others Business segment decreased from RMB1.5 million to RMB0.8 million. This segment comprises mainly the sales and distribution of consumables under B2B and B2C business models through e-commerce or offline channels ("**Online and Offline Trading**"). Major products include herbal-related wellness consumables/ products, such as mugwort cushion, steam eye masks, mugwort hammer and herbal foot spa pad. Besides, the Group also engaged in the provision of supply chain finance technology solution service under this business segment.

Revenue decline for the Online and Offline Trading was resulted from weakened consumer demand amid conservative spending, soaring online traffic costs, and intense price competition from low-end alternatives. In response, the Group has cleared remaining inventory, halted further procurement, and will closely monitor prevailing market conditions and prudently adjust its strategy and resource allocation from time to time. Further, the revenue declined for provision of supply chain finance technology solution service. The decrease stemmed from a sharp contraction in supply chain financing demand among target small and medium-sized enterprises, key client contract non-renewals, compressed intermediary spreads, and unexpected regulatory hurdles in customer acquisition and technology deployment. Consequently, the Group has implemented strict cost controls, downsized workforce, and transitioned the business to a lightweight, low-asset support model with no further major capital expenditures planned.

During the Year, the Group did not dispose of any cryptocurrencies, and therefore, no revenue has been generated.

### *Other income and gains or losses*

For the Year, the Group recorded other income and gains or losses of approximately RMB4.3 million (2025: RMB3.7 million), which mainly consists of government grants, rental income, promotion fee income as well as the interest income in connection with the loan to independent third party.

### *Impairment loss on property, plant and equipment*

During the Year, in view of unsatisfactory agricultural output and continuous losses under the Plantation Business cash generating unit ("**CGU**"), the recoverability of the carrying amounts of the Plantation Business CGU is in question. An impairment loss of approximately RMB0.3 million on the property, plant and equipment was recorded, mainly related to the furniture and fixtures.

### *Changes in fair value of investment properties*

For the Year, the Group recorded decrease in fair value of investment properties of approximately RMB0.3 million (2025: RMB0.3 million), which was mainly attributable to the decrease in the appraised value of a commercial property of the Group located in the PRC. Such commercial property was previously occupied by the Group and leased out by the Group to an independent third party since 1 September 2022.

### *Changes in fair value of financial assets at fair value through profit or loss*

For the Year, the Group recorded decrease in fair value of financial assets at fair value through profit or loss of approximately RMB0.5 million (2025: increase of RMB3.6 million), which was mainly attributable to the decrease in the fair value of the equity securities listed in the United States of America (the "**United States**") (2025: increase in fair value of the unlisted notes which have been fully disposed of).

### *Impairment loss on goodwill*

During the Year, the Group evaluated the carrying value of its goodwill in accordance with IAS 36 "Impairment of Assets". Goodwill of approximately RMB2.9 million arose from the acquisition of 陝西品尚農產品貿易有限公司 (Shaanxi Pinshang Agricultural Products Trading Co., Ltd.) ("**Shaanxi Pinshang**") on 31 March 2023 and was allocated entirely to the Fruit Distribution Business CGU.

**(i) Operational Triggers and Business Performance**

During the second half of the year, the Group's Fruit Distribution Business faced intensified market competition and rising distribution costs, resulting in a revenue contraction for the Year. Facing a fiercely contested market where continued operations would generate further losses, the Group proactively sought to rejuvenate the business through a fundraising exercise aimed at enhancing its logistics network and improving margins. However, with this rescue effort ultimately unsuccessful, the segment's performance fell substantially short of expectations, constituting a definitive triggering event under IAS 36.

**(ii) Impairment Assessment and Outcome**

The recoverable amount of the operating subsidiary under the Fruit Distribution Business CGU was determined based on a value-in-use calculation, utilising management-approved financial budgets covering a 2.5-year period (consistent with the prior year).

Based on the cash flow projections, the recoverable amount of the operating subsidiary as at 30 June 2026 was assessed to be nil. As a result, the Group recognised a full, non-cash impairment loss of approximately RMB2.9 million, writing down the remaining carrying value of goodwill associated with Shaanxi Pinshang to nil as at 30 June 2026.

**(iii) Impact on Financial Position and Liquidity**

This goodwill impairment is a non-cash operating charge and has no impact on the Group's operating cash flows, day-to-day liquidity, or banking facilities.

### *Impairment loss on intangible asset*

During the Year, the Group evaluated the carrying value of its computer software (comprising the online mobile application "綠氧的故事"), being recognised under intangible asset in accordance with IAS 38. The asset was capitalised upon its launch on 1 August 2025 at a cost of RMB2.6 million and allocated to the Sales and Distribution of Consumables and Others Business CGU.

**(i) Operational Triggers and Business Performance**

The Sales and Distribution of Consumables and Others Business CGU suffered from weakened consumer demand, soaring online traffic costs, and intense price competition, resulting in a revenue contraction. In response to continuous operating losses and unviable market conditions, the Group made the strategic decision to halt further procurement, clear remaining inventory, and will closely monitor prevailing market conditions and prudently adjust its strategy and resource allocation from time to time. These sustained losses constituted a definitive triggering event under IAS 36, requiring for impairment assessment.

**(ii) Impairment Assessment and Outcome**

The recoverable amount of the CGU was determined using a value-in-use calculation, derived from 5-year financial budgets. Following this evaluation, the recoverable amount of the computer software was assessed as Nil as of 30 June 2026. Consequently, after accounting for amortisation of RMB1.2 million for the period the asset was available for use, the Group recognised an impairment loss of approximately RMB1.4 million for the Year.

**(iii) Impact on Financial Position and Liquidity**

This software impairment is a non-cash operating charge and has no adverse impact on the Group's operating cash flows, day-to-day liquidity, or banking facilities, aligning with the segment's transition to a lightweight, low-asset support model.

### *Staff costs*

For the Year, the staff costs of the Group amounted to approximately RMB11.1 million (2025: RMB16.8 million). The decline in staff costs by approximately RMB5.7 million was mainly attributable to (i) the contraction and underperformance of Sales and Distribution of Consumables and Other Business leading to streamlining of workforce; (ii) reduction in compensation payment for termination of employment in PRC; and (iii) the cost-saving initiatives being launched.

### *Distribution and other operating expenses*

For the Year, the distribution and other operating expenses of the Group amounted to approximately RMB2.1 million (2025: RMB1.6 million), mainly incurred on transportation and delivery, advertising and promotion campaigns, as well as after-sales service.

### *General and other administrative expenses*

For the Year, the general and other administrative expenses of the Group amounted to approximately RMB8.1 million (2025: RMB17.1 million), which comprised primarily legal and professional fees, office premise rental, etc. The legal and professional fees included but not limited to audit fee, valuation fees and other fees paid to professional parties.

The general and other administrative expenses decreased substantially by RMB9.0 million. The reduction was mainly due to (i) the absence of the one-off consultancy fee incurred for setting up the online platform and service fees amounting to approximately RMB4.7 million; (ii) cost-saving initiatives carried out in PRC subsidiaries reduced overall office administrative expenses by approximately RMB1.0 million; and (iii) reduction in office premise rental by approximately RMB1.0 million.

### *Income tax expense*

The Group recorded an income tax expenses for the Year of approximately RMB32,000 (2025: RMB66,000). The decrease was mainly attributable to the decline in net profit under the Fruit Distribution Business.

### *Loss for the year attributable to the owners of the Company*

For the Year, loss attributable to the owners of the Company was approximately RMB26.8 million (compared to RMB24.0 million for 2025). While cost-saving initiatives and the streamlining of operations successfully reduced staff costs and general and other administrative expenses — thus exerting a positive impact on the net results — these gains were largely offset by the change in fair value of financial assets at fair value through profit or loss, impairment losses on goodwill and intangible asset and the provision for the write-down of cryptocurrencies.

## RISK FACTORS

The Group's business is exposed to the risk factors as set out below.

### PLANTATION BUSINESS

#### *Climate changes and natural disasters*

The Group's fruits plantation is exposed to the risk of damage from climatic changes and natural disasters. In the event of adverse weather conditions, such as droughts, floods, typhoons, hailstorms, frost and rainstorms, and natural disasters, such as forest fire, diseases, insect infestation and pests, occur in Hepu area, the Plantation Business is likely to suffer a significant decline in productivity due to the damage to farming and its infrastructure. Eventually, it will have an adverse impact on the Group's revenue and financial performance.

#### *Contractual arrangement at Hepu Plantation*

The Hepu Plantation, which comprises approximately 46,000 mu farmland located in Hepu county of Guangxi, is operated under a business cooperation agreement ending in 2050 (the "**Agreement**"). The Agreement was entered into between the Group and a cooperator (the "**Cooperator**") whereby the Cooperator would contribute farmland for use in the Plantation Business and the Group would be responsible for contributing those property, plant and equipment as well as providing and bearing the costs of fertilisers, pesticides, labour, technical support on cultivation and soil management. The Group will be entitled to 90% of the income generated from the Hepu Plantation accordingly.

Any raise in monthly management fee payable to the Cooperator will increase Hepu plantation's operating costs and lower its profit level to a certain extent. However, the Company believes a reasonable increase in the rent will help to promote a harmonic cooperation environment between the Cooperator and the owners of the farmland to facilitate a smooth running of the Plantation Business.

### FRUIT DISTRIBUTION BUSINESS

Prevailing technologies nor preventive measures may not be able to effectively tackle the unprecedented diseases nor infestations. The supply chain shall be facing the increment in expenses, decrease in fruit yield and quality which in turn, increase the purchase prices we may incur. As a result, our operation and revenue shall be adversely affected.

## AIR-CONDITIONERS AND OTHER ELECTRONIC APPLIANCES DISTRIBUTION BUSINESS

The size of our customer base and the level of satisfaction are critical to our success. Air-conditioners and Other Electronic Appliances Distribution Business has been depending and will continue to significantly depend on our customers and their loyalty in and level of satisfaction with our products and services. If customers no longer view our products and services as useful and attractive as compared to offerings in market, we may not be able to increase or maintain our customer base and the level of satisfaction, such that, the revenue shall be adversely affected.

## DIVIDEND

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

As at 30 June 2026, the total number of issued shares of the Company was 14,900,529 shares (as at 30 June 2025: 14,900,529 shares).

## LIQUIDITY AND FINANCE RESOURCES

### *Liquidity*

As at 30 June 2026, the Group had liabilities of approximately RMB9.8 million (2025: RMB10.8 million) in respect of bank borrowings and other borrowings with particulars disclosed in note 30 and note 31 to the consolidated financial statements respectively. The cash and cash equivalents of the Group was approximately RMB5.6 million (2025: RMB9.5 million).

As at 30 June 2026, the current ratio and quick ratio were 2.3 and 1.6, respectively (2025: 2.4 and 1.9, respectively).

### *Funding and treasury policy*

During the Year, the Group had sufficient funds for the operation and would continue to adopt stringent cost control and conservative treasury policies in running the businesses.

### *Charge on assets*

As at 30 June 2026, the Group's prepayment of Nil (2025: RMB9.6 million) was used as securities of obtaining bank borrowings of Nil (2025: bank borrowings of approximately RMB1.8 million).

### *Net gearing ratio*

The net gearing ratio of the Group (bank loans plus other borrowings less cash and cash equivalents, divided by total equity multiplied by 100%) increased from approximately 1.2% as at 30 June 2025 to approximately 5.0% as at 30 June 2026. The increase in net gearing ratio was mainly attributable to the decline in cash and cash equivalents after repayment of bank borrowings and the absence of capital contribution from non-controlling shareholder during the Year.

### *Capital commitments*

As at 30 June 2026, the Group did not have any capital commitments (2025: Nil).

## FOREIGN EXCHANGE RISK

The Group is exposed to foreign currency risk primarily through its cash and cash equivalents, cryptocurrencies as well as equity securities listed in the United States being denominated in a currency other than the functional currency of the operation to which they related. The currencies giving rise to this risk are primarily Hong Kong dollars and United States dollars.

The Group has relatively limited transactions denominated in foreign currencies, hence its exposure to exchange rate fluctuation is currently minimal and the Group does not intend to use any derivative contracts to hedge against its exposure to foreign exchange risk. Management manages the foreign exchange risk by closely monitoring the movement of the currency exchange rate from time to time.

## EMPLOYEES OF THE GROUP

The Group has adopted a competitive remuneration package since it aims to attract, retain and motivate high calibre individuals. Remuneration packages are performance-linked and business performance, market practices and competitive market conditions are all taken into consideration in determining remuneration. Remuneration packages, which are reviewed annually, include salaries/wages and other employee benefits, such as accommodation, discretionary bonuses, mandatory provident fund contributions and share options.

As at 30 June 2026, the Group had 61 (2025: 80) permanent employees.

## CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at 30 June 2026 (2025: Nil).

## EVENTS AFTER THE REPORTING PERIOD

On 14 September 2026, the Group disposed on the market a total of 590 shares of Microsoft Corporation, an American corporation whose common stocks are listed on the National Association of Securities Dealers Automated Quotations Stock Market ("**NASDAQ**") ("**MSFT Share**") at an average price of US$503.73 per MSFT Share at a total consideration of approximately US$0.3 million (equivalent to approximately RMB2.0 million) (excluding transaction costs). For further details, please refer to the announcement of the Company dated 15 September 2026.

Saved as disclosed above and elsewhere in this report, there were no other material subsequent events during the period from 30 June 2026 to the date of this report.

# DIRECTORS AND SENIOR MANAGEMENT PROFILE

## EXECUTIVE DIRECTOR

**Ms. LI Ziying**, *Chairman, and a member of Remuneration Committee and the Nomination Committee*

Ms. Li Ziying, aged 33, joined the Board on 1 November 2023 as an Executive Director and was appointed as Chairman of the Board on 25 November 2023. She is also the director of several subsidiaries of the Company.

Ms. Li has over 7 years of working experience in the design, marketing and retailing industry mainly focused on the People's Republic of China market. Ms. Li has ample experience in corporate planning and management.

Ms. Li is also the sister-in-law of Mr. James Francis Bittl, the non-executive Director of the Company.

## NON-EXECUTIVE DIRECTOR

**Mr. James Francis BITTL**

Mr. James Francis BITTL, aged 40, joined the Board on 16 June 2021 as a Non-executive Director. Mr. Bittl received a MBA from The University of Chicago Booth School of Business in 2022, a Master of Arts from New York University in 2011 and a Bachelor of Arts from Bowdoin College in 2008. Mr. Bittl has ample experience in corporate planning and management. He is currently the managing director of World Force Trading Limited, a company principally engaged in real estate investment and general trading.

Mr. James Francis BITTL is the brother-in-law of Ms. Li Ziying, the executive Director of the Company.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. LIU Ruiqiang**, *Chairman of the Audit Committee, the Nomination Committee and the Remuneration Committee*

Mr. LIU Ruiqiang, aged 62, joined the Board on 10 June 2021 as an Independent Non-executive Director. Mr. Liu graduated from Sun Yat-sen University with major in economics administration in July 1985. He has over 30 years of experience in the field of tax, accounting, auditing and finance. Mr. Liu is currently a certified public accountant of the Chinese Institute of Certified Public Accountants, a senior member of Shenzhen Institute of Certified Public Accountants and a registered tax agent in the PRC. He is a partner of 深圳市義達山河税務師事務所有限公司 (Shenzhen Yidashanhe Certified Tax Agents Co., Ltd.*) and also a partner and director of 深圳市義達會計師事務所有限責任公司 (Shenzhen Yida Certified Public Accountants Co., Ltd.*).

* *For identification purposes only*

**Mr. WANG Tianshi**, *a member of the Audit Committee and the Nomination Committee*

Mr. WANG Tianshi, aged 42, joined the Board on 29 March 2022 as an Independent Non-executive Director. Mr. Wang obtained a master's degree in business administration from the Harvard University in 2012. He is experienced in investment and business management. He is currently the managing partner of Hony Ventures, principally engaging in venture capital investments in consumer and technology.

**Mr. ZHUANG Canbin**, *a member of Audit Committee, the Nomination Committee and the Remuneration Committee*

Mr. ZHUANG Canbin, aged 32, joined the Board on 30 December 2024 as an Independent Non-executive Director. Mr. Zhuang graduated with a bachelor's degree in finance from Shenzhen University in the PRC in 2015. He has substantive management and investment experience in blockchain technology and cryptocurrency industries. From June 2020 to August 2024, Mr. Zhuang was working in and acted as the manager of the investment department of Shenzhen Aladdin Cloud Computing Technology Company Limited* (深圳阿拉丁雲計算技術有限公司), a company principally engaged in the sale, marketing, hosting and maintenance services for cryptocurrency mining machines. Since August 2024, Mr. Zhuang has been serving as the manager of the investment department of Shenzhen Champion Cloud Technology Company Limited* (深圳華冠智雲科技有限公司), which engages in artificial intelligence, blockchain technology and cryptocurrency mining investment projects.

## COMPANY SECRETARY

Mr. TSE Chi Hong has been appointed as the Company Secretary with effect from 3 July 2023. He has over 15 years of experience in accounting, corporate finance and company secretarial matters. Mr. Tse obtained a Bachelor of Business Administration (Honours) in Accountancy from the Hong Kong Polytechnic University. He is a member of the Hong Kong Institute of Certified Public Accountants and an associate member of The Hong Kong Chartered Governance Institute.

* *For identification purposes only*

# DIRECTORS' REPORT

The Board is pleased to present their report on the affairs of the Company, together with the audited consolidated financial statements of the Group for the year ended 30 June 2026 (the "**Consolidated Financial Statements**").

## PRINCIPAL ACTIVITIES

The Company is an exempted company incorporated under the laws of Bermuda with limited liability on 4 June 2003. The principal activities of the Group are planting, cultivation, sale of agricultural produce, distribution of fruits, distribution and installation of air-conditioners and other electronic appliances and sales and distribution of consumables and others which are carried on by certain subsidiaries in the PRC.

## BUSINESS REVIEW

A review of the Group's financial performance, business activities and development is included in the Chairman's Statement and the Management Discussion and Analysis on pages 3 to 15 of this annual report.

## RESULTS

The Group's loss for the year and the Group's financial position at the date are set out in the audited consolidated financial statements on pages 95 to 98 of this annual report.

## DIVIDEND

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

## FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 201 of this annual report.

## RESERVES

Details of the movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on pages 99 to 100, and note 40(b) to the Consolidated Financial Statements respectively. As at 30 June 2026, no reserves of the Company were available for distribution (2025: Nil).

## PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment during the year are set out in note 14 to the Consolidated Financial Statements.

## PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Bye-laws of the Company (the "**Bye-Laws**"), or the laws of Bermuda, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

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

The Company did not redeem any of its listed securities, nor did the Company or any of its subsidiaries purchase or sell any of such listed securities during the year ended 30 June 2026.

## SHARE CAPITAL

Details of the share capital of the Company are set out in note 32 to the Consolidated Financial Statements.

## DIRECTORS

The Directors during the year and up to the date of this annual report are set out below:

*Executive Director*
Ms. Li Ziying *(Chairman)*

*Non-executive Director*
Mr. James Francis Bittl

*Independent Non-executive Directors ("**INEDs**")*
Mr. Liu Ruiqiang
Mr. Wang Tianshi
Mr. Zhuang Canbin

### *Changes in the composition of the Board and other position of Directors*

Saved for Ms. Li Ziying being appointed as a member of the nomination committee of the Company, there is no other change in the composition of the Board and other position of Directors during the year and up to the date of this annual report.

### *Rotation*

In accordance with bye-law 87(2) of the Bye-Laws, any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office until the first general meeting of shareholders after his/her appointment or until the next following annual general meeting ("**AGM**") of the Company and be subject to re- election at such meeting.

In accordance with bye-laws 88(1) and 88(2) of the Bye-Laws, one-third of the Directors (other than those appointed pursuant to bye-law 87(2) of the Bye-Laws) shall retire from office by rotation and, being eligible, offer themselves for election. Accordingly, Ms. Li Ziying and Mr. Wang Tianshi will retire from office, and being eligible offer themselves for re-election, at the forthcoming AGM.

Details of the Directors' service contracts are described in the "Corporate Governance Report" of this annual report.

Save as disclosed above, none of the Directors proposed for re-election at the forthcoming AGM has a service contract 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.

The Company has received from each of the INEDs an annual confirmation of his independence in writing pursuant to Rule 3.13 of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Board considers each of them to be independent.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests or short positions of the Directors and the Chief Executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong (the "**SFO**")), which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules, were as follows:

| Name of Director/ Chief Executive | Class of shares | Capacity/ Nature of Interest | Number of Shares | Approximate percentage of the Company's total issued share capital | Long position/ Short position/ Lending pool |
|---|---|---|---|---|---|
| Ms. Li Ziying | Ordinary shares | Interest of spouse | 4,449,485 | 29.86% | Long position |

*Note*: Ms. Li Ziying is the spouse of Mr. Kung Chak Ming, Ms. Li Ziying is therefore deemed to be interested in all the shares in which Mr. Kung Chak Ming is interested under the SFO, which is 4,449,485 shares.

Save as disclosed above, none of the Directors, the Chief Executive of the Company or their respective associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of SFO) as at 30 June 2026 as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, so far as is known to the Directors, the substantial shareholders and persons or companies (other than the Directors and the Chief Executive of the Company) who/which had an interest or short position in the shares or underlying shares of the Company, which would fall to be disclosed under the provision of Division 2 and 3 of Part XV of the SFO, or which would be required, to be entered in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

| Name | Capacity/ Nature of interests | Number of shares held | Approximate percentage of interest in the issued shares of the Company |
|---|---|---|---|
| Mr. Kung Chak Ming | Beneficial owner/Personal | 4,449,485 | 29.86% |
| Mr. Xu Guodian | Beneficial owner/Personal | 1,381,215 | 9.27% |
| Changjiang Tyling Management Company Limited ("**Changjiang Tyling**") *(Note 1)* | Beneficial owner/Corporate | 896,261 | 6.01% |
| Mr. Ng Ong Nee *(Note 1)* | Interest in a controlled corporation | 896,261 | 6.01% |

*Note:*

(1) Changjiang Tyling is 50% owned by Mr. Ng Ong Nee (who is the former Chairman, Executive Director and Chief Executive Officer of the Company) and 50% owned by a third party independent to the Company and its connected persons. Mr. Ng Ong Nee (who is also a director of Changjiang Tyling) is deemed to be interested in 896,261 shares held by Changjiang Tyling by virtue of the SFO.

Save as disclosed above, the Directors are not aware of any other persons or companies (other than the Directors and the Chief Executive of the Company) who/which had interests or short positions in the shares or underlying shares of the Company, which would fall to be disclosed under the provision of Division 2 and 3 of Part XV of the SFO or were required to be entered in the register required to be kept by the Company under section 336 of the SFO.

## SHARE OPTION SCHEME

The Company has adopted a new share option scheme at the AGM of the Company held on 30 December 2020 (the "**2020 Share Option Scheme**"), which is valid and effective for a period of 10 years commencing on 30 December 2020.

The 2020 Share Option Scheme enables the Company to grant options to eligible participants to subscribe for shares in the Company as incentives and rewards for their contributions to the Group. The Board may, at its discretion, invite (i) any employee including executive directors (whether full time or part time) of the Company, any subsidiary or any invested entity; (ii) any non-executive director (including any independent non-executive director) of the Company, any subsidiary or any invested entity; (iii) any consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Company, any subsidiary or any invested entity; to take up options to subscribe for the shares in the Company.

The option period shall not expire later than 10 years from the date of grant of option. There is no minimum period for which an option must be held or a performance target which must be achieved before it can be exercised.

The total number of shares in respect of which options may be granted under the 2020 Share Option Scheme must not in aggregate exceed 124,963,788 shares, representing 10% of the shares in issue as at the date of adoption of the 2020 Share Option Scheme. The total number of the shares issued and to be issued upon exercise of the options granted and to be granted to each grantee under the 2020 Share Option Scheme in any 12-month period must not exceed 1% of the shares in issue from time to time unless approval from the shareholders of the Company in general meeting is obtained with such grantee and his/her/its associates abstaining from voting. Options to a substantial shareholder or an independent non- executive director of the Company or any of their respective associates in exceed of 0.1% of the total number of shares in issue and have an aggregate value in excess of HK$5 million must be approved by the shareholder of the Company in general meeting with such grantee and his/her/its associates and all core connected persons of the Company abstaining from voting.

The subscription price for the shares payable on the exercise of an option shall be a price determined by the Board and notified to each participant and will be at least the highest of (i) the closing price of the Company's shares on the Main Board as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average closing price of the Company's shares on the Main Board as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2020 Share Option Scheme and any other scheme must not exceed 30% of the total number of issued shares from time to time.

No share option was granted, cancelled or exercised or lapsed pursuant to the 2020 Share Option Scheme during the year ended 30 June 2026 and none of the Directors or Chief Executive of the Company or their respective spouses or children under 18 years of age were granted or exercised any right to subscribe for any equity or debt securities of the Company or any of its associated corporations within the meaning of the SFO.

As at 30 June 2026, the total number of shares available for issue under the 2020 Share Option Scheme shall be 745,026, representing approximately 5% of the entire issued share capital of the Company, and the Company had no outstanding share options under the 2020 Share Option Scheme.

## DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed in this annual report, at no time during the Year was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the Directors and Chief Executive of the Company (including their spouses and children under 18 years of age) to hold any interest or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporation (with the meaning of Part XV of the SFO).

## PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-Laws, subject to the provisions of the statutes, every Director shall be entitled to be indemnified by the Company against all costs, charges losses, expenses and liabilities incurred by him/her in the execution and discharge of his/her duties or in relation thereto. The Directors and Officers Liability Insurance (the "**D&O Insurance**") undertaken by the Company provides such indemnities to all the directors of the Company and its subsidiaries. The relevant provisions in the Bye-Laws and the D&O Insurance were in force during the year ended 30 June 2026 and as of the date of this annual report.

## RETIREMENT BENEFIT SCHEMES

Information on the Group's retirement benefit schemes is set out in notes 3(l) and 9 to the Consolidated Financial Statements.

## USE OF PROCEEDS FROM THE COMPANY'S PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

On 19 April 2021, the Company completed a placing of an aggregate of 1,250,000,000 placing shares at HK$0.08 for each placing share (which represented (i) a discount of approximately 44.06% to the closing price of HK$0.143 per Share as quoted on the Stock Exchange on the last trading day of the Shares on the Stock Exchange immediately prior to the entering into of the placing agreement (the "**Placing Last Trading Day**"); (ii) a discount of approximately 46.31% to the average closing price of approximately HK$0.149 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Placing Last Trading Day; (iii) a discount of approximately 45.95% to the average closing price of approximately HK$0.148 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Placing Last Trading Day; and (iv) a discount of approximately 27.27% to the net asset value of approximately HK$0.11 per Share as at 30 June 2020 (based on the consolidated net assets of the Group of approximately RMB129,732,000 as at 30 June 2020 (equivalent to approximately HK$142,705,000 at the then exchange rate of RMB1 to HK$1.10) and 1,249,637,884 Shares in issue as at 30 June 2020)) to not less than six placees who and whose ultimate beneficial owner(s) are independent third parties pursuant to the terms and conditions of a placing agreement dated 19 January 2021 (the "**Placing**"). For further details, please refer to the Company's announcements dated 19 January 2021, 20 January 2021, 8 April 2021 and 19 April 2021 and the Company's circular dated 16 March 2021 ("**Transaction Circular**"). The net proceeds raised from the Placing, after deduction of all relevant expenses (including but not limited to placing fees, legal expenses and disbursements, and other expenses incidental to the Placing), were approximately HK$94.7 million (the "**Net Proceeds**").

As set out in the Transaction Circular, the Net Proceeds were intended to be used for the following purposes:

(i) approximately HK$68.4 million would be used for the financing of the consideration ("**Consideration**") in respect of the acquisition of the land and properties (the "**Land and Properties**");

(ii) approximately HK$11.0 million would be used for the refurbishment of the Land and Properties; and

(iii) approximately HK$15.3 million would be used for the working capital of the Group for daily operations.

As at 30 June 2023, the Company had utilised approximately HK$83.7 million of the Net Proceeds for the financing the Consideration in respect of the acquisition of the Land and Properties and for the Group's working capital for daily operations and approximately HK$11.0 million remained unutilised.

Pursuant to the Company's announcement dated 5 January 2024 in relation to the change in use of proceeds from Placing, in light of the Group's business environment, operation needs, business segments and their future prospects, the Board has resolved that it would be in the best interest of the Company and the shareholders to reallocate the unutilised net proceeds of HK$11.0 million which was originally allocated for the refurbishment of the Land and Properties to (i) HK$2 million for the potential refurbishment of the Land and Properties; (ii) HK$5 million towards the Plantation Business for passion fruits, mainly including cost for labour, fertilisers and seedlings; and (iii) HK$4 million for the working capital of the Group for daily operations.

As at 30 June 2026, approximately HK$2.0 million of the Net Proceeds after the reallocation remained unutilised. There has been no change in the intended use of the Net Proceeds as previously disclosed, and the Group expects to fully utilise the residual amount of the Net Proceeds by 31 December 2026.

An analysis of the utilisation of the Net Proceeds as at 30 June 2026 is set out as below:

| | Planned use of the Net Proceeds as disclosed in the Transaction Circular HK$'000 | Actual use of the Net Proceeds from the date of completion of the Placing up to 30 June 2023 HK$'000 | Unutilised Net Proceeds as at 30 June 2023 HK$'000 | Reallocation of the unutilised Net Proceeds on 5 January 2024 HK$'000 | Actual utilised amount as at 30 June 2026 HK$'000 | Unutilised amount as at 30 June 2026 HK$'000 | Expected timeline |
|---|---|---|---|---|---|---|---|
| Financing of the Consideration | 68,400 (72.2%) | 68,400 (72.2%) | – (0.0%) | – (0.0%) | – (0.0%) | – (0.0%) | N/A |
| Refurbishment of the Land and Properties | 11,000 (11.6%) | – (0.0%) | 11,000 (11.6%) | 2,000 (2.1%) | – (0.0%) | 2,000 (2.1%) | 31 December 2026 |
| Plantation Business | N/A | N/A | N/A | 5,000 (5.3%) | 5,000 (5.3%) | – (0.0%) | N/A |
| Working capital of the Group for daily operations | 15,300 (16.2%) | 15,300 (16.2%) | – (0.0%) | 4,000 (4.2%) | 4,000 (4.2%) | – (0.0%) | N/A |
| Total | 94,700 (100%) | 83,700 (88.4%) | 11,000 (11.6%) | 11,000 (11.6%) | 9,000 (9.5%) | 2,000 (2.1%) | |

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors, at least 25% of the issued shares in the Company were held by the public (i.e. the prescribed public float applicable to the Company under Rule 8.08 of the Listing Rules) during the year ended 30 June 2026 and up to the date of this annual report.

## DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN CONTRACTS

Save as disclosed in the section headed "Connected Transactions" below, there was no other contract of significance in relation to the Group's business, to which the Company or any of its subsidiaries was a party, subsisting at the end of the Year or at any time during the Year, and in which the Directors had direct or indirect material interest, nor was there any other contract of significance in relation to the Group's business between the Company or any of the Company's subsidiaries and a controlling shareholder or any of its subsidiaries.

## DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year ended 30 June 2026, none of the Directors were interested in any business which competed or was likely to compete directly or indirectly with the businesses of the Group.

## CONNECTED TRANSACTIONS

### *Continuing Connected Transactions*

On 30 June 2025, Jinlong Construction, as purchaser, and 深圳市金龍空調電器有限公司 (Shenzhen Jinlong Air Conditioning Electric Co. Ltd.*) ("**JAC**"), as seller, entered into the framework agreement (the "**Framework Agreement**"), pursuant to which Jinlong Construction has conditionally agreed to purchase, and JAC has conditionally agreed to sell the electrical appliances (including air conditioners) from the date ("**Effective Date**") of which the relevant approval from the independent shareholders has been obtained by the Company up to and including 30 June 2028. The relevant cap for each of the period from Effective Date to 30 June 2026, year ending 30 June 2027 and year ending 30 June 2028 were set at RMB28,000,000, RMB36,000,000 and RMB40,000,000 respectively.

JAC was owned as to approximately 37.17% by Mr. Kung Hoi Pang, approximately 27.08% by Ms. Lin Dan Na, approximately 23.25% by Transamerica Trading (HK) Co. (which in turn being owned as to 99.99% by Transamerica (Holdings) Ltd. and 0.01% by Mr. Kung Ting Yin), approximately 9.62% by 深圳市金龍實業股份有限公司工會委員會 (Trade Union Committee of Shenzhen Jinlong Industrial Co., Ltd.*) and approximately 2.88% by Guangdong International Trust and Investment Corporation Shenzhen Branch. Transamerica (Holdings) Ltd was in turn owned as to approximately 33.33% by Mr. Kung Chun Lung, 33.33% by Mr. Kung Ting Yin; and 33.34% by Mr. Kung Ting Keung. Mr. Kung Chun Lung, Mr. Kung Hoi Pang, Ms. Lin Dan Na, Mr. Kung Ting Yin and Mr. Kung Ting Keung are the relatives of Mr. Kung Chak Ming. As such, JAC is a majority-controlled company (as defined in the Listing Rules) of Mr. Kung Chun Lung, Mr. Kung Hoi Pang, Ms. Lin Dan Na, Mr. Kung Ting Yin and Mr. Kung Ting Keung, and is a connected person of the Company.

For further details of the above the continuing connected transaction, please refer to announcements of the Company dated 30 June 2025 and 28 November 2025 and circular of the Company dated 4 December 2025.

The purchase amount under the Framework Agreement for the year ended 30 June 2026 was approximately RMB15,426,000 (for the year ended 30 June 2025 was approximately RMB23,583,000).

* *For identification purposes only*

Details of the Group's related party transactions are set out in note 36 to the Consolidated Financial Statements in accordance with the applicable IFRS Accounting Standards as issued by the International Accounting Standards Board for preparing these financial statements. Save as disclosed elsewhere in this annual report, none of the related party transactions constitutes a discloseable connected transaction or a continuing connected transaction under Chapter 14A of the Listing Rules. It is confirmed that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the continuing connected transaction, and confirmed the transactions have been entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better; and (c) according to the agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Moore CPA Limited ("**Moore Hong Kong**"), the auditor of the Company, was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Moore Hong Kong has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed above and confirming that nothing has come to its attention that causes them to bring to the attention of the Board in accordance with Rule 14A.56 of the Listing Rules. A copy of the above auditor's letter has been provided by the Company to the Stock Exchange in accordance with Rule 14A.57 of the Listing Rules.

## MAJOR CUSTOMERS AND SUPPLIERS

Sales to the Group's five largest customers for the year ended 30 June 2026 accounted for approximately 40.8% of the Group's total sales and sales to the Group's largest customer amounted to approximately 13.2% thereof.

Purchases from the Group's five largest suppliers for the year ended 30 June 2026 accounted for approximately 93.9% of the Group's total purchases and purchases from the Group's largest supplier amounted to approximately 55.9% thereof.

Save for JAC being one of the Group's five largest suppliers, at any time during the Year, none of the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in any of the Group's five largest customers or suppliers.

## MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 30 June 2026.

## COMMUNICATIONS WITH SHAREHOLDERS

The Board attaches great importance to maintaining good relationships with the Company's shareholders. Extensive information about the Company's activities is included in the annual and interim reports, which will be sent to all shareholders. Inside information is released to all shareholders and the market concurrently in accordance with the Listing Rules. The annual general meeting will provide an opportunity for all shareholders to communicate with and to question the Board on any aspect of the Group's activities. All announcements will be posted to the corporate website (www.asian-citrus.com) where information on the Company is regularly updated.

The executives of the Company may meet with institutional investors, fund managers and analysts, as part of an active investor-relations program to discuss long-term issues and receive feedback.

## CORPORATE GOVERNANCE

A report on the Company's corporate governance practices is set out on pages 32 to 48 of this annual report.

## EMOLUMENT POLICY

As at 30 June 2026, the Group had 61 (30 June 2025: 80) permanent employees.

The Company has set up a remuneration committee and its functions and duties are, amongst other matters, to review and approve the overall remuneration policy of the Group as well as the remuneration packages for Executive Directors and senior management of the Company.

The remuneration policy and package of the Group's employees are structured by reference to market terms in all localities in which the Group operates, for the purpose of recruiting and retaining suitable talents. The Group also provides other employee benefits such as, discretionary bonuses, mandatory provident fund contributions and a share option scheme to the employees.

Details of the Directors' emoluments and individuals with highest emoluments are set out in notes 10(a) and 10(b) to the Consolidated Financial Statements and in the corporate governance report on page 44 of this annual report.

## SIGNIFICANT INVESTMENTS HELD

As at 30 June 2026, the Group held 590 shares of Microsoft Corporation measured at fair value of approximately RMB1.5 million, 8.5 units of Bitcoin measured at the lower of cost and net realisable value of approximately RMB3.4 million and 200 units of Solana measured at the lower of cost and net realisable value of approximately RMB99,000, representing 1.4%, 3.2% and 0.1% of the total assets, respectively.

Therefore, the Group did not hold any significant investments that individually or in aggregate, representing 5% or more of the total assets.

### *Investment strategy, purpose and scope*

Investments of the Company are carried out under the Group's cash and working capital management (the "**Cash and Working Capital Management**"). The Company considered that the goal of its Cash and Working Capital Management to be the management of its cash and/or near-cash assets, being non-cash assets that are highly liquid and can be readily converted into cash, to enhance the return of its idle cash and working capital by investing into liquid assets which falls within the Group's pre-determined risk limits/parameters. The Cash and Working Capital Management focuses on maintaining a balance between liquidity and investment opportunities. Investments are funded primarily by excess internal cash (idle cash), ensuring daily liquidity and operations are unaffected.

The Company's investment decisions are made on a case-by-case basis and after due and careful consideration of a number of factors, including but not limited to market conditions, investment cost, duration of the investment, expected benefit and the Company's cash position. The Company closely monitor its liquidity to ensure that the liquidity structure of the Company's assets, liabilities and other commitments can meet its cash requirements from time to time.

Investments focus exclusively on trading securities of sizable companies and cryptocurrencies with high trading volumes while avoiding speculative instruments such as high-leverage futures or complex derivatives. By investing in actively traded assets with high liquidity, the Company can respond effectively to market changes and realise its investments.

The actual investment timeframe depends on numerous factors, include, but are not limited to price volatility and also the Company's cash position. The purpose of all the Company's investments is to target both capital gains and dividend yields, if possible. The ultimate goal is to enhance and maximize the benefits of the Group and shareholders as a whole.

### *Risk management and control measures*

The Company continuously monitors market changes to enable prompt action. This includes tracking daily price movements of all investments in the portfolio and monitoring news sources for events that could impact their value. Specifically, when the value of the Company's investment portfolio experiences a loss exceeding 20%, the Company will convene board meetings to discuss the actions to be taken including potential sale of investments to minimise losses.

To mitigate the risk of losses in its investments, the Company focuses exclusively on trading securities of sizable companies and cryptocurrencies with high trading volumes. By investing in actively traded assets with high liquidity, the Company can respond effectively to market changes and realise its investments. To mitigate counterparty and execution risks, all securities and cryptocurrency transactions must be executed exclusively through licensed corporations or strictly regulated trading platforms.

### *Investment decision approval, monitoring and review*

The Group's employees and members of the Board, including independent non-executive Directors, are welcome to propose potential investment opportunities to the Board's consideration. Once the relevant analysis and background on the investment is compiled, the investment proposal will be presented to the Board's consideration whereas members of the Board, including the independent non-executive Directors, will review, discuss whether to pursue such potential investment opportunity as well as setting the targeted investment amount on such investment.

Members of the Board, including independent non-executive directors, will cast their vote to determine whether to pursue subject investment opportunity. A simple majority, which must include a positive vote from the executive director of the Company voting for the proposed investment must be attained in order for the transaction to proceed.

Once the subject investment has been approved by the Board, the management will monitor the price movement of the relevant investment and execute the transactions in the designated trading platforms within the approved investment amount by the Board.

Under normal circumstances, the Board will convene board meetings to discuss the actions to be taken, including the potential realization or sale of the subject investment to minimise losses should (i) the value of the Company's investment portfolio experiences a loss exceeding 20%; or (ii) there have been material change(s) to the prospects and/or fundamentals to the subject investment; or (iii) there is a short-term cash flow need deemed necessary by the management of the Company.

## MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were no material acquisitions and disposal subsidiaries, associates and joint ventures during the year ended 30 June 2026.

## FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

As at the date of this annual report, the Group did not have any plans for material investment and capital assets in the coming financial year.

## REVIEW OF THE FINAL RESULTS BY AUDIT COMMITTEE

The Audit Committee has reviewed with the management and the Company's independent auditor the accounting principles and practices adopted by the Group and has discussed auditing, internal control and financial reporting matters, including the review of the audited consolidated financial statements of the Group for the year ended 30 June 2026.

## INDEPENDENT AUDITOR

The Consolidated Financial Statements were audited by Moore Hong Kong which will retire at the forthcoming AGM. A resolution will be proposed at such meeting to re-appoint Moore Hong Kong as independent auditor of the Company and authorise the Board to fix its remuneration.

By order of the Board

**LI Ziying**
*Executive Director*

30 September 2026

**James Francis Bittl**
*Non-executive Director*

30 September 2026

# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain good corporate governance practices and procedures for enhancing the accountability and transparency of the Company to its investors and shareholders.

The Company's corporate governance practices are based on the principles and code provisions (the "**Code Provisions**") set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules.

During the year ended 30 June 2026, the Company has complied with the Code Provisions of the CG Code.

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct for dealings in its securities. Following a specific enquiry made to all Directors by the Company, each of them has confirmed that he/she had fully complied with the required standard as set out in the Model Code throughout the year ended 30 June 2026.

## BOARD OF DIRECTORS

The Board meets regularly and the Directors receive information between meetings about the activities of the Group. All Directors have full and timely access to all relevant information of the Group. In addition to the meetings of the Board, the senior management also communicates frequently to review and discuss the daily operation of the Group.

## BOARD COMPOSITION

The Board has in its composition a balance of skills and experience necessary for independent decision making and fulfilling its business needs.

As at 30 June 2026, the Board comprised five members, including one Executive Director, one Non-executive Director and three INEDs, as follows:

*Executive Director*
Ms. Li Ziying *(Chairman)*

*Non-executive Director*
Mr. James Francis Bittl

*Independent Non-executive Directors*
Mr. Liu Ruiqiang
Mr. Wang Tianshi
Mr. Zhuang Canbin

Biographical details of the Directors are set out on pages 16 to 17 of this annual report.

### *Responsibilities of the Board*

The Board formulates the long term strategies of the Group and is responsible for leading the Group in the areas of management, research and innovation as well as financial performance. There is a clear division of responsibilities between the Board and management. Decisions delegated by the Board to the management include implementation of the policy and direction determined by the Board, monitoring the business operation, preparation of financial statements, corporate governance and compliance with applicable laws and regulations.

The Bye-Laws set out the responsibilities and proceedings of the Board. Significant operational policies have to be discussed and approved by the Board. To enable the Directors to meet their obligations, an appropriate organisational structure is in place with clearly defined responsibilities and limits of authority.

### *Nomination Policy*

The Board has adopted a nomination policy (the "**Nomination Policy**") which set out the selection criteria in assessing the suitability of a proposed candidate as Director and procedures of appointing and re-appointing a Director. In assessing the suitability of a proposed candidate, the Board will consider factors including but not limited to reputation for integrity, accomplishment and experience in the relevant industry, commitment in respect of available time and relevant interest, diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills and knowledge and length of service. Suitable candidate can be nominated by any Director for the Board's consideration. The Board should evaluate the personal profile of the candidate based on the selection criteria as set out in the Nomination Policy and undertake adequate due diligence in respect of each proposed candidate. After comprehensive assessment, the Directors will then make recommendation to the Board for consideration and approval or making recommendation to the shareholders of the Company for approval. The Board will review the Nomination Policy and assess its effectiveness on a regular basis or as required.

### *Board Diversity Policy*

The Board has adopted a board diversity policy as the Company recognises and embraces the benefits of diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, length of service and the legitimate interests of the Company's principal shareholders. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

For the purpose of implementation of the board diversity policy, the following measurable objectives were adopted:

(A) at least one of the members of the Board shall be female;

(B) at least one-third of the members of the Board shall be independent non-executive Directors;

(C) at least one of the members of the Board shall have obtained accounting or other professional qualifications;

(D) at least 75% of the members of the Board shall have more than 5 years of experience in the industry he/she is specialised in; and

(E) at least two of the members of the Board shall have PRC-related working experience.

All the measurable objectives under the above board diversity policy have been achieved during the Year.

### *Workforce Diversity Policy, Data and Targets*

The Company firmly believes that workforce diversity brings diverse perspectives, enhances team dynamics, and is essential to the sustainable success of the Group. To this end, the Group has formally adopted and implemented a comprehensive Workforce Diversity Policy (the "**Policy**") during the Year to establish and foster a fair, inclusive, and supportive work environment.

### Summary of Policy Approach and Commitments

The Policy applies to all employees of the Group. We are fully committed to embedding diversity and inclusion principles across our core business practices, including talent acquisition and development, compensation and benefits, employee retention, and succession planning. The Group commits to embracing a broad range of diversity factors, including but not limited to gender, age, sexual orientation, physical and mental disability, family and marital status, ethnic origin, religious belief, and political affiliation, and regularly monitors the diversity balance.

### Gender Diversity Profile

As at the end of the reporting period, the gender ratio and headcount across various levels of the Group's workforce are set out below:

| Level | Female Ratio (Headcount) | Male Ratio (Headcount) |
|---|---|---|
| Board | 20% (1) | 80% (4) |
| Senior Management* | 20% (1) | 80% (4) |
| Other Employees | 39% (22) | 61% (34) |

* *Note:* Senior management comprises Directors only.

### Targets

Taking into account the Group's current operational scale and streamlined structure, the Board has not set specific measurable objectives or numerical targets for general workforce diversity.

Instead, in alignment with our Policy, the Group strives to cultivate an inclusive culture where hiring, promotion, and talent development are based purely on leveraging the diverse thinking, skills, experience, and working styles of our individuals. We embrace workforce diversity across a broad spectrum — including but not limited to gender, age, physical and mental disability, family status, marital status, and ethnic origin — ensuring that all decisions are driven by potential and merit rather than fulfilling rigid demographic quotas.

### *Board Independence Evaluation*

The Company has established a board independence evaluation mechanism ("**Board Independence Evaluation Mechanism**") setting out the processes and procedures to ensure a strong independent element on the Board, which allows the Board effectively exercises independent judgment to better safeguard shareholders' interests. The objectives of the evaluation are to improve Board effectiveness, maximise strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director. Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct annual review on its independence. The board independence evaluation report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

During the year ended 30 June 2026, all Directors has completed the independence evaluation in the form of a questionnaire individually. The board independence evaluation report was presented to the Board and the evaluation results were satisfactory. Up to the date of this annual report, the Board reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism and the results were satisfactory.

### *Board Evaluation*

#### Board Performance Review

Pursuant to Code Provision B.1.4 of the CG Code, the Company should conduct a formal evaluation of the board's performance at least every two years. Up to the date of this report, a formal board performance review was organized and conducted internally in the form of anonymous questionnaire. Each director was invited to provide his/her views on the performance of the Board/board committee and any suggestions for improving the board process. The review spanned over four major areas, namely (i) board structure, skills & succession planning; (ii) board culture dynamics; (iii) board practices & governance processed and (iv) strategic focus, oversight & impact.

To foster continuous improvement, the Board discussed the evaluation results and agreed to implement ongoing administrative refinements over the next 12 months. These include further regular updates to internal management reporting formats to support strategic tracking, continuing professional development updates for Directors, and ongoing monitoring of the long-term succession planning framework to ensure sustained board effectiveness and continuity.

The results of the evaluation were reviewed by the Nomination Committee and submitted to the Board in September 2026. The Board has considered the suggestions received and would take steps for further enhancement. The forthcoming formal evaluation of the board's performance is scheduled for year 2028.

### *Board Skills Matrix*

A detailed board skills matrix is provided in the table below, outlining each skill area, its relevance and importance in serving the Company's purpose, values, strategy and desired culture, the assessment of adequacy and the corresponding enhancement plans. The board skills matrix was reviewed by the Nomination Committee and the Board in September 2026. The current board skills matrix was considered adequate and the further enhancement plan would be carried out accordingly.

| | Areas of skills | Description | Importance | Adequacy | Plans to address gaps/ expand skills |
|---|---|---|---|---|---|
| 1 | Industry & market knowledge | Understanding of the company's operating ecosystem, competitive landscape, and supply chain. | **E** | The Board collectively possesses extensive knowledge and experience in the relevant industry and business environment. | Encourage Directors to continuously monitor new developments in the market |
| 2 | Strategy and business leadership | Driving long-term corporate vision, scaling businesses, or handling cross-border corporate transformations. | **E** | The Board possesses solid collective experience in strategic planning and business leadership to guide the Company's long-term growth. | Encourage Directors to participate in leadership related training, ensuring readiness for an evolving business environment. |
| 3 | Financial literacy and audit | Expertise in reviewing complex financial statements, capital structure optimizations, corporate finance, or external audit oversight. | **E** | The Board has adequate qualifications and collective experience in financial review, corporate finance, and audit oversight. | Ensure Directors' financial knowledge is kept up to date to address complex International Financial Reporting Standards and changes in capital markets. |
| 4 | Risk management and compliance | Oversight of internal control frameworks, regulatory risk management, crisis resolution, and legal compliance under HKEX listing rule regimes. | **E** | The Board, with the assistance of the external consultant, monitor and keep oversight on the effectiveness of the Company's risk management and internal control systems. | Incorporate the themes of risk management and internal control into the annual training program. |

| | Areas of skills | Description | Importance | Adequacy | Plans to address gaps/ expand skills |
|---|---|---|---|---|---|
| 5 | Sustainability & ESG | Competency in overseeing climate-related physical/ transition risks, green finance frameworks, and mandatory sustainability disclosure standards. | **F** | Expertise is currently developing; ESG reporting and compliance represent a relatively new area requiring ongoing enhancement. | Incorporate ESG into annual training program. |
| 6 | Digitalization and technology | Experience in steering digital transformation, data privacy governance, cybersecurity frameworks, or leveraging AI and disruptive technologies. | **A/D** | Digitalization and technology (including artificial intelligence) are still new to the Board and need further enhancement on such knowledge | Trainings may be arranged by professional bodies to facilitate Board members' understanding on these emerging new topics. |
| 7 | HR & Succession planning | Expertise in executive recruitment, performance metrics, equity incentive designs, and long-term board/C-suite succession frameworks. | **A/D** | Human capital management and succession planning competencies are developing, with practices currently handled internally by the Board. | Keep abreast of evolving human capital practices and consider relevant expertise in future board composition planning. |

"E" = essential skills that should currently be in the board's possession
"F" = skills that should be acquired for future purposes/in light of anticipated emerging needs
A/D = skills that are not necessary but desirable or aspirational in nature

### *Board Meetings*

The Board meets at least four times a year at approximately quarterly intervals with notice given to the Board members at least fourteen days in advance. For additional Board meetings which require discussion and resolution of significant issues arising during the operation of the Company, notice is given at a reasonable time in advance.

Before each Board meeting, a draft agenda is sent out to all Directors at least three days or such other period as agreed in advance in order to allow the Directors to include any other matters in the agenda that is required for discussion and resolution at the meeting. To enable the Directors to make informed decisions, Board papers together with all appropriate and relevant information in relation to the matters of the meeting are sent to all Directors three days or such other period as agreed before each Board meeting.

The Company Secretary is responsible for keeping the minutes of all Board meetings. Draft minutes are normally circulated to the Directors for comments within a reasonable time after each meeting and the final version is open for the Directors' inspection. Minutes of meetings of the Board and the Board committees record in detail the matters considered and the decisions reached, including any concerns raised by the Directors or dissenting views expressed. According to the Listing Rules, any Directors and their respective close associates (as defined in the Listing Rules) who have a conflict of interest or with a material interest in the transactions to be discussed at the physical Board meetings will abstain from voting on resolutions approving such transactions and will not be counted in the quorum of meetings.

Save for the fact that, Ms. Li Ziying (Chairman and Executive Director) is the sister-in-law of Mr. James Francis Bittl (a non-executive Director), none of the Directors has any relationship including financial, business, family or other material relationship with each other.

All Directors have access to the advice and services of the Company's legal advisors and the Company Secretary who is responsible for ensuring that all Board procedures are followed. Any Director may take independent professional advice at the Company's expense in the furtherance of his/her duties.

### *Attendance of Meetings*

The attendance record of each Director at the board meetings, board committee meetings and the general meeting of the Company held during the year ended 30 June 2026 is set out in the table below:

| Name of Directors | Board Meeting | Audit Committee Meeting | Nomination Committee Meeting | Remuneration Committee Meeting | Annual General Meeting |
|---|---|---|---|---|---|
| | (Attendance/Number of Meetings) | | | | |
| *Executive Director:* | | | | | |
| Ms. Li Ziying *(Chairman)* | 5/8 | N/A | 1/1 | 1/2 | 1/1 |
| *Non-executive Director:* | | | | | |
| Mr. James Francis Bittl | 6/8 | N/A | N/A | N/A | 1/1 |
| *Independent Non-Executive Directors:* | | | | | |
| Mr. Liu Ruiqiang | 8/8 | 4/4 | 2/2 | 2/2 | 1/1 |
| Mr. Wang Tianshi | 4/8 | 3/4 | 0/2 | N/A | 1/1 |
| Mr. Zhuang Canbin | 7/8 | 4/4 | 2/2 | 2/2 | 1/1 |

Apart from Board meetings, the Chairman also held a meeting with the independent non-executive Directors without the presence of other Directors during the year ended 30 June 2026.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

In compliance with Rules 3.10(1) and 3.10A of the Listing Rules, the number of INEDs represents more than one-third of the Board. Among the INEDs, at least one has appropriate professional qualification in accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

The Company has received from each of its INEDs a written confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company, based on such confirmations, considers Mr. Liu Ruiqiang, Mr. Wang Tianshi and Mr. Zhuang Canbin are independent.

Each Director has entered into service agreement or letter of appointment with the Company for a term of three years. Under the Bye-Laws, any director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting after his/her appointment and be subject to re-election at such meeting by the shareholders. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM and shall then be eligible for re-election. Apart from this, one-third of the directors, including the non-executive directors, for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) are subject to retirement by rotation and re-election at each AGM in accordance with the Bye-Laws and prescribed by the Listing Rules provided that every Director shall be subject to retirement by rotation once every three years.

## BOARD COMMITTEES

The Board was responsible for performing the corporate governance functions of the Company. The Board has established three committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee, with specific responsibilities as set out in their respective terms of reference.

### *Audit Committee*

The Audit Committee has the primary responsibility for reviewing the effectiveness of the Company's financial control, internal control and risk management systems and ensuring that the financial performance of the Company is properly measured and reported on, receiving and reviewing reports from management and the external auditor relating to the annual and interim financial statements, and monitoring the accounting, internal control and risk management systems in use throughout the Group for the year ended 30 June 2026.

The Audit Committee performed the works as summarised below:

(i) reviewed and recommended for the Board's approval of the financial reports for the year ended 30 June 2025 and the six months ended 31 December 2025;

(ii) reviewed the independent auditor's report from the external auditor;

(iii) reviewed the external auditor's independence and objectivity and recommended for the Board's approval on the re-appointment of the auditor;

(iv) reviewed and recommended for the Board's approval of the risk management and internal control review reports discussing, among others, the major internal audit issues, the financial reporting systems, effectiveness of the internal audit function, risk management and the internal control systems of the Group;

(v) reviewed, evaluated and assessed the effectiveness of the Audit Committee and the adequacy of its terms of reference; and

(vi) reviewed the continuing connected transactions and their annual caps.

As at 30 June 2026, the members of the Audit Committee comprised Mr. Liu Ruiqiang, Mr. Wang Tianshi and Mr. Zhuang Canbin and Mr. Liu Ruiqiang was the chairman of this committee. During the year ended 30 June 2026, the Audit Committee has duly discharged its responsibility.

### *Nomination Committee*

The Nomination Committee was established with written terms of reference on 29 March 2022 and amended on 27 February 2026. The primary responsibilities and duties of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategies, to assess the independence of independent non-executive Directors, review Directors' time commitments and contributions, support Board performance evaluations, maintain board skills matrix and identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships. The terms of reference of the Nomination Committee are posted on the Company's website (www.asian-citrus.com) and the website of the Stock Exchange.

As at 30 June 2026, the members of the Nomination Committee comprised Mr. Liu Ruiqiang, Mr. Wang Tianshi, Mr. Zhuang Canbin and Ms. Li Ziying and Mr. Liu Ruiqiang was the chairman of this committee. During the year, the Nomination Committee has duly discharged its responsibility.

### *Remuneration Committee*

The Remuneration Committee has adopted the approach under Code Provision E.1.2(c)(i) of the CG Code to determine and review the scale and structure of the Executive Directors' remuneration and terms of their service contracts. It also determines the entitlements of the Directors and the employees of the Group under the share option scheme of the Company.

The Group's remuneration policy provides competitive rewards for its Directors and senior executives. The policy takes into account the Group's performance, the individual performance and the prevailing remuneration packages of the markets in which the Group operates. The Remuneration Committee aims to attract, retain and motivate high-caliber individuals with competitive remuneration packages. The remuneration package provides a balance between fixed and variable rewards. Therefore, remuneration packages for Directors and senior executives normally include basic salary, discretionary bonuses, benefits and share options. Salaries and benefits are reviewed annually and are set to reflect the responsibilities, knowledge, skill and experience of the individuals.

As at 30 June 2026, the members of the Remuneration Committee comprised Mr. Liu Ruiqiang, Ms. Li Ziying and Mr. Zhuang Canbin and Mr. Liu Ruiqiang was the chairman of this committee. During the year, the Remuneration Committee has duly discharged its responsibility.

## DIRECTORS' INDUCTION AND CONTINUING PROFESSIONAL DEVELOPMENT

Each newly appointed Director receives a formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure a proper understanding of the Company's operations and business and full awareness of the Director's responsibilities under the statues and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

The existing Directors are continually updated with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities. Trainings and professional development for Directors are arranged whenever necessary. In addition, reading materials on new or changes to salient laws and regulations applicable to the Company are provided to Directors from time to time for their studying and reference.

All Directors have confirmed that they had participated in the continuous professional development as required by rules 3.09F, 3.09G and 3.09H of the Listing Rules for the Year. During the Year, each Director participated in continuous professional development by different modes on the following topics to develop and refresh their knowledge and skills and provided a record of training to the Company:

| Name of Directors | Topics of Training covered and No. of Hours | | | | | Total No. of Hours |
|---|---|---|---|---|---|---|
| | Topic 1 | Topic 2 | Topic 3 | Topic 4 | Topic 5 | |
| *Executive Director* | | | | | | |
| Ms. LI Ziying *(Chairman)* | C: 1.5hrs | C: 5hrs | C: 0.5hr | C: 2hrs | C: 3hrs | 12hrs |
| *Non-executive Director* | | | | | | |
| Mr. James Francis Bittl | C: 1.5hrs | C: 4hrs | C: 0.4hr | C: 2hrs | C: 3hrs | 10.9hrs |
| *Independent Non-executive Directors* | | | | | | |
| Mr. Liu Ruiqiang | B: 1.5hrs | B: 1.5hrs | B: 2hrs | B: 2hrs | B: 2hrs | 9hrs |
| Mr. Wang Tianshi | B: 1.5hrs | B: 1.5hrs | B: 1.5hrs | B: 1hr | B: 1.5hrs | 7hrs |
| Mr. Zhuang Canbin | B: 1hr | B: 1.5hrs | B: 1.5hrs | B: 3hrs | B: 3hrs | 10hrs |

*Note:*

(i) Topics of training covered refer to:
- Topic 1 – the roles, functions and responsibilities of the board, its committees and its directors, and board effectiveness;
- Topic 2 – issuers' obligations and directors' duties under Hong Kong law and the Listing Rules, and key legal and regulatory developments (including Listing Rule updates) relevant to the discharge of such obligations and duties;
- Topic 3 – corporate governance and ESG matters (including developments on sustainability or climate-related risks and opportunities relevant to the issuer and its business);
- Topic 4 – risk management and internal controls; and
- Topic 5 – updates on industry-specific developments, business trends and strategies relevant to the issuer

(ii) Mode of training refer to:
- A – Internal training;
- B – External training;
- C – Self-study; and
- D – Others (Any other form of training received, e.g. attending industry event as speaker or panellist).

## SERVICE CONTRACTS

All the service contracts entered into with the Directors of the Company have fixed term. None of the Directors has an unexpired service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Pursuant to Code Provision E.1.5 of part 2 of the CG Code, the annual remuneration for the year ended 30 June 2026 of the members of the senior management (other than the Directors of the Company) by band is set out as below:

| Remuneration band | Number of individuals |
|---|---|
| Nil to RMB1 million | 1 |

## SHARE OPTION SCHEME

Details of the share option scheme are shown on pages 22 to 23 of this annual report.

## INDEPENDENT AUDITORS' REMUNERATION

The remuneration paid/payable to the external auditor of the Company, Moore Hong Kong, in respect of audit services and non-audit services for the year ended 30 June 2026 were approximately RMB984,000 and RMB134,000, respectively. The non-audit services for the year ended 30 June 2026 mainly consisted of other reporting services.

## DIRECTORS' AND AUDITOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Group's consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 misstatements, whether due to fraud or error. In preparing the financial statements for the year ended 30 June 2026, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The Directors must keep proper accounting records, which disclose, with reasonable accuracy at any time, the financial position of the Group and the Company.

The auditor's statement about its reporting responsibilities on the Consolidated Financial Statements is included in the Independent Auditor's Report set out on pages 89 to 94 of this annual report.

## INTERNAL CONTROL AND RISK MANAGEMENT

The Board believes that maintaining adequate internal control and risk management systems are vital to the Group so that the Group's business decision and operation can be implemented effectively to safeguard the assets of the Company and to ensure the reliability of financial information for both internal use and external publication. The Board takes overall responsibility for ensuing the establishment of appropriate and effective internal control and risk management systems of the Group.

In view of the size of the corporate structure of the Company and the nature of operations of the Group, the Board believes that it is cost effective to appoint external professional to carry out the internal audit function for the Group. The Group engaged an independent professional consultancy firm to perform the internal audit function of the Group on annual basis. Such independent professional consultancy firm would prepare and submit an internal audit report to the Audit Committee accordingly.

An annual internal control review was carried out by an independent professional consultancy firm engaged by the Company covering the assessment of the financial and non-financial risks. It reviewed the policies, procedures and controls in place for the listed holding company and major operating subsidiaries, in the following areas: (i) compliance of corporate governance code; (ii) revenue cycle; (iii) purchase and expenses cycles; (iv) treasury operations; (v) inventory control; and (vi) cash management. The reviewer interviewed the key personnel involved in the daily operations. The reviewer also assessed the design, adequacy and execution of control to determine the operating effectiveness and identified the weaknesses of the existing control system and then communicated with the management of the Company in respect of the findings and recommendations by submitting an internal control report (the "**Internal Control Report**"). Thereafter, the management of the Company considered the adoption and implementation of suitable procedures to enhance the internal control and risk management systems.

Based on the Internal Control Report, the Audit Committee had conducted annual review on the effectiveness of the Group's internal control and risk management systems for the year ended 30 June 2026 and considered the internal control and risk management systems were effective and adequate.

Furthermore, the Board has formulated internal procedures and controls for handling and dissemination of inside information to ensure that the Company's information is disclosed to the public on a true, accurate and timely basis. The Group ensures the inside information is kept strictly confidential before it is fully disclosed to the public.

## CORPORATE STRATEGY

The principal objective of the Company is to enhance long-term growth for its shareholders. To achieve this objective, the Group focuses on achieving recurring and sustainable earnings without compromising the Group's financial strength and stability. The Group endeavours to generate return to shareholders through (a) optimizing the cost control and productivity management; and (b) exercising prudent and disciplined financial management. The Chairman's Statement contained in this annual report includes discussion and summary of the Group's performance, the basis on which the Group generates and preserves value in the longer term and delivers the Group's objectives.

## CULTURE

The Board believes that a well-developed corporate culture is vital to maintaining a long-term business. Therefore, the Group is committed to developing an all-rounded decent culture in the Group.

Our corporate culture values high degree of integrity, collaboration, innovation, growth, communication, understanding, excellent management and moral conduct. A culture of openness and discussion are promoted throughout the Group, the Directors, employees and shareholders are encouraged to express their views and concerns through different means of communication. The Company and its team members believe that these deeply held values are the key to drive service excellence for clients and win mutual trust with business partners. This culture allows us to attract and retain the high calibre employees and clients and, ultimately, creates value for shareholders.

Further, acting ethically is an integral part of our culture. With a framework of controls and policies, we have built our success on a set of governance practices. We have Anti-Corruption Policy and Whistleblowing Policy to provide guidance to our employees in compliance with anti-corruption laws and regulations especially when dealing with gifts and hospitality.

In addition, our whistleblowing channels empower our employees and stakeholders to play an active role in protecting our business. They can seek guidance and report misconduct anonymously to the Company. All reports are handled with care and fairness to ensure that whistleblowers are protected against unfair dismissal, victimisation and unwarranted disciplinary actions.

The Group regularly reviews our business practices to ensure compliance obligations. During the reporting year, there were no non-compliance cases regarding the aspects mentioned above.

## COMPANY SECRETARY

The company secretary of the Company, Mr. Tse Chi Hong is an employee of the Group and report directly to the Chairman. The Board approves the selection, appointment or dismissal of the company secretary of the Company. All Directors have access to the advice and services of the company secretary of the Company to ensure that board procedures, and all applicable law, rules and regulations, are followed.

Mr. TSE Chi Hong has confirmed that he has taken no less than 15 hours of relevant professional trainings during the Year.

## DIVIDEND POLICY

The Company has adopted a dividend policy (the "**Dividend Policy**") on payment of dividends. The Company does not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the shareholders' approval.

## SHAREHOLDERS' RIGHTS

According to the Bye-Laws, shareholder(s) 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 has/have the right, by written requisition sent to the Board or Company Secretary of the Company, to require a special 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.

Shareholder(s) of the Company ("**Shareholder(s)**") holding (i) not less than one-twentieth of the total voting rights of all shareholders having the right to vote at the general meeting; or (ii) not less than 100 shareholders, can submit a written request to the Company Secretary of the Company stating the resolution intended to be moved at the general meeting or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting.

As regards proposing a person for election as a director, the procedures are available on the websites of the Company.

The above procedures are subject to the Bye-Laws, the Bermuda Companies Act 1981 and applicable legislation and regulation (as amended from time to time). Shareholders who have enquiries about the above procedures or have enquiries to be put to the Board or have proposals to be put forward at general meetings may write to the Company Secretary at the principal place of business of the Company in Hong Kong at Room 2510, 25/F, Arion Commercial Centre, 2-12 Queen's Road West, Sheung Wan, Hong Kong.

## SHAREHOLDERS COMMUNICATION POLICY

Transparency is vital to good corporate governance. The Board has formulated the shareholders communication policy ("**Shareholders Communication Policy**") to provide shareholders with information about the Company, allowing them to engage with the Company and obtain information about the Company for exercising their rights as shareholders. The Shareholders Communication Policy is posted on the Company's website and is reviewed regularly to ensure its effectiveness. The Company adopts various communication channels, including announcements, circulars and interim and annual reports, to convey messages to the shareholders. Interim and annual reports, notices of general meetings, announcements and circulars in English and Chinese are posted on the Company's website (www.asian-citrus.com) and the website of the Stock Exchange. They are also delivered to shareholders according to the respective timelines stipulated by the Listing Rules.

The Shareholders should direct their questions about their shareholdings to the Company's Share Registrar, Computershare Hong Kong Investor Services Limited with contact number of (+852) 2862 8555. In addition, the Shareholders, potential investors and other stakeholders of the Group may direct their questions to the Company by email to general_enquiry@73-hk.com or by phone at (+852) 3951 0000.

## WHISTLEBLOWING POLICY

The Company has a whistleblowing policy to encourage employees and related third parties (such as customers and suppliers) who deal with the Group to raise concerns in confidence about misconduct, malpractice or irregularity in any matters related to the Group. The whistleblowing policy is posted on the Company's website.

The whistleblowing policy is to deal with concerns related to fraudulent or unethical acts or instances of non-compliance with the law or with the Group's policies that have or could have a significant adverse financial, legal or reputational impact on the Group. The Group will respond to all such concerns expressed fairly and properly. The Company's whistleblowing policy and procedures apply to employees at all levels as well as business partners and any third parties who deal with the Group.

## CONSTITUTIONAL DOCUMENTS

The restated bye-laws is available on the Company's website (www.asian-citrus.com) and the Stock Exchange's website (www.hkex.com.hk).

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OVERVIEW

### *(I) Purpose and Reporting Period*

This is our Environmental, Social and Governance Report ("**ESG Report**") prepared by the Group, reviewing and disclosing the Group's environmental, social and governance ("**ESG**") issues, its performances and challenges in accordance with the ESG Reporting Code (the "**ESG Reporting Code**") outlined in Appendix C2 of the Listing Rules and Guidance Governing the listing of Securities on the Main Board of HKEX to define the report content, for the period from 1 July 2025 to 30 June 2026 (the "**Reporting Period**" or "**2025/26**"), and in many material areas being compared with the last reporting period from 1 July 2024 to 30 June 2025 (the "**Last Reporting Period**" or "**2024/25**"). The ESG Report will be used for internal assessment and management control, and communicating to the internal and external stakeholders.

### *(II) Basis of Preparation*

This report was compiled in accordance with the ESG Reporting Code. The content of this report includes two main subject areas as outlined and required by the ESG Reporting Code, being Area A — Environmental and Area B — Social, and includes disclosure of climate change related issues which have or may impact the Group.

This ESG Report, which was reviewed and approved by the board of directors of the Company (the "**Board**"), reviews and reports the core business operations and activities of the Group and follows the principles of materiality, quantitative, balance and consistency to disclose relevant statistics and information. The ESG Report was compiled in compliance with the "mandatory disclosure requirements" and the "comply or explain" provisions in the ESG Reporting Code.

### *(III) Scope of Report*

The principal businesses of the Group include the fruits plantation operation (the "**Plantation Business**") in Hepu County, Guangxi Zhuang Autonomous Region, the People's Republic of China (the "**PRC**") (the "**Hepu Plantation**"), the fruit distribution operation (the "**Fruit Distribution Business**"), the air-conditioners and other electronic appliances distribution business (the "**Air-conditioners and Other Electronic Appliances Distribution Business**") and the sales and distribution of consumables and others business (the "**Sales and Distribution of Consumables and Others Business**") in the PRC.

The office-based operation in Hong Kong is served as an administrative office and the operational site is an share office space, its environmental implication is immaterial.

This report covers the operations and activities of the Group's head office located in Hong Kong (the "**Hong Kong Office**"), the Plantation Business in Hepu County, the Fruit Distribution Business in Shenzhen and Shaanxi Province, the PRC, the Air-conditioners and Other Electronic Appliances Distribution Business in Meizhou City and Shenzhen, the PRC and the Sales and Distribution of Consumables and Others Business at various locations in the PRC (collectively, the "**PRC Offices**").

The Group continues to strive to be an environmentally friendly and socially responsible corporation. We operate in strict compliance with the principles of minimizing risks associated with the listed ESG subject areas and aspects mentioned in the ESG Reporting Code, including but not limited to complying with legal and regulatory requirements, adherence to high ethical standards, and eliminating and minimizing negative impacts on the environment.

The Group holds a deep appreciation for the individuals who are an integral part of the business. We are committed to furthering our adherence to the various ESG principles outlined in the ESG Reporting Code. Our focus extends beyond compliance and we strive to make a meaningful impact in several key areas:

1. Enhancing Employee Well-Being: We prioritize the health and happiness of our employees by implementing programs that support their mental and physical well-being, offering certain work arrangements, and fostering professional growth.

2. Creating Value for Stakeholders: We believe in building strong relationships with our stakeholders. By engaging in open dialogue and collaboration, we ensure that our endeavors benefit all parties involved and contribute to our collective success.

3. Supporting Community Growth and Inclusion: We are dedicated to uplifting the communities in which we operate. Through outreach initiatives, we aim to enhance local education, infrastructure, and health services, reinforcing our commitment to social responsibility and inclusivity.

By embracing these principles, we not only uphold our responsibilities under the ESG Reporting Code but also contribute to a sustainable and inclusive future for everyone involved.

### *(IV) Governance Structure*

The Board is responsible for the sustainable development of the Group and directs the Group to perform its corporate social responsibilities. The Board believes that our attention to resources management and occupational safety and health will help the Group achieve its established vision and mission. The Board has faith in that attaching importance to ESG management can improve our corporate image, reduce ESG risks and enhance the Group's capability to comply with relevant laws and regulations. These efforts can further improve the competitiveness of the Group and promote the sustainable development of the Group's business.

The Group's ESG philosophy is to create long-term value for its stakeholders in alignment with the strategic development and sustainability of its business. The Group is committed to maintaining a rigorous corporate governance framework to promote and safeguard the interests of shareholders and other stakeholders, thereby upholding the Group's credibility and reputation. The Group will continue to seek ways to develop our business in a more efficient and environmentally friendly manner and remains steadfast in our mission to build an inclusive and sustainable society.

The Board continuously enhances its supervision over the Company's ESG governance and increases its engagement efforts. The Company sets annual environmental targets related to its business, and the Board regularly reviews and discusses the establishment and progress of these targets. The Company has adopted the Hong Kong Stock Exchange Environmental, Social, and Governance Reporting Code, under which it carries out sustainability tasks in environmental protection, employee welfare, and operational safety.

Throughout the Reporting Period, the Group maintained the same ESG management structure and process as the Last Reporting Period. The Group fully understands that ESG policies and practices may change over time to reflect the changes in business operations, structures, technologies, laws and regulations, and the environment. The Group thus continues to invest substantial resources to monitor ESG issues, policies and practices and performance on an ongoing basis. Our ESG strategies, management policy and approach are based on compliance with relevant legal and regulatory requirements, the principle of sustainability and opinions from our key stakeholders. The Group's visions and goals, and the ESG management policy and approach can be summarized in the following statements:

1. The Group is committed to successfully undertaking its business, while providing strong returns to our investors and supporters, mitigating risks associated with our operations, ensuring a healthy and safe working environment to our employees, and contributing to sustainable developments for the local communities and the Group.

2. The Board periodically approves and updates strategies and policies that incorporate the environmental and social issues outlined in the ESG Reporting Code. The general manager is responsible for ensuring that the Board's approved targets and strategic directions are effectively implemented in the Group's ESG activities. To support this, the general manager regularly monitors and reviews ESG issues, ensuring the recommendations of the ESG Reporting Code are regularly followed and adopted. When necessary, independent professionals and consultants have been and will continue to be engaged to conduct analyses and reviews aimed at improving or resolving ESG-related matters.

3. To promote the comprehensive risk management within the Group, the Group has made a basic assessment of relevant ESG risks through the Board's extensive understanding of the business and the communication with different stakeholders, and incorporated the relevant risks into the risk management and internal control system.

### *(V) Corporate Mission and Vision and ESG Objectives*

The Group envisages that domestic consumption will assume a more prominent role within the "Three Horse Carriages" growth framework. Despite the challenging situation, the Group maintain cautious optimism that favourable PRC government policies will continue to foster a conducive business operating environment domestically. With the support of its management team, the Group will confidently navigate through the dynamic and competitive market landscape and look to capitalise on market opportunities available in respective businesses.

The primary focus of the Group's business model shall continue to be sourcing and distributing a range of products in the PRC, where the Group has established a network of quality suppliers, maintained business relationship with existing customers and established relationship with new customers. The stable supply from the Group's network of trusted suppliers will remain to be the key to its business.

The Group has benefited from the progress of business portfolio diversification and demonstrated resilience and ability of the Group to operate in a challenging business environment. Going forward the Group shall actively explore new business opportunities in the PRC while continue to strengthen core competence of the Group.

Regarding the ESG objectives, the Group continues its practices and aims to provide reasonable returns on investments for the shareholders, business partners and investors, to achieve sustainable development through eco-friendly-cooperative plantation operation for the society and environment, and to maintain a healthy and safe working environment for the employees.

### *(VI) Board Statement*

The Board is committed to the sustainable development of the Group and the performance of its corporate social responsibilities. The Board believes that focusing on resources management, occupational safety, health, and ESG management can enhance the Group's corporate image, reduce ESG risks, and improve compliance with relevant laws and regulations. This, in turn, can boost the Group's competitiveness and promote its sustainable business development.

The Group's ESG philosophy is to create long-term value for its stakeholders in alignment with the strategic development and sustainability of its business. The Group is committed to maintaining a rigorous corporate governance framework to promote and safeguard the interests of shareholders and other stakeholders, thereby upholding the Group's credibility and reputation.

The Board continuously enhances its supervision over the Company's ESG governance and increases its engagement efforts. The Company sets annual environmental targets related to its business, and the Board regularly reviews and discusses the establishment and progress of these targets. The Company has adopted the Hong Kong Stock Exchange Environmental, Social, and Governance Reporting Code, under which it carries out sustainability tasks in environmental protection, employee welfare, and production safety.

### *(VII) Reporting Principles*

The Group has compiled the ESG Report in accordance with the following reporting principles:

| | | |
|---|---|---|
| Materiality | : | The Group has identified the materiality of ESG topics by stakeholder engagement and materiality assessment. The details are explained in the section of "Stakeholders Communication and Materiality". |
| Quantitative | : | Under feasible situation, the Group recorded, calculated and disclosed quantitative information and conducted comparisons with past performance, if applicable. Details of the calculation standards/methods for the reporting of emissions/energy consumptions are disclosed together with the data tables in relevant sections. |
| Consistency | : | The methodology adopted for disclosing key environmental and social performance indicators is consistent with that of the previous reporting period. |

### *(VIII) ESG Strategies and Management*

The Group continues to attach significant considerations in the ESG areas and aspects listed in the ESG Reporting Code when formulating and implementing its corporate goals and business objectives. The Group is committed to conducting its business in a transparent, equitable, legal and socially responsible manner. Moreover, it continues to care about the impact of its daily operation on the environment, local residents and communities, and to make efforts to meet and maximise the interests of all stakeholders, economy, environment, society and corporate governance on a fine and fair balance.

Throughout the Reporting Period, the Group maintained the same ESG management structure and process as the Last Reporting Period. The Board, headed by the chairman, is responsible for the formulation and approval of the Group's development, business strategies, policies, annual budget and business plans of the Plantation Business, Fruit Distribution Business, Air-conditioners and Other Electronic Appliances Distribution Business and Sales and Distribution of Consumables and Others Business. On day-to-day management, the regional and departmental managers implement the overall strategies and initiatives adopted by the Board on operations, financial, environmental and social issues and obligations. The Group's chairman and/or other management (the "**Management Team**") will examine and address all the environmental and social issues spelt out in the "Aspects and Subject Areas" in the ESG Reporting Code. The Management Team is responsible for the following duties in relation to ESG issues:

- Implementing the approved ESG policies, rules and regulations;
- Collecting, compiling and formulating data and statistics on ESG related issues and Key Performance Indicators ("**KPIs**"); and
- Reviewing and monitoring especially on the legal and social compliance of the ESG related issues on a regular basis.

Upon receiving regular or ad hoc updates and reports on ESG activities and related issues from the regional and departmental managers, the Management Team will evaluate the overall positions, draft the appropriate action plans, prepare and submit reports and recommendations to the Board for approval and thereafter for implementation.

The Group fully understands that changes in business operations, structures, technologies, laws and regulations, and the environment may drive changes to our ESG policies and practices. As such, the Group continues to invest adequate resources to monitor ESG issues, policies, practices and performances on an on-going basis. In order to contribute to the sustainable development on the environment and society, whilst maximizing the benefits to our employees and the stakeholders, the Group has continued to exercise due responsibility in maintaining the highest level of ethical standards on conducting its business and upheld strict compliance with all relevant laws, rules and regulations in all ESG matters.

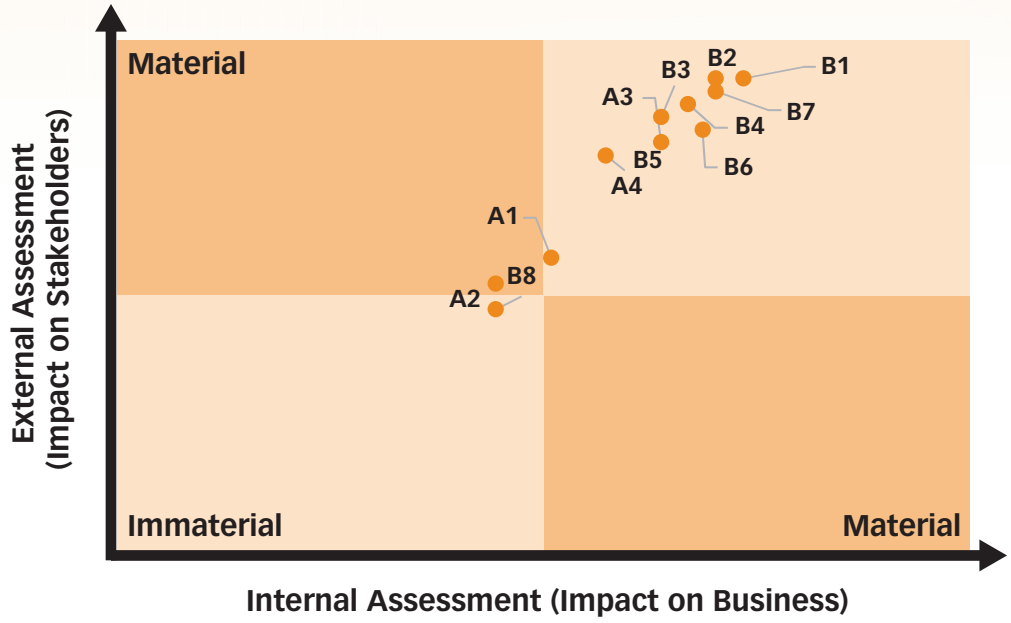
For the purpose of the ESG Report, only activities and operations which are considered material and significant to the environment are included. Overall, the Group takes on an active role in ensuring sustainable and environmentally friendly operating processes are in place. This is achieved by taking all practicable and possible measures to comply with all the relevant national laws, operating practices and standards.

### *(IX) Stakeholders Communications and Materiality*

In managing the priorities, the Group continues to ensure its corporate, Plantation Business, Fruit Distribution Business, Air-conditioners and Other Electronic Appliances Distribution Business and Sales and Distribution of Consumables and Others Business are in compliance with its environmental and social responsibilities and obligations as required by the ESG Reporting Code and the laws and related regulations of Hong Kong and the PRC, and the specific guides of the organic fruit plantation industry. The Group also continues to take into account of the opinions and views of its stakeholders including shareholders, investors, employees, customers, suppliers, service providers, professional advisors, Non-Governmental Organization ("**NGO**") partners and industry associations, and strives to address their concerns. The Group continues to assign a board member and duty managers to constantly communicate with its stakeholders under the following established channels in order to gain insights on ESG material aspects in the Reporting Period.

| Stakeholders | Communication Channels |
|---|---|
| Shareholders/Investors | • General meetings<br>• Information published on websites of the Company and The Stock Exchange of Hong Kong Limited<br>• Direct emails or phone enquiries<br>• Dispatched documents |
| Employees | • Direct meetings with the management executives<br>• Emails<br>• Annual and regular appraisal<br>• Organized functions and activities for the employees |
| Customers | • Day-to-day communication through front line staff<br>• Emails<br>• Official websites |
| Suppliers/service providers/ professional advisors | • Day-to-day communication through front line staff<br>• Regular review of the signed arrangements by the management |
| NGO partners | • Volunteer activities<br>• Sponsors and donations |

After collecting the views and opinions, the Management Team will carry out materiality assessments internally with the related managers and externally with related stakeholders through various means of communication, such as liaison groups, panel discussions, workshops, on-site visits, company websites, emails and direct enquiry phones, etc. For 2025/26, the Group and the stakeholders have identified the following material areas and aspects:




A1. Air Emissions, Polluted Water and Waste Discharge Aspect
A2. Use of Resources Aspect
A3. Environment and Natural Resources Aspect
A4. Climate Change Aspect
B1. Employment Aspect
B2. Health and Safety Aspect
B3. Development and Training Aspect
B4. Labour Standards Aspect
B5. Supply Chain Management Aspect
B6. Products Responsibility Aspect
B7. Anti-Corruption Aspect
B8. Community Investment Aspect

The ESG issues and performances, especially on the above material areas, aspects and related KPIs during the Reporting Period, continued to be monitored and managed through the Group's approved management structure and process. The Group allocated adequate resources to implement the approved strategies, policies and measures to guarantee fulfilment of its environmental and social obligations and responsibilities especially on the above material areas and aspects during the Reporting Period.

## MATERIAL AREAS AND ASPECTS AND THEIR PERFORMANCE

### *(A) ENVIRONMENTAL AREAS AND ASPECTS*

#### 1.1 Environmental Areas Overview and Policies

As an environmentally responsible corporation, the Group's main environmental target has always been aiming at building a "Green Environment" and has continued to implement policies and has taken measures to achieve a balance between undertaking business, maximise returns to our shareholders, ensuring our operations and activities minimise any adverse impact on the environment including being energy, water and resource usage efficient whilst also reducing costs where possible.

Our "Environmental Protection and Sustainability Policy and Procedures" are summarised below:

*Purpose*

To establish and maintain policies and procedures to identify, evaluate and determine the significance of environmental aspects and impacts by and on the company and ensuring compliance with all relevant national and local environmental laws and regulations including but not limited to:

- Environmental Protection Law of the PRC (中華人民共和國環境保護法);
- Environmental Impact Assessment Law of the PRC (中華人民共和國環境影響評價法);
- Water Pollution and Control Law of the PRC (中華人民共和國水污染防治法);
- Atmospheric Pollution and Control Law of the PRC (中華人民共和國大氣污染防治法);
- Prevention and Control of Pollution from Environmental Noise Law of the PRC (中華人民共和國環境噪聲污染防治法);
- Prevention and Control of Environmental Pollution by Solid Waste Law of the PRC (中華人民共和國固體廢物污染環境防治法); and
- Regulations on the Administration of Construction Project Environmental Protection (建設項目環境保護管理條例).

*Procedure*

(i) The Board and the Management Team shall identify and evaluate the environmental aspects for all work activities that are most likely to give rise to significant environmental impacts.

(ii) The Board and the Management Team shall engage in internal and external discussion with relevant stakeholders to identify and classify all the relevant work activities under normal, unusual and emergency situation as follows:

- Normal: Routine activities or tasks performed as part of standard processes;
- Unusual: Non-routine tasks that arise under unexpected circumstances; and
- Emergency: Events that have a significant impact on the environment and require immediate action such as major leakages and spillages, fires, etc.

(iii) When identifying the environmental aspects, all activities that are likely to cause environmental impact or improve general sustainability are considered, including but not limited to the following:

- Gas emissions;
- Water discharge;
- Waste disposal;
- Land contamination;
- Sustainability and the efficient use of raw materials, energy, water and other natural resources;
- Other local environmental issues; and
- National and local laws and regulations.

(iv) At least once every year, the Board and the Management Team shall review the environmental aspects, which will be regularly update based on new laws and regulations, organisational work activities and processes, and updated knowledge obtained through incidents/accidents, organisational or other requirements.

(v) For each environmental aspect, the Management Team shall identify and assess the environmental impacts, and the following shall be considered:

- Global warming;
- Water pollution;
- Air pollution;
- Waste generation;
- Land/soil contamination;
- Noise and light pollution; and
- Depletion of natural resources.

In the Plantation Business, the Group uses petrol and electricity for its machines; water and fertilisers to nurture and grow the plants; and packaging materials and paper carton boxes to pack the products. As a result, our Plantation Business does generate emissions, wastes and discharge, whilst our Fruit Distribution Business, Air-conditioners and Other Electronic Appliances Distribution Business and Sales and Distribution of Consumables and Others Business are mostly in-office nature and does not materially impact the environment negatively. However, as an environment responsible corporation, the Group insists on its responsibilities and commitments to the environmentally sustainable development with its on-going operations and activities to grow "Green Fruit" under "Green Environment" practices. The Group's operations and activities are well recognised in the PRC and complies with the requirements under the PRC laws and the specific guides for fruit plantation. Overall, the Group abides by all the local environmental laws and regulations and is committed to environmental protection, pollution prevention and minimization. We have implemented policies and taken measures to ensure our operations and activities prevent pollution and have a minimal adverse impact on the environment, and to be energy, water and other resources usage efficient. The Group has also continued its work on raising environmental awareness among our employees and business partners on protecting the environment.

During the Reporting Period, the Group, same as the Last Reporting Period, did not receive any violation or warning notices or complaints from any government environmental agencies and local communities.

## 1.2 Environmental Aspects

*A1. Air Emissions, Polluted Water and Waste Discharge Aspect*

During the Reporting Period, the types of emissions, wastes and discharge from the Group's operations and activities were mainly air pollutants including nitrogen oxides ("**$NO_x$**"), sulphur oxides ("**$SO_x$**") and particulate matter ("**PM**") as well as greenhouse gases ("**GHG**") such as carbon dioxide ("**$CO_2$**"), methane ("**$CH_4$**") and nitrous oxide ("**$N_2O$**") (collectively, "**$CO_2e$**") emissions directly generated from fuel usage and indirectly generated from electricity consumption, and non-hazardous packaging wastes such as used papers and packaging materials, office residuals, general and hygiene wastes.

(i) Direct and Indirect Hazardous Air Pollutants and Greenhouse Gases

During the Reporting Period, direct emissions are generated from the mobile combustion sources namely our tractors, weed-mowing machines and generators for water pumping, and resulting in the hazardous air pollutants of $NO_x$, $SO_x$ and PM emissions. While the indirect emissions are generated from the electricity consumption.

The table below recorded and compared the Reporting Period and the Last Reporting Period's resultant air pollutant emissions and direct and indirect air emissions from the usage of petrol during the business process of plantation and the use of electricity by the Hepu Plantation, the PRC Offices and the Hong Kong Office.

**Direct and Indirect Emissions Record**

| | | Year ended 30 June | | |
|---|---|---|---|---|
| **Items of emissions** Note(1) | Unit | **2026** | 2025 | Changes |
| 1. $SO_x$ direct emission | Kilograms | **0.24** | 0.26 | -7.69% |
| 2. $NO_x$ direct emission | Kilograms | **332.97** | 363.24 | -8.33% |
| 3. PM direct emission | Kilograms | **15.44** | 16.85 | -8.37% |
| 4. $CO_2e$ direct emission | Tonnes | **43.87** | 47.85 | -8.32% |
| 5. $CO_2$ indirect emission Note(2) | | | | |
| – Hepu Plantation | Tonnes | **97.45** | 101.62 | -4.10% |
| – PRC Offices | Tonnes | **3.06** | 5.73 | -46.60% |

Note 1: Emission factors for calculations in this ESG Report were made reference to the "How to prepare an ESG Report-Appendix 2: Reporting Guidance on Environmental KPIs (version updated on 31 December 2024)" by The Stock Exchange of Hong Kong Limited, unless otherwise specified.

Note 2: Emission factors for purchased electricity sourced from 中國產品全生命週期溫室氣體排放系數庫.

Same as the Last Reporting Period, the air pollutants such as $SO_x$, $NO_x$ and PM have been generated from vehicle fuel consumption for daily operations of Hepu Plantation.

Given that the Hong Kong Office is served as an administrative office with minimum operations, therefore no water and electricity consumption data of the Hong Kong Office is compiled for the Reporting Period.

As aforementioned, in order to save costs and minimize emissions of air pollutants and $CO_2e$, the Group already implemented measures to train, guide and supervise the employees to use energy and fuel smartly, and to invest in energy and fuel saving technology especially in the Hepu Plantation such as to reduce the use of air-conditioning by building high ceiling and double-layered brick wall offices, and the installation of solar power. In the coming year, the Group targets to reduce air pollutants and $CO_2e$ emissions by 1%–3% in the Hepu Plantation and the PRC Offices on the basis of similar operating conditions.

(ii) Polluted Water Discharge

During the Reporting Period, same as the Last Reporting Period, the Group's polluted water were mainly from employees' daily hygiene needs in the PRC Offices and the Hepu Plantation, which were sourced and discharged through the offices centralized water supply and discharge network respectively, and is considered insignificant. As aforementioned, the Hong Kong Office is served as an administrative office with minimum operations, and therefore no polluted water were recorded during the Reporting Period.

(iii) Hazardous and Non-hazardous Waste and Organic Waste Discharge

During the Reporting Period, the amounts of hazardous and non-hazardous waste and organic waste generated by the Group remained consistent with those reported in the Last Reporting Period as the Group's operations and activities were similar.

The operation and activities of the Group did not generate much hazardous wastes. Used batteries, printing cartridges, and used lubricant oil for machine were the main hazardous wastes generated. The volume was insignificant. The used batteries and printing cartridges were collected by special collectors, and the Group trained its mechanics to properly collect and dispose of the used machine lubricant oil.

For non-hazardous wastes from the Plantation Business, they were mainly plastic bags, containers from the use of fertilisers and pesticides, and packaging scraps for our fruits. While in our offices, only small quantities of paper waste were generated. For the plastic bags and containers generated, they were collected by licensed collection operators for recycling sales. For paper waste, we already introduced measures to reduce its usage, such as encouraging staff to use electronic messaging to replace paper writing and to print on both sides of papers.

As the total amount of these non-hazardous and hazardous wastes was not substantial and was cleared nearly on a daily basis, the Group therefore did not regard them as material. However, the Group did introduce measures to encourage its employees to reduce the generation of non-hazardous and hazardous wastes.

For organic waste, while weeds are competing for nutrients with our fruit trees, the Group has maximized the use of natural and organic fertilisers by decomposing natural plants, grass, etc. on-site, to minimize the use of toxic chemical fertilisers to protect the soil. As reported for previous reporting period, the Group has invested on specialized weed-mowing equipment and employed workers to control the growth of weeds properly, regularly and continuously. In the plantation fields, large amounts of cut-weeds, leaves and tree branches have regularly been generated, and have been collected, crushed and decomposed as natural fertilisers for its plants to produce "organic fruit".

For the coming year, the Group has not set a target on how much hazardous, non-hazardous and organic wastes to be reduced, but it will monitor and encourage employees to reduce their generation as much as possible.

(iv) Noise and Light Emissions

During the Reporting Period, same as the Last Reporting Period, the Group's operations and activities did not generate any noises and light emissions. Since its plantation farm is far away from residents, the operation of its tractors, lawn-movers and other equipment will not cause any disturbing noise, light or inconveniences to others.

(v) Mitigation Measures

As a responsible corporation, we are conscious of the effects our operations and activities may have on the environment and constantly work on maximizing energy efficiency and minimizing emissions, wastes generation, disposal and discharges. We fully comply with all applicable environmental laws, rules and regulations and industrial standards in the markets we operate in.

In order to save costs and to minimize environmental impacts from air emissions generated from electricity and fuel consumption, the Group took active measures to reduce energy consumption, including electricity, petrol and gasoline. All employees were constantly reminded to smartly use electricity, water and fuel. Supervising officers were assigned the duty of inspecting offices and plantation fields to turn off unused equipment and water taps when not in use, and to ensure the proper use of equipment.

Furthermore, we target to reduce our electricity consumption, and have introduced measures to achieve it. For example, we have instructed our staff and workers to turn off electricity when our factory and office equipment are not in use, to use natural ventilation to replace air-conditioning in allowable conditions, and not to set all air-conditioners' temperature setting to lower than 25°C under normal conditions.

During the Reporting Period, the Group did not have any violation related to hazardous or non-hazardous air emissions and wastes disposal, polluted water discharges. We are determined to take all necessary measures to achieve the same results for the coming years.

*A2. Use of Resources Aspect*

Business operations with the highest resources utilisation — planting, cultivation and sale of agricultural produce and distribution of fruits, remains unchanged for the Reporting Period. Energy consumption of electricity and fuel and fresh water consumption are the major use of resources. The Group advocates our determination in promoting and achieving efficient use of energy and water. We did not see any significant impact or material significance to the environment.

(i) Energy (electricity and fuel)

Electricity is for offices and general equipment usage; while petrol is used mostly for the equipment such as tractors, weed-mowing machine, water-pump generators, cargo vans, etc. The usage of electricity and petrol for the growing of fruit trees and administrative purposes for the Hepu Plantation and the PRC Offices are summarised in the table below:

| | | Year ended 30 June | | |
|---|---|---|---|---|
| **Item** | Unit | **2026** | 2025 | Changes |
| **Electricity Consumption** | | | | |
| – Hepu Plantation | kWh | **183,521** | 189,235 | -3.02% |
| – PRC Offices | kWh | **5,771** | 10,675 | -45.94% |
| Intensity | | | | |
| – kWh/employee in Hepu Plantation | | **26,217** | 21,026 | +24.69% |
| – kWh/employee in PRC Offices | | **137** | 178 | -23.03% |
| **Fuel Consumption in Hepu Plantation** | Litres | **16,500** | 18,000 | -8.33% |
| | kWh | **159,908** | 174,445 | -8.33% |
| Intensity | | | | |
| – kWh/employee in Hepu Plantation | | **22,844** | 19,383 | +17.86% |

To avoid unnecessary consumption of electricity, the employees have been trained to turn off all electrical appliances, air-conditioners, and lights in a timely manner and after work and advocate the use of natural ventilation.

During the Reporting Period, petrol consumption at the Hepu Plantation decreased as a result of the more efficient use of machinery under close supervision. The Group will continue to assign responsible officers to supervise and guide employees to smartly and effectively use electricity, its equipment and vehicles.

For the coming year, the Group targets a saving of 1%–3% electricity consumption and petrol consumption for the PRC Offices and the Hepu Plantation on the basis of similar operating conditions.

(ii) Water

| | | Year ended 30 June | | |
|---|---|---|---|---|
| **Item** | Unit | **2026** | 2025 | Changes |
| **Water Consumption** | | | | |
| – Hepu Plantation | $m^3$ | **49,870** | 48,730 | +2.34% |
| Intensity | | | | |
| – $m^3$/employee in Hepu Plantation | | **7,124** | 5,414 | +31.58% |

The Hepu Plantation has no problem in sourcing fresh water supply for watering fruit trees and cleaning passion fruits, the Group has the approval to drill its own wells to source ground-water, and at the same time has built surface reservoirs and ponds to conserve and store surface running water to supplement its water supplies.

The PRC Offices and the Hong Kong Office continued to use an insignificant amount of fresh water, supplied from the cities' central water supply network through the offices waterway system for staff general daily hygiene needs. The Group has continuously reminded its employees to save water and use water smartly and responsibly.

For the coming year, on a basis of similar operating conditions, the Group targets a 1%–3% decrease in fresh water consumption in the Hepu Plantation. A similar target is also set for the PRC Offices and Hong Kong Office through encouragement of employees to act prudently and responsibly.

(iii) Packaging Materials and Papers

For the Reporting Period, the Group used approximately RMB420,000 worth of packaging materials, including approximately 143,000 sets of foam boxes, 26,000 paper boxes, and 800 duct tapes, for packaging fruits for sales and small amount of paper for office filing and document printing. To support a green environment, the Group used mostly recycled carton boxes and papers. Although the Group's activities and operations do not consume significant amounts of papers and packaging materials, to save operational costs and to improve its environmentally friendly footprint, the Group has continued to implement following measures, requested the employees to cooperate and reduce paper and packaging materials consumption:

- Applying computer technology such as storage of documents in electronic version, communications via emails and messages to replace paper consumption;
- Reusing stationery such as envelopes, document folders, etc.; and
- Using both sides and recycled papers for printing.

(iv) Fertilisers and Pesticides

The Group uses both natural, organic and chemical fertilisers to nurture the fruit trees and pesticides to protect the fruit trees. During the Reporting Period, the Group consumed a total of 26,872 kilograms inorganic fertilisers and 273,200 kilograms organic fertilisers. The total amount of fertilisers used was approximately 0.12% more than the Last Reporting Period. For pesticides, approximately 1,221 kilograms were used for the Reporting Period, which was approximately 59% more than the Last Reporting Period. The significant increase in the consumption of fertilisers and pesticides is mainly due to the new plantation of Kumquat trees, resulting in an increased need for fertilisers and pesticides. In any event, it is the Group's continuous policy and strategy to maximize the use of natural and organic fertilisers thereby safeguarding the soil structure and quality for the future.

*A3. Environment and Natural Resources Aspect*

The Group's core operations and activities mainly uses electricity, petrol, water, papers and land, which will have impacts on the environment if they are not properly managed. The Group has therefore exercised due care on setting up its management structure and process, rules and regulations to ensure that natural resources are correctly, and efficiently used without wastage and destruction. As a result, the Group only generated an acceptable and reasonable amount of direct and indirect greenhouse gas emissions and non-hazardous waste discharges. For water, apart from natural rainfall, which is one of the main source of supply, the Group has the approval to drill its own wells to source ground-water, and at the same time has built surface reservoirs and ponds to conserve and store surface running water to supplement its water supplies. For land and soil, as its plantation fields are located in a tropical belt, heavy rainfall will erode and leach the topsoil if not properly conserved. The Group plants its fruit trees scientifically and carefully to ensure proper conservation of the top-soil and the un-used hillside slopes. As a mark of respect and tribute to the natural environment, the Group is committed to cultivating and maintaining the landscape in a sustainable manner.

In summary, the Group has taken a holistic and responsible approach to implementing policies and measures aims at managing energy and raw materials consumption, controlling air emissions, wasted water and waste discharges, ensuring sustainable water supply and usage, and promoting proper use of the land. The Group has not been subjected to any warnings, fines or violation notices, and has been in compliance with applicable environmental protection laws and regulations in all material aspects since the first ESG reporting.

As a continuous guiding principle and policy, it is not just for cost savings, but also for preserving the natural resources for the future, the Group has constantly reviewed ways and means to accomplish further resource savings and protection. The Group has tried to conserve and store surface running water for further use, to use solar energy and to build energy saving offices. The Group has also constantly updated and upgraded its operation procedures and processes with the aim to achieve a higher standard in energy saving and emission reduction, and the use of water and land, and remind, educate, and encourage employees on the importance of environmental protection and to act in an eco-friendly manner in work and daily life.

*A4. Climate-related Disclosures*

In consideration of the Group's operations and activities, and the current global environmental conditions, and after collecting the views and opinions of the stakeholders, the Board identified and resolved that (i) global warming caused by direct and indirect $CO_2e$ emissions, (ii) conservation of fresh water and (iii) preservation of soil are the most important climatic issues that the Group has impacted the physical environment. These climatic issues not only affect the operation costs of the Group but also the climatic and physical environmental conditions.

(i) Energy

Global warming is directly and indirectly the result of uses of fossil fuels for electricity and transportation. During the Reporting Period, the Group's operations and activities directly and indirectly generated $CO_2e$ emissions through the use of electricity and petrol, though the amount was not substantial. We have implemented policies and measures, explained above, trying to reduce electricity and petrol consumption for the primary purpose to reduce $CO_2e$ emissions. Fortunately, the main activity of the Group is to grow fruit trees, which through the natural process of photosynthesis to absolve $CO_2$ and produce oxygen, contributing positively to address global warming.

(ii) Fresh Water

Fresh water is one of the most precious natural resources of the world, and urgently needed to conserve nowadays. With regard to the Group's business operation and activities, the offices' water consumption is insignificant, but the plantation operation requires a substantial amount of fresh water. To fulfil our corporate objective in conserving fresh water and to save costs, the Group has already built water recycling and reusing system, specialized drainage, spraying and surface storage water-work and facilities such as ponds and small reservoirs. At the same time, the Group has always reminded its employees not to waste and to use fresh water smartly. Fortunately, the Hepu Plantation is located in a tropical region with abundant rainfall, and the introduction of the above measures has ensured the efficient use and conservation of fresh water resources.

(iii) Soil

The fertility of the soil is one of the most important conditions for the growing of fruit trees. If the soil is not properly preserved, it may either be washed away or downgraded and will not be suitable for plants or fruit trees to grow. It does not only affect our business, but it also will break the eco-chain and deteriorate the global environmental conditions. The Group has therefore implemented stringent policies and measures to preserve the soil condition, structure and fertility. To maintain soil fertility, the Group maximize the use of natural and organic fertilisers as recycling decomposed plant matter, grass, etc., on sites, while minimizing the use of toxic chemical fertilizers. In addition, the Group practices crops rotation and ensure that the soil receives appropriate level of nutrients and moisture.

During the Reporting Period, the Group has already implemented measures to lower GHG emissions and pollutants, to conserve fresh water and to preserve soil with the aim at improving the global environmental and climatic conditions ultimately contributing to the improvement of global warming. The Group's operations and activities do not cause much negative impacts to the environmental and climatic conditions. On the contrary, the growing of fruit trees and the control and use of the surface running fresh water have positively contributed to the building of a greener climate and environment.

Climate change has caused frequent extreme weather and has an impact on the business operations of the Group. Therefore, the Group has formulated working mechanisms to identify, prevent and mitigate climate change issues that may have a significant impact. At the same time, we would adjust the use of resources and energy. In response to disasters and accidents which are easily induced by extreme weather, we always enhance the capability to the disaster response.

*Governance*

The Board meets regularly to oversee our strategies and management approaches related to climate risks and opportunities, as well as the disclosure of information. We have implemented a climate change policy statement to guide our operations and reduce our impact on climate change while strengthening our business resilience.

As the world transitions toward a lower-carbon sustainable economy, there are inevitable areas that our Group can contribute to this. After discussions with our stakeholders, we have identified energy and water as immediate areas that we can tackle to both combat climate change and reduce potential costs in the future.

Management's Role:

1. Oversight of climate-related risks and opportunities is managed directly by the Board. The general manager holds the overall responsibility for ensuring that the strategies and policies set by the Board are effectively implemented across the organization.

2. The Board is also responsible for the development of appropriate skills and competencies through training programs, professional development opportunities, and assessments of current capabilities. This ensures that the board members and relevant personnel are well-equipped to oversee and address climate-related risks and opportunities.

3. The Management Team plays a critical role in the governance of climate-related risks and opportunities. The Management Team is responsible for examining and addressing climate related risks and opportunities, and day to day implementation of policies set by the Board.

4. The Group utilises various controls and procedures, such as internal audits, performance reviews, and sustainability reporting, to support the oversight of climate-related risks and opportunities. These controls and procedures are integrated with other internal functions, such as finance, operations, and human resources, to ensure a cohesive approach to sustainability.

*Strategy*

The Group strive to understand the impacts brought by climate change to our business operations and thus continuously seek to advance the relevant studies, as well as our action plans and mitigation measures. Subject to the on-going development of our climate-related risk assessment and management practices, we will further study the feasibility and practicality of integrating the financial impacts of climate-related risk and other sustainability issues into our financial planning at the corporate and project levels.

*Physical Acute Risk*

The Group has identified extreme weather such as typhoons, heavy rain, thunder and lightning and flooding that can cause physical acute risk. The potential consequences include delivery or shipment delay as well as damage to documents, equipment and even employees' health and life. The above potential consequences will cause economic losses to and increase operating costs of the Group.

The Group has established different measures as below to prevent and minimize the negative effect of extreme weather.

**Physical Acute Risk**

| Extreme weather | Preventative and mitigation measures |
|---|---|
| Typhoons | – Attach duct tapes to windows to avoid damage<br>– Move equipment to safety areas in advance<br>– Reinforce equipment and components that may be blown away<br>– Reinforce plantation shelters and install windbreaks<br>– Inform and negotiate with clients and third-party suppliers of potential delays in advance<br>– Arrange work from home for staff according to the guidelines of local observatory |
| Heavy Rain and Flooding | – Check that all windows are shut as secure as possible<br>– Reinforce equipment and assets which may be damaged or blown away<br>– Elevate storage facilities above flood-prone levels<br>– Arrange work from home for staff according to the guidelines of local observatory |
| Thunder and Lightning | – Keep good conditions of earthing devices<br>– Remind employees to save data and turn off computers |
| Heatwaves | – Build shelters across plantation sites to reduce worker exposure<br>– Adjust staff schedules to avoid peak heat periods |

*Physical Chronic Risk*

The Group has identified extreme weather such as sustained high temperature during the year could cause physical chronic risk. The potential consequences include a higher chance of getting heatstroke for employees, increasing turnover rate and work-related injuries. The demand for cooling for the working environment will be increased, which may lead to an increase in power demand and operating costs of the Group.

The Group has established different measures as below to prevent and minimize the negative effects of extreme weather.

**Physical Chronic Risk**

| Extreme weather | Preventative and mitigation measures |
|---|---|
| Sustained high temperature | – Keep a First-aid kit convenient<br>– Keep cold water available 24 hours a day |

*Climate-related Transition Risk*

| Transition risk | Risk description | Potential Business Impact | Mitigation Measures |
|---|---|---|---|
| Legal and policy risk | Local governments may enforce stricter carbon emission reduction policies, potentially raising the carbon emission costs for enterprises' production and operations. This includes changes to government policies, laws, and regulations, such as carbon pricing and renewable electricity pricing. | – Increase operation cost and potential for litigation. | – Regular review of relevant legislation<br>– Set up near term target to demonstrate the Group's decarbonization effort. |
| Technology Risk | Technological improvements that support the transition to a lower-carbon system. | Failing to upgrade to more efficient, sustainable, or automated technologies could result in higher operation costs and reduced competitiveness. | – Explore new technologies, sustainable materials, and techniques.<br>– Adapt to changes in the cost and availability of raw materials and utilities like renewable electricity, water, and gas, including the relevant costs of securing and maintaining sufficient supply. |

| Transition risk | Risk description | Potential Business Impact | Mitigation Measures |
|---|---|---|---|
| Market and reputation risk | Customers are placing increasing emphasis on carbon emission management throughout their supply chains, while the decarbonization of products and services is becoming an important criteria in customers' supplier selection decisions. Products or services that do not meet low carbon standard may experience a decline in demand.<br><br>There are stricter requirements for transparent carbon emissions information, and enterprises need to increase investment in the management of related performance. Poor performance in climate information disclosure may lead to reputation damage, declined stock price, or difficulties in financing. | There is a risk of a declining sales and reputation damage if end-user increasingly prefer on environmentally friendly products or services and the Group is unable to offer such options to the customers. | – Expand the products or services range to cater to a broader audience and adapt to changing customer preferences, including eco-friendly and ethically produced lines to attract environmentally conscious consumers.<br><br>– Obtain environmental related certifications to demonstrate commitment to sustainability.<br><br>– Adopt environmentally friendly production processes, such as waste reduction and recycle programs. |

*Climate-related Opportunities*

The Group recognises that climate change not only presents a range of physical and transitional risks, but also provides emerging opportunities for our businesses. Measures such as improving energy efficiency, increasing the utilisation of renewable energy, transitioning to sustainable resource management practices, and adopting green and low-carbon technologies have not only resulted in direct cost savings but also a reduction in energy expenses.

Looking ahead, we anticipate the opportunities that will arise from long-term regulatory frameworks and carbon trading. These mechanisms will enable us to explore alternative approaches to combat climate change, leveraging sustainable financial instruments. As the global economy transitions towards carbon neutrality, we remain committed to assessing and managing the climate-related risks and opportunities associated with our business.

*Risk Assessment and Management*

We have updated the assessment methodology through a climate scenario analysis to reassess climate risks and opportunities across our operations in Hong Kong and the PRC under two consolidated scenarios in accordance with Task Force on Climate-related Financial Disclosure ("**TCFD**") recommendations. The two consolidated climate scenarios are constructed based on public available scenarios which include Intergovernmental Panel on Climate Change ("**IPCC**"), International Energy Agency ("**IEA**") and Network for Greening the Financial System ("**NGFS**"). Based on the revaluation of our climate risk assessment results, we have updated our mitigation measures across various operational area. The following outlines the scenarios and assumptions employed during our climate risk assessment.

| **Consolidated Scenario** | **Brown Scenario** | **Turquoise Scenario** |
|---|---|---|
| Timeframe | Short-term – till 2030<br>Medium to long-term – till 2100 | |
| Global Mean Temperature | Global mean temperature rises of above 3°C by 2100 | Global mean temperature rises of 1.5 to 2 °C by 2100 |
| Scenario Description | The scenario represents the future that only current policies and nationally determined contribution are implemented with limited investments and climate actions to decarbonize. This would usually lead to high level of physical risk and low level of transition risk. | The scenario represents the future that stringent and immediate policies will be implemented by the companies that are actively committed to climate action goals. This would usually result in high level of transition risks and low level of physical risks. |

By gaining insight into the significant climate risks that affect our business across our value chain, we can develop effective strategies and measures to manage these risks and mitigate their financial and non-financial impacts. Within our framework, we acknowledge climate change as a strategic business risk and have integrated climate-related risks and opportunities into our overall business strategy. Our objective is to enhance long-term resilience by comprehensively assessing, managing, and monitoring climate risks that may impact our operations.

*Metrics and Targets*

We strive to effectively manage and evaluate the risks and opportunities arising from climate change. Throughout the Reporting Period, the Group continuously monitored key metrics, particularly GHG emissions, as an integral part of our indicators of climate-related risks. To support its sustainability objectives, the Group established targets aimed at reducing overall GHG emissions and electricity consumption.

Greenhouse Gas Emissions

Greenhouse gases (GHG) include $CO_2$ and its non-hazardous equivalents including nitrous oxide and methane ($CO_2e$). Greenhouse gas emissions comprise Scope 1 direct emissions, which is direct emissions from the fuel combustion, and Scope 2 energy indirect emissions, which is emissions resulting from the use of purchased electricity.

The table below recorded and compared the Reporting Period and the Last Reporting Period's greenhouse gas emissions:

| | | Year ended 30 June | | |
|---|---|---|---|---|
| **Greenhouse Gas Emission** | Unit | **2026** | 2025 | Changes |
| Scope 1 ($CO_2e$) | Tonnes | **43.87** | 47.85 | -8.32% |
| Scope 2 ($CO_2e$) | Tonnes | **100.51** | 107.35 | -6.37% |
| Intensity | | | | |
| – $CO_2e$/employee | | **2.37** | 1.94 | +22.16 |

Our Group is committed to reduce GHG emissions. To achieve this goal, our Group has established a set of guiding principles and measures to improve energy efficiency and reduce carbon emissions across our operations.

We target to reduce the greenhouse gas emission by 1–2% in the coming year through monitoring our employees' energy saving practices.

## *(B) SOCIAL AREAS AND ASPECTS*

### 2.1 Social Areas Overview

The Group is committed to conducting business in a transparent, equitable and socially responsible way, and strives to build mutually beneficial relationships with our stakeholders, including our employees, customers, suppliers, communities, as well as the public and governing authorities. On the formulation of ESG strategies and policies, the Group has already incorporated its short and long term corporate development goals with considerations on the stakeholders and sustainable development of the communities, society and globe.

Pursuant to the ESG Reporting Code, social areas and aspects including "Employment and Labor Practices" and "Operation Practices and Community Investment", and the Group's performance in these areas herein reported below:

### 2.2 Employment and Labour Practices Areas and Aspects

The Group always believes that its business development and growth rely heavily on the commitment, passion and skills of its employees who are its most valuable asset. It has committed to strictly complying with all the relevant laws, rules and regulations on employment arrangements in the Labour Laws of the PRC 《中華人民共和國勞動法》and Employment Ordinance ("**EO**") (Chapter 57 of the Laws of Hong Kong) of Hong Kong, and providing a safe and healthy working environment, offering equal opportunities to all employees on recruitment, promotion, compensation and benefits. It has strengthened its human resources management with employees oriented policies to encourage motivation and innovation, and to protect the interests and legal rights of the employees, and ultimately to achieve a positive, constructive and harmonious relationship with its employees.

*B1. Employment Aspect*

Since establishment, the Group has continued its employment policies and practices throughout, which include the following main features:

- Owing to the diversity in our operation bases and activities, the Human Resources Department in the Hong Kong headquarters is responsible for reviewing and approving the Group's human resources policies, and employment terms and conditions, while the regional offices' human resources managers implement the approved policies and measures in compliance with the local employment laws, rules, regulations and practices;

- The regional human resources manager reports to the regional manager and has been assigned with the responsibility to implement the Group's human resources strategies and policies, and has been charged with the responsibility and duty to ensure all the statutory obligations of the Group have been fulfilled and complied with a legitimate manner;

- Adopt a humanistic and equitable human resources policies with equal opportunities for all without discrimination on hiring, promotion, remuneration, benefits, training, dismissal and other aspects of employment;

- All employees are required to sign employment contracts with the Group and/or its subsidiaries, and will receive an Employee Handbook, listed out all the employment terms and conditions, benefits and obligations including but not limited to, appointment, termination, working hours, rest days, statutory holidays, remunerations, various compensations, dismissals, health, general safety and welfares, etc.;

- In accordance with the requirements of the national laws of the PRC such as Social Insurance Law of the PRC (中華人民共和國社會保險法) and the Administrative Regulations on Housing Provident Funds (住房公積金管理條例), and the EO and the Mandatory Provident Fund Schemes Ordinance ("**MPFSO**") (Chapter 485 of the Laws of Hong Kong) of Hong Kong, the Group provides and maintains statutory benefits to all qualified staff, including but not limited to mandatory provident fund, social security insurance, medical insurance, work injury insurance and compensation and statutory holidays;

- On recruitment, the Group has adopted a mixed policy of external recruitment and internal promotion for vacancies. All vacancies are open to all with equal opportunities, to be decided with no discrimination on religion, gender, age and disability, and to be selected on the basis of qualification, skill and competency;

- Employees' remunerations are determined with reference to the prevailing market level in line with their competency, qualifications, experience and job position. Discretionary bonuses of such amounts and at such intervals for internal employees will be rewarded at the discretion of the top management with consideration on performance; and

- Provide a safe and pleasant working environment to our employees.

During the Reporting Period, same as the Last Reporting Period, the Group honoured all obligations to its employees including the payment of salaries and wages, holidays and leaves, compensations, insurances and health benefits. There was no wages disputes or complaints, breaches of the labour laws or labour disputes recorded.

As at 30 June 2026, the Group employed a total of 61 employees. Further analysis of the Group's employment situations for the Reporting Period and comparison with the Last Reporting Period are summarised below:

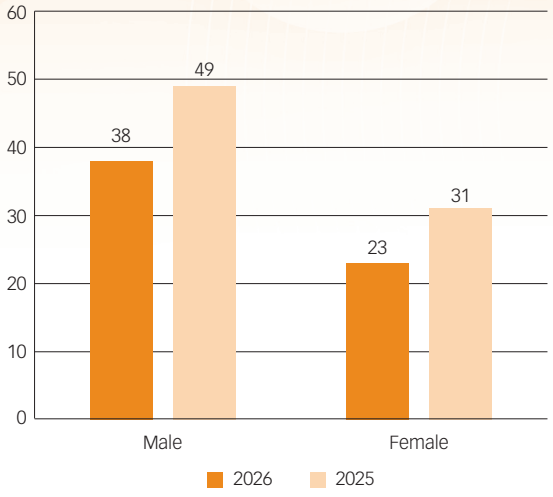



**Figure 1: Number of Employees by Gender**

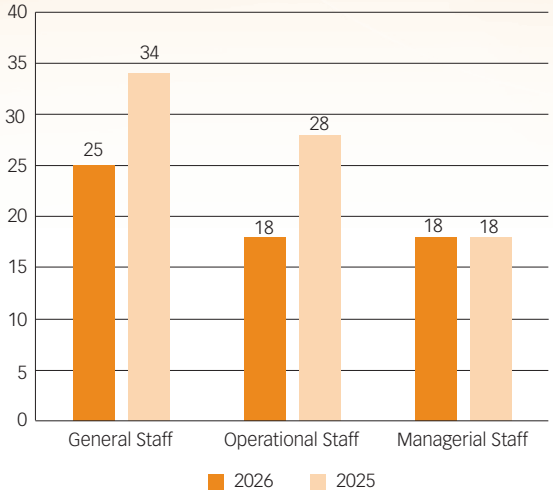



**Figure 2: Number of Employees by Employment Type**

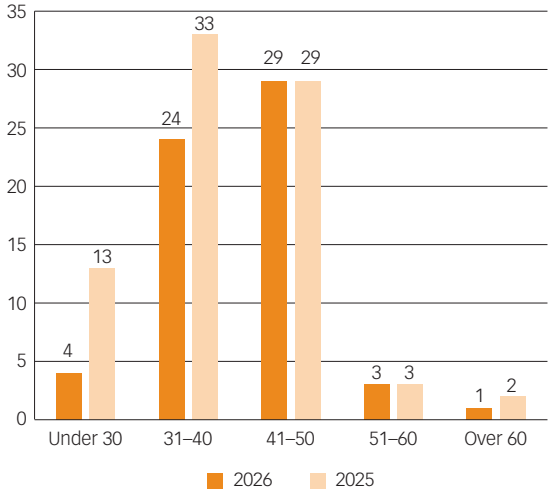



**Figure 3: Number of Employees by Age**

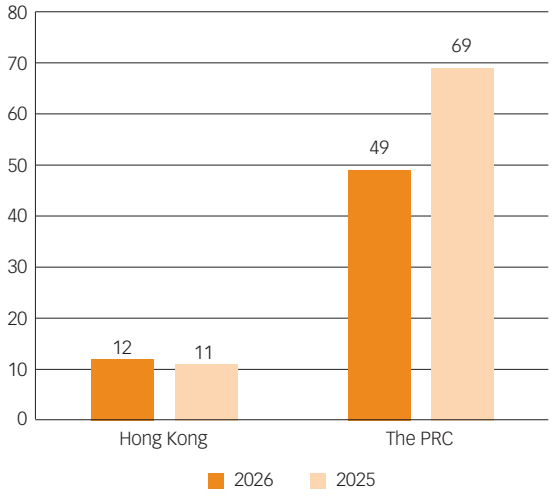



**Figure 4: Number of Employees by Geographical Region**

As for the employee turnover rate, an analysis of the Group's employee turnover rate breakdown for the Reporting Period is summarised in below:

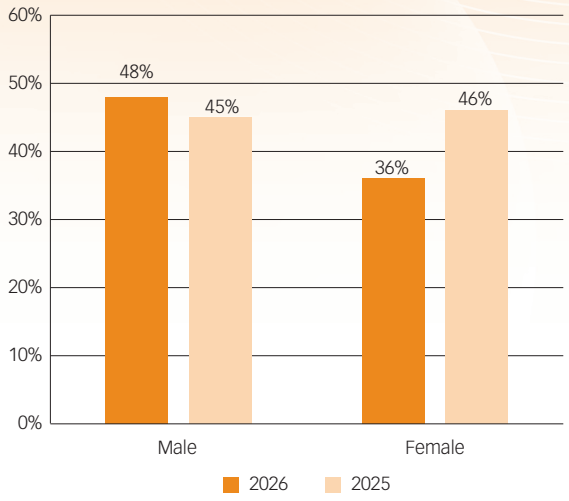



**Figure 5: Employment Turnover Rate by Gender**

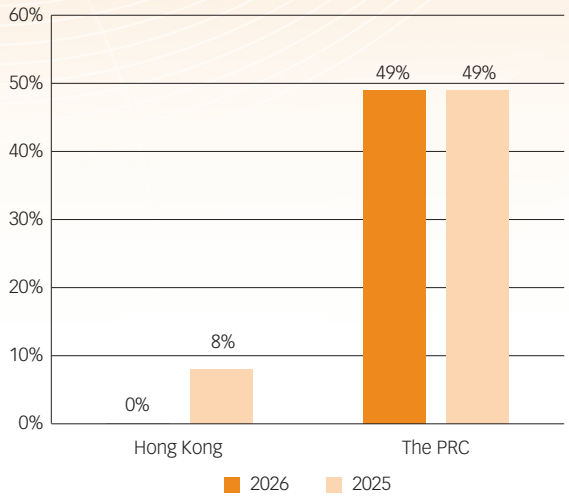



**Figure 6 : Employment Turnover Rate by Geographic Region**

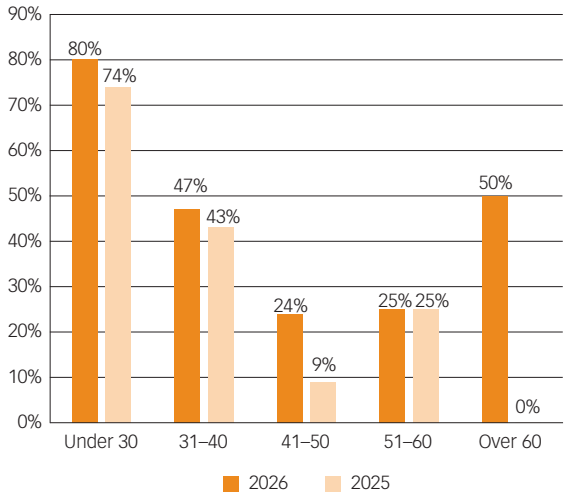



**Figure 7 : Employment Turnover Rate by Age**

*B2. Health and Safety Aspect*

As a continuing policy, the Group at all times is a responsible employer and provides a safe working environment in its offices and especially its plantation sites to prevent employees from injuries and accidents, and adopts an "employee-oriented" human resources policies aiming at providing a harmonious, safe and healthy working environment to minimize the risk of any occupational hazards. The Group has taken the following health and safety measures to protect its employees:

- Constantly improves the occupational safety and health management system in order to reduce risks and create a safe working environment;

- Ensures all the safety, medical and hygiene equipment are adequately in place and are operating efficiently, passing inspections and complying with all the safety and hygiene rules and regulations;

- Requires all employees to strictly comply with the health and safety policies, rules and regulations, including the Occupational Safety And Health Ordinance (Chapter 509 of the Laws of Hong Kong) and Employees Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) of Hong Kong, and the Labour Laws of the PRC and has constantly alerted the employees to perform their tasks under safety conditions;

- Takes occupational health and safety as one of our prime responsibilities, and employees are required by the in-house rules to notify their superiors immediately, whenever emergency or accidents, regardless of minor or serious occur, who will then take appropriate measures to ensure safety is not compromised, and in all circumstances the in-house rules also require all injuries or accidents to be promptly and properly dealt with and reported in accordance with the local or national laws as appropriate;

- The Group has assigned safety officers to regularly inspect and to alert employees to take precautionary measures to ensure that the workplace is safe. The Group has also provided regular training to employees to perform their jobs safely; and

- Insures all qualified employees in both the PRC and Hong Kong with medical insurance in accordance with the statutory requirements of the two jurisdictions.

There were no serious injuries or accidents with its employees in Hong Kong and the PRC, nor any disputes and litigations with employees on compensation or work-related injuries and fatalities, nor non-compliance cases in relation to safety laws and regulations was recorded in the past three years including the Reporting Period. Furthermore, during the Reporting Period, same as the Last Reporting Period, zero lost day due to work-related injuries was recorded. For the coming year, the Group targets to maintain a clean record on health and safety.

*B3. Development and Training Aspect*

The Group values its employees as the most valuable assets and always supports enhancing their value by providing them with development and trainings programs in terms of skills and job knowledge, plant operations and production know-hows at various levels, so that they are able to perform their required job duties in a competent and capable manner without risk to their health and safety or damage to plants and operations.

Policies are in place for on-the-job training to ensure that knowledge and skills are rightly provided in a timely manner to meet production and staff needs. Employees are encouraged to engage in self-development by taking external training programs and seminars which are sponsored by the Group in part or whole. Broadly speaking, the Group has continuously offered 3 types of trainings:

(i) Internal induction training — it is provided to new recruits to enhance their understanding of the Group's history, organization structure, work environment, regulations, responsibilities and duties, working skills, safety operation, career development plan, etc. For example: Fundamental Ethnic Standard, Career Planning, etc.

(ii) On-the-job and specific training — it is provided to regular employees with an aim to improve their career development and skills for performing their required job duties in a more competent and capable manner and without risking their health and safety. For example: Passion Fruit Nutrition Elements, Career Planning, Sales of Agricultural Products, etc.

(iii) External specific skills and knowledge training — it is aiming at enhancing the technical and management skills, and professional quality and ability of the middle to senior managers.

During the Reporting Period, the Group provided a total of 165 hours of internal and external training.

| Training (No. of employees) | Internal | External |
|---|---|---|
| **Percentage of employees trained** | | |
| 2026 | 11.48% | 11.48% |
| 2025 | 11.25% | 8.75% |
| **Percentage of trained employees by gender** | | |
| **Male** | | |
| 2026 | 42.86% | 85.71% |
| 2025 | 55.56% | 71.43% |
| **Female** | | |
| 2026 | 57.14% | 14.29% |
| 2025 | 44.44% | 28.57% |
| **Percentage of trained employees by employment type** | | |
| **Managerial staff** | | |
| 2026 | 28.57% | 71.43% |
| 2025 | 33.33% | 71.43% |
| **Operational staff** | | |
| 2026 | – | – |
| 2025 | – | – |
| **General staff** | | |
| 2026 | 71.43% | 28.57% |
| 2025 | 66.67% | 28.57% |

| Average training hours per employee | Internal | External |
|---|---|---|
| **Total average training hours per employee** | | |
| 2026 | 1.25 | 1.46 |
| 2025 | 1.00 | 0.59 |
| **Average training hours for male** | | |
| 2026 | 1.11 | 1.50 |
| 2025 | 1.00 | 0.53 |
| **Average training hours for female** | | |
| 2026 | 1.48 | 1.39 |
| 2025 | 1.00 | 0.69 |
| **Average training hours for managerial staff** | | |
| 2026 | 1.11 | 2.72 |
| 2025 | 1.50 | 0.42 |
| **Average training hours for operational staff** | | |
| 2026 | – | – |
| 2025 | – | – |
| **Average training hours for general staff** | | |
| 2026 | 2.24 | 1.60 |
| 2025 | 1.56 | 1.18 |

*B4. Labour Standards Aspect*

During the Reporting Period, the Group continued with its cornerstone policy of strict compliance with the Labour Laws of the PRC《中華人民共和國勞動法》 and the EO, and adopting their respective standards on employment and labour protection and welfare. The Group adhered to the laws of the PRC and Hong Kong as well as the local market practices on recruitment, dismissal, promotion, leave, holidays, benefits as well as equal employment opportunities to all genders, ages, races and religions. The Group acted strongly against child, illegal and forced labour. As a legal formality and for better management, the Group has maintained and in safe custody on confidential basis the private file of the employees including personal background information and credentials, copies of identify card and passport, academic qualifications and certificates, references, and performance assessment by seniors.

During the Reporting Period, same as the Last Reporting Period, the Group honoured all of its obligations towards employees and no disputes or litigations on labour matters such as child labour or forced labour employment were reported or detected. The Group is confident to maintain the good track record for the coming year.

## 2.3 Operation Practices Areas and Aspects

*B5. Supply Chain Management Aspect*

Supply chain management in the ESG Reporting Code mainly refers to management of sourcing and procurement. The Group's main purchases include fertilisers, pesticides, fuels, packaging materials, office routine supplies, utensils and spare parts.

The Group has well-established purchase policies applying to all suppliers on a fair and equitable manner. Purchases within a specified amount are handled by the respective local offices for operational convenience reasons. Approval by Hong Kong headquarters is required when the transaction value exceeds the threshold limit.

All purchase transactions are subject to the scrutiny of internal hierarchy supervisions at different levels depending on its contract value and significance and to the overall scrutiny of external independent audit checks.

To ensure a stable, quality assured, cost efficient and well managed supply chain, the Group has implemented clear procurement management rules and guidelines and procedures with respect to procurement including quality control, warehousing, payment and documentation approval process, and methods of payment. We select suppliers based on a set of criteria, which includes (i) ability to meet specification and standards, (ii) products and services quality, (iii) pricing of the products and services, (iv) delivery reliability, and (v) track records of the suppliers' business relationships with us and others in the industry and their committed compliance to laws, rules and regulations. The Group maintains a list of approved suppliers and will invite 2 to 3 suppliers to tender for purchases for a reasonable order size in order to obtain the optimal offer and to eliminate any chance of malpractice. We provide preferential status to local suppliers who engage in environmentally friendly and socially responsible practices, who use recyclable and natural materials.

All of our purchases for general purpose and use are concluded with reputable and reliable local suppliers as far as possible so as to reduce carbon footprint and to support the local economy development. When purchase of items or service for special use, it is the policy of the Group to ensure that the supply of service or goods is fit for purpose and meets with our specification before price becomes a consideration.

During the Reporting Period, the Plantation Business, Fruit Distribution Business, Air-conditioners and Other Electronic Appliances Distribution Business and Sales and Distribution of Consumable and Others Business had a total of 60 suppliers (76 suppliers for 2024/25), all were local suppliers. The Group continued to support local suppliers to ensure flexibility of supplies and to boost the local economy. Owing to proper management, the Group did not experience any interruption of supplies or failure to secure sufficient quantities of supplies on time that had any material adverse impact on our business.

*B6. Products Responsibility Aspect*

The ESG Reporting Code sub-divides products responsibility into 4 main aspects, which our internal control process, employee rules and regulations and contracts have clear guidelines and rules to deal with. For the Reporting Period, same as the Last Reporting Period, to ensure quality of our products, the Group's businesses satisfied all the legal and operation requirements with valid licenses and approvals including the land-use and ground water usage rights, environmental safety licenses, etc.

(i) Products Quality

Quality of the products are the most important factor for any sales. The Group continued to implement total quality control standards in its operation processes.

For the Reporting Period, the Group has an approximately RMB1,471,000 of sales return of the Air-conditioners and Other Electronic Appliances Distribution Business and Sales representing approximately 2.31% of total sale of the same revenue segment. Additionally, the Group is proud that there has been no material complaint or claim on its products quality and its products have not been subject to any investigation by government authorities on quality or safety as well. For the coming year, the Group has the confidence to maintain the same good track record with its sound management control.

(ii) Handling of Sales Complaints

As previously reported, the Group has clear procedures for handling customer complaints relating to quality of its products. Upon receiving a customer complaint, the responsible sale-person is required to promptly report the matter to the management and conduct an investigation to determine the cause of the alleged quality issue. For the majority of its sales transactions, customers physically inspect, verify, and accept the quality of the products prior to placing orders and taking delivery. Accordingly, quality-related disputes are uncommon, as the products delivered are consistent with those approved by the customers. However, in certain transactions, the Group selects and delivers products directly to customers' warehouses on their behalf. In such cases, unforeseen incidents during transportation may affect the condition or quality of the products. When such situations arise, the Group conducts site inspections, reviews relevant evidence, and assesses the circumstances of each case. The Group will then negotiate with the customers, typically by offering a price adjustment or discount to facilitate settlement of the transaction. Such incidents have been infrequent and have historically been resolved amicably through mutual agreement between the Group and its customers.

During the Reporting Period, same as the Last Reporting Period, the Group did not receive any complaints from customers that had any material adverse impact on its products, business and results of operation. The Group, again is confident to achieve the same results for the coming year.

(iii) Privacy

The Group's principle business operations involving the handling of substantial amount of private, confidential and commercially sensitive information of customers, suppliers, business partners. Such information includes operation and financial data, commercial terms of contracts, general background information, etc. These information are extremely sensitive and important, and by law, must be safeguarded and protected. The Group fully understands its obligation, and has taken measures to ensure strictest protection of the information against unauthorized access, use and disclosure through a variety of security technologies and procedures. The Group has incorporated a confidentiality clause into the labour contract, under which all employees are obligated to follow.

During the Reporting Period, same as the Last Reporting Period, the Group received no complaint on any breach of privacy or leakage of information. Given its existing internal control and technical control process, the Group is confident that confidential information will not be accessed and leaked out easily.

(iv) Intellectual Property Right ("**IPR**")

The Group also respects intellectual property right which has been implemented in its daily operation such as its installation of original software in its computers to avoid vulnerabilities and legal disputes arising from software copyright.

For the Reporting Period and the Last Reporting Period, no infringement complaints on IPR against the Group was received.

*B7. Anti-Corruption Aspect*

The Group is fully recognised the importance of honesty, integrity and fairness in its business operations and has implemented and maintained an anti-corruption policy supported by a comprehensive internal control system comprising procedures for the reporting, investigations and resolution of suspected corruption, bribery, fraud or other misconduct. An Independent Non-executive Director is responsible for overseeing the handling of investigation upon receiving any corruption reports. Moreover, employees at all levels have been constantly reminded and advised in meetings and documents, such as the staff handbooks, on anti-corruption, conflict of interest and giving and taking of interests. With the implementation of clear policies and well-established procedures on purchases, sales, operation and finance, and the Group reported no bribery nor corruption cases during the Reporting Period, same as the Last Reporting Period.

## 2.4 Community Area and Aspect

*B8. Community Investment Aspect*

As a responsible enterprise, the Group places great emphasis on fulfilling its social obligations, contributing to the local residents, community and environment. During the Reporting Period, the Group contributed the following:

(a) Environment — the Group has continued contributing to its Green Environment through careful and increased planting of trees to improve the landscape of its plantation fields and more importantly to reduce global warming by absolving $CO_2$ and release oxygen, and conserve water and top-soil;

(b) Society — the Group has continued to collaborate with the educational institutions on agricultural researches and has made its plantation farms available as educational centres such as "Guangxi Agricultural Sciences Testing Centre", "Guangxi Agriculture Vocational College Training Centre", "Hua Zhong Agricultural University Practice Centre" and "Hong Kong Young Patriot Agriculture Training Centre". Additionally, the Group has sponsored RMB30,000 to the Hepu County home matches of the Guangxi County Super Football League;

(c) Community — the Group's Hepu Plantation has continued to contribute the local economy by providing training to the locals on fruit cultivation so that they can grow and develop their own fruits farms, and to collaborate with the local farmers in the cultivation of various fruit varieties such as bananas; and

(d) Employees — the Group has continued to provide training to improve the employees' job skills and knowledge. The Group also organized celebration events and gatherings for its employees during festive seasons.

# INDEPENDENT AUDITOR'S REPORT



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大華馬施雲會計師事務所有限公司

**To the Shareholders of Asian Citrus Holdings Limited**
*(Incorporated in Bermuda with limited liability)*

## OPINION

We have audited the consolidated financial statements of Asian Citrus Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 95 to 200, 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 IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") 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 Hong Kong Institute of Certified Public Accountants (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 the matter that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. The 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.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|

### Allowance for expected credit losses ("ECLs") on trade and other receivables

Refer to the notes 22 and 38(b) to the consolidated financial statements

As at 30 June 2026, the Group had trade and other receivables with gross carrying amounts of approximately RMB2,000,000 and RMB7,452,000, respectively, while the Group has recognised reversal for ECLs allowance on trade and other receivables, net amounting to RMB92,000 and RMB950,000, respectively, during the year ended 30 June 2026.

The measurement of ECLs requires the application of significant judgements and estimates which increased complexity.

Management assesses whether the credit risks of trade and other receivables have increased significantly since their initial recognition. The measurement models of ECLs involves significant management judgements and assumptions, primarily including the following:

- selection of appropriate model and determination of relevant key measurement parameters, including probability of default, loss given default and exposure at default;
- criteria for determining whether or not there was a significant increase in credit risk or a default; and
- economic indicator for forward-looking measurement, and the application of economic scenarios and weightings.

We have identified management's impairment assessments on the Group's trade and other receivables as a key audit matter because their carrying amounts are significant and the assessments required significant management judgement and involved high level of estimation uncertainty.

Our audit procedures in relation to management's assessment on allowance for ECLs on trade and other receivables included but not limited to:

- Understood and evaluated the key control procedures over management's estimation of ECLs allowance and periodic review on overdue receivables and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors in association with estimation of ECLs;
- Challenged whether historical experience is representative of current circumstances and of the recent losses incurred in the debtors and assessed the reasonableness of forward-looking adjustments, including the economic variables and assumptions used in each of the economic scenarios and their probability weightings;
- Assessed the appropriateness of the valuation methodology, assumptions and judgement used by the management and the valuer;
- Evaluated the independent external valuer's competency, capability and objectivity;
- Tested the accuracy of key data (e.g. probability of default and loss given default) used by the independent external valuer to determine the ECLs, on a sample basis;
- For forward-looking measurement, we assessed the reasonableness of economic indicator selection, economic scenarios and weightings application, assessed the reasonableness of the estimation by comparing with industry or country data;
- Assessed the adequacy of the ECLs recorded by reviewing subsequent settlements after the year-end and any correspondence with debtors about expected settlement dates; and
- Performed retrospective review on the consistency of methodology adopted in the prior years and inquired with the management for the reasons of changes, if any.

**KEY AUDIT MATTERS** *(continued)*

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Impairment assessment of non-financial assets** | |
| Refer to the notes 4, 5, 14, 17 and 18 to the consolidated financial statements<br><br>Following the increased market competition and higher distribution costs, management of the Company determined that the recoverable amount of the fruit distribution business cash-generating unit ("**CGU**") was lower than its carrying amount. Management estimated the recoverable amount to be Nil based on discounted future cash flows, resulting in an impairment loss of RMB2,916,000 recognised in the consolidated statement of profit or loss and other comprehensive income. As a result, the carrying amount of goodwill allocated to this CGU was written down from RMB2,916,000 to a net carrying amount of Nil.<br><br>During the year ended 30 June 2026, the Group has also recognised impairment loss on property, plant and equipment and intangible asset of approximately RMB272,000 and RMB1,408,000, respectively, to the consolidated statement of profit or loss and other comprehensive income, as there was an impairment indicator that the plantation business and sales and distribution of consumables and others business of the Group incurred a segment loss of approximately RMB2,628,000 and RMB4,709,000, respectively, during the year ended 30 June 2026.<br><br>For the purpose of impairment testing on non-financial assets, these assets are allocated to their respective CGUs.<br><br>The management of the Company determined the recoverable amounts of the CGUs by using the value-in-use calculation, which was based on the present value of the cash flow projections and discount rate.<br><br>We have identified management's impairment assessment of non-financial assets as a key audit matter due to the significance of balance of the non-financial assets of the CGUs in the consolidated statement of financial position at 30 June 2026 and the significant management estimates and judgements are involved in determining the recoverable amounts of each CGUs. | Our audit procedures in relation to management's impairment assessment of non-financial assets included but not limited to:<br><br>— Understood, evaluated and validated management's internal control and assessment process of impairment assessment of the non-financial assets and assessed the inherent risk of misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors;<br><br>— Evaluated the appropriateness and reasonableness of the valuation methodology and assumptions in determining the recoverable amount with reference to the industry practice;<br><br>— Discussed with the management about the other assumptions used in the cash flow projections and challenged the reasonableness of the key inputs including assessing the reasonableness of the discount rate based on relevant market data of comparable companies where appropriate;<br><br>— Checked the accuracy and relevance of the input data and mathematical accuracy of the valuation calculation and the underlying data used in the calculation;<br><br>— Performed sensitivity analysis around the key assumptions for pre-tax discount rate, forecast revenue and gross margins and considered the extent of changes in those assumptions that would result in impairment; and<br><br>— Compared the actual result for the current year with management's forecast for the previous year in order to assess the forecast accuracy and reasonableness. |

## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all the information included in the annual report, but does not include 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 DIRECTORS OF THE COMPANY AND THE AUDIT COMMITTEE 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 IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The audit committee assists the directors of the Company 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. We report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, 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 skepticism 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 of the Company.

- 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.

- 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.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS
*(continued)*

- 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 group 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 of the Company 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 of the company 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 of the Company, we determine those matters that were of most significance 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.

**Moore CPA Limited**
*Certified Public Accountants*

**Li Wing Yin**
Practising Certificate Number: P05035

Hong Kong, 30 September 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2026

| | Notes | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|---|
| **Revenue** | 6 | **82,020** | 75,420 |
| Cost of sales | | **(81,319)** | (71,157) |
| Other income and gains or losses | 7 | **4,290** | 3,730 |
| Impairment loss on property, plant and equipment | 14 | **(272)** | – |
| Impairment loss on intangible asset | 17 | **(1,408)** | – |
| Impairment loss on goodwill | 18 | **(2,916)** | – |
| Changes in fair value of investment properties | 16 | **(270)** | (290) |
| (Loss)/gain arising from change in fair value of biological assets less costs to sell | 19 | **(999)** | 112 |
| Reversal of/(provision for) allowance of expected credit losses ("**ECLs**") on trade receivables, net | 22(a) | **92** | (81) |
| Reversal of allowance of ECLs on other receivables, net | 22(b) | **950** | 431 |
| Reversal of/(provision for) of allowance of ECLs on loan receivables, net | 23 | **357** | (335) |
| Changes in fair value of financial assets at fair value through profit or loss | 25 | **(517)** | 3,595 |
| Amortisation of intangible asset | 9 | **(1,192)** | – |
| Depreciation of property, plant and equipment and right-of-use assets | 9 | **(3,216)** | (3,448) |
| Staff costs | 9 | **(11,108)** | (16,756) |
| Distribution and other operating expenses | | **(2,116)** | (1,590) |
| General and other administrative expenses | | **(8,090)** | (17,130) |
| Finance costs | 8 | **(708)** | (877) |
| **Loss before income tax** | 9 | **(26,422)** | (28,376) |
| Income tax expense | 11 | **(32)** | (66) |
| **Loss for the year** | | **(26,454)** | (28,442) |
| **(Loss)/profit for the year attributable to:** | | | |
| Owners of the Company | | **(26,825)** | (24,006) |
| Non-controlling interests | 34(b) | **371** | (4,436) |
| | | **(26,454)** | (28,442) |

| | Notes | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|---|
| **Other comprehensive (loss)/income** | | | |
| *Items that will not be reclassified to profit or loss:* | | | |
| — Exchange differences on translation of financial statements of the Company from functional currency to presentation currency | | **(5,771)** | 3,119 |
| *Items that may be reclassified subsequently to profit or loss:* | | | |
| — Exchange differences on translation of financial statements of foreign operations, net of tax | | **5,249** | (3,746) |
| **Other comprehensive loss for the year** | | **(522)** | (627) |
| **Total comprehensive loss for the year** | | **(26,976)** | (29,069) |
| **Total comprehensive (loss)/income for the year attributable to:** | | | |
| Owners of the Company | | **(27,347)** | (24,633) |
| Non-controlling interests | 34(b) | **371** | (4,436) |
| | | **(26,976)** | (29,069) |
| | | **RMB** | RMB |
| **Loss per share attributable to the owners of the Company** | | | |
| — Basic and diluted | 12 | **(1.800)** | (1.611) |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

| | Notes | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|---|
| **ASSETS AND LIABILITIES** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 14 | **3,303** | 2,971 |
| Right-of-use assets | 15 | **42,789** | 45,743 |
| Investment properties | 16 | **13,680** | 13,950 |
| Intangible asset | 17 | **–** | – |
| Goodwill | 18 | **–** | 2,916 |
| Prepayment for acquisition of an intangible asset | 24 | **–** | 2,600 |
| | | **59,772** | 68,180 |
| **Current assets** | | | |
| Biological assets | 19 | **578** | 1,245 |
| Inventories | 20 | **14,687** | 16,261 |
| Cryptocurrencies | 21 | **3,465** | 6,168 |
| Trade and other receivables | 22 | **6,536** | 19,372 |
| Loan receivables | 23 | **–** | 2,482 |
| Prepayments | 24 | **13,899** | 14,908 |
| Financial assets at fair value through profit or loss | 25 | **1,477** | 6,546 |
| Cash and cash equivalents | 26 | **5,614** | 9,462 |
| | | **46,256** | 76,444 |
| **Current liabilities** | | | |
| Trade and other payables | 27 | **8,960** | 20,116 |
| Contract liabilities | 28 | **2,214** | 1,498 |
| Lease liabilities | 29 | **141** | 135 |
| Bank borrowings | 30 | **7,850** | 9,351 |
| Other borrowings | 31 | **702** | 1,337 |
| Tax payable | | **10** | 21 |
| | | **19,877** | 32,458 |
| **Net current assets** | | **26,379** | 43,986 |
| **Total assets less current liabilities** | | **86,151** | 112,166 |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

| | Notes | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|---|
| **Non-current liabilities** | | | |
| Lease liabilities | 29 | **1,055** | 1,196 |
| Bank borrowings | 30 | **1,220** | 84 |
| Other borrowings | 31 | **–** | 34 |
| | | **2,275** | 1,314 |
| **Net assets** | | **83,876** | 110,852 |
| **EQUITY** | | | |
| Share capital | 32 | **137** | 137 |
| Reserves | 33 | **84,864** | 112,211 |
| Equity attributable to the owners of the Company | | **85,001** | 112,348 |
| Non-controlling interests | 34(b) | **(1,125)** | (1,496) |
| **Total equity** | | **83,876** | 110,852 |

The consolidated financial statements on pages 95 to 200 were approved and authorised for issue by the board of directors on 30 September 2026 and are signed on its behalf by:

**Li Ziying**
*Chairman and Executive Director*

**James Francis Bittl**
*Non-Executive Director*

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

| | Attributable to the owners of the Company | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital *(note 32)* RMB'000 | Contributed surplus[#] *(note 33(i))* RMB'000 | Revaluation reserve[#] *(note 33(ii))* RMB'000 | Statutory surplus reserve[#] *(note 33(iii))* RMB'000 | Exchange reserve[#] *(note 33(iv))* RMB'000 | Retained earnings[#] RMB'000 | Total RMB'000 | Non-controlling interests *(note 34(b))* RMB'000 | Total equity RMB'000 |
| **At 1 July 2025** | 137 | 8,055 | 644 | 2,004 | 2,110 | 99,398 | 112,348 | (1,496) | 110,852 |
| (Loss)/profit for the year | - | - | - | - | - | (26,825) | (26,825) | 371 | (26,454) |
| Other comprehensive (loss)/income for the year: | | | | | | | | | |
| Exchange differences on translation of financial statements of the Company from functional currency to presentation currency | - | - | - | - | (5,771) | - | (5,771) | - | (5,771) |
| Exchange differences on translation of financial statements of foreign operations, net of tax | - | - | - | - | 5,249 | - | 5,249 | - | 5,249 |
| Total comprehensive (loss)/income for the year | - | - | - | - | (522) | (26,825) | (27,347) | 371 | (26,976) |
| **At 30 June 2026** | 137 | 8,055 | 644 | 2,004 | 1,588 | 72,573 | 85,001 | (1,125) | 83,876 |

[#] These reserve accounts comprise the consolidated reserve of approximately RMB84,864,000 (2025: RMB112,211,000) in the consolidated statement of financial position.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

| | Attributable to the owners of the Company | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital (note 32) RMB'000 | Contributed surplus# (note 33(i)) RMB'000 | Revaluation reserve# (note 33(ii)) RMB'000 | Statutory surplus reserve# (note 33(iii)) RMB'000 | Exchange reserve# (note 33(iv)) RMB'000 | Retained earnings# RMB'000 | Total RMB'000 | Non-controlling interests (note 34(b)) RMB'000 | Total equity RMB'000 |
| At 1 July 2024 | 137 | 8,055 | 644 | 2,004 | 2,737 | 123,404 | 136,981 | – | 136,981 |
| Loss for the year | – | – | – | – | – | (24,006) | (24,006) | (4,436) | (28,442) |
| Other comprehensive income/(loss) for the year: | | | | | | | | | |
| Exchange differences on translation of financial statements of the Company from functional currency to presentation currency | – | – | – | – | 3,119 | – | 3,119 | – | 3,119 |
| Exchange differences on translation of financial statements of foreign operations, net of tax | – | – | – | – | (3,746) | – | (3,746) | – | (3,746) |
| Total comprehensive loss for the year | – | – | – | – | (627) | (24,006) | (24,633) | (4,436) | (29,069) |
| Capital contribution received from a non-controlling shareholder | – | – | – | – | – | – | – | 2,940 | 2,940 |
| At 30 June 2025 | 137 | 8,055 | 644 | 2,004 | 2,110 | 99,398 | 112,348 | (1,496) | 110,852 |

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

| | Notes | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Loss before income tax | | **(26,422)** | (28,376) |
| Adjustments for: | | | |
| Interest income | 7 | **(107)** | (231) |
| Loss on disposal of property, plant and equipment | 7 | **9** | – |
| Gain on early termination of leases | 7 | **–** | (290) |
| Finance costs | 8 | **708** | 877 |
| Amortisation of intangible asset | 9 | **1,192** | – |
| Depreciation of property, plant and equipment | 9 | **262** | 209 |
| Depreciation of right-of-use assets | 9 | **2,954** | 3,239 |
| Loss on written-off of property, plant and equipment | 9 | **–** | 14 |
| Loss on write-down of inventories | 9 | **37** | 29 |
| Loss on write-down of cryptocurrencies | 9 | **2,474** | – |
| Impairment loss on property, plant and equipment | 14 | **272** | – |
| Impairment loss on intangible asset | 17 | **1,408** | – |
| Impairment loss on goodwill | 18 | **2,916** | – |
| Changes in fair value of investment properties | 16 | **270** | 290 |
| Loss/(gain) arising from change in fair value of biological assets less costs to sell | 19 | **999** | (112) |
| (Reversal of)/provision for allowance of ECLs on trade receivables, net | 22(a) | **(92)** | 81 |
| Reversal of allowance of ECLs on other receivables, net | 22(b) | **(950)** | (431) |
| (Reversal of)/provision for allowance of ECLs on loan receivables, net | 23 | **(357)** | 335 |
| Changes in fair value of financial assets at fair value through profit or loss | 25 | **517** | (3,595) |
| **Operating cash flows before working capital changes** | | **(13,910)** | (27,961) |
| Increase in biological assets | | **(332)** | (141) |
| Decrease/(increase) in inventories | | **1,537** | (8,080) |
| Decrease/(increase) in trade and other receivables | | **13,878** | (9,391) |
| Decrease in prepayments | | **11,599** | 12,309 |
| Increase in cryptocurrencies | | **–** | (6,289) |
| (Decrease)/increase in trade and other payables | | **(11,156)** | 15,542 |
| Increase in contract liabilities | | **716** | 778 |
| Decrease in financial assets at fair value through profit or loss held for trading | 25 | **4,332** | 25,498 |
| **Net cash generated from operations** | | **6,664** | 2,265 |
| Income tax paid | | **(43)** | (105) |
| **Net cash generated from operating activities** | | **6,621** | 2,160 |

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

| | Notes | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|---|
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | | **(900)** | (140) |
| Proceeds from disposal of property, plant and equipment | | **25** | – |
| Prepayment for acquisition of an intangible asset | | **–** | (2,600) |
| Repayment from an independent third party | 23 | **2,685** | – |
| Interest received | | **216** | 231 |
| **Net cash generated from/(used in) investing activities** | | **2,026** | (2,509) |
| **Cash flows from financing activities** | | | |
| Proceeds from bank borrowings | 39(b) | **15,228** | 10,000 |
| Repayments of bank borrowings | 39(b) | **(17,243)** | (16,471) |
| Repayments of other borrowings | 39(b) | **(9,609)** | (1,787) |
| Interest paid on bank borrowings | 39(b) | **(575)** | (637) |
| Interest paid on other borrowings | 39(b) | **(76)** | (72) |
| Repayment of principal portion of lease liabilities | 39(b) | **(135)** | (817) |
| Payment of interest on lease liabilities | 39(b) | **(57)** | (151) |
| Capital contribution received from a non-controlling shareholder | | **–** | 2,940 |
| **Net cash used in financing activities** | | **(12,467)** | (6,995) |
| **Net decrease in cash and cash equivalents** | | **(3,820)** | (7,344) |
| **Cash and cash equivalents at beginning of the year** | | **9,462** | 16,804 |
| **Effect of foreign exchange rate changes** | | **(28)** | 2 |
| **Cash and cash equivalents at end of the year** | 26 | **5,614** | 9,462 |

## 1. GENERAL INFORMATION

Asian Citrus Holdings Limited (the "**Company**") was incorporated in Bermuda as an exempted company with limited liability on 4 June 2003 under the Companies Act of Bermuda. The address of the Company's registered office was changed from Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda to Richmond House, 12 Par-la-Ville Road, Hamilton HM 08, Bermuda with effect from 3 August 2026. The principal place of business of the Company is located at Room 2510, 25/F, Arion Commercial Centre, 2-12 Queen's Road West, Sheung Wan, Hong Kong. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 26 November 2009.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in note 34(a).

The substantial shareholders of the Company are Mr. Kung Chak Ming ("**Mr. Kung**"), Mr. Xu Guodian and Changjiang Tyling Management Company Limited which is 50% owned by Mr. Ng Ong Nee, a former executive director of the Company.

## 2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, which collective term includes all individual International Financial Reporting Standards ("**IFRSs**"), International Accounting Standards ("**IASs**") and Interpretations issued by the International Accounting Standards Board (the "**IASB**"). These consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules.

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties, financial assets at fair value through profit or loss ("**FVTPL**") and biological assets, which are measured at fair value.

The functional currency of the Company is Hong Kong dollar ("**HK$**"). However, the consolidated financial statements are presented in Renminbi ("**RMB**"), as the board of directors of the Company considers that RMB is the functional currency of the primary economic environment in which most of the transactions of the Group are denominated and settled in and this presentation is more useful for its current and potential investors. All values are rounded to the nearest thousand except when otherwise indicated.

## 2. BASIS OF PREPARATION *(continued)*

### *(a) Application of amendments to an IFRS Accounting Standard*

In the preparation of the consolidated financial statements for the year ended 30 June 2026, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the IASB, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 July 2025:

| | |
|---|---|
| Amendments to IAS 21 | Lack of Exchangeability |

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

### *(b) New and amendments to IFRS Accounting Standards in issue but not yet effective*

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

| | | Effective for accounting periods beginning on or after |
|---|---|---|
| Amendments to IFRS 9 and IFRS 7 | Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |
| Amendments to IFRS 9 and IFRS 7 | Contracts Referencing Nature-dependent Electricity | 1 January 2026 |
| Amendments to IFRS Accounting Standards | Annual Improvement to IFRS Accounting Standards — Volume 11 | 1 January 2026 |
| Amendments to IAS 21 | Translation to a Hyperinflationary Presentation Currency | 1 January 2027 |
| Amendments to IAS 28 | Amendments to the Fair Value Option for Investments in Associates and Joint Ventures | 1 January 2027 |
| IFRS 18 | Presentation and Disclosure in Financial Statements | 1 January 2027 |
| IFRS 20 | Regulatory Assets and Regulatory Liabilities | 1 January 2029 |
| Amendments to IFRS 10 and IAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* | To be determined |

* The amendments shall be adopted prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

## 2. BASIS OF PREPARATION *(continued)*

### *(b) New and amendments to IFRS Accounting Standards in issue but not yet effective (continued)*

Except for the new IFRS Accounting Standard mentioned below, the Group is in the process of making an assessment of what the impact of these amendments to IFRS Accounting Standards is expected to be in the period of initial application. So far the Group has not identified any aspects of the amendments which may have a significant impact on the consolidated financial statements. The actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's annual report for the year ending 30 June 2027. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in the consolidated financial statements.

**IFRS 18 *Presentation and Disclosure in Financial Statements***

IFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. Whilst many of the requirements will remain consistent, the new standard introduces new requirements to present specified categories and defined subtotals in the income statement; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the primary financial statements and the notes. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted, and will be applied retrospectively. The application of the new standard is expected to affect the structure and presentation of the statement of profit or loss and other comprehensive income and disclosures in the future financial statements. The Group is still currently assessing the impact that IFRS 18 will have on the Group's consolidated financial statements.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

### *(a) Basis of consolidation*

These consolidated financial statements include the financial statements of the Company and its subsidiaries 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 has power over the investee, 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).

When the Company has, directly or indirectly, 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:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The financial statements of 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 Company and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance. All intra-group transactions, balances, income and expenses 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 in the accounting policy for subsidiaries above.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any investment retained and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. 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.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### *(a) Basis of consolidation (continued)*

Investments in subsidiaries are included in the Company's statement of financial position at cost less any identified impairment loss. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

### *(b) Goodwill*

Goodwill is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in the consolidated income statement as a bargain purchase gain.

After initial recognition, goodwill is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

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 purposes of impairment testing, goodwill is allocated to each of the Group's CGU (or groups of CGU) that is 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. Impairment is determined by assessing the recoverable amount of the CGU (group of CGU) to which the goodwill relates. If the recoverable amount of the CGU (group of CGU) is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit (group of CGU) and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a CGU (or group of CGU) 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 CGU retained.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### *(c) Property, plant and equipment*

Property, plant and equipment (other than construction in progress) are stated at cost, less accumulated depreciation and impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the item has been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the consolidated profit or loss in the year in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in future economic benefits expected to be obtained from the use of the item, the expenditure is capitalised as an additional cost of the item. When an item of property, plant and equipment is sold or when no future economic benefits are expected from its use or disposal, its cost and accumulated depreciation and impairment are removed from the consolidated financial statements and any gain or loss resulting from the disposal, being the difference between the net disposal proceeds and the carrying amount of the asset or retirement, is included in the consolidated profit or loss.

Depreciation is provided on the straight-line method, based on the estimated economic useful life of the individual assets, as follows:

| | |
|---|---|
| Buildings | Over the remaining lease terms |
| Leasehold improvements | 3.33% to 20% per annum or over the remaining lease terms, whichever is shorter |
| Furniture, plant and machinery | 5% to 33.33% per annum |
| Motor vehicles | 10% to 33.33% per annum |
| Farmland infrastructure and machinery | 5% to 33.33% per annum |
| Bearer plants | 10 to 20 years |

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.

Construction in progress represents a farmland infrastructure and land improvements under construction, property, plant and equipment under construction and equipment pending installation, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### *(d) Investment properties*

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property.

Investment properties are initially measured at cost, including any directly attributable expenditure. After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections.

Changes in fair values of investment property are recognised in consolidated profit or loss.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under IAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in consolidated profit or loss to the extent the impairment provision previous made.

### *(e) Intangible assets*

**Intangible assets acquired separately**

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and accumulated impairment losses, if any. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. 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.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

The Group's intangible assets have finite useful life. All intangible assets are amortised on a straight-line basis over the following period:

| | |
|---|---|
| Computer software | 2 years |

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### *(f) Impairment of non-financial assets*

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories), the recoverable amount of the asset is estimated. An asset's recoverable amount is the higher of the value-in-use of the asset or CGU to which it belongs 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 CGU to which the asset belongs.

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 the consolidated statement of profit or loss and other comprehensive income 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 any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset 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), had no impairment loss been recognised for the asset in prior years. A reversal of such impairment loss is credited to the consolidated statement of profit or loss and other comprehensive income in the period in which it arises.

### *(g) Inventories*

Inventories, which consist of agricultural produces and air-conditioners, are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### *(h) Investments and other financial assets*

#### Financial assets

Financial assets are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 *Revenue from Contracts with Customers* ("**IFRS 15**"). Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at FVTPL) are added to the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in consolidated profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### *(h) Investments and other financial assets (continued)*

**Classification and subsequent measurement of financial assets** *(continued)*

*(i) Amortised cost and interest income*

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

*(ii) Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in consolidated profit or loss. The fair value gains or losses excludes any dividend from the financial asset which is included in the "other income and gains or losses" line item.

**Impairment of financial assets**

The Group recognises a loss allowance for ECLs on financial assets which are subject to impairment under IFRS 9 (including trade and other receivables, loan receivables and bank balances). The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECLs represents the ECLs that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECLs ("**12m ECLs**") represents the portion of lifetime ECLs that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### *(h) Investments and other financial assets (continued)*

**Impairment of financial assets** *(continued)*

For trade receivables, the Group applies the simplified approach to provide for ECLs prescribed by IFRS 9, which requires the use of the lifetime expected losses provision for all trade receivables without significant financing component. The ECLs on these assets are assessed individually for debtors with significant balances and collectively using a provision matrix with appropriate groupings.

Loan receivables are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs:

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.

For all other instruments, the Group measures the loss allowance equal to 12m ECLs, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECLs. The assessment of whether lifetime ECLs should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### *(h) Investments and other financial assets (continued)*

**Impairment of financial assets** *(continued)*

*(i) Significant increase in credit risk*

In assessing whether the credit risk has increased significantly since initial recognition, 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. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### *(h) Investments and other financial assets (continued)*

**Impairment of financial assets** *(continued)*

*(ii) Definition of default*

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

*(iii) Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

*(iv) Write-off policy*

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in consolidated profit or loss.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### *(h) Investments and other financial assets (continued)*

**Impairment of financial assets** *(continued)*

*(v) Measurement and recognition of ECL*

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped based on:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Group recognises an impairment gain or loss in consolidated profit or loss for all financial instruments through a loss allowance account.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### *(h) Investments and other financial assets (continued)*

**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.

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.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in consolidated profit or loss.

### *(i) Financial liabilities*

**Initial recognition and measurement**

Financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial liabilities are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at FVTPL) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial liabilities at FVTPL are recognised immediately in consolidated profit or loss.

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

The Group's financial liabilities include trade and other payables, lease liabilities, bank borrowings and other borrowings.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### *(i) Financial liabilities (continued)*

**Subsequent measurement**

After initial recognition, interest-bearing loans and borrowings 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 the consolidated 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 the consolidated profit or loss.

**Derecognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in consolidated profit or loss.

### *(j) Cryptocurrencies*

The Group trades cryptocurrencies, by purchasing them with a view to their resale in ordinary course of business in the near future, and generating a profit from the fluctuations of price, the Group applies the guidance in IAS 2 *Inventories* and measures the cryptocurrencies at lower of cost and net realisable value ("**NRV**"). Cost is determined on a weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less any estimated costs of completion and the estimated costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale. Any write-down of cost to NRV are recognised under cost of sales in the consolidated statement of profit or loss and other comprehensive income in the period of which the write-down occurs.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### *(k) Lease*

**Definition of 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.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 *Leases* ("**IFRS 16**") at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

**The Group as a lessee**

*Allocation of consideration to components of a contract*

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

*Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to leases of equipment and office premises 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 lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### *(k) Lease (continued)*

**The Group as a lessee** *(continued)*

*Right-of-use assets*

The cost of right-of-use assets include:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the consolidated statement of financial position. Right-of-use assets that meet the definition of investment property is presented within "investment properties".

*Refundable rental deposits*

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### *(k) Lease (continued)*

**The Group as a lessee** *(continued)*

*Lease liabilities*

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

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, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment; and
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The lease liabilities are presented as a separate line item in the consolidated statement of financial position.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### *(k) Lease (continued)*

**The Group as a lessee** *(continued)*

*Lease modifications*

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets.

**The Group as a lessor**

*Classification and measurement of leases*

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Subleases for which the Group is an intermediate lessor are classified as finance or operating leases. Whenever the terms of the sublease transfer substantially all the risks and rewards incidental to ownership of head leas to the lessee, the contract is classified as a finance lease. All other head leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as finance lease receivables at commencement date at amounts equal to net investments in the leases, measured using the incremental borrowing rate in the respective leases and recognised the difference between the right-of-use assets and the net investment in the subleases in consolidated profit or loss. Initial direct costs (other than those incurred by manufacturer or dealer lessors) are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### *(k) Lease (continued)*

**The Group as a lessor** *(continued)*

*Classification and measurement of leases (continued)*

Rental income from operating leases is recognised in consolidated profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the head lease, and such costs are recognised as an expense on a straight-line basis over the lease term consistent with investment properties from leased properties under sub-leases. Rental income is presented under "other income and gains or losses".

### *(l) Other employee benefits*

**Retirement benefit schemes**

The Group participates in defined contribution retirement benefit schemes for those employees who are eligible to participate. Contributions are charged to profit or loss as they are paid/become payable in accordance with the rules of the scheme.

The employees of the subsidiaries within the Group which operate in the PRC are required to participate in the central pension scheme operated by the local municipal government. These PRC subsidiaries are required to contribute a percentage of their payroll costs to the central pension scheme as specified by the local municipal government. The Group has no legal or construction obligations to pay further contributions after payment of the fixed contributions.

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 its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of comprehensive income as they become payable in accordance with the rules of the MPF Scheme.

**Employee long service payment**

The provision for long service payment ("**LSP**") is provided based on the employees' basic salaries and their respective length of service in accordance with the applicable rules and regulations in their respective countries of employment.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### *(m) Income tax*

Income tax represents the sum of current and deferred tax. Income tax relating to items recognised outside consolidated profit or loss is recognised outside consolidated 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 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, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, the carry forward 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 and does not give risk 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.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### *(m) Income tax (continued)*

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.

Deferred tax is calculated, without discounting, at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

### *(n) Revenue from contracts with customers*

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

**Principal versus agent**

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Depending on the terms of the contracts and the laws that apply to the contract, services may be recognised over time or at a point in time.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### *(n) Revenue from contracts with customers (continued)*

**Planting, cultivation and sale of agricultural produce and distribution of fruits**

Revenue from planting, cultivation and sale of agricultural produce and distribution of fruits is recognised at a point in time when control of the products has transferred, being when the products are delivered to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of the products and collectability of the related receivables is reasonably assured.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. It is the Group's policy to sell its products to the end customers with a right of returns within the date of products delivered.

The management's judgements regarding principal and agent consideration in revenue recognition was disclosed in note 4 to the consolidated financial statements.

**Distribution and installation of air-conditioners and other electronic appliances**

*(i) Distribution and installation of air-conditioners and other electronic appliances*

Sale of air-conditioners and other electronic appliances are recognised as revenue when control of the products has transferred, being at the point when products are delivered to the customer. Delivery occurs when the products have been transported to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Revenue is normally recognised when the customer accepts delivery and installation are complete. However, revenue is recognised immediately upon the customer's acceptance of delivery as the installation process is simple in nature.

*(ii) Rights of return*

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right of return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### *(n) Revenue from contracts with customers (continued)*

**Distribution of consumables and others**

Sale of consumables and others are recognised as revenue when control of the products has transferred, being at the point when products are delivered to the customer. Delivery occurs when the products have been transported to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Revenue is normally recognised when the customer accepts delivery.

**Supply chain finance technology solution service income**

Revenue from supply chain finance technology solution service income is generated from providing the customer with a right to access the supply chain finance platform and solutions of the Group. The nature of the Group's performance obligation in granting the license is considered to be a right to access the Group's intellectual property. The Group accounts for the grant of the right-to-access license as a performance obligation satisfied over time over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

**Cryptocurrency trading**

The Group trades cryptocurrencies in cryptocurrency exchange. Transaction price is derived by unit price of cryptocurrencies and transaction volume. Cryptocurrency trading is recognised at point in time upon each trade transaction is completed.

The sale amounts received from counterparties are recorded as revenue on a gross basis and the associated cost as cost of revenues, as the Group is the principal in the trading transaction.

The management's judgement regarding principal and agent consideration in revenue recognition was disclosed in note 4 to the consolidated financial statements.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### *(o) Foreign currencies*

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in the consolidated profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interests as appropriate).

Exchange differences relating to the retranslation of the Group's net assets in HK$ to the Group's presentation currency are recognised directly in other comprehensive income and accumulated in exchange reserve. Such exchange differences accumulated in the exchange reserve are not reclassified to profit or loss subsequently.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### *(p) Biological assets*

Biological assets consist of the growing produce before harvest on fruit trees. Fruit trees owned by the Group are bearer plants and are accounted for as property, plant and equipment. The biological assets are classified as current assets due to short harvesting period.

The growing produce on fruit trees are the growing oranges and passion fruits of the Group on the cultivation bases. These biological assets are measured at fair value less costs to sell on initial recognition and at the end of each reporting period, except where fair value cannot be measured reliably due to unavailability of quoted market prices and no reliable alternative estimates exist to determine fair value, in which case the assets are carried at cost less accumulated depreciation and impairment loss, if any. Once the fair value becomes reliably measurable, the biological assets are measured at fair value less costs to sell and changes in fair value are recognised in consolidated profit or loss.

The agricultural produce harvested from fruit trees is transferred to inventory at fair value less costs to sell at the time of harvest, which is determined based on market prices of similar agricultural produce prevailing in the market as at or close to the harvest dates in the local market. The fair value less costs to sell at the time of harvest is deemed as the cost of the inventories for sales. Costs to sell are the incremental costs directly attributable to sell the assets but excludes finance costs and income taxes.

A gain or loss arising on initial recognition of biological assets at fair value less costs to sell and from a change in fair value less costs to sell is recognised in consolidated profit or loss for the period in which it arises.

### *(q) Segment reporting*

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors of the Company for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major operations.

The measurement policies the Group uses for reporting segment results under IFRS 8 *Operating Segments* ("**IFRS 8**") are the same as those used in its consolidated financial statements prepared under IFRS Accounting Standards.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### *(r) Related parties*

(a) A person, or a close member of that person's family, is related to the Group if 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 the Group's parent;

or

(b) An entity is related to the Group if 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 an associate or joint venture of a member of a group of which the other entity is a member);

(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;

(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 Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(i) that person's children and spouse or domestic partner;

(ii) children of that person's spouse or domestic partner; and

(iii) dependents of that person or that person's spouse or domestic partner.

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the consolidated financial statements requires the directors of the Company to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors of the Company have considered the development, selection and disclosure of the Group's critical accounting judgements and estimates.

### *Judgement*

**Principal and agent consideration in revenue recognition**

The Group engaged in fruit distribution business through either of its own planted fruits or other fruits purchased from independent third parties and cryptocurrency trading in a cryptocurrency exchange, which involves the principal versus agent assessment.

The Group is required to determine whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e., the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e., the Group is an agent). In determining the nature of its promise, the Group identify the specified goods to be provided to the customer (which, for example, could be a right to a good to be provided by another party, and assess whether it controls each specified good before that good or service is transferred to the customer).

With respect to the fruit distribution business, the Group follows the applicable accounting guidance and makes judgement that it is acting as a principal as the Group obtains control of the goods from respective suppliers before transferring to the customer.

With respect to cryptocurrency trading, the Group has concluded it is a principal as the Group controls the cryptocurrencies before delivery to the counterparties, it is primarily responsible for the delivery of the cryptocurrencies to the counterparties, it is exposed to risks arising from fluctuations of the market price and inventory risk of cryptocurrencies before delivery to counterparties, and has discretion in setting prices charged to counterparties.

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

### *Judgement (continued)*

**Accounting for cryptocurrencies**

IFRS Accounting Standards do not specifically address accounting for cryptocurrencies. Accordingly, for the preparation of the annual report, management needs to apply judgement in determining appropriate accounting policies based on the facts and circumstances of the Group's acquisition and holding of cryptocurrencies. The Group trades cryptocurrencies in cryptocurrency exchange, by purchasing cryptocurrencies with a view to their resale in ordinary course of business in the near future, and generating a profit from fluctuations in the prices. As a result, the Group applies the guidance in IAS 2 and measures the cryptocurrencies at lower of costs and NRV.

### *Estimates and assumptions*

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 discussed below.

**Impairment assessment of the non-financial assets**

For the purpose of impairment testing on non-financial assets, these assets are allocated to their respective CGUs. The management determines the impairment loss if circumstances indicate that the carrying value of the CGUs may not be recoverable. The carrying amounts of CGUs are reviewed when there are any indicators of impairment. The recoverable amounts are the higher of its fair value less costs of disposal and its value-in-use.

The assessment of the value-in-use model is inherently subjective as it involves the exercise of significant management judgement and estimation, especially in determining future revenue, future operating expenses and the discount rate applied.

In determining the value-in-use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to level of future revenue, future operating expenses and discount rate applied. The Group uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and financial budgets approved by the management of the Group.

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

### *Estimates and assumptions (continued)*

**Fair value of biological assets**

Management assesses the fair value of agricultural produce less costs to sell at point of harvest based on market price of similar agricultural produce prevailing in the market as at or close to the harvest date, or valuation from independent appraiser.

Unexpected volatility in market prices of the underlying biological assets (growing produce) and agricultural produce could significantly affect the fair value of these biological assets and result in fair value remeasurement changes in future accounting periods.

The Group's business is subject to the usual agricultural hazards from fire, wind, insects and other natural phenomena/occurrences. Forces of nature such as temperature and rainfall may also affect harvest efficiency. Management considers adequate measures are in place, in minimising the negative impacts from natural disaster, if any. Nevertheless, unexpected factors affecting harvestable agricultural produce may result in remeasurement or changes in harvests in future accounting periods.

As at 30 June 2026, the Group had biological assets with carrying amount of approximately RMB578,000 (2025: RMB1,245,000) (note 19).

**Allowance for ECLs on trade and other receivables and loan receivables**

The policy for the allowance for ECLs on trade receivables of the Group is assessed individually for trade debtors with significant balances or collectively using a provision matrix with appropriate groupings. As part of the Group's credit risk management, the Group uses debtors ageing to assess the impairment for its trade receivables because trade receivables consist of balances due from a large number of customers which share common risk characteristics that are representative of the customers' ability to pay all amounts due in accordance with the contractual terms. The estimated credit loss rates are estimated based on historical default rates of the trade debtors and are adjusted by forward-looking information that is available without undue cost or effort. The allowance for ECLs is sensitive to changes in estimates.

In term of loan receivables, the directors of the Company classified the loan receivables to different stages by considering whether there is significant increase in credit risk since initial recognition. The management calculates the ECLs of loan receivables from individuals based on the loss rates which are reference to the default rates from international credit rating agencies, with adjustment to reflect the current conditions and forecasts of future economic conditions, as appropriate.

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

### *Estimates and assumptions (continued)*

**Allowance for ECLs on trade and other receivables and loan receivables *(continued)***

Other receivables with significant balances and credit-impaired are assessed for ECL individually. The Group applies IFRS 9 simplified approach and measures ECLs based on a lifetime expected loss allowance for the remaining other receivables. The management calculates the ECLs of other receivables from individuals based on the days past due and loss rates which are reference to the default rates from international credit rating agencies, with adjustment to reflect the current conditions and forecasts of future economic conditions, as appropriate.

The information about ECLs of the Group's trade and other receivables and loan receivables are disclosed in note 38(b).

**Goodwill impairment assessment**

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the CGU to which goodwill has been allocated, which is the higher of the value-in-use and fair value less costs of disposal. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows, a material impairment loss/further impairment loss may arise. At 30 June 2026, the recoverable amount of goodwill assessed to be Nil (2025: greater than the carrying amount). As a result, impairment loss amounting to approximately RMB2,916,000 (2025: Nil) was recognised to the consolidated statement of profit or loss and other comprehensive income. Details of the recoverable amount calculation are disclosed in note 18.

**Determination of NRV for cryptocurrencies**

Management reviews the carrying amount of cryptocurrencies at the end of each reporting period and assesses whether a write-down is required. A considerable amount of judgment and estimation is required in determining such write-down. If market conditions affecting the NRV of cryptocurrencies deteriorate, additional write-down may be required.

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

### *Estimates and assumptions (continued)*

**Determination of NRV for cryptocurrencies** *(continued)*

The determination of the NRV of cryptocurrencies held as inventory requires significant estimation and judgement by management. NRV is assessed at the end of each reporting period and involves estimating the expected future selling price, which is based on observable market prices from active exchanges. This estimation is complex due to the inherent volatility of cryptocurrency markets. A judgement is also applied in assessing whether the costs necessary to make the sale are significant, which would require deduction from the selling price to arrive at NRV. The deficit of costs to its NRV is recognised as an expense in the consolidated statement of profit or loss and other comprehensive income. When the cryptocurrencies are disposed and calculated as the difference between the net disposal proceeds and the carrying amount.

As at 30 June 2026, the Group had cryptocurrencies with carrying amount of approximately RMB3,465,000 (2025: RMB6,168,000) after taking into account the write-down of cryptocurrencies of RMB2,474,000 (2025: Nil) recognised in the profit or loss during the year (note 21).

**Fair value of investment properties**

At the end of the reporting period, investment properties are stated at fair value based on the valuation performed by a firm of independent qualified professional valuers. In determining the fair value, the valuers have based on a method of valuation which involves certain estimates of market conditions as stated in note 16. In relying on the valuation report, the directors of the Company have exercised their judgement and are satisfied that the assumptions used in valuation have reflected the current market conditions. Changes to these assumptions would result in change in the fair value of the Group's investment properties being recognised in the consolidated profit or loss. The carrying amount of investment properties measured at fair value at 30 June 2026 was approximately RMB13,680,000 (2025: RMB13,950,000) (note 16).

**Current and deferred income taxes**

The Group is subject to income taxes in jurisdictions in which the Group operates. Significant judgement is required in determining the tax liabilities to be recognised. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises provisions for tax based on estimates of the taxes that are likely to become due. The Group believes that its provision for tax is adequate for each of financial year based on its assessment of many factors including past experience and interpretations of tax law. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred tax provisions in the period in which such determination is made.

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

### *Estimates and assumptions (continued)*

**Current and deferred income taxes** *(continued)*

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimates, such difference will impact the recognition of deferred tax assets and income tax in the period in which such estimates are changed.

**Write-down of inventories (other than cryptocurrencies)**

Management carries out inventory review periodically, at least at the end of each reporting period and writes down for obsolete items. A considerable amount of judgement and estimates is required in determining such write-down. If conditions which have an impact on the net realisable value of inventories deteriorate, additional write-down may be required. Management reviews the inventory ageing analysis at the end of reporting period and identifies for slow-moving inventory that are no longer suitable for consumption and saleable. Management estimates the net realisable value for such inventories based primarily on the latest invoice price and current market conditions. When there was an increase in net realisable value of the written-down inventories, the write-down will be reversed to the extent of write-down previously recognised in the consolidated statement of profit or loss and other comprehensive income.

As at 30 June 2026, the Group had inventories with carrying amount of approximately RMB14,687,000 (2025: RMB16,261,000) (note 20).

**Estimated useful lives of property, plant and equipment**

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets. The management of the Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation to be recorded during each reporting period. The determination of useful lives is based on the Group's historical experience with similar assets. The depreciation for future periods is adjusted if there are material changes from previous estimates. The net carrying amount of the Group's property, plant and equipment as at 30 June 2026 was approximately RMB3,303,000 (2025: RMB2,971,000) (note 14).

## 5. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision makers ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the executive directors of the Company have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under IFRS 8 for the years presented are as follows:

| | |
|---|---|
| Plantation Business | — Planting, cultivation and sale of agricultural produce |
| Fruit Distribution Business | — Distribution of various fruits |
| Air-conditioners and Other Electronic Appliances Distribution Business | — Distribution and installation of air-conditioners and other electronic appliances |
| Sales and Distribution of Consumables and Others Business | — Sales and distribution of consumables and others |
| Cryptocurrencies trading | — Trading of cryptocurrencies held as inventories for resale |

## 5. SEGMENT INFORMATION *(continued)*

### *Segment revenue and financial performance*

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

| | Plantation Business | | Fruit Distribution Business | | Air-conditioners and Other Electronic Appliances Distribution Business | | Sales and Distribution of Consumables and Others Business | | Cryptocurrencies trading | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 | **2026** | 2025 | **2026** | 2025 | **2026** | 2025 | **2026** | 2025 |
| | **RMB'000** | RMB'000 | **RMB'000** | RMB'000 | **RMB'000** | RMB'000 | **RMB'000** | RMB'000 | **RMB'000** | RMB'000 | **RMB'000** | RMB'000 |
| **Gross segment revenue** | **599** | 1,595 | **16,807** | 28,706 | **63,769** | 42,267 | **845** | 1,530 | **–** | 1,322 | **82,020** | 75,420 |
| Inter-segment revenue | **–** | – | **–** | – | **–** | – | **–** | – | **–** | – | **–** | – |
| Revenue | **599** | 1,595 | **16,807** | 28,706 | **63,769** | 42,267 | **845** | 1,530 | **–** | 1,322 | **82,020** | 75,420 |
| Segment results | **(2,628)** | (3,357) | **(1,743)** | (2,178) | **569** | 294 | **(4,709)** | (10,902) | **(2,474)** | (40) | **(10,985)** | (16,183) |
| Unallocated corporate expenses | | | | | | | | | | | **(15,590)** | (16,129) |
| Unallocated corporate income | | | | | | | | | | | **121** | 3,870 |
| Loss for the year | | | | | | | | | | | **(26,454)** | (28,442) |

There was no inter-segment revenue in both years.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the (loss incurred)/profit earned by each segment without allocation of certain administration costs, directors' emoluments, certain other income and gains or losses and changes in fair value of financial assets at FVTPL. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

## 5. SEGMENT INFORMATION *(continued)*

### *Segment assets and liabilities*

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

| | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|
| **Segment assets** | | |
| Plantation Business | **22,599** | 24,088 |
| Fruit Distribution Business | **6,702** | 16,647 |
| Air-conditioners and Other Electronic Appliances Distribution Business | **26,869** | 27,152 |
| Sales and Distribution of Consumables and Others Business | **303** | 4,759 |
| Cryptocurrencies trading | **3,464** | 6,168 |
| Total segment assets | **59,937** | 78,814 |
| Unallocated corporate assets | **46,091** | 65,810 |
| Total assets | **106,028** | 144,624 |
| **Segment liabilities** | | |
| Plantation Business | **542** | 653 |
| Fruit Distribution Business | **646** | 9,734 |
| Air-conditioners and Other Electronic Appliances Distribution Business | **14,756** | 16,412 |
| Sales and Distribution of Consumables and Others Business | **3,026** | 2,784 |
| Total segment liabilities | **18,970** | 29,583 |
| Unallocated corporate liabilities | **3,182** | 4,189 |
| Total liabilities | **22,152** | 33,772 |

Segment assets include the current and non-current assets except for unallocated corporate assets, being certain property, plant and equipment, certain right-of-use assets and financial assets at FVTPL. Segment liabilities include the current and non-current liabilities with the exception of other corporate liabilities such as certain other payables and accruals.

## 5. SEGMENT INFORMATION *(continued)*

### *Other Segment Information*

Amounts included in the measurement of segment profit or loss and segment assets:

| | Plantation Business | | Fruit Distribution Business | | Air-conditioners and Other Electronic Appliances Distribution Business | | Sales and Distribution of Consumables and Others Business | | Cryptocurrencies trading | | Unallocated | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Additions to property, plant and equipment | 571 | 38 | – | – | 329 | – | – | 102 | – | – | – | – | 900 | 140 |
| Additions to right-of-use assets | – | – | – | – | – | 1,349 | – | 151 | – | – | – | – | – | 1,500 |
| Amortisation of intangible asset | – | – | – | – | – | – | (1,192) | – | – | – | – | – | (1,192) | – |
| Depreciation of property, plant and equipment | (49) | (8) | (2) | (1) | (20) | (4) | (26) | (29) | – | – | (165) | (167) | (262) | (209) |
| Depreciation of right-of-use assets | – | – | – | – | (169) | (409) | (248) | (293) | – | – | (2,537) | (2,537) | (2,954) | (3,239) |
| Reversal of/(provision for) allowance of ECLs on trade receivables, net | – | – | 102 | (86) | (7) | 5 | (3) | – | – | – | – | – | 92 | (81) |
| Reversal of allowance of ECLs on other receivables, net | 950 | 431 | – | – | – | – | – | – | – | – | – | – | 950 | 431 |
| Reversal of/(provision for) allowance of ECLs on loan receivables, net | – | – | – | – | – | – | – | – | – | – | 357 | (335) | 357 | (335) |
| Loss on disposal of property, plant and equipment | – | – | – | – | – | – | 9 | – | – | – | – | – | 9 | – |
| Loss on written-off of property, plant and equipment | – | – | – | – | – | – | – | (14) | – | – | – | – | – | (14) |
| Loss on written-down of inventories | – | – | (37) | (29) | – | – | – | – | – | – | – | – | (37) | (29) |
| Loss on written-down of cryptocurrencies | – | – | – | – | – | – | – | – | (2,474) | – | – | – | (2,474) | – |
| Impairment loss on intangible asset | – | – | – | – | – | – | (1,408) | – | – | – | – | – | (1,408) | – |
| Impairment loss on goodwill | – | – | (2,916) | – | – | – | – | – | – | – | – | – | (2,916) | – |
| Impairment loss on property, plant and equipment | (272) | – | – | – | – | – | – | – | – | – | – | – | (272) | – |
| Changes in fair value of investment properties | (270) | (290) | – | – | – | – | – | – | – | – | – | – | (270) | (290) |
| Changes in fair value of financial assets at FVTPL | – | – | – | – | – | – | – | – | – | – | (517) | 3,595 | (517) | 3,595 |
| (Loss)/gain arising from change in fair value of biological assets less costs to sell | (999) | 112 | – | – | – | – | – | – | – | – | – | – | (999) | 112 |
| Finance costs | – | – | – | – | (705) | – | (3) | (836) | – | – | – | (41) | (708) | (877) |
| Interest income | – | 2 | 2 | 3 | – | 1 | – | 4 | – | – | 105 | 221 | 107 | 231 |
| Income tax expense | – | – | 6 | (21) | (38) | (27) | – | (18) | – | – | – | – | (32) | (66) |

## 5. SEGMENT INFORMATION *(continued)*

### *Geographical information*

Since over 90% of the Group's revenue and operating profit or loss were generated in the PRC for both years and over 90% of the Group's non-current assets were located in the PRC, no geographical segment information in accordance with IFRS 8 is presented.

### *Information about major customers*

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

| | **2026 RMB'000** | 2025 RMB'000 |
|---|---|---|
| Customer A[1] | **10,831** | 9,987 |
| Customer B[1] | **8,367** | – |
| Customer C[1] | **–** | 8,158 |
| Customer D[1] | **–** | 8,989 |

[1] Revenue generated from customers A, C and D were attributable to Fruit Distribution Business, while revenue generated from customers B were attributable to Air-conditioners and Other Electronic Appliances Distribution Business.

## 6. REVENUE

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

| | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|
| *Revenue from contracts with customers within the scope of IFRS 15* | | |
| *Recognised at a point in time* | | |
| Sales of passion fruits and other fruits | **17,406** | 30,301 |
| Sales of air-conditioners other electronic appliances | **63,769** | 42,267 |
| Sales of consumables and others | **208** | 1,137 |
| Cryptocurrencies trading | **–** | 1,322 |
| *Recognised over time* | | |
| Supply chain finance technology solution service income | **637** | 393 |
| | **82,020** | 75,420 |

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its revenue such that the Group does not disclose information about revenue that the Group will be entitled to when it satisfies the remaining obligations under the contracts as all contract works have an original expected duration of one year or less.

## 7. OTHER INCOME AND GAINS OR LOSSES

| | Notes | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|---|
| **Other income:** | | | |
| Bank interest income | | **2** | 9 |
| Dividend income | *25(a)* | **15** | 46 |
| Government grants | *(i)* | **466** | 670 |
| Interest income on loan receivables | | **105** | 222 |
| Rental income | | **629** | 345 |
| Promotion fee income | *(ii)* | **2,977** | 2,021 |
| Management income | *(iii)* | **94** | – |
| Sundry income | | **11** | 127 |
| | | **4,299** | 3,440 |
| **Other gains or losses:** | | | |
| Loss on disposal of property, plant and equipment | *9* | **(9)** | – |
| Gain on early termination of leases | *15* | **–** | 290 |
| Total | | **4,290** | 3,730 |

*Notes:*

(i) During the year ended 30 June 2026, the Group recognised government grant of RMB466,000, of which RMB316,000 related to an investment in subsidiary from foreign funding provided by 合浦縣投資促進中心 (Hepu County Investment Promotion Center*), RMB100,000 related to relief funds for agricultural losses arising from natural disasters in 2025 provided by 合浦縣農業農村局 (Hepu County Agriculture and Rural Bureau*) and RMB50,000 related to subsidies for agricultural and plantation equipment provided by 合浦縣農業機械化服務中心 (Hepu County Agricultural Mechanization Service Center*).

During the year ended 30 June 2025, the Group recognised government grant of RMB670,000, of which RMB100,000 related to a subsidy on promoting consumption growth in Shaanxi Province provided by 西安市商務局 (Xi'an Municipal Bureau of Commerce*), RMB410,000 related to a subsidy on construction of agricultural and plantation facilities in Beihai city provided by 合浦縣農業農村局 (Hepu County Agriculture and Rural Bureau*) and RMB160,000 related to a subsidy for supporting agricultural produce industry also provided by 合浦縣農業農村局.

There are no unfulfilled conditions or other contingencies attached to the subsidies at the end of the reporting period.

* *For identification purpose only*

## 7. OTHER INCOME AND GAINS OR LOSSES *(continued)*

*Notes: (continued)*

(ii) The amount represented income from promotion campaign in the Air-conditioners and Other Electronic Appliances Distribution Business provided to the customers of the Group in the customer's retail stores.

(iii) The Group has entered into a business cooperation agreement with an independent third party (the "**Cooperator**"). Pursuant to the business cooperation agreement, the Cooperator would contribute farmlands while the Group would contribute property, plant and equipment for the purpose of providing farmlands and facilities to individual farmers and generating management income. According to business cooperation agreement, the Group is entitled to 90% of the net income generated. During the year ended 30 June 2026, a net management fee income of approximately RMB94,000 has been recognised and included in other income and gains or losses of the consolidated statement of profit or loss and other comprehensive income (2025: net management fee expense of approximately RMB557,000 has been recognised and included in general and other administrative expenses of the consolidated statement of profit or loss and other comprehensive income).

## 8. FINANCE COSTS

| | **2026** **RMB'000** | 2025 RMB'000 |
|---|---|---|
| Interest on bank borrowings | **575** | 637 |
| Interest on other borrowings | **76** | 89 |
| Interest on lease liabilities *(note 15)* | **57** | 151 |
| | **708** | 877 |

## 9. LOSS BEFORE INCOME TAX

Loss before income tax is stated after charging the following:

| | Notes | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|---|
| Auditor's remuneration | | **984** | 1,020 |
| Amortisation of intangible asset | 17 | **1,192** | – |
| Depreciation of property, plant and equipment | 14 | **262** | 209 |
| Depreciation of right-of-use assets | 15 | **2,954** | 3,239 |
| Exchange loss, net | | **43** | 181 |
| Office accommodation charges included in general and other administrative expenses | 36(a) | **913** | 1,835 |
| Expenses relating to short term leases and leases of low-value assets included in general and other administrative expenses | 15 | **134** | 272 |
| Loss on written-off of property, plant and equipment | | **–** | 14 |
| Loss on written-down of inventories included in cost of sales | 20 | **37** | 29 |
| Loss on written-down of cryptocurrencies included in cost of sales | 21 | **2,474** | – |
| Plantation security charges included in general and other administrative expenses | | **602** | 734 |
| Direct operating expenses arising from investment properties that generate rental income during the year | | **6** | 49 |
| Legal and professional fees included in general and other administrative expenses *(note (a))* | | **1,437** | 2,289 |
| Employee benefit expenses (including directors' remuneration) *(note 10))* | | | |
| — Salaries, allowance and benefits in kind | | **10,234** | 15,662 |
| — Retirement benefit scheme contributions *(note (b))* | | **874** | 1,094 |
| | | **11,108** | 16,756 |

*Notes:*

(a) The amounts mainly represented company secretarial service fees, valuation service fees and financial advisory service fees for both years.

(b) As at 30 June 2026, the Group had no forfeited contributions available to reduce its contributions to the retirement benefit schemes in future years (2025: Nil).

## 10. DIRECTORS' REMUNERATION, FIVE HIGHEST PAID EMPLOYEES AND SENIOR MANAGEMENT

### *(a) Directors' remuneration*

Remuneration paid or payable by the Company or its subsidiaries undertakings to the directors of the Company during the year, disclosed pursuant to Section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is set out below:

| | Directors' fees RMB'000 | Salaries, allowance and benefits in kind RMB'000 | Retirement benefit scheme contributions RMB'000 | Total RMB'000 |
|---|---|---|---|---|
| **For the year ended 30 June 2026** | | | | |
| **Executive director:** | | | | |
| Ms. Li Ziying | 215 | – | – | 215 |
| Sub-total | 215 | – | – | 215 |
| **Non-executive director:** | | | | |
| Mr. James Francis Bittl | 215 | – | – | 215 |
| Sub-total | 215 | – | – | 215 |
| **Independent non-executive directors:** | | | | |
| Mr. Liu Ruiqiang | 215 | – | – | 215 |
| Mr. Wang Tianshi | 107 | – | – | 107 |
| Mr. Zhuang Canbin *(note (ii))* | 107 | – | – | 107 |
| Sub-total | 429 | – | – | 429 |
| Grand total | 859 | – | – | 859 |

## 10. DIRECTORS' REMUNERATION, FIVE HIGHEST PAID EMPLOYEES AND SENIOR MANAGEMENT *(continued)*

### *(a) Directors' remuneration (continued)*

| | Directors' fees RMB'000 | Salaries, allowance and benefits in kind RMB'000 | Retirement benefit scheme contributions RMB'000 | Total RMB'000 |
|---|---|---|---|---|
| **For the year ended 30 June 2025** | | | | |
| **Executive director:** | | | | |
| Ms. Li Ziying | 222 | – | – | 222 |
| Sub-total | 222 | – | – | 222 |
| **Non-executive director:** | | | | |
| Mr. James Francis Bittl | 222 | – | – | 222 |
| Sub-total | 222 | – | – | 222 |
| **Independent non-executive directors:** | | | | |
| Mr. Liu Ruiqiang | 222 | – | – | 222 |
| Mr. Wang Tianshi | 111 | – | – | 111 |
| Ms. Liu Jie *(note (i))* | 56 | – | – | 56 |
| Mr. Zhuang Canbin *(note (ii))* | 57 | – | – | 57 |
| Sub-total | 446 | – | – | 446 |
| Grand total | 890 | – | – | 890 |

*Notes:*

(i) Ms. Liu Jie retired as an independent non-executive director on 30 December 2024.

(ii) Mr. Zhuang Canbin was appointed as an independent non-executive director on 30 December 2024.

## 10. DIRECTORS' REMUNERATION, FIVE HIGHEST PAID EMPLOYEES AND SENIOR MANAGEMENT *(continued)*

### *(a) Directors' remuneration (continued)*

The executive director's remuneration shown above was for her services in connection with the management of the affairs of the Company and the Group, while the non-executive director's and the independent non-executive directors' remuneration shown above were for their services as directors of the Company.

During the year ended 30 June 2026, no director has waived or agreed to waive any remuneration during the year (2025: Nil).

### *(b) Five highest paid individuals*

The five individuals whose remunerations were the highest in the Group for the year ended 30 June 2026 did not include any director (2025: Nil), whose remunerations were reflected in the analysis shown in the note (a) above. The remuneration paid and payable to the remaining 5 (2025: 5) highest paid individuals during the year is as follows:

| | **2026** **RMB'000** | 2025 RMB'000 |
|---|---|---|
| Salaries, allowance and benefits in kind | **3,812** | 5,518 |
| Retirement benefit scheme contributions | **107** | 241 |
| | **3,919** | 5,759 |

During the year ended 30 June 2026, no emoluments were paid by the Group to the directors of the Company or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2025: Nil).

The number of the highest paid employees who are not the directors whose remuneration fell within the following bands is as follows:

| | **2026** | 2025 |
|---|---|---|
| Nil to HK$1,000,000 | **3** | 3 |
| HK$1,000,001 to HK$1,500,000 | **2** | 1 |
| HK$2,000,001 to HK$2,500,000 | **–** | 1 |

## 11. INCOME TAX EXPENSE

Income tax expense in the consolidated statement of profit or loss and other comprehensive income represents:

| | 2026<br>RMB'000 | 2025<br>RMB'000 |
|---|---|---|
| The PRC Enterprise Income Tax ("**EIT**")<br>— Current year | **32** | 66 |

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdiction in which members of the Group are domiciled and operated.

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands, the Group is not subject to any income tax under these jurisdictions for both years.

No provision for taxation in Hong Kong has been made as the Group has no assessable profits for the purpose of Hong Kong Profits Tax for both years.

The Group determined its provision for the PRC EIT based on the respective applicable rates on the estimated assessable income of the Group's subsidiaries in the PRC as determined in accordance with the relevant income tax laws, rules and regulations of the PRC.

The PRC EIT has been provided at the rate of 25% (2025: 25%) on the assessable profits of the Group's subsidiaries in the PRC during the year ended 30 June 2026, except certain subsidiaries operating in the PRC which were qualified small and micro-sized enterprises under Caishui [2019] No. 13, are eligible for using EIT rates at 10% and 5% (2025: 10% and 5%) during the year ended 30 June 2026. In addition, one of the indirect wholly-owned PRC subsidiaries engaged in qualifying agricultural business which entitled full EIT exemption on profits derived from such business during the years ended 30 June 2026 and 2025.

## 11. INCOME TAX EXPENSE *(continued)*

A reconciliation of the income tax expense applicable to loss before income tax at the applicable tax rates to income tax expense at the effective tax rate is as follows:

| | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|
| Loss before income tax | **(26,422)** | (28,376) |
| Tax at domestic income tax rate | **(3,282)** | (4,446) |
| Tax effect of non-taxable income | **(165)** | (613) |
| Tax effect of non-deductible expenses | **973** | 1,005 |
| Tax effect of deductible temporary difference not recognised | **120** | 48 |
| Tax effect of tax losses not recognised | **2,386** | 4,072 |
| Income tax expense | **32** | 66 |

### *Deferred tax assets*

At 30 June 2026, the Group had unused tax losses of approximately RMB68,061,000 (2025: RMB57,258,000) available to offset against future profits sourced in the PRC. Such unused tax losses are subject to the approval of the PRC tax authorities and can be carried forward for five years from the year when the corresponding loss was incurred. No deferred tax asset has been recognised due to unpredictability of future profit streams.

### *Deferred tax liabilities*

According to the new Corporate Income Tax Law of the PRC, starting from 1 January 2008, a withholding tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong according to the tax treaty arrangements between the PRC and Hong Kong.

At 30 June 2026, temporary withholding tax differences relating to the undistributed profits of the PRC subsidiaries amounted to approximately RMB36,413,000 (2025: RMB40,163,000). Deferred tax liabilities amounted to approximately RMB3,541,000 (2025: RMB3,855,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained earnings as the Company is in a position to control the dividend policy of the PRC subsidiaries and it has been determined that it is probable that undistributed profits of the PRC subsidiaries will not be distributed in the foreseeable future.

As at 30 June 2026, there are no other significant unrecognised deferred taxation (2025: Nil).

## 12. LOSS PER SHARE

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

| | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|
| Loss for the year attributable to the owners of the Company for the purpose of basic loss per share | **(26,825)** | (24,006) |

| | Number of shares | |
|---|---|---|
| | 2026 '000 | 2025 '000 |
| Weighted average number of ordinary shares for the purpose of basic loss per share | **14,901** | 14,901 |

Diluted loss per share were the same as the basic loss per share as there were no dilutive potential shares outstanding during the years ended 30 June 2026 and 2025.

## 13. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year, nor has any dividend been proposed since the end of the reporting period (2025: Nil).

## 14. PROPERTY, PLANT AND EQUIPMENT

| | Buildings RMB'000 | Leasehold improvements RMB'000 | Furniture, plant and machinery RMB'000 | Motor vehicles RMB'000 | Farmland infrastructure and machinery RMB'000 | Bearer plants RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| At 1 July 2024 | 3,779 | 1,527 | 1,022 | 667 | 104,992 | 49,583 | 161,570 |
| Additions (note) | – | – | 140 | – | – | – | 140 |
| Written-off | – | – | (18) | – | – | – | (18) |
| Exchange alignment | – | – | (2) | – | – | – | (2) |
| At 30 June 2025 and 1 July 2025 | 3,779 | 1,527 | 1,142 | 667 | 104,992 | 49,583 | 161,690 |
| Additions (note) | – | – | 285 | 329 | – | 286 | 900 |
| Disposals | – | – | (84) | – | – | – | (84) |
| Exchange alignment | – | – | (4) | – | – | – | (4) |
| **At 30 June 2026** | 3,779 | 1,527 | 1,339 | 996 | 104,992 | 49,869 | 162,502 |
| **Accumulated depreciation and impairment** | | | | | | | |
| At 1 July 2024 | 737 | 1,527 | 1,010 | 667 | 104,992 | 49,583 | 158,516 |
| Charge for the year (note 9) | 164 | – | 45 | – | – | – | 209 |
| Written back upon written-off | – | – | (4) | – | – | – | (4) |
| Exchange alignment | – | – | (2) | – | – | – | (2) |
| At 30 June 2025 and 1 July 2025 | 901 | 1,527 | 1,049 | 667 | 104,992 | 49,583 | 158,719 |
| Charge for the year (note 9) | 164 | – | 67 | 20 | – | 11 | 262 |
| Written back upon disposals | – | – | (50) | – | – | – | (50) |
| Impairment loss for the year | – | – | 272 | – | – | – | 272 |
| Exchange alignment | – | – | (4) | – | – | – | (4) |
| **At 30 June 2026** | 1,065 | 1,527 | 1,334 | 687 | 104,992 | 49,594 | 159,199 |
| **Carrying amounts** | | | | | | | |
| **At 30 June 2026** | 2,714 | – | 5 | 309 | – | 275 | 3,303 |
| At 30 June 2025 | 2,878 | – | 93 | – | – | – | 2,971 |

*Note:* The additions during the year ended 30 June 2026 mainly represented the motor vehicles, furniture, plant and machinery and bearer plants in relation to Air-conditioners and Other Electronic Appliances Distribution Business and Plantation Business respectively (2025: office computer equipment in relation to Plantation Business and Sales of Consumables and Others Business).

## 14. PROPERTY, PLANT AND EQUIPMENT *(continued)*

In prior years, in the view of the continuous losses incurred by the Plantation Business CGU, all property, plant and equipment in relation to the Plantation Business CGU as at 30 June 2025 was fully impaired. Due to the losses incurred by the Plantation Business CGU for the year ended 30 June 2026, the directors of the Company performed impairment assessment on non-financial assets in relation to the Plantation Business CGU. The recoverable amount of Nil had been determined based on a value-in-use calculation by the directors of the Company. The calculation uses cash flow projections based on the financial budgets approved by the directors of the Company based on their best estimations. The projected period covered 5 years and the pre-tax discount rate used in the forecast was 16.8% and zero terminal growth rate was adopted. Impairment loss is allocated to each asset in the Plantation Business CGU except when the carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. As a result, impairment loss of approximately RMB272,000 (2025: Nil) has been provided on property, plant and equipment in relation to the Plantation Business CGU during the year ended 30 June 2026.

## 15. RIGHT-OF-USE ASSETS

| | Leasehold land RMB'000 | Leased properties RMB'000 | Total RMB'000 |
|---|---|---|---|
| **Cost** | | | |
| At 1 July 2024 | 53,533 | 5,374 | 58,907 |
| Additions | – | 1,500 | 1,500 |
| Derecognised upon early termination of lease | – | (5,022) | (5,022) |
| At 30 June 2025 and 1 July 2025 | **53,533** | **1,852** | **55,385** |
| Derecognised upon expiration of lease | **–** | **(503)** | **(503)** |
| **At 30 June 2026** | **53,533** | **1,349** | **54,882** |
| **Accumulated depreciation** | | | |
| At 1 July 2024 | 6,765 | 622 | 7,387 |
| Charge for the year *(note 9)* | 2,537 | 702 | 3,239 |
| Derecognised upon early termination of lease | – | (984) | (984) |
| At 30 June 2025 and 1 July 2025 | **9,302** | **340** | **9,642** |
| Charge for the year *(note 9)* | **2,537** | **417** | **2,954** |
| Derecognised upon expiration of lease | **–** | **(503)** | **(503)** |
| **At 30 June 2026** | **11,839** | **254** | **12,093** |
| **Carrying amount** | | | |
| **At 30 June 2026** | **41,694** | **1,095** | **42,789** |
| At 30 June 2025 | 44,231 | 1,512 | 45,743 |

## 15. RIGHT-OF-USE ASSETS *(continued)*

The analysis of expense/(gain) items in relation to leases recognised in the consolidated profit or loss are as follows:

| | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|
| Depreciation of right-of-use assets (as above) | **2,954** | 3,239 |
| Gain on early termination of leases *(note 7)* | **–** | (290) |
| Expenses relating to short term leases and leases of low-value assets included in general and other administrative expenses *(note 9)* | **134** | 272 |
| Interest on lease liabilities *(note 8)* | **57** | 151 |
| Total amount recognised in consolidated profit or loss | **3,145** | 3,372 |

### *Properties leased for own use*

During the year ended 30 June 2026, the Group leased 2 (2025: 3) offices in the PRC for its operations. Lease contract was entered for a fixed term of 8 years and 2 years (2025: 8 years, 2 years and 2 years and half month), respectively. One of the offices with fixed term of 8 years was partially subleased to an independent third party, which was classified as an operating lease and a corresponding rental income of approximately RMB61,000 (2025: RMB5,000) was recognised as other income and gains or losses in the consolidated statement of profit or loss and other comprehensive income (note 7). At 30 June 2026 and 2025, the undiscounted lease payments receivables by the Group in future period under non-cancellable operating leases with its tenants are disclosed in note 35.

During the year ended 30 June 2026, the lease for one of the Group's offices in the PRC with fixed term of 2 years and half month entered during the year ended 30 June 2024 has been expired. Accordingly, the corresponding right-of-use asset and lease liabilities has been derecognised upon the expiration of lease.

During the year ended 30 June 2025, the Group has early terminated 2 leases with fixed term of 2 years and 7 years and 7months, respectively. The corresponding right-of-use asset and lease liabilities were derecognised. As a result, a gain on early termination of approximately RMB290,000 was recognised as other income and gains or losses in the consolidated statement of profit or loss and other comprehensive income (note 7).

These lease terms were negotiated on an individual basis and contained a wide range of different terms and conditions. The lease agreements did not impose any covenants other than the security interests in the leased assets that were held by the lessors. Leased assets might not be used as securities for borrowing purposes.

## 15. RIGHT-OF-USE ASSETS *(continued)*

### *Ownership interests in leasehold land held for own use*

During the year ended 30 June 2022, the Group acquired a leasehold land and various buildings located in Shenzhen, the PRC from an individual, 高錫武, who is an independent third party to the Group at a total consideration of RMB57,000,000, which comprised of land and building portions amounting to approximately RMB53,533,000 (as above) and RMB3,467,000 and were recognised under right-of-use assets and property, plant and equipment, respectively. The acquisition of the leasehold land and properties was completed on 30 November 2021.

The Group is the registered owner of the leasehold land and buildings. Upfront payments were made to acquire the leasehold land and buildings, and there are no ongoing payments to be made under the terms of the leasehold land and buildings. The industrial land and buildings were leased for 21 years for commercial use.

Amounts included in the consolidated statements of cash flows comprises the following:

| | **2026 RMB'000** | 2025 RMB'000 |
|---|---|---|
| Within financing cash flow — fixed payments *(note 39(b))* | **192** | 968 |
| Within operation cash flow — expenses relating to short-term leases and leases of low-value assets *(note 9)* | **134** | 272 |
| Total cash outflow for leases | **326** | 1,240 |

## 16. INVESTMENT PROPERTIES

| | **RMB'000** |
|---|---|
| **At fair value** | |
| At 1 July 2024 | 14,240 |
| Changes in fair value recognised in consolidated profit or loss | (290) |
| At 30 June 2025 and 1 July 2025 | **13,950** |
| Changes in fair value recognised in consolidated profit or loss | **(270)** |
| **At 30 June 2026** | **13,680** |

## 16. INVESTMENT PROPERTIES *(continued)*

On 1 September 2022, the Group leased out a commercial building located in the PRC to an independent third party with fixed term of 15.5 years. At 30 June 2026, the fair value of the investment properties was approximately RMB13,680,000 (2025: RMB13,950,000) based on the valuation carried out by Peak Vision Appraisals Limited ("**Peak Vision**"). The fair value changes of approximately RMB270,000 (2025: RMB290,000) was recognised in the consolidated statement of profit or loss and other comprehensive income during the year ended 30 June 2026.

Peak Vision has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

The fair value of investment properties is a level 3 fair value measurement. The reconciliation movement of fair value balance is shown as above table. There was no transfer into or out of level 3 during the year.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The fair value of investment properties was based on the income capitalisation approach which capitalised the net income of the properties and takes into account the significant adjustments on term yield to account for the risk upon reversion.

Set out below is a table which presents the significant unobservable inputs:

| Significant unobservable inputs | As at 30 June 2026 RMB'000 | As at 30 June 2025 RMB'000 | Valuation techniques | Unobservable inputs | Range of unobservable inputs 2026 RMB'000 | Range of unobservable inputs 2025 RMB'000 |
|---|---|---|---|---|---|---|
| Commercial building located in Guangxi, the PRC | **13,680** | 13,950 | Income capitalisation | Monthly rentals (per square meter/month) | **RMB11.7 to RMB12.4** | RMB12.1 to RMB13.3 |
| | | | | Term yields | **2.5%** | 2.5% |
| | | | | Reversionary yields | **5.25%** | 5.25% |

Relationships of unobservable inputs to fair value are as follows:

- The higher the term yields/reversionary yields, the lower the fair value; and
- The higher the monthly rental, the higher the fair value.

At 30 June 2026, the undiscounted lease payments receivables by the Group in future period under non-cancellable operating leases with its tenants are disclosed in note 35.

## 17. INTANGIBLE ASSET

| | Computer software RMB'000 |
|---|---|
| **Cost** | |
| At 1 July 2024, 30 June 2025 and 1 July 2025 | – |
| Addition | 2,600 |
| **At 30 June 2026** | **2,600** |
| **Accumulated amortisation and impairment** | |
| At 1 July 2024, 30 June 2025 and 1 July 2025 | **–** |
| Amortisation provided for the year | **1,192** |
| Impairment loss for the year | **1,408** |
| **At 30 June 2026** | **2,600** |
| **Carrying value** | |
| **At 30 June 2026** | **–** |
| At 30 June 2025 | – |

The amortisation charge for the year was recognised in the consolidated statement of profit or loss and other comprehensive income.

During the year ended 30 June 2025, the Group has prepaid for a computer software being an online mobile application- 綠氧的故事 with consideration amounting to approximately RMB2,600,000 which was included in prepayment as at 30 June 2025 (note 24).

On 1 August 2025, the platform was launched and became available for use. Accordingly, the related cost was being capitalised from prepayment to computer software under intangible assets, and amortisation commenced from the date the asset became available for use in accordance with the Group's accounting policy.

For the purpose of impairment testing on intangible asset, the management allocated the intangible asset to the Sales and Distribution of Consumables and Others Business CGU. In the view of continuous losses incurred by the Sales and Distribution of Consumables and Others Business CGU, the directors of the Company are concerned about the recoverability of the carrying amount of the Sales and Distribution of Consumables and Others Business CGU. The recoverable amount of the CGU is determined based on a value in use calculation. The calculation uses cash flow projections based on financial budgets approved by the directors of the Company based on their best estimations covering a 5-year period. The pre-tax discount rate used in the forecast was 23.5%. The cash flows beyond 5 years have been extrapolated using a steady 2.00% per annum growth rate.

## 17. INTANGIBLE ASSET *(continued)*

As at 30 June 2026, the recoverable amount of the CGU is assessed to be Nil. Impairment loss is allocated to each asset in the CGU except when the carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. Accordingly, an impairment loss of approximately RMB1,408,000 was recognised in relation to the intangible asset under the Sales and Distribution of Consumables and Others Business CGU during the year (2025: Nil).

## 18. GOODWILL

| | RMB'000 |
|---|---|
| At 1 July 2024 | 2,916 |
| Provision for impairment | – |
| At 30 June 2025 and 1 July 2025 | 2,916 |
| Provision for impairment | (2,916) |
| **At 30 June 2026** | **–** |

Goodwill was arising from the acquisition of 陝西品尚農產品貿易有限公司 (Shaanxi Pinshang Agricultural Products Trading Co., Ltd.*) ("**Shaanxi Pinshang**") on 31 March 2023. For the purpose of impairment testing on goodwill, the management of the Company allocated goodwill to the Fruit Distribution Business CGU.

The recoverable amount of the operating subsidiary located in the PRC is determined based on value-in-use calculations. These calculations use profit projections based on financial budgets approved by the management of the Company covering a 2.5-year period (2025: 2.5-year). The pre-tax discount rate used of 20.0% (2025: 21.1%) for the operating subsidiary located in the PRC. The management of the Company determined the budgeted revenue and budgeted gross margin based on past performance and its expectations for the market development. The cash flows beyond 2.5 years (2025: 2.5 years) have been extrapolated using a steady 2.00% (2025: 2.00%) per annum growth rate.

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

Pre-tax discount rate — The pre-tax discount rate used is before income tax and reflect specific risks relating to the relevant units.

Revenue — The basis used to determine the value assigned to the budgeted revenue is the average revenue achieved in the year immediately before the budget year, increased for expected market development.

Gross margins — The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

## 18. GOODWILL *(continued)*

The values assigned to the key assumptions on the operating subsidiary located in the PRC are consistent with external information sources.

As at 30 June 2026, the management of the Company has calculated that the value-in-use of the operating subsidiary and the recoverable amount is assessed to be Nil. As a result, impairment loss in respect of the Group's goodwill of approximately RMB2,916,000 was recognised in the consolidated profit or loss during the year ended 30 June 2026.

As at 30 June 2025, the management of the Company has calculated that the value-in-use of the operating subsidiary and concluded that the recoverable amount is greater than their total carrying amount of the assets of the subsidiary including allocated goodwill and therefore has concluded that there is no impairment in respect of the Group's goodwill during the year ended 30 June 2025. The directors of the Company have not identified any key assumptions where a reasonably possible change in such assumptions could cause the carrying amount of goodwill to exceed the recoverable amount as at 30 June 2025.

## 19. BIOLOGICAL ASSETS

| | RMB'000 |
|---|---|
| At 1 July 2024 | 992 |
| Increase due to cultivation | 1,748 |
| Gain arising from change in fair value less costs to sell | 112 |
| Decrease due to harvested | (1,607) |
| At 30 June 2025 and 1 July 2025 | 1,245 |
| Increase due to cultivation | 939 |
| Loss arising from change in fair value less costs to sell | (999) |
| Decrease due to harvested | (607) |
| **At 30 June 2026** | **578** |

| | **2026 RMB'000** | 2025 RMB'000 |
|---|---|---|
| Passion fruits | **48** | 1,245 |
| Crispy honey kumquats | **530** | – |
| | **578** | 1,245 |

## 19. BIOLOGICAL ASSETS *(continued)*

*Notes:*

(a) During the year ended 30 June 2026, the Group harvested approximately 85 tonnes of saleable passion fruits (2025: 111 tonnes of saleable passion fruits and 112 tonnes of saleable watermelons). The directors of the Company measured the fair value less costs to sell of passion fruits and crispy honey kumquats at the point of harvest based on market prices as at or close to the harvest dates.

(b) The growing produce is cultivated by an indirectly wholly-owned subsidiary of the Company, namely 廣西合浦冠華農業有限公司 (Guangxi Hepu Guanhua Agriculture Co., Ltd.) ("**Guangxi Hepu Guanhua**"). Passion fruits and crispy honey kumquats are harvested annually during August to October and November to January, respectively.

These biological assets have been classified as level 3 in the fair value hierarchy. Of the total loss for the year included in profit or loss, amounting to approximately RMB200,000 (2025: Nil) relates to passion fruits and crispy honey kumquats held at the end of the current reporting period. (Loss)/gain from changes in fair value less costs to sell on passion fruits and crispy honey kumquats are included in profit or loss under "(loss)/gain arising from change in fair value of biological assets less costs to sell".

As at 30 June 2026, the balance represented the passion fruits and crispy honey kumquats with carrying amount of approximately RMB48,000 and RMB530,000, respectively (2025: passion fruit of approximately RMB1,245,000) which were valued by Peak Vision who holds a recognised relevant professional qualification and has recent experience in the biological assets being valued. The significant unobservable inputs used in the valuation are as follows:

| | 2026 | | 2025 |
|---|---|---|---|
| | **Passion fruits** | **Crispy honey kumquats** | Passion fruits |
| Selling price (per kilogram) | **RMB30.0** | **RMB12.0** | RMB18.0 |
| Pre-tax discount rate | **16.3%** | **16.3%** | 17.6% |
| Production per mu (in kilogram) | **874** | **205** | 1,030 |

Relationships of unobservable inputs to fair value are as follows:

- The higher selling price of passion fruits and crispy honey kumquats (per kilogram), the higher the fair value;
- The higher pre-tax discount rate, the lower the fair value; and
- The higher production per mu (in kilogram), the higher the fair value.

## 19. BIOLOGICAL ASSETS *(continued)*

The Group is exposed to a number of risks related to its plantation:

### *(1) Regulatory and environmental risks*

The Group is subject to laws and regulations in the jurisdiction in which it operates. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws. The management of the Company performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

### *(2) Supply and demand risks*

The Group is exposed to risks arising from fluctuations in the price and sales volume of passion fruits. Where possible the Group manages this risk by aligning its harvest volume to market supply and demand. The management of the Company performs regular industry trend analysis to ensure that the Group's pricing structure is in line with the market and to ensure that projected harvest volumes are consistent with the expected demand.

### *(3) Climate and other risks*

The Group's fruits plantation is exposed to the risk of damage from climatic changes, natural diseases, forest fires and other natural forces. The Group has extensive processes in place aimed to minimise those risks, including regular forest health inspections and industry pest and disease surveys.

### *(4) Price risk*

The Group is exposed to price risks arising from changes in passion fruit prices. The Group does not anticipate that passion fruit prices will decline significantly in the foreseeable future. The Group reviews its outlook for passion fruit prices regularly in considering the need for active price risk management.

## 20. INVENTORIES

| | **2026 RMB'000** | 2025 RMB'000 |
|---|---|---|
| Raw materials | **543** | 931 |
| Finished goods | **14,144** | 15,330 |
| | **14,687** | 16,261 |

During the year ended 30 June 2026, the Group recognised loss on write-down of inventories amounting to approximately RMB37,000 (2025: RMB29,000) due to damages of fruits during packaging and transportation (note 9).

## 21. CRYPTOCURRENCIES

| | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|
| Cryptocurrencies held on exchange institutions | **3,465** | 6,168 |
| Representing | | |
| — Bitcoin ("**BTC**") | **3,366** | 5,785 |
| — Solana ("**SOL**") | **99** | 383 |
| | **3,465** | 6,168 |

During the year ended 30 June 2025, the Group acquired certain cryptocurrencies through a licensed virtual asset trading platform in Hong Kong with an aggregate amount of approximately RMB7,633,000. During the year ended 30 June 2025, the Group disposed of certain cryptocurrencies with an aggregate amount of approximately RMB1,322,000. During the year ended 30 June 2026, the Group did not acquire or dispose any cryptocurrencies.

Cryptocurrencies purchased and held by the Group have been assessed based on each type of cryptocurrencies for determination of NRV. The NRV of each type of cryptocurrencies are determined based on the estimated selling price in the ordinary course of business, less any estimated costs of completion and the estimated costs necessary to make the sale. In determining the estimated selling price, the relevant available markets are identified by the Group, and the Group consider accessibility to, and activity within those markets in order to identify the principal cryptocurrency market for the Group.

The estimated selling price of cryptocurrencies traded in active markets (such as trading and exchange platforms) is determined by based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis.

As at 30 June 2026, the NRV of cryptocurrencies are assessed to be lower than the carrying amount. Accordingly, the Group recognised loss on write-down of cryptocurrencies amounting to approximately RMB2,474,000 during the year ended 30 June 2026 (2025: the NRV of cryptocurrencies are assessed to be greater than the carrying amount and therefore has concluded that no written-down of cryptocurrencies is required) (note 9).

## 22. TRADE AND OTHER RECEIVABLES

| | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|
| Trade receivables, gross | **2,000** | 12,341 |
| Less: Allowance for ECLs on trade receivables | **(11)** | (103) |
| Trade receivables, net *(note (a))* | **1,989** | 12,238 |
| Deposits paid and other receivables, gross | **7,452** | 10,989 |
| Less: Allowance for ECLs on other receivables | **(2,905)** | (3,855) |
| Deposits paid and other receivables, net (note (b)) | **4,547** | 7,134 |
| Trade and other receivables, net | **6,536** | 19,372 |

At 1 July 2024, trade receivables from contracts with customers amounted to approximately RMB3,421,000.

*Notes:*

(a) The Group generally granted a credit period ranging from 30 to 90 days (2025: 30 days) to customers for sales of fruits and consumables and others, while credit period ranging from 0 to 180 days was granted to customers for sales of other electronic appliances and no credit period was granted to customers for sales of air-conditioners as the Group generally requests customers to pay in advance (2025: no credit period was granted to customers for sales of air-conditioners and other electronic appliances as the Group generally requests customers to pay in advance).

The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest bearing and the Group does not hold any collateral in relation to these receivables.

The ageing analysis of trade receivables, net of ECLs allowance, based on the invoice dates, is as follows:

| | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|
| 1 to 30 days | **1,980** | 12,238 |
| 31 to 60 days | **–** | – |
| 61 to 90 days | **–** | – |
| Over 90 days | **9** | – |
| | **1,989** | 12,238 |

## 22. TRADE AND OTHER RECEIVABLES *(continued)*

*Notes: (continued)*

(a) *(continued)*

As at 30 June 2026, included in the Group's trade receivables balance are trade debtors with aggregate carrying amount of RMB1,973,000 (2025: RMB141,000) which are past due within 90 days as at the reporting date.

The movements in allowance for ECLs on trade receivables are as follows:

| | RMB'000 |
|---|---|
| At 1 July 2024 | 22 |
| Provision for ECLs allowance recognised to the consolidated profit or loss, net | 81 |
| At 30 June 2025 and 1 July 2025 | 103 |
| Reversal of ECLs allowance recognised to the consolidated profit or loss, net | (92) |
| **At 30 June 2026** | **11** |

(b) At 30 June 2026, the gross balances mainly comprised of an amount due from the Cooperator amounting to approximately RMB5,619,000 (2025: RMB7,513,000) in relation to the management income distributions as mentioned in note 7. The provision for ECLs allowance on this amount due amounted to approximately RMB2,905,000 (2025: RMB3,855,000) as at 30 June 2026. The amount due was unsecured, non-interest bearing and repayable on demand.

The movements in allowances for ECLs on other receivables are as follows:

| | RMB'000 |
|---|---|
| At 1 July 2024 | 4,286 |
| Reversal of ECLs allowance recognised to the consolidated profit or loss, net | (431) |
| At 30 June 2025 and 1 July 2025 | 3,855 |
| Reversal of ECLs allowance recognised to the consolidated profit or loss, net | (950) |
| **At 30 June 2026** | **2,905** |

Details of impairment assessment of trade and other receivables are set out in note 38(b).

## 23. LOAN RECEIVABLES

| | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|
| Loan receivables (2025: including interest receivables of approximately RMB110,000) | – | 2,845 |
| Less: Allowance for ECLs on loan receivables | – | (363) |
| | – | 2,482 |

On 28 December 2023, the Group entered into a loan agreement with another individual, who is an independent third party to the Group. The loan with principal amount of HK$3,000,000 (equivalent to approximately RMB2,804,000), carrying a fixed interest rate at 8% per annum and repayable on 28 December 2025, is guaranteed by Mr. Kung. On 10 January 2025, the Group and the borrower entered into a supplementary agreement to extend the maturity date to 26 December 2025 for the remaining principal and accrued interests with aggregated amount of approximately HK$3,002,000 (equivalent to approximately RMB2,836,000) and other terms remaining unchanged. The principal and interest receivables of approximately RMB2,685,000 and RMB213,000, respectively were fully settled during the year ended 30 June 2026. Accordingly, the corresponding ECLs allowance has been fully reversed.

Movement in the allowance for ECLs of loan receivables is as follows:

| | RMB'000 |
|---|---|
| At 1 July 2024 | 35 |
| Provision for ECLs allowance recognised to the consolidated profit or loss | 335 |
| Exchange alignment | (7) |
| At 30 June 2025 and 1 July 2025 | 363 |
| Reversal of ECLs allowance recognised to the consolidated profit or loss | (357) |
| Exchange alignment | (6) |
| **At 30 June 2026** | – |

## 23. LOAN RECEIVABLES *(continued)*

Analysis of changes in the gross carrying amount is as follows:

| | Stage 1 RMB'000 | Stage 2 RMB'000 | Stage 3 RMB'000 | Total RMB'000 |
|---|---|---|---|---|
| At 1 July 2024 | 2,918 | – | – | 2,918 |
| Transfer to lifetime ECL not credit impaired (Stage 2) | (2,918) | 2,918 | – | – |
| Additions | – | 222 | – | 222 |
| Settlements during the year | – | (222) | – | (222) |
| Exchange alignment | – | (73) | – | (73) |
| At 30 June 2025 and 1 July 2025 | – | 2,845 | – | 2,845 |
| Additions | – | 105 | – | 105 |
| Settlements during the year | – | (2,898) | – | (2,898) |
| Exchange alignment | – | (52) | – | (52) |
| **At 30 June 2026** | **–** | **–** | **–** | **–** |

Analysis of changes in the corresponding credit loss allowance is as follows:

| | Stage 1 RMB'000 | Stage 2 RMB'000 | Stage 3 RMB'000 | Total RMB'000 |
|---|---|---|---|---|
| At 1 July 2025 | – | 363 | – | 363 |
| Settlements | – | (357) | – | (357) |
| Exchange alignment | – | (6) | – | (6) |
| **At 30 June 2026** | **–** | **–** | **–** | **–** |
| **ECL rates** | **N/A** | **N/A** | **N/A** | **N/A** |

| | Stage 1 RMB'000 | Stage 2 RMB'000 | Stage 3 RMB'000 | Total RMB'000 |
|---|---|---|---|---|
| At 1 July 2024 | 35 | – | – | 35 |
| Transfer to lifetime ECL not credit impaired (Stage 2) | (35) | 35 | – | – |
| ECLs allowance recognised | – | 335 | – | 335 |
| Exchange alignment | – | (7) | – | (7) |
| At 30 June 2025 | – | 363 | – | 363 |
| ECL rates | N/A | 12.76% | N/A | 12.76% |

Details of impairment assessment of loan receivables are set out in note 38(b).

## 24. PREPAYMENTS

| | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|
| Prepayments to suppliers *(note (a))* | **9,112** | 10,350 |
| Prepayment for acquisition of an intangible asset *(note (b))* | **–** | 2,600 |
| Other prepayments *(note (c))* | **4,787** | 4,558 |
| | **13,899** | 17,508 |
| Analysed into: | | |
| Current portion | **13,899** | 14,908 |
| Non-current portion | **–** | 2,600 |
| | **13,899** | 17,508 |

*Notes:*

(a) At 30 June 2026, the balance of approximately RMB9,112,000 (2025: RMB10,350,000) represented prepayments to the suppliers for the procurement of inventories, which were expected to be utilised as cost of inventories incurred within the next financial year. At 30 June 2025, included in the balance, the amount of approximately RMB9,551,000 were pledged to secure certain bank borrowings (note 30). At 30 June 2026, no amount was pledged to bank borrowings.

(b) At 30 June 2025, the balance of approximately RMB2,600,000 represented prepayment for a computer software, being an online retail mobile application– 綠氧的故事, which was developed by a service provider, an independent third party to the Group.

On 1 August 2025, the platform has been launched and available for use. The amount has been fully capitalised as computer software under intangible asset (note 17).

(c) The balance as at 30 June 2026 included prepayments of approximately RMB4,200,000 (2025: RMB4,200,000) to the Cooperator in relation to consultation fee on plantation, which were expected to be utilised as expenses within the next financial year.

## 25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|
| Listed securities held for trading, at fair value: | | |
| Equity securities listed in the United States *(note (a))* | **1,477** | 6,546 |

| | Equity securities listed in the United States *(note (a))* RMB'000 | Unlisted notes *(note (b))* RMB'000 | Total RMB'000 |
|---|---|---|---|
| At 1 July 2024 | 19,942 | 8,949 | 28,891 |
| Additions | 9,913 | 3,148 | 13,061 |
| Disposal | (23,168) | (15,391) | (38,559) |
| Changes in fair value recognised in consolidated profit or loss | 153 | 3,442 | 3,595 |
| Exchange alignment | (294) | (148) | (442) |
| At 30 June 2025 and 1 July 2025 | 6,546 | – | 6,546 |
| Additions | 2,416 | – | 2,416 |
| Disposal | (6,748) | – | (6,748) |
| Changes in fair value recognised in consolidated profit or loss | (517) | – | (517) |
| Exchange alignment | (220) | – | (220) |
| **At 30 June 2026** | **1,477** | **–** | **1,477** |

*Notes:*

(a) The Group has acquired listed securities through a security company in Hong Kong during the year ended 30 June 2026 and 2025. These listed securities were classified as financial assets at FVTPL as they were held for trading. The fair values of these listed securities as at 30 June 2026 were determined based on the quoted market closing prices on the National Association of Securities Dealers Automatic Quotation Stock Market ("**NASDAQ**") (2025: Same).

During the year ended 30 June 2026, the dividends received from certain equity securities amounting to approximately RMB15,000 (2025: RMB46,000) was recognised under other income and gains or losses in the consolidated statement of profit or loss and other comprehensive income (note 7). In addition, a loss from change in fair value amounting to approximately RMB517,000 was also recognised to the consolidated statement of profit or loss and other comprehensive income during the year ended 30 June 2026 (2025: gain of RMB153,000).

## 25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(continued)*

*Notes: (continued)*

(b) During the year ended 30 June 2024, the Group had set up an investment account in a security company in Hong Kong which managed by an investment manager who is an independent third party to the Group, and has the power and authority to manage and make decisions for the investments. Unlisted notes were acquired during the year ended 30 June 2024 and were classified as financial assets at FVTPL as they were held for trading.

During the year ended 30 June 2025, the Group has fully disposed its investment in unlisted notes, a gain from change in fair value amounting to approximately RMB3,442,000 was recognised to the consolidated statement of profit or loss and other comprehensive income.

Details of the fair value measurement are disclosed in note 38(d).

## 26. CASH AND CASH EQUIVALENTS

| | **2026 RMB'000** | 2025 RMB'000 |
|---|---|---|
| Cash and cash equivalents | **5,614** | 9,462 |

Cash and cash equivalents represent cash at banks and on hand. Bank balances carry interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

Included in bank balances, there was approximately RMB4,161,000 (2025: RMB2,267,000) denominated in RMB and deposited with banks in the PRC as at 30 June 2026, RMB is not freely convertible into other currencies, however, under Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations in the PRC, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Details of impairment assessment of cash and cash equivalents are set out in note 38(b).

## 27. TRADE AND OTHER PAYABLES

| | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|
| Trade payables *(note (a))* | **2,902** | 14,420 |
| Other payables and accruals *(note (b))* | **5,344** | 4,540 |
| Accrued staff costs | **714** | 1,156 |
| | **8,960** | 20,116 |

*Notes:*

(a) The average credit period granted by suppliers was 30 days (2025: 30 days).

Ageing analysis of trade payables, based on invoice dates, as at the end of reporting period is shown as follows:

| | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|
| Within 3 months | **1,633** | 13,892 |
| Over 3 months but within 1 year | **3** | 474 |
| Over 1 year | **1,266** | 54 |
| | **2,902** | 14,420 |

(b) At 30 June 2026, other payables and accruals mainly comprise of accrued legal and professional fees of approximately RMB1,776,000 (2025: RMB2,226,000). The balances of other payables and accruals are expected to be settled within one year or are repayable on demand.

## 28. CONTRACT LIABILITIES

| | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|
| Contract liabilities arising from: | | |
| Sale of air-conditioners and other electronic appliances | **2,214** | 901 |
| Sale of consumables and others | **–** | 597 |
| | **2,214** | 1,498 |

Contract liabilities arise when the Group receives deposits in advance when entering into contracts. The contract liabilities primarily relate to the advance consideration received from the customers for sale of air-conditioners and other electronic appliances and consumables and others, revenue from which is recognised when the performance obligation is satisfied by delivering the air-conditioners and other electronic appliances and consumables and others to the customers.

The amount of contract liabilities under Sales of Consumables and Others Business is negotiated on a case by case basis with customers, while the Group generally requests customers to pay in advance for sales of air-conditioners.

The following table shows how much of the revenue recognised in the current year in relation to carried-forward contract liabilities:

| | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|
| Revenue recognised that was included in the contract liabilities balance at the beginning of the year | **1,498** | 720 |

At 1 July 2024, contract liabilities amounted to approximately RMB720,000.

The Group classifies these contract liabilities as current because the Group expects them to be settled in normal operating cycle within 12 months after the end of the reporting period. The increase in contract liabilities as at 30 June 2026 was mainly due to an increase in advance payments received from customers for the sale of air-conditioners and other electronic appliances, driven by the growth in sales during the year. The related goods had not yet been delivered to customers as at the reporting date, resulting in a higher contract liabilities balance.

## 29. LEASE LIABILITIES

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | **Present value of minimum lease payments RMB'000** | **Minimum lease payments RMB'000** | Present value of minimum lease payments RMB'000 | Minimum lease payments RMB'000 |
| Within one year | **141** | **192** | 135 | 192 |
| After one year but within two years | **158** | **201** | 141 | 192 |
| After two years but within five years | **560** | **644** | 515 | 624 |
| Over five years | **337** | **348** | 540 | 569 |
| | **1,196** | **1,385** | 1,331 | 1,577 |
| Less: Total future interest expenses | | **(189)** | | (246) |
| Present value of lease liabilities | | **1,196** | | 1,331 |
| Analysed into: | | | | |
| Current portion | | **141** | | 135 |
| Non-current portion | | **1,055** | | 1,196 |
| | | **1,196** | | 1,331 |
| Analysed into: | | | | |
| Leasehold properties | | **1,196** | | 1,331 |

The weighted average incremental borrowing rate applied to lease liabilities is approximately 4.62% (2025: 4.62%) per annum at 30 June 2026.

## 30. BANK BORROWINGS

| | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|
| Bank borrowings — secured *(note (a))* | – | 1,835 |
| Bank borrowings — unsecured and guaranteed *(note (b))* | 9,070 | 7,600 |
| | 9,070 | 9,435 |
| Analysed into: | | |
| Current portion | 7,850 | 9,351 |
| Non-current portion | 1,220 | 84 |
| | 9,070 | 9,435 |

*Notes:*

(a) During the year ended 30 June 2026, the Group has obtained several secured bank borrowings from 1 commercial bank (2025: 3 commercial banks) in the PRC with total principal amounts of approximately RMB1,650,000 (2025: RMB980,000) for the purpose of prepaying to one supplier (2025: two suppliers) of Air-conditioners and Other Electronic Appliances Distribution Business. The borrowings amounting to approximately RMB1,650,000 (2025: RMB980,000) were directly deposited to the suppliers by the bank during the year ended 30 June 2026 and the details of non- cash transaction are set out in note 39(a).

Pursuant to the loan agreements entered among an indirect wholly-owned subsidiary of the Company, the suppliers and the banks, the subsidiary granted an authorisation to the banks that if the subsidiary fail to repay the bank borrowings, the banks could request repayments from the suppliers based on the prepayments made by the subsidiary.

At 30 June 2025, the secured bank borrowings carried at fixed interest rates ranging from 4.00% to 11.80% per annum and the bank borrowings amounted to approximately RMB1,835,000 are repayable by monthly instalments up to the period between July 2026 to September 2026. During the year ended 30 June 2026, the Group repaid principal amounts of approximately RMB2,850,000 (2025: RMB3,821,000) in aggregate to the banks.

At 30 June 2025, the bank borrowings amounted to approximately RMB1,835,000 are secured by certain prepayments to the suppliers which amounted to approximately RMB9,551,000 (note 24).

## 30. BANK BORROWINGS *(continued)*

*Notes: (continued)*

(b) During the year ended 30 June 2026, the Group has obtained several unsecured bank borrowings from 3 commercial banks (2025: 2 commercial banks) in the PRC with total principal amounts of approximately RMB15,228,000 (2025: RMB13,950,000) for the purpose of prepaying to two suppliers (2025: two suppliers) of Air-conditioners and Other Electronic Appliances Distribution Business. During the year ended 30 June 2025, the borrowings amounting to approximately RMB3,950,000 were directly deposited to the suppliers by the bank and the details of non-cash transaction are set out in note 39(a).

The unsecured bank borrowings carried at fixed interest rates ranging from 3.00% to 11.80% (2025: 4.00% to 8.60%) per annum and the unsecured bank borrowings amounted to approximately RMB4,070,000 (2025: RMB2,600,000) are repayable by monthly instalments up to the period between July 2026 to December 2027 (2025: between December 2025 to July 2026), and the remaining portion amounted to approximately RMB5,000,000 is repayable on maturity within the period between September to December 2026 (2025: RMB5,000,000 is repayable on maturity date in October 2025). During the year ended 30 June 2026, the Group repaid principal amounts of approximately RMB14,393,000 (2025: RMB12,650,000) in aggregate to the banks.

At 30 June 2026, the unsecured bank borrowings are guaranteed by a director of a wholly owned subsidiary (2025: Same).

Details of the repayment schedule in respect of the interest-bearing bank borrowings are as follows:

| | **2026** **RMB'000** | 2025 RMB'000 |
|---|---|---|
| Within one year or on demand | **7,850** | 9,351 |
| Within a period of more than one year but not exceeding two years | **1,220** | 84 |
| | **9,070** | 9,435 |

## 31. OTHER BORROWINGS

| | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|
| Other loans — unsecured *(note (a))* | **34** | 573 |
| Supplier finance arrangement — unsecured *(note (b))* | **668** | 798 |
| | **702** | 1,371 |
| Analysed into: | | |
| Current portion | **702** | 1,337 |
| Non-current portion | **–** | 34 |
| | **702** | 1,371 |

*Notes:*

(a) During the year ended 30 June 2026, the Group has obtained facilities from one (2025: two) licensed money lenders in the PRC amounting to RMB8,940,000 (2025: RMB1,360,000). As at 30 June 2026, the outstanding balance of the facilities amounted to approximately RMB34,000 (2025: RMB573,000) bears fixed interest rates of 7.56% (2025: ranging from 6.18% to 7.56%) per annum. Unsecured other loans amounted to approximately RMB34,000 (2025: RMB240,000) is repayable by monthly instalments up to August 2026 (2025: the remaining portion amounted to approximately RMB333,000 is repayable on maturity in September 2025). The unsecured other loans were directly deposited to the supplier by the licensed money lender (note 39(a)). During the year, the Group repaid principal amounts of approximately RMB9,479,000 (2025: RMB1,787,000) to the money lenders.

(b) During the year ended 30 June 2025, the Group has entered into a supplier finance arrangement agreement with a corporation possessing financial permit granted by PRC authority (the "**Financier**") to facilitate payments to certain suppliers. The Financier agreed to pay to suppliers on behalf of the Group in advance and granted repayment terms of 90 days to the Group, charging at fixed interest rate of 9% per annum. The supplier finance arrangements with principal amount of approximately RMB781,000 would be repayable on maturity between December 2024 and January 2025. On 20 January 2025, the Group entered into a supplementary agreement with the Financier, pursuant to which the Financier agreed to extend the maturity date to 30 June 2026 for the remaining principal and accrued interests of approximately RMB781,000 and RMB17,000, respectively. Interests were accumulated up to the maturity of the original arrangement, no extra interest has been charged for the extension. During the year ended 30 June 2026, the Group repaid principal amounts of approximately RMB130,000 (2025: Nil) in aggregate to the Financier. Subsequent to the reporting period on 10 July 2026, the Group has fully settled the outstanding principal and interest, no late payment penalty has been charged on mutual agreement.

## 32. SHARE CAPITAL

| | Number of ordinary shares | Share capital HK$'000 |
|---|---|---|
| Ordinary shares of HK$0.01 each | | |
| **Authorised:** | | |
| **At 1 July 2024, 30 June 2025, 1 July 2025 and 30 June 2026** | **5,000,000,000** | **50,000** |
| **Issued and fully paid:** | | |
| **At 1 July 2024, 30 June 2025, 1 July 2025 and 30 June 2026** | **14,900,529** | **149** |

| | RMB'000 |
|---|---|
| Equivalent to | **137** |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally in regard to the Company's residual assets.

## 33. RESERVES

Details of the movements on the Group's reserves are as set out in the consolidated statement of changes in equity.

### *(i) Contributed surplus*

Contributed surplus represents the amount arised from the capital reorganisation of the Company effective on 21 February 2024.

### *(ii) Revaluation reserve*

The revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for the transfer to investment properties as set out in note 3(d), which represented cumulative gains and losses arising on the revaluation of the corresponding property, plant and equipment that have been recognised in other comprehensive income. Such items will not be reclassified to consolidated profit or loss in subsequent periods.

### *(iii) Statutory surplus reserve*

In accordance with the Company Law of the PRC, the Company's subsidiaries registered in the PRC are required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses) determined in accordance with generally accepted accounting principles in the PRC to the statutory surplus reserve until the balance of the reserve fund reaches 50% of the entity registered capital. The statutory surplus reserve can be utilised to offset prior years' losses or to increase capital, provided the remaining balance of the statutory surplus reserve is not less than 25% of registered capital.

### *(iv) Exchange reserve*

Exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 3(o).

## 34. PARTICULAR OF SUBSIDIARIES

### *(a) General information of subsidiaries*

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:

| Name of subsidiary | Place of incorporation/ registration | Place of operation | Paid-up capital/share capital | Proportion of entity interests held by the Company 2026 | 2025 | Principal activities |
|---|---|---|---|---|---|---|
| ***Directly held:*** | | | | | | |
| One Heart Holdings Limited | The BVI | Hong Kong | United States dollar ("**US$**")100 | 100% | 100% | Investment holding |
| Green Ray Enterprises Limited | The BVI | Hong Kong | US$1 | 100% | 100% | Investment holding |
| Golden Rain Group Limited | The BVI | Hong Kong | US$100 | 100% | 100% | Investment holding |
| Team Goal Group Limited | The BVI | Hong Kong | US$1 | 100% | 100% | Investment holding |
| Asian Citrus Management Company Limited | The BVI | Hong Kong | US$1 | 100% | 100% | Investment holding |
| New Congress Holdings Limited | The BVI | Hong Kong | US$1 | 100% | 100% | Investment holding |
| Advance Honour Holdings Limited | The BVI | Hong Kong | US$1 | 100% | 100% | Investment holding |
| Basic Cheer Limited | Hong Kong | Hong Kong | HK$1 | 100% | 100% | General commercial |
| Cheer Kind Limited | Hong Kong | Hong Kong | HK$1 | 100% | 100% | General commercial |
| Park Marvelous Limited | Hong Kong | Hong Kong | HK$1 | 100% | 100% | General commercial |
| Fortune Richmate Limited | Hong Kong | Hong Kong | HK$1 | 100% | 100% | General commercial |
| Richfield Enterprise Limited | Hong Kong | Hong Kong | HK$1 | 100% | 100% | General commercial |
| Jet Bright Group Limited | Hong Kong | Hong Kong | HK$1 | 100% | 100% | Investment holding |
| Team Luck Develop Limited | Hong Kong | Hong Kong | HK$1 | 100% | 100% | Investment holding |
| Power Successful Limited | Hong Kong | Hong Kong | HK$1 | 100% | 100% | General commercial |
| Highest Prosper Limited | Hong Kong | Hong Kong | HK$1 | 100% | 100% | General commercial |
| Eternal Rich Worldwide Limited | Hong Kong | Hong Kong | HK$1 | 100% | 100% | General commercial |
| Asia Wealthy Link Limited | Hong Kong | Hong Kong | HK$1 | 100% | 100% | General commercial |

## 34. PARTICULAR OF SUBSIDIARIES *(continued)*

### *(a) General information of subsidiaries (continued)*

| Name of subsidiary | Place of incorporation/ registration | Place of operation | Paid-up capital/share capital | Proportion of entity interests held by the Company 2026 | 2025 | Principal activities |
|---|---|---|---|---|---|---|
| ***Indirectly held:*** | | | | | | |
| Bright Treasure Group Holdings Limited | Hong Kong | Hong Kong | HK$1 | **100%** | 100% | General commercial |
| Surplus Mark Limited | Hong Kong | Hong Kong | HK$1 | **100%** | 100% | General commercial |
| Golden City Worldwide Limited | Hong Kong | Hong Kong | HK$1 | **100%** | 100% | General commercial |
| Victoria Limited | Hong Kong | Hong Kong | HK$1 | **100%** | 100% | General commercial |
| Asian Citrus (H.K.) Company Limited | Hong Kong | Hong Kong | HK$1 | **100%** | 100% | General commercial |
| Chance Full (HK) Limited | Hong Kong | Hong Kong | HK$1 | **100%** | 100% | General commercial |
| Top Trend Corporation Limited | Hong Kong | Hong Kong | HK$1 | **100%** | 100% | General commercial |
| Ever Rich Incorporation Limited | Hong Kong | Hong Kong | HK$10,000 | **100%** | 100% | Investment holding |
| 深圳市冠華水果商城有限公司# (Shenzhen First Class Fruits Company Limited*) *(note (i))* | The PRC | The PRC | Nil | **100%** | 100% | Distribution of fruits |
| Guangxi Hepu Guanhua# *(note (i))* | The PRC | The PRC | RMB49,822,335 (2025: RMB46,882,335) | **100%** | 100% | Planting, cultivation and sale of fruits |
| 深圳市冠佳利實業有限公司# (Shenzhen Guanjiali Industrial Limited*) *(note (i))* | The PRC | The PRC | RMB17,996,000 | **100%** | 100% | Distribution of fruits |
| 深圳市晉達實業有限公司# (Shenzhen Jinda Industrial Limited*) *(note (i))* | The PRC | The PRC | Nil | **100%** | 100% | Investment holding |
| Jinlong Construction# *(note (i))* | The PRC | The PRC | RMB10,000,000 | **100%** | 100% | Distribution and installation of air-conditioners and other electronic appliances |
| Shaanxi Pinshang# *(note (i))* | The PRC | The PRC | Nil | **100%** | 100% | Distribution and sales of agricultural products |

## 34. PARTICULAR OF SUBSIDIARIES *(continued)*

### *(a) General information of subsidiaries (continued)*

| Name of subsidiary | Place of incorporation/ registration | Place of operation | Paid-up capital/share capital | Proportion of entity interests held by the Company 2026 | 2025 | Principal activities |
|---|---|---|---|---|---|---|
| 深圳市慶華信息服務發展有限公司# (Shenzhen Qinghua Information Service Development Co., Limited*) ("**Shenzhen Qinghua**") *(notes (i)* | The PRC | The PRC | RMB10,000,000 | **100%** | 100% | Investment holding |
| 深圳市玖源萬江匯圖科技有限公司# (Shenzhen City Jiu Yuan Wan Jiang Huitu Technology Limited*) ("**Jiu Yuan Wan Jiang**") *(notes (i) and (ii))* | The PRC | The PRC | RMB10,000,000 | **100%** | 100% | Supply chain finance technology solution |
| 杭州頎擇貿易有限公司 (formerly known as "**薪春艾沐科技有限公司**")# (Hangzhou Qize Trading Co., Ltd*) ("**Hangzhou Qize**") *(notes (i) and (iii))* | The PRC | The PRC | RMB6,000,000 | **51%** | 51% | Manufacturing and production, sales and distribution of goods and provision of technology related services |

# These entities are established in the PRC in the form of domestic limited liability company.

* *For identification purpose only*

## 34. PARTICULAR OF SUBSIDIARIES *(continued)*

### *(a) General information of subsidiaries (continued)*

*Notes:*

(i) At 30 June 2026, certain subsidiaries' registered capital has not been fully paid up and the aggregated unpaid share capital amounted to approximately RMB109,634,000 (2025: RMB112,574,000) and is to be paid up before the period between 30 June 2027 to 14 June 2029.

(ii) On 14 February 2025, an indirectly wholly owned subsidiary, Shenzhen Qinghua and 杭州元像萬生科技有限公司 (formerly known as "**杭州樂書數字科技有限公司**") ("**Yuanxiang Wansheng**"), an independent third party to the Group, entered into a joint venture agreement to incorporate Jiu Yuan Wan Jiang and would contribute RMB10,200,000 and RMB9,800,000, respectively, of which Shenzhen Qinghua and Yuanxiang Wansheng would hold 51% and 49% equity interests in Jiu Yuan Wan Jiang. On 10 April 2025, Jiu Yuan Wan Jiang was incorporated under the PRC Laws .

As at 30 June 2026 and 2025, only Shenzhen Qinghua contributed RMB10,000,000 as the capital of Jiu Yuan Wan Jiang. Therefore, in the opinion of the directors of the Company and according to the joint venture agreement, Shenzhen Qinghua entitled 100% equity interests in Jiu Yuan Wan Jiang as at 30 June 2026 and 2025.

(iii) On 7 June 2024, Jiu Yuan Wan Jiang and 湖北薪艾科技集團有限公司 ("**Hubei Qi Ai**"), an independent third party to the Group, entered into a joint venture agreement to incorporate Hangzhou Qize and would contribute RMB3,060,000 and RMB2,940,000, respectively, of which Jiu Yuan Wan Jiang and Hubei Qi Ai would hold 51% and 49% equity interests in Hangzhou Qize. On 14 June 2024, Hangzhou Qize was incorporated under the PRC Laws.

On 2 July 2024, Hubei Qi Ai contributed RMB2,940,000 as the capital of Hangzhou Qize. On 24 March 2025, Hubei Qi Ai entered into a sale and purchase agreement to dispose of its entire equity interest in Hangzhou Qize to Yuanxiang Wansheng. As at 30 June 2026 and 2025, Jiu Yuan Wan Jiang and Yuanxiang Wansheng held 51% and 49% equity interests in Hangzhou Qize respectively.

None of the subsidiaries had issued any debt securities at the end of the reporting period (2025: Nil).

## 34. PARTICULAR OF SUBSIDIARIES *(continued)*

### *(b) Partly-owned subsidiary with material non-controlling interests ("NCI")*

Financial information of Hangzhou Qize which is a subsidiary of the Group which has a material non-controlling interest is summarised below. The amounts disclosed are before any inter-company elimination:

| | **2026** **RMB'000** | 2025 RMB'000 |
|---|---|---|
| NCI percentage | **49%** | 49% |
| Current assets | **181** | 1,384 |
| Non-current assets | **–** | 60 |
| Current liabilities | **(2,476)** | (4,497) |
| Non-current liabilities | **–** | – |
| Net liabilities | **(2,295)** | (3,053) |
| Carrying amount of NCI | **(1,125)** | (1,496) |
| **For the year ended 30 June** | | |
| Revenue | **774** | 1,137 |
| Profit/(loss) for the year | **758** | (9,053) |
| Total comprehensive income/(loss) for the year | **758** | (9,053) |
| Profit/(loss) allocated to NCI | **371** | (4,436) |
| Dividend paid to NCI | **–** | – |
| **For the year ended 30 June** | | |
| Cash flows from/(used in) operating activities | **769** | (8,256) |
| Cash flows from/(used in) investing activities | **25** | (84) |
| Cash flows (used in)/from financing activities | **(896)** | 5,430 |
| Net cash outflows | **(102)** | (2,910) |

## 35. LEASE COMMITMENTS

### *The Group as a lessor*

During the year ended 30 June 2026, the Group leased out its investment properties (note 16) and sub-leased a leased property (note 15) (2025: Same) under non-cancellable operating leases with fixed terms of 15.5 years and 5 years, respectively (2025: 15.5 years and 5 years).

As at the end of reporting period, the undiscounted lease payments receivables by the Group in future period under non-cancellable operating leases with its tenants are as follows:

| | Investment properties RMB'000 *(note 16)* | Sub-lease of a leased property RMB'000 *(note 15)* | Total RMB'000 |
|---|---|---|---|
| **At 30 June 2026** | | | |
| Within one year | **332** | **60** | **392** |
| After one year but within two years | **342** | **60** | **402** |
| After two years but within three years | **352** | **60** | **412** |
| After three years but within four years | **362** | **50** | **412** |
| After four years but within five years | **373** | **–** | **373** |
| Over five years | **2,793** | **–** | **2,793** |
| | **4,554** | **230** | **4,784** |
| **At 30 June 2025** | | | |
| Within one year | 322 | 60 | 382 |
| After one year but within two years | 332 | 60 | 392 |
| After two years but within three years | 342 | 60 | 402 |
| After three years but within four years | 352 | 60 | 412 |
| After four years but within five years | 362 | 50 | 412 |
| Over five years | 3,164 | – | 3,164 |
| | 4,874 | 290 | 5,164 |

## 35. LEASE COMMITMENTS *(continued)*

### *The Group as a lessee*

As at the end of reporting period, the Group had commitment for short-term lease in respect of properties which fall due as follows:

| | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|
| Within one year | **29** | 135 |

None of the above lease include variable lease payments.

## 36. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following material transactions with related parties during the year:

### *(a) Office accommodation arrangement*

Office accommodation charges disclosed in note 9 included a sum of approximately RMB913,000 (2025: RMB1,835,000) in respect of a short-term arrangement for the provision of office accommodation and related facilities by a company of which is controlled by Mr. Kung and Mr. Kung and Mr. James Francis Bittl are the directors of the company.

### *(b) Compensation of key management personnel*

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the members of the board of directors and senior management of the Company. Key management personnel remuneration are as follows:

| | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|
| Short-term employee benefits | **1,676** | 1,794 |
| Post-employment benefits | **16** | 17 |
| | **1,692** | 1,811 |

## 36. RELATED PARTY TRANSACTIONS *(continued)*

### *(c) Purchase of air-conditioners*

During the year ended 30 June 2023, the Group entered into a Framework Agreement with 深圳市金龍空調電器有限公司 (Shenzhen Jinlong Air Conditioning Electric Co., Ltd.*) ("**JAC**") ("**Framework Agreement 2023**"). Pursuant to the Framework Agreement 2023, the Group would purchase electrical appliances (including air- conditioners) from JAC. The price and terms of the purchase will be determined after arm's length negotiation between the Group and JAC based on normal commercial terms. No guarantee was given or received in accordance with the Framework Agreement 2023.

On 30 June 2025, Framework Agreement 2023 has been expired. On the same date, the Group has entered into a New Framework Agreement with JAC ("**Framework Agreement 2025**"). The terms are generally the same as the Framework Agreement 2023 and will be expiring on 30 June 2028. On 19 December 2025, a special general meeting was held at which the independent shareholders approved the Framework Agreement 2025. Accordingly, the Framework Agreement 2025 became effective on the same date.

The ultimate beneficial owner of JAC is Mr. Kung Hoi Pang who is the relative of Mr. Kung.

During the year ended 30 June 2026, the Group purchased air-conditioners amounting to approximately RMB15,426,000 (2025: RMB23,583,000) from JAC. As at 30 June 2026, the Group has prepayment to JAC of approximately RMB7,802,000 which included in prepayments (note 24) (2025: trade payables of RMB2,694,000 which included in trade payables (note 27)).

Above transactions are considered as connected transactions under Chapter 14A of the Listing Rules. Further details are disclosed in the Company's announcements dated 3 February 2023, 30 June 2025, 31 July 2025, 22 August 2025, 5 September 2025, 15 September 2025, 26 September 2025, 3 October 2025, 10 October 2025, 28 October 2025, 10 November 2025, 21 November 2025 and 28 November 2025 and the Company's circulars dated 14 March 2023 and 4 December 2025.

* *For identification purpose only*

### *(d) Free of charge usage of office accommodation*

The office accommodation used by a subsidiary located in the PRC was provided by a company held by the director of the subsidiary free of charge.

## 37. FINANCIAL INSTRUMENTS BY CATEGORY

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

| | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|
| **Financial assets** | | |
| At FVTPL | **1,477** | 6,546 |
| At amortised cost: | | |
| Trade and other receivables | **6,536** | 19,020 |
| Loan receivables | **–** | 2,482 |
| Cash and cash equivalents | **5,614** | 9,462 |
| | **13,627** | 37,510 |
| **Financial liabilities** | | |
| At amortised cost: | | |
| Trade and other payables | **7,839** | 18,930 |
| Bank borrowings | **9,070** | 9,435 |
| Other borrowings | **702** | 1,371 |
| | **17,611** | 29,736 |

## 38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT

The Group's principal financial instruments include financial assets at FVTPL, trade and other receivables, loan receivables, cash and cash equivalents, trade and other payables, bank borrowings, other borrowings and lease liabilities. Details of these financial instruments are disclosed in the respective notes.

The risks associated with these financial instruments include market risks (foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. These has been no change to the Group's exposure or the manner in which it manages and measures the risk.

## 38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

### *(a) Market risk*

#### (i) Foreign currency risk

The Group is exposed to foreign currency risk primarily through its trade and other receivables, loan receivables, cash and cash equivalents, trade and other payables, that is denominated in foreign currencies other than the functional currency of the group entity. The currency giving rise to this risk is primarily HK$.

The board of directors considers that the foreign currency exposure is minimal. The Group currently does not have a foreign currency hedging policy in respect of foreign currency exposure. However, the management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

*Exposure to foreign currency risk*

The following table details the Group's exposure at the end of the reporting period to foreign currency risk arising from recognised assets or liabilities denominated in a currency other than RMB, the functional currency of the entity to which they relate.

| | Assets | | Liabilities | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| | **RMB'000** | RMB'000 | **RMB'000** | RMB'000 |
| US$ | **562** | 2,448 | **–** | – |
| HK$ | **2,378** | 9,768 | **3,479** | 4,366 |

*Sensitivity analysis*

The Group is mainly exposed to the foreign currency risk of HK$ and US$. The following table details the Group's sensitivity analysis, the analysis assumes a 10% increase and decrease in foreign currency against the functional currency, with all other variable held constant. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated in monetary items and adjusts their translation at the end of the reporting period for a 10% change in foreign currency rates. A positive number below indicates a decrease in post-tax loss where foreign currency strengthens 10% against functional currency. For a 10% weakening of foreign currency against the functional currency, there would be equal and opposite impact on the post-tax loss and the balances below would be negative.

## 38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

### *(a) Market risk (continued)*

#### (i) Foreign currency risk *(continued)*

*Sensitivity analysis (continued)*

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | **Increase/ (decrease) in foreign exchange rates** | **Decrease/ (increase) in loss after income tax RMB'000** | Increase/ (decrease) in foreign exchange rates | Decrease/ (increase) in loss after income tax RMB'000 |
| US$ | **10%** | **47** | 10% | 204 |
| | **(10%)** | **(47)** | (10%) | (204) |
| HK$ | **10%** | **(92)** | 10% | 451 |
| | **(10%)** | **92** | (10%) | (451) |

#### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from lease liabilities, bank borrowings, other borrowings and bank balances. Lease liabilities, bank borrowings, other borrowings and bank balances at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group does not use financial derivatives to hedge against the interest rate risk. The Group's interest rate profile is monitored by the management.

The Group's bank balances bear interest at variable interest rates, the directors of the Company considers that the exposure of the interest rate risk of bank balances is minimal, while lease liabilities, bank borrowings, other borrowings and loan receivables bear interest at fixed interest rates. Other than lease liabilities, bank borrowings, other borrowings, loan receivables and bank balances, the Group has no significant interest bearing assets and liabilities, the Group's operating cash flows are substantially independent of changes in market interest rates.

The Group will continue to monitor the exposure on cash flow interest rate risk and will consider hedging the interest rate when necessary. In the opinion of the directors of the Company, the Group does not have material interest rate risk exposure and hence no sensitivity analysis is presented.

## 38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

### *(a) Market risk (continued)*

#### (iii) Other price risk

*Financial assets at FVTPL*

The Group is exposed to price risk arising from certain investments held by the Group are classified as financial assets at FVTPL in the consolidated statement of financial position.

The Group's equity price risk is mainly concentrated on listed equity instruments quoted in the stock markets. The management manages this exposure by closely monitoring the price risk and maintaining a portfolio of investments with different risks.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks of financial assets at FVTPL at the end of reporting period.

If the prices of the respective equity instruments had been 10% (2025: 10%) higher/lower and all other variables were held constant, loss after income tax for the year would decrease/increase by approximately RMB123,000 (2025: RMB547,000) as a result of the change in fair value of financial assets at FVTPL.

*Cryptocurrencies*

The Group is also exposed to commodity price risk arising from cryptocurrencies held by the Group in the consolidated statement of financial position.

Given the inherent volatility of cryptocurrency markets, changes in market conditions subsequent to the reporting date may result in significant fluctuations in the fair value of the cryptocurrencies held by the Group. The directors of the Company will closely monitor the price fluctuations of each type of cryptocurrency and continually evaluate the adequacy of the carrying amounts of the cryptocurrency holdings. Any further significant decline in market prices may result in additional write-downs in future reporting periods.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to commodity price risks of cryptocurrencies at the end of reporting period.

If the prices of the respective cryptocurrencies had been 10% (2025: 10%) higher/lower and all other variables were held constant, loss after income tax for the year would decrease/increase by approximately RMB289,000 (2025: RMB515,000).

## 38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

### *(b) Credit risk and impairment assessment*

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and its investing activities. The carrying amounts of the financial assets represent the maximum exposure to credit risk.

The Group's credit risk is primarily attributable to trade and other receivables, loan receivables and bank balances. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

**Trade receivables**

In order to minimise the credit risk on trade receivables, the Group has policies in place to ensure that sales are made to customers with appropriate credit history or in cash. In addition, the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. In addition, the Group performs impairment assessment under ECL model on trade balances from its trade customers based on provision matrix.

The Group's exposure to credit risk on trade receivables is influenced mainly by the industry or country in which the customers operate. As at 30 June 2026, 54.18% (2025: 57.83%) and 96.69% (2025: 98.87%) of the total trade receivables were due from the Group's largest debtor and the five largest debtors respectively.

The Group applies IFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables from initial recognition onwards. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

## 38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

### *(b) Credit risk and impairment assessment (continued)*

**Trade receivables** *(continued)*

Ageing based on the past due —

**As at 30 June 2026**

| | ECL rate | Gross carrying amount RMB'000 | Allowance for ECL RMB'000 | Net carrying amount RMB'000 |
|---|---|---|---|---|
| Not past due | 0.0% | 7 | – | 7 |
| 0 to 30 days past due | 0.4% | 1,981 | (8) | 1,973 |
| 31 to 60 days past due | N/A | – | – | – |
| 61 to 90 days past due | N/A | – | – | – |
| Over 90 days past due | 23.6% | 12 | (3) | 9 |
| | | 2,000 | (11) | 1,989 |

As at 30 June 2025

| | ECL rate | Gross carrying amount RMB'000 | Allowance for ECL RMB'000 | Net carrying amount RMB'000 |
|---|---|---|---|---|
| Not past due | 0.8% | 12,198 | (101) | 12,097 |
| 0 to 30 days past due | 1.1% | 143 | (2) | 141 |
| 31 to 60 days past due | N/A | – | – | – |
| 61 to 90 days past due | N/A | – | – | – |
| Over 90 days past due | N/A | – | – | – |
| | | 12,341 | (103) | 12,238 |

## 38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

### *(b) Credit risk and impairment assessment (continued)*

**Deposits paid and other receivables**

The Group performs impairment assessment under ECL model on deposits paid and other receivables. Deposits paid and other receivables have been assessed individually based on the days past due and other credit risk characteristics.

As at 30 June 2026, the Group assessed the gross carrying amount of the amount due from the Cooperator amounting to approximately RMB5,619,000 (2025: RMB7,513,000) individually with lifetime ECL not credit impaired and provision of ECL allowance of approximately RMB2,905,000 (2025: RMB3,855,000) was recognised based on expected loss rate of 51.70% (2025: 51.31%) as the management assessed the credit risks of the amount due from the Cooperator has increased significantly since initial recognition and considered the credit risk is moderate.

At 30 June 2026, no provision for ECL allowance was recognised for the remaining gross carrying amounts of approximately RMB1,833,000 (2025: RMB3,125,000) as the credit risk of these parties have not increased significantly since initial recognition as each of the counterparties have no history of default and possess strong capability to meet contractual cash flows and the management considered the credit risk of these parties are low.

**Loan receivables**

The Group estimates the ECL under IFRS 9 ECL models. The Group assesses whether the credit risks of loan receivables have increased significantly since their initial recognition, and applies a three-stage impairment model to calculate their ECL, the management assesses impairment loss using the risk parameter modelling approach that incorporates key measurement parameters, including probability of default, loss given default and exposure at default, with the consideration of forward-looking information. At 30 June 2025, the Group has assessed loan receivables with gross carrying amount of approximately RMB2,845,000 with lifetime ECL not credit impaired based on average expected loss rate of 12.76% and provision for ECL allowance on loan receivables of approximately RMB363,000. During the year ended 30 June 2026, the loan receivables have been fully settled. Accordingly, a reversal of ECLs allowance amounting to approximately RMB357,000 was recognised.

**Cash and cash equivalents**

Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit rating agencies. The Group assessed 12m ECLs for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECLs on bank balances is considered to be insignificant and therefore no loss allowance was recognised.

## 38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

### *(c) Liquidity risk*

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and development and to mitigate the effect of fluctuations in cash flows.

Certain portion of the Group's other borrowings are entered into supplier finance arrangements with a Financier and this results in the Group having obligations of settlement concentrated with the Financier rather than individual suppliers. The directors of the Company do not consider the supplier finance arrangements result in excessive concentrations of liquidity risk of the Group since only small portion of the Group's borrowings is subject to supplier finance arrangements and the Group has no significant reliance on the extended terms and has well management on its diversity on creditors.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash outflows and the earliest date the Group can be required to pay:

| | Weighted average effective interest rate | Within 1 year or on demand RMB'000 | After 1 year but within 2 years RMB'000 | After 2 year but within 5 years RMB'000 | Over 5 years RMB'000 | Total contractual undiscounted cash outflow RMB'000 | Carrying amount RMB'000 |
|---|---|---|---|---|---|---|---|
| **At 30 June 2026** | | | | | | | |
| Trade and other payables | N/A | 7,839 | – | – | – | 7,839 | 7,839 |
| Bank borrowings | 9.77% | 8,196 | 1,263 | – | – | 9,459 | 9,070 |
| Other borrowings | 8.93% | 702 | – | – | – | 702 | 702 |
| Lease liabilities | 4.62% | 192 | 201 | 644 | 348 | 1,385 | 1,196 |
| | | 16,929 | 1,464 | 644 | 348 | 19,385 | 18,807 |
| **At 30 June 2025** | | | | | | | |
| Trade and other payables | N/A | 18,930 | – | – | – | 18,930 | 18,930 |
| Bank borrowings | 5.2% | 9,537 | 85 | – | – | 9,622 | 9,435 |
| Other borrowings | 8.06% | 1,352 | 35 | – | – | 1,387 | 1,371 |
| Lease liabilities | 4.62% | 192 | 192 | 624 | 569 | 1,577 | 1,331 |
| | | 30,011 | 312 | 624 | 569 | 31,516 | 31,067 |

## 38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

### *(d) Fair value of financial instruments*

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active markets are determined with reference to quoted market bid and ask prices respectively.

- The notional amounts of financial assets and financial liabilities with a maturity of less than one year (including trade and other receivables, loan receivables, cash and cash equivalents, trade and other payables, lease liabilities, bank borrowings and other borrowings) are assumed to approximate their fair values.

The following table presents the carrying value of the Group's financial instruments measured at fair value across the three levels of the fair value hierarchy defined in IFRS 13 Fair Value Measurement with fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: fair values measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs.

Level 3: fair values measured using significant unobservable input.

Saved as disclosed in above notes, certain financial assets of the Group are measured at fair value at the end of each reporting period. Below is a summary of fair value hierarchy, valuation techniques used and the key inputs to evaluate the fair values of these financial assets:

| Description | Fair value 2026 | 2025 | Fair value hierarchy | Valuation technique and key input |
|---|---|---|---|---|
| Financial assets at FVTPL — Equity securities listed in United States | **1,477** | 6,546 | Level 1 | Quoted bid prices in an active market |

There were no transfers between Level 1, 2 and 3 in current and prior years.

Except as detailed in the above table, the directors of the Company consider that carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

## 38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

### *(e) Capital management*

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders, to support the Group's stability and growth; to earn a margin commensurate with the level of business and market risks in the Group's operation and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of equity attributable to the owners of the Company, comprising cash and cash equivalents, share capital and reserves.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group's overall strategy remains unchanged from the prior year.

## 39. CASH FLOW INFORMATION

### *(a) Major non-cash transactions*

(i) As mentioned in notes 30 and 31, the Group obtained several bank borrowings and other borrowing for the purpose of prepaying to a supplier of Air-conditioners and Other Electronic Appliances Distribution Business during the year ended 30 June 2026 in which the proceeds from the bank and other borrowings of RMB1,650,000 (2025: RMB4,930,000) and RMB8,940,000 (2025: RMB1,360,000), respectively in aggregate were directly deposited into the suppliers by the bank.

(ii) During the year ended 30 June 2025, the Group had a non-cash addition to right-of-use assets and lease liabilities of approximately RMB1,500,000 and RMB1,500,000 (2026: Nil and Nil), respectively in respect of a lease arrangement for two office premises located in the PRC) (notes 15 and 29).

(iii) As mentioned in note 17 and 24, the computer software acquired by the Group during the year ended 30 June 2025 has been launched and available for use on 1 August 2025. The prepayment amounting to approximately RMB2,600,000 has been capitalised and transferred to computer software under intangible asset during the year ended 30 June 2026.

## 39. CASH FLOW INFORMATION *(continued)*

### *(b) Changes in liabilities arising from financing activities*

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities:

| | Bank borrowings *(note 30)* RMB'000 | Other borrowings *(note 31)* RMB'000 | Lease liabilities *(note 29)* RMB'000 |
|---|---|---|---|
| At 1 July 2025 | 9,435 | 1,371 | 1,331 |
| **Changes from financing cash flows:** | | | |
| Proceeds from bank borrowings | 15,228 | – | – |
| Repayments of bank borrowings | (17,243) | – | – |
| Repayment of other borrowings | – | (9,609) | – |
| Interest paid | (575) | (76) | – |
| Repayments of lease liabilities — principal | – | – | (135) |
| Repayments of lease liabilities — interest | – | – | (57) |
| Total changes from financing cash flows | (2,590) | (9,685) | (192) |
| **Other changes:** | | | |
| Bank and other borrowings *(note 39(a))* | 1,650 | 8,940 | – |
| Interest expenses *(note 8)* | 575 | 76 | 57 |
| Total other changes | 2,225 | 9,016 | 57 |
| **At 30 June 2026** | 9,070 | 702 | 1,196 |

## 39. CASH FLOW INFORMATION *(continued)*

### *(b) Changes in liabilities arising from financing activities (continued)*

| | Bank borrowings *(note 30)* RMB'000 | Other borrowings *(note 31)* RMB'000 | Lease liabilities *(note 29)* RMB'000 |
|---|---|---|---|
| At 1 July 2024 | 10,976 | 1,000 | 4,976 |
| **Changes from financing cash flows:** | | | |
| Proceeds from bank borrowings | 10,000 | – | – |
| Repayments of bank borrowings | (16,471) | – | – |
| Repayment of other borrowings | – | (1,787) | – |
| Interest paid | (637) | (72) | – |
| Repayments of lease liabilities — principal | – | – | (817) |
| Repayments of lease liabilities — interest | – | – | (151) |
| Total changes from financing cash flows | (7,108) | (1,859) | (968) |
| **Other changes:** | | | |
| Bank and other borrowings *(note 39(a))* | 4,930 | 1,360 | – |
| Other borrowings under supplier finance arrangements transfer from trade payables *(note 39(c))* | – | 781 | – |
| Addition of new leases | – | – | 1,500 |
| Early termination of leases | – | – | (4,328) |
| Interest expenses *(note 8)* | 637 | 89 | 151 |
| Total other changes | 5,567 | 2,230 | (2,677) |
| **At 30 June 2025** | 9,435 | 1,371 | 1,331 |

## 39. CASH FLOW INFORMATION *(continued)*

### *(c) Information of supplier finance arrangements*

During the year ended 30 June 2025, the Group has entered into certain supplier finance arrangements. Under the arrangements, payments to suppliers ahead of the invoice due dates are processed by the Financier and the Group settled the original invoices by paying the Financier at extended due dates as agreed with the Financier. The principal purpose of the arrangements is to facilitate efficient payment processing and enable the Group to maintain management on cashflows and liquidity.

In the consolidated statement of cash flows, payments to the Financier are included within financing cash flows based on the nature of the arrangements.

| | **2026 RMB'000** | 2025 RMB'000 |
|---|---|---|
| **Carrying amount of the financial liabilities that are subjected to supplier finance arrangements** | | |
| Presented as part of other borrowings | | |
| — of which suppliers have already received payment from the financier | **668** | 798 |
| **Range of payment due dates** | | |
| For liabilities presented as part of other borrowings | | |
| — liabilities that are part of supplier finance arrangements | **90 days after invoice date** | 90 days after invoice date |
| — comparable trade payables that are not part of supplier finance arrangements | **0-30 days after invoice date** | 0-30 days after invoice date |

Changes in liabilities that are subject to supplier finance arrangements are primarily attributable to additions resulting from purchases of goods and subsequent cash settlements. During the year ended 30 June 2026, borrowings under supplier finance arrangements of RMB668,000 (2025: RMB798,000) represent the payments to the suppliers by the relevant financier directly.

## 40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

### *(a) Statement of financial position of the Company*

| | Notes | 2026 RMB'000 | 2025 RMB'000 |
|---|---|---|---|
| **ASSETS AND LIABILITIES** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | | – | 1 |
| Investments in subsidiaries | | 1 | 1 |
| | | 1 | 2 |
| **Current assets** | | | |
| Other receivables | | 587 | 71 |
| Amounts due from subsidiaries | | 17,442 | 18,906 |
| Cryptocurrencies | | 3,465 | 6,168 |
| Cash and cash equivalents | | 785 | 710 |
| | | 22,279 | 25,855 |
| **Current liabilities** | | | |
| Other payables and accruals | | 1,986 | 2,516 |
| Amounts due to subsidiaries | | 48,234 | 43,592 |
| | | 50,220 | 46,108 |
| **Net current liabilities** | | (27,941) | (20,253) |
| **Net liabilities** | | (27,940) | (20,251) |
| **EQUITY** | | | |
| Share capital | 32 | 137 | 137 |
| Reserves | 40(b) | (28,077) | (20,388) |
| | | (27,940) | (20,251) |

The statement of financial position of the Company were approved and authorised for issue by the board of directors on 30 September 2026 and are signed on its behalf by:

**Li Ziying**
*Chairman and Executive Director*

**James Francis Bittl**
*Non-Executive Director*

## 40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

### *(b) Reserve movement of the Company*

| | Contributed surplus RMB'000 *(note 33(i))* | Exchange reserve RMB'000 *(Note 33(iv))* | Accumulated losses RMB'000 | Total RMB'000 |
|---|---|---|---|---|
| At 1 July 2024 | 8,055 | 10,979 | (25,099) | (6,065) |
| Loss for the year | – | – | (11,204) | (11,204) |
| Other comprehensive income for the year | | | | |
| — Exchange differences on translation from foreign currency to presentation currency | – | (3,119) | – | (3,119) |
| Total comprehensive loss for the year | – | (3,119) | (11,204) | (14,323) |
| At 30 June 2025 and 1 July 2025 | 8,055 | 7,860 | (36,303) | (20,388) |
| Loss for the year | – | – | (1,918) | (1,918) |
| Other comprehensive income for the year | | | | |
| — Exchange differences on translation from foreign currency to presentation currency | – | (5,771) | – | (5,771) |
| Total comprehensive loss for the year | – | (5,771) | (1,918) | (7,689) |
| **At 30 June 2026** | **8,055** | **2,089** | **(38,221)** | **(28,077)** |

## 41. EVENT AFTER THE REPORTING PERIOD

On 14 September 2026, a subsidiary of the Company, namely Cheer Kind Limited, disposed on the market a total of 590 shares of Microsoft Corporation, an American corporation whose common stocks are listed on the NASDAQ ("**MSFT Share**") at an average price of US$503.73 per MSFT Share at a total consideration of approximately US$297,000 (equivalent to approximately RMB1,993,000) (excluding transaction costs). For further details, please refer to the announcement of the Company dated 15 September 2026.

Saved as disclosed above and elsewhere in these consolidated financial statements, there were no other material subsequent events during the period from 30 June 2026 to the date of approval of these consolidated financial statements by the directors of the Company on 30 September 2026.

# FIVE YEAR FINANCIAL SUMMARY

| | For the year ended 30 June | | | | |
|---|---|---|---|---|---|
| | **2026** | 2025 | 2024 | 2023 | 2022 |
| | **RMB'000** | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| **RESULTS** | | | | | |
| Revenue | **82,020** | 75,420 | 168,635 | 110,029 | 143,572 |
| Loss before income tax | **(26,422)** | (28,376) | (25,447) | (58,924) | (19,026) |
| Income tax (expense)/credit | **(32)** | (66) | (161) | 194 | (1,670) |
| Loss for the year | **(26,454)** | (28,442) | (25,608) | (58,730) | (20,696) |

| | As at 30 June | | | | |
|---|---|---|---|---|---|
| | **2026** | 2025 | 2024 | 2023 | 2022 |
| | **RMB'000** | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| **ASSETS AND LIABILITIES** | | | | | |
| Non-current assets | **59,772** | 68,180 | 71,730 | 94,039 | 118,364 |
| Current assets | **46,256** | 76,444 | 88,338 | 94,073 | 112,227 |
| Total assets | **106,028** | 144,624 | 160,068 | 188,112 | 230,591 |
| Non-current liabilities | **2,275** | 1,314 | 5,609 | 5,627 | 42 |
| Current liabilities | **19,877** | 32,458 | 17,478 | 34,523 | 29,029 |
| Total equity | **83,876** | 110,852 | 136,981 | 147,962 | 201,520 |

# COMPANY INFORMATION

## DIRECTORS

***Executive Director***
Ms. LI Ziying *(Chairman)*

***Non-executive Director***
Mr. James Francis BITTL

***Independent Non-executive Directors***
Mr. LIU Ruiqiang
Mr. WANG Tianshi
Mr. Zhuang Canbin

## COMPANY SECRETARY

Mr. TSE Chi Hong

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2510, 25/F,
Arion Commercial Centre,
2-12 Queen's Road West,
Sheung Wan, Hong Kong.

## REGISTERED OFFICE

Richmond House
12 Par-la-ville Road
Hamilton HM 08
Bermuda

## AUDITOR

Moore CPA Limited
Registered Public Interest Entity Auditors
1001–1010, North Tower
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Tsimshatsui, Kowloon
Hong Kong

## BERMUDA AND BVI LEGAL ADVISER

Conyers Dill & Pearman
29/F, One Exchange Square
8 Connaught Place
Central, Hong Kong

## JERSEY SHARE REGISTRAR

Computershare Investor Services (Jersey) Limited
Computershare Channel Islands
13 Castle Street
St. Helier, Jersey CI, JE1 1ES

## BERMUDA SHARE REGISTRAR

Appleby Global Corporate Services (Bermuda) Limited
Canon's Court, 22 Victoria Street
PO Box HM 1179, Hamilton HM EX
Bermuda

## HONG KONG SHARE REGISTRAR

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Shops 1712–1716
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## STOCK CODE

The Stock Exchange of Hong Kong Limited: 73

## WEBSITE

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