



**China Financial International Investments Limited**

**中國金融國際投資有限公司**

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 721)

# 2025 ANNUAL REPORT



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# Corporate Information

## BOARD OF DIRECTORS

### Executive Director

Mr. Du Lin Dong (*Chief Executive Officer*)

### Non-executive Directors

Mr. Liu Xiaodong (*Chairman*)

(*redesignated on 30 June 2025*)

Ms. Li Hongxi (*appointed on 27 March 2025*)

### Independent Non-executive Directors

Mr. Lei Zhiwei (*resigned on 30 June 2025*)

Mr. Liu Xiaodong (*redesignated*

*as non-executive Director on 30 June 2025*)

Mr. Zong Shijian

Mr. Liu Xiaohong (*appointed on 30 June 2025*)

Mr. Lu Lin (*appointed on 30 June 2025*)

## AUDIT COMMITTEE

Mr. Zong Shijian (*Chairman*)

Mr. Lei Zhiwei (*resigned on 30 June 2025*)

Mr. Liu Xiaodong (*ceased on 30 June 2025*)

Mr. Liu Xiaohong (*appointed on 30 June 2025*)

Mr. Lu Lin (*appointed on 30 June 2025*)

## REMUNERATION COMMITTEE

Mr. Lu Lin (*Chairman*)

(*appointed on 30 June 2025*)

Mr. Du Lin Dong

Mr. Lei Zhiwei (*resigned on 30 June 2025*)

Mr. Liu Xiaodong (*ceased on 30 June 2025*)

Mr. Liu Xiaohong (*appointed on 30 June 2025*)

## NOMINATION COMMITTEE

Mr. Liu Xiaohong (*Chairman*)

(*appointed on 30 June 2025*)

Mr. Lei Zhiwei (*resigned on 30 June 2025*)

Mr. Liu Xiaodong

Mr. Zong Shijian

## RISK MANAGEMENT COMMITTEE

Mr. Du Lin Dong (*Chairman*)

Mr. Lei Zhiwei (*resigned on 30 June 2025*)

Mr. Liu Xiaohong (*appointed on 30 June 2025*)

## AUTHORISED REPRESENTATIVES

Mr. Du Lin Dong

Mr. Wong Tsz Lun (*resigned on 24 July 2024*)

Mr. Hui Ching Yat (*appointed on 24 July 2024*)

## COMPANY SECRETARY

Mr. Wong Tsz Lun (*resigned on 24 July 2024*)

Mr. Hui Ching Yat (*appointed on 24 July 2024*)

## AUDITOR

Rongcheng (Hong Kong) CPA Limited

(Formerly known as "CL Partners CPA Limited")

*Certified Public Accountants*

*Registered Public Interest Entity Auditor*

## INVESTMENT MANAGER

China Financial International Investments &

Managements Limited

## CUSTODIAN

Bank of Communications Trustee Limited

## LEGAL ADVISER

*As to Bermuda law*

Conyers Dill & Pearman

## REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton

HM 11

Bermuda

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 2001, 20th Floor

Tower 1, The Gateway

Harbour City

Kowloon, Hong Kong

## SHARE REGISTRAR AND TRANSFER OFFICE IN BERMUDA

MUFG Fund Services (Bermuda) Limited

The Belvedere Building

69 Pitts Bay Road

Pembroke HM08

Bermuda

## SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

## PRINCIPAL BANKER

The Hongkong and Shanghai Banking

Corporation Limited

## TRADING CODE ON THE STOCK EXCHANGE OF HONG KONG LIMITED

0721

## COMPANY WEBSITE

<http://www.irasia.com/listco/hk/cfii>





Dear Shareholders,

On behalf of the board (the “Board”) of directors of China Financial International Investments Company Limited (the “Company”), I would like to present to you the audited annual results for the year ended 30 June 2025 (the “Year”) of the Company and its subsidiaries (the “Group”). Over the past year, the global economy has undergone continuous adjustments amid complex geopolitical dynamics and waves of industrial transformation. Financial markets experienced volatility while opportunities emerged in the clean energy sector, and the development potential of emerging fields gradually came to light. Leveraging clear strategic resolve and strong execution capabilities, the Group has steadily advanced its business transformation amid market challenges. While facing short-term performance pressure, the Group has continuously strengthened its core business foundations and systematically explored emerging sectors, laying a solid groundwork for long-term development. Herein, I would like to give a detailed report on the Group’s development over the past year, the challenges encountered, and elaborate on our future strategic direction and development recommendations.

## **I. IMPACT OF GLOBAL AND CHINA INDUSTRY ENVIRONMENTS ON THE GROUP**

### **(i) Financial market volatility and changes in the investment environment**

For the 2024–2025 fiscal year, global macroeconomic uncertainties persisted, with factors such as monetary policy adjustments in major economies and geopolitical conflicts intensified valuation volatility in capital markets. Although the Group’s listed investment portfolio benefited from structural opportunities in certain sectors, such as China City Infrastructure Group Limited (Stock Code: 2349), whose market capitalization increased year-on-year, overall market sentiment volatility still impacted the fair value of investments. As of 30 June 2025, the market value of the Group’s listed securities amounted to HK\$25.15 million, representing an increase of 18.6% from HK\$21.215 million in the previous year. However, affected by the overall market valuation pullback, financial assets at fair value through profit or loss recorded a fair value gain of HK\$4.219 million and a realized loss on disposal of HK\$0.134 million, reflecting that listed investments still need to cope with short-term market volatility risks.

Meanwhile, China’s financial regulatory policies continue to be optimized, further strengthening regulatory requirements for sectors such as microfinance and traditional financial investments. Given that China’s microfinance industry still faces challenges including declining interest rates in private lending and persistently high delinquency rates, the Group’s previously established strategy of “gradually exiting the microfinance sector and focusing on clean energy” has achieved phased results. As of 30 June 2025, the fair value of the Group’s microfinance related investments has been reduced to zero, retaining only certain historical investment interests pending liquidation. This has effectively mitigated the drag on overall asset quality from the declining industry.

Notably, the global virtual asset market is exhibiting a trend toward standardized development as regulatory frameworks gradually mature. As an international financial center, Hong Kong has consistently introduced virtual asset-related regulatory policies in recent years, providing development opportunities for compliant market participants. Technological innovation and application expansion in the virtual asset sector have brought new growth opportunities to the financial investment industry while also imposing higher demands on market participants’ compliance capabilities and risk management standards.

### (ii) Opportunities and policy support in the clean energy industry

Driven by the “dual carbon” goals, China’s clean energy sector has entered a period of rapid development, with renewable energy fields such as bioethanol and biodiesel becoming key policy priorities. As a carbon-neutral energy source, bioethanol not only reduces greenhouse gas emissions but also enables resource recycling through feedstocks like agricultural waste, aligning with both the national energy structure transformation and rural revitalization strategies. The Group’s prior investments in projects including Henan Zhongxin Bioenergy Co., Ltd and Henan Zhongxin Petrochemical Oil Sales Co., Ltd have continued to advance technological upgrades and production capacity optimization during the reporting period, validating the long-term value and counter-cyclical nature of clean energy investments.

## II. OPERATING PERFORMANCE AND FINANCIAL CONDITION OF THE GROUP IN THE PAST YEAR

### (i) Financial performance: Short-term pressures persist, while transformation efforts show initial results

As of 30 June 2025, the net asset value of the Company was HK\$157 million, representing a slight decrease from HK\$165 million in the previous year. This primarily resulted from fluctuations in the fair value of listed investments and initial investments in unlisted clean energy projects. The net loss for the year amounted to HK\$8.809 million, representing an adjustment from the previous year’s profit of HK\$27.897 million. The core reasons include: first, losses incurred from the fair value of listed investments due to market volatility; second, clean energy projects remain in the investment phase and have yet to generate significant revenue contributions.

Despite short-term performance pressures, the Group achieved positive progress in cost control and capital recovery: Administrative and other expenses decreased by 6.3% to HK\$7.112 million from HK\$7.589 million in the previous year. During the reporting period, the Group successfully recovered advance payments for investments made in 2023 and prior years, as well as proceeds from the sale of investment receivables. This significantly improved liquidity, providing financial support for subsequent business expansion, including core bioethanol operations and potential exploration in the virtual asset sector.

### (ii) Portfolio adjustments: Focus on core assets, optimize structure

For listed investments, the Group continued to streamline its investment portfolio, focusing on infrastructure and clean energy enterprises with long-term growth potential. During the reporting period, the Group disposed of its entire equity interest in Hidili Industry International Development Limited (Stock Code: 1319). Although a realized loss was recorded, this further optimized the industry concentration of the listed investment portfolio. As of 30 June 2025, listed investments were primarily concentrated in China City Infrastructure Group, whose operations span infrastructure construction, natural gas, and other sectors, creating synergies with the Group’s clean energy strategy.

Meanwhile, the Group has continued to impair or exit investments in non-core areas such as micro-loans and traditional guarantees. As of 30 June 2025, the cost of micro-loan-related investments has been fully impaired, effectively mitigating industry downturn risks.

In exploring emerging fields, the Group intends to establish a dedicated research team to conduct in-depth investigations into global virtual asset market trends, regulatory policies, and investment opportunities. The team will focus on regulatory requirements in Hong Kong and major international jurisdictions, accumulating industry knowledge and professional expertise to support future expansion into potential investment areas.



### III. THE GROUP'S FUTURE CORE INVESTMENT STRATEGIC DIRECTION

#### (i) Deepening the layout of the bioethanol industry chain while exploring opportunities in the virtual asset market

In the coming year, the Group will continue to focus on the bioethanol industry as its strategic core, driving progress in two key areas: technological research and development and industrial chain integration:

1. **Technological research and development:** Encourage investment in project companies collaborating with research institutions to achieve breakthroughs in converting non-grain feedstocks like crop straw, effectively reducing bioethanol production costs;
2. **Supply chain expansion:** Support project companies in exploring new collaboration models with upstream partners to ensure stable raw material supply, while expanding downstream applications. Promote partnerships with local gas stations to broaden the market reach of ethanol-blended gasoline.

Meanwhile, while maintaining our focus on China's bioethanol industry, the Group will also closely monitor development opportunities in the global virtual asset market. We will accumulate industry experience and explore new growth drivers while complying with regulatory requirements in Hong Kong and relevant jurisdictions. Concurrently, we will establish a robust risk management framework to ensure any related investment projects align with the Company's long-term development strategy and serve the interests of shareholders.

#### (ii) Strengthening risk management and capital allocation to ensure stable operations

The Board will continue to prudently assess various risks, with a focus on:

- **Non-listed investment risks:** Address valuation volatility and liquidity risks associated with clean energy projects by engaging third-party professional valuation agencies for periodic assessments and optimizing valuation models and input parameters to ensure accuracy in fair value measurement;
- **Liquidity risks:** Rationally plan investment timing to avoid excessive capital deployment;
- **Policy risks:** Closely monitor changes in China's "dual carbon" policies, energy subsidy policies, and virtual asset regulatory frameworks, as well as timely adjust investment strategies to ensure projects align with policy directions and fully leverage policy incentives.

## Chairman's Statement

### (iii) Enhancing corporate governance and ESG performance to safeguard shareholder value

The Group has always regarded sound corporate governance and ESG (Environmental, Social and Governance) performance as crucial pillars for long-term development:

- **Corporate governance:** Enhance the diversity of the Board structure, strengthen the continuous professional development of directors and senior executives, and regularly organize training sessions on listing rules, clean energy industry knowledge, and virtual asset regulatory policies to elevate decision-making expertise;
- **ESG practices:** On the environmental front, continue advancing office energy conservation and emissions reduction, further lowering electricity consumption per unit area. On the social front, refine employee welfare and training systems. On the governance front, strictly enforce anti-corruption policies, with no corruption-related incidents occurring throughout the year;
- **Shareholder returns:** Although no cash dividend is proposed for the year, the Board will strive to achieve a performance rebound in FY2026 by optimizing the investment portfolio and enhancing operational efficiency.

## IV. SUGGESTIONS FOR FUTURE INVESTMENT DIRECTION

Over the past year, the Group has steadily advanced its investment strategy adjustments amid industry transformation. Our core investment focus remains clear, while exploration in emerging fields proceeds in an orderly manner. Capital position and asset quality continue to improve. Going forward, we will seize development opportunities in the bioethanol industry while prudently exploring the potential of the virtual asset market. Driven by technological innovation and safeguarded by risk management, we will continuously enhance our core competitiveness and strive to create long-term value for shareholders.

We would like to thank our shareholders for their support and trust in the Group, and we will continue to work hard to promote the Group's sustainable and healthy development.

**Liu Xiaodong**

*Chairman*

Hong Kong, 29 September 2025



The Group was principally engaged in the investments in the listed and unlisted securities for short, medium and long term during the Year.

Net loss for the Year amounted to HK\$8,809,000 as compared to a net profit of HK\$27,897,000 for the year ended 30 June 2024. During the Year, dividend income of HK\$164,000 from the unlisted investments was recorded. The loss was mainly attributable to the following reasons:

- (i) fair value loss of approximately HK\$9,284,000 on unlisted investments at FVTPL; and
- (ii) decrease in dividend income received from the unlisted investments from HK\$1,224,000 in 2024 to HK\$164,000 in the Year.

During the Year, dividend income from investments decreased by 86.60% to HK\$164,000 as compared to HK\$1,224,000 in last year. The other income which comprised bank interest income amounted to HK\$327,000, representing an increase of 32,600.00% as compared to HK\$1,000 in last year. Administrative expenses decreased by 6.29% from HK\$7,589,000 in last year to HK\$7,112,000 for the Year mainly due to the decrease of staff costs and directors' remunerations.

## LISTED INVESTMENT REVIEW

During the Year, the Group recorded loss of HK\$7,625,000 on listed securities business as compared to a gain of HK\$9,924,000 last year. No dividend income from listed investments was recorded for the Year (2024: Nil).

As at 30 June 2025, the market value of the listed securities amounted to HK\$41,132,000 (2024: HK\$33,791,000), all the listed investments were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").



# Management Discussion and Analysis

## LISTED INVESTMENT REVIEW (continued)

### Listed Securities Portfolio

| Name of listed securities                                                                       | Nature of business                                                                                                                   | Number of shares held as at 30 June 2025 | Group's effective interest as at 30 June 2025 | Market value at 30 June 2025 | Dividend received/ receivable during the Year | Net assets attributable to the investment as at 30 June 2025 | % to the Group's total assets as at 30 June 2025 | Realized fair   | Unrealized                                                                            |                                                                                       |
|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------|------------------------------|-----------------------------------------------|--------------------------------------------------------------|--------------------------------------------------|-----------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
|                                                                                                 |                                                                                                                                      |                                          |                                               |                              |                                               |                                                              |                                                  | Investment cost | fair value gains/ (losses) on investment recognised in profit or loss during the Year | fair value gains/ (losses) on investment recognised in profit or loss during the Year |
|                                                                                                 |                                                                                                                                      |                                          |                                               | HK\$'000                     | HK\$'000                                      | HK\$'000                                                     |                                                  | HK\$'000        | HK\$'000                                                                              |                                                                                       |
| China City Infrastructure Group Limited (stock code: 2349)                                      | Infrastructure businesses, property investment, property development, hotel business, property management and natural gas in the PRC | 698,079,429                              | 22.32%                                        | 41,132                       | –                                             | 41,132                                                       | 26.16%                                           | –               | –                                                                                     | 4,219                                                                                 |
| Hidili Industry International Development Limited ("Hidili Industry") (note) (stock code: 1393) | Coal mining and manufacture and sale of clean coal                                                                                   | –                                        | –                                             | –                            | –                                             | –                                                            | –                                                | –               | (134)                                                                                 | –                                                                                     |
|                                                                                                 |                                                                                                                                      |                                          |                                               | 41,132                       | –                                             | 41,132                                                       |                                                  | –               | (134)                                                                                 | 4,219                                                                                 |

*Note:* In December 2024, the Company disposed of 2,555,000 shares in Hidili Industry on market for the aggregated consideration of approximately HK\$149,000. As at 30 June 2024, the market value of the investment in the shares of Hidili Industry was HK\$283,000, the Company recorded a realized loss of approximately HK\$134,000 arising from the said disposal. As at 30 June 2025, the Company does not hold any securities in Hidili Industry.



## UNLISTED INVESTMENT REVIEW

For the year ended 30 June 2025, the total loss on the Group's unlisted investment portfolio recorded as HK\$10,631,000 (2024: gain of HK\$23,181,000). During the Year, dividend income from investments decreased by 86.60% to HK\$164,000 from HK\$1,224,000 last year. The loss recorded for the Year was primarily attributable to the significant decrease in dividend income from investments compared to last year. Additionally, the Group recorded a one-off fair value gain of HK\$53,525,000 from the disposal of Jilin Jusheng Light Alloy Co. Ltd. (formerly known as Liaoyuan Hancheng Trading Limited) last year. During the Year, the Group did not engage in any new transactions and investment sales. The absence of investment income resulted in the loss recorded for the Year.

As at 30 June 2025, the fair value of the Group's unlisted investments amounted to HK\$41,667,000 as compared to HK\$52,339,000 in last year, representing a 20.39% decrease.

## UNLISTED EQUITY INVESTMENTS

The Company's unlisted equity investments are mainly concentrated on clean energy industry and small loan companies in the PRC.

Since 2018, the Group has been focusing on clean energy industry and made several investments. Bioenergy is a carbon neutral and renewable energy source reducing greenhouse gas emissions. Biofuels such as ethanol and biodiesel, are less toxic and are biodegradable. Using biomass can help build resilience in agricultural, timber and food-processing industries. Bioenergy provides a use for their waste streams, can help them reduce their energy costs.

Meanwhile, there remain concerns in the small loan industry in the PRC such as the decreasing interest rate of private lending and the increase of operation risks, resulting in certain small loan companies continued to generate overdue loans and incur losses. In view of the diminishing performance of the small loan industry, the Company has planned to exit the investments in small loan industry.

In the foreseeable future, the Company will continue to focus its investment on the bioenergy sector and gradually exit the small loan industry with the aim to consolidate resources to explore new investment areas and to maximize value of the shareholders of the Company.

# Management Discussion and Analysis

## UNLISTED EQUITY INVESTMENTS (continued)

### Unlisted equity investment portfolio

| Name of company                                                                          | Location                      | Group's effective interest | Business nature                                                            | Investment cost<br>HK\$'000 | Fair value at 30 June 2025<br>HK\$'000 | Dividend received/receivable during the Year<br>HK\$'000 | Net assets attributable to the investment as at 30 June 2025<br>HK\$'000 | % to the Group's total assets as at 30 June 2025 | Realized fair value gains/(losses) on investment recognised in profit or loss during the Year<br>HK\$'000 | Unrealized fair value gains/(losses) on investment recognised in profit or loss during the Year<br>HK\$'000 |
|------------------------------------------------------------------------------------------|-------------------------------|----------------------------|----------------------------------------------------------------------------|-----------------------------|----------------------------------------|----------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| <b>Micro-loan services</b>                                                               |                               |                            |                                                                            |                             |                                        |                                                          |                                                                          |                                                  |                                                                                                           |                                                                                                             |
| 1 Harbin Zhongjinguoxin Microfinance Co., Ltd. <sup>#</sup>                              | Harbin, Heilongjiang Province | 30%                        | Provision of small loan and financial consultation services                | 36,693                      | -                                      | -                                                        | -                                                                        | -                                                | -                                                                                                         | -                                                                                                           |
| 2 Tianjin Binlian Microfinance Limited <sup>#</sup>                                      | Tianjin                       | 3.3%                       | Provision of small loan and financial consultation services                | 12,271                      | -                                      | 164                                                      | -                                                                        | -                                                | -                                                                                                         | -                                                                                                           |
| 3 Nanjing Jiangning Ming Yang Rong Tong Agricultural Microfinance Co., Ltd. <sup>#</sup> | Nanjing, Jiangsu Province     | 30%                        | Provision of small loan and financial consultation service                 | 36,673                      | -                                      | -                                                        | -                                                                        | -                                                | -                                                                                                         | -                                                                                                           |
|                                                                                          |                               |                            | Sub-total:                                                                 | 85,637                      | -                                      | 164                                                      | -                                                                        |                                                  | -                                                                                                         | -                                                                                                           |
| <b>Guarantee service</b>                                                                 |                               |                            |                                                                            |                             |                                        |                                                          |                                                                          |                                                  |                                                                                                           |                                                                                                             |
| 4 Jiangxi Huazhang Hanchen Guarantee Group Limited <sup>#</sup>                          | Nanchang, Jiangxi Province    | 1.77%                      | Provision of financing guarantees to small and medium enterprises ("SMEs") | 43,150                      | 13,779                                 | -                                                        | 13,779                                                                   | 8.76%                                            | -                                                                                                         | -                                                                                                           |
| <b>Investment and management consultation service</b>                                    |                               |                            |                                                                            |                             |                                        |                                                          |                                                                          |                                                  |                                                                                                           |                                                                                                             |
| 5 Shenzhen Zhongtouguxin Asset Management Company Limited <sup>#</sup>                   | Shenzhen, Guangdong Province  | 30%                        | Provision of consultation services on project investments                  | 18,350                      | -                                      | -                                                        | -                                                                        | -                                                | -                                                                                                         | -                                                                                                           |
| 6 Xi'an Kairong Financial Service Limited <sup>#</sup>                                   | Xi'an, Shaanxi Province       | 30%                        | Provision of financial management services                                 | 18,724                      | -                                      | -                                                        | -                                                                        | -                                                | -                                                                                                         | -                                                                                                           |
|                                                                                          |                               |                            | Sub-total:                                                                 | 37,074                      | -                                      | -                                                        | -                                                                        |                                                  | -                                                                                                         | -                                                                                                           |



## UNLISTED EQUITY INVESTMENTS (continued)

### Unlisted equity investment portfolio (continued)

| Name of company                                                            | Location        | Group's effective interest | Business nature                                                                                                                                                                                                                                     | Investment cost<br>HK\$'000 | Fair value at 30 June 2025<br>HK\$'000 | Dividend received/receivable during the Year<br>HK\$'000 | Net assets attributable to the investment as at 30 June 2025<br>HK\$'000 | % to the Group's total assets as at 30 June 2025 | Realized fair value gains/(losses) on investment recognised in profit or loss during the Year<br>HK\$'000 | Unrealized fair value gains/(losses) on investment recognised in profit or loss during the Year<br>HK\$'000 |
|----------------------------------------------------------------------------|-----------------|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------------------------|----------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| <b>Clean energy</b>                                                        |                 |                            |                                                                                                                                                                                                                                                     |                             |                                        |                                                          |                                                                          |                                                  |                                                                                                           |                                                                                                             |
| 7 Henan Tianguan Energy and Biotechnology Company Limited <sup>#</sup>     | Henan Province  | 30%                        | Production and sales of denatured fuel ethanol, sales of acetone, butanol, polyols, production and sales of biodegradable plastics and biodiesel, sales of chemical products, wheat bran flour, feed sales, acetic acid and acetaldehyde production | 230,763                     | 6,988                                  | -                                                        | 6,988                                                                    | 4.44%                                            | -                                                                                                         | 221                                                                                                         |
| 8 Hunan South China New Energy Limited <sup>#</sup>                        | Hunan Province  | 30%                        | New energy technologies development, transfer and consultation, research and development, manufacturing and sales of chemical products, chemical reagents and auxiliaries (excluding hazardous chemicals and precursor chemicals)                   | 51,200                      | -                                      | -                                                        | -                                                                        | -                                                | -                                                                                                         | -                                                                                                           |
| 9 Hainan Keyi Huirui Energy and Biotechnology Company Limited <sup>#</sup> | Hainan Province | 30%                        | Biotechnology energy technology development transfer and consultation, research and development, manufacturing and sales of biotechnology energy and chemical equipment                                                                             | 117,450                     | -                                      | -                                                        | -                                                                        | -                                                | -                                                                                                         | -                                                                                                           |
| 10 Henan Zhongxin Petrochemical Oil Trading Limited <sup>#</sup>           | Henan Province  | 30%                        | Operating refined petroleum products                                                                                                                                                                                                                | 52,084                      | 20,096                                 | -                                                        | 20,096                                                                   | 12.78%                                           | -                                                                                                         | (561)                                                                                                       |
| 11 Henan Zhongxin Bioenergy Limited <sup>#</sup>                           | Henan Province  | 30%                        | Production and sales of fuel ethanol and related products                                                                                                                                                                                           | 52,084                      | 804                                    | -                                                        | 804                                                                      | 0.51%                                            | -                                                                                                         | (8,723)                                                                                                     |
| Sub-total:                                                                 |                 |                            |                                                                                                                                                                                                                                                     | 503,581                     | 27,888                                 | -                                                        | 27,888                                                                   |                                                  | -                                                                                                         | (9,063)                                                                                                     |
| Total:                                                                     |                 |                            |                                                                                                                                                                                                                                                     | 669,442                     | 41,667                                 | 164                                                      | 41,667                                                                   |                                                  | -                                                                                                         | (9,063)                                                                                                     |

# Management Discussion and Analysis

## PROSPECT

In addition to maintaining its focus on China's bioethanol sector, the Group will also closely monitor investment opportunities in the global virtual asset market. In complying with regulatory requirements in Hong Kong and relevant jurisdictions, we will accumulate industry experience and explore new growth drivers, while establishing a sound risk management framework to ensure that any related business expansion aligns with the Company's long-term investment strategy and the interests of its shareholders.

## LIQUIDITY, FINANCIAL RESOURCES AND GEARING

As at 30 June 2025, the Group had cash and cash equivalents of HK\$96,482,000 (2024: HK\$19,000). Majority of the cash and bank balances denominated in Hong Kong dollars, United States dollars and Renminbi which are placed with banks in Hong Kong and the PRC. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 30 June 2025 was approximately 5.11 times (2024: 4.95 times), gearing ratio (total liabilities to total assets) of the Group as at 30 June 2025 was approximately 13.33% (2024: 13.49%).

The Group did not have any bank borrowing as at 30 June 2025 (2024: Nil).

## FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the Year (2024: Nil).

## CAPITAL STRUCTURE

As at 30 June 2025, the Group's shareholders' equity and total number of shares in issue for the Company stood at HK\$157,237,000 (2024: HK\$165,143,000) and approximately 10,971,634,000 (2024: 10,971,634,000), respectively.

## EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

Hong Kong dollars and Renminbi are the main currencies of the Group to carry out its business transactions. During the Year, transactions in Renminbi were not significant, the Board considered that the Group's exposure to fluctuation in exchange rates was insignificant.

## CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

The Group had no material capital commitment during the Year and did not have any material contingent liabilities as at 30 June 2025 (2024: Nil).

## EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group had 6 (2024: 6) employees (including Directors). The total staff costs (including Directors' remuneration) of the Group for the Year was HK\$1,920,000 (2024: HK\$3,498,000). The remuneration package of the employees is determined by various factors including the employees' experience and performance, the market condition, industry practice and applicable employment law.

## PURCHASES, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares) during the Year. As at 30 June 2025, the Company did not hold any treasury shares.





### **MATERIAL ACQUISITION AND DISPOSAL AND SIGNIFICANT INVESTMENTS**

Saved for the disposal of investments as disclosed in the paragraphs headed “Listed Investment Review” and “Unlisted Investment Review” in this report, there were no material acquisitions, disposals of subsidiaries, associates and joint ventures and significant investments during the Year.

## Biographical Details of Directors and Senior Management

### EXECUTIVE DIRECTOR

**Mr. Du Lin Dong** (“Mr. Du”), aged 57, currently as the chief executive officer of the Company. He was also the chief executive officer of China Water Affairs Group Limited (Stock code: 855), a company listed on the main board of the Stock Exchange. Mr. Du has over 25 years’ experience in investment and finance sector in the PRC and he had held senior management positions in various unlisted investment companies incorporated in the PRC. Mr. Du is also the director of various subsidiaries of the Company.

### NON-EXECUTIVE DIRECTORS

**Mr. Liu Xiaodong** (“Mr. Liu”), aged 62, was first appointed as an independent non-executive Director on 5 January 2024 and was redesignated as a non-executive Director on 30 June 2025. He has over 30 years of experience in banking, asset management and investment sector. Mr. Liu was an executive director and chairman of the board of Cornerstone Financial Holdings Limited (formerly known as Focus Media Network Limited), a company listed on the GEM of the Stock Exchange (Stock Code: 8112) from January 2018 to July 2018. He was an executive director of Huarong International Financial Holdings Limited (“HIFH”), a company listed on the main board of the Stock Exchange (Stock Code: 993), from August 2015 to April 2017. He acted as the Chief Executive Officer of HIFH during the period from September 2015 to June 2016. He was appointed as the chairman of the board of directors of HIFH from March 2016 up to his resignation in April 2017. Prior to joining HIFH, Mr. Liu was a member of the senior management in China Huarong International Holdings Limited (“CHIH”), taking up the position of general manager of the business development department and deputy chief executive officer of CHIH. Before joining CHIH, Mr. Liu worked in various companies, taking management positions in Huarong Xiangjiang Bank, China CITIC Bank and Ping An Bank.

Mr. Liu obtained his bachelor degree in arts from Hunan Normal University in July 1983. Mr. Liu subsequently obtained his master degree in arts from Hunan Normal University in June 1989.

**Ms. Li Hongxi** (“Ms. Li”), aged 29, was appointed as a non-executive Director on 27 March 2025. Ms. Li obtained her Bachelor of Finance from Shenzhen University in 2020, Bachelor of Arts in Business Administration – Accounting and Finance from Washington State University in 2020, and Master of Professional Accounting from the University of Sydney in 2022. Ms. Li has experience in private equity investment and is currently a post-investment management manager of QHZH (SZ) Private Equity Fund Management Co., Ltd.\* (前海中船(深圳)私募股權基金管理有限公司), a position she held since 2023, and is primarily responsible for, among others, investment project execution, post-investment management, and other general corporate governance and company secretarial work.

Ms. Li is the daughter of Mr. Li Zebin, a Shareholder who holds approximately 6.03% of the entire issued share capital of the Company as at the date of this report.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Lei Zhiwei** (“Mr. Lei”), aged 60, was appointed as an independent non-executive Director on 5 January 2024. He has over 30 years of experience in various economics and finance sectors in China such as investment, banking and financial service. He has been the chairman of Shenzhen Ruikang Enterprise Development Co., Ltd.\* (深圳市瑞康企業發展有限公司) since April 2017. Mr. Lei was the chairman of Shenzhen Qianhai Juntai Investment Co., Ltd.\* (深圳前海均泰投資有限公司) from August 2016 to February 2017, the chairman of Huarong Qianhai Wealth Management Co., Ltd.\* (華融前海財富管理股份有限公司) from August 2014 to May 2016, and the chairman of Huarong (Hong Kong) International Holdings Co., Ltd.\* (華融(香港)國際控股有限公司) from January 2013 to July 2014. Mr. Lei was the president of Huarong Xiangjiang Bank\* (華融湘江銀行) (now known as Bank of Hunan Co. Ltd\*, 湖南銀行股份有限公司) (“Huarong Xiangjiang Bank”) from February 2010 to December 2012, an assistant to president in Ping An Bank\* (平安銀行) (“Ping An Bank”) from September 2006 to January 2010, an assistant to president in China CITIC Bank\* (中信銀行) (“China CITIC Bank”) from June 2000 to August 2006, an assistant to president in Shenzhen Development Bank Co., Ltd.\* (深圳發展銀行) from September 1997 to May 2000 and a bank officer in the Shenzhen Branch of People’s Bank of China\* (人民銀行深圳分行) from January 1990 to August 1997.

Mr. Lei obtained his bachelor degree in finance from Zhongnan University of Economics\* (中南財經大學) in July 1987, a master degree of economics from the Head Quarter of People’s Bank of China, Postgraduate Department\* (中國人民銀行總行研究生部) in January 1990 and a doctoral degree in economics from Southwestern University of Finance and Economics\* (西南財經大學) in July 2000. He was also a visiting scholar of The London School of Economics from November 1998 to February 2000. Mr. Lei has published or participated in authoring more than 100 journals and 11 books. Mr. Lei resigned as independent non-executive Director on 30 June 2025.

**Mr. Zong Shijian** (“Mr. Zong”), aged 54, was appointed as an independent non-executive Director on 5 January 2024. He has over 30 years of working experience in accounting field with Tianguan Group\* (天冠集團) (“Tianguan Group”). Mr. Zong joined Tianguan Group in September 1992 and has been working with Tianguan Group for more than 30 years and he has taken various positions in various member companies of Tianguan Group. He is currently the financial controller and assistant general manager of Tianguan Group. He worked as the financial controller and assistant to general manager in Henan Tianguan Energy Biochemical Technology Co., Ltd.\* (河南天冠能源生化科技有限公司) from May 2018 to May 2021. He was the financial controller of Luohe Tianguan Biochemical Co., Ltd.\* (漯河天冠生物化工有限公司) from May 2009 to May 2018. Mr. Zong was acting as accounting manager in Finance Department of Tianguan Group\* (天冠集團財務處) and from July 2000 to May 2009. From April 1994 to July 2000, he was the deputy director of the Planning and Finance Department of the Tianguan Group\* (天冠集團財務處計畫財務處). Mr. Zong worked as an accountant in Henan Tianguan Enterprise Group\* (河南天冠企業集團) from September 1992 to April 1994 and has been engaged in sales and tax accounting.

Mr. Zong obtained a diploma in technical economics from Shanghai Jiao Tong University in July 1992. He obtained a bachelor’s degree in economics management from Central Party School of the Communist Party of PRC in December 2005 and a bachelor’s degree in management in engineering from Air Force Engineering University\* (空軍工程大學) in June 2007. Mr. Zong also acquired the qualification of accountant in December 2004, senior economist and admitted as affiliate member of the Association of International Accountant in November 2007. Mr. Zong is also a senior professional manager of the China Entrepreneurs Association\* (中國企業家協會), a member of the Henan Association of Accountant, and a member of the expert committee of the Henan Senior Accountant Title Review Committee\* (河南省高級會計師職稱評定委員會). Mr. Zong has published more than 10 journals.

## Biographical Details of Directors and Senior Management

### INDEPENDENT NON-EXECUTIVE DIRECTORS *(continued)*

**Mr. Lu Lin** (“Mr. Lu”), aged 62, was appointed as an independent non-executive Director on 30 June 2025. He obtained his bachelor’s degree in business management from Wuhan University in 2004. Mr. Lu is a senior engineer in the PRC and has over 40 years of experience in electrical engineering. Since 2023, Mr. Lu has assisted the Henan Sinrow Group in the development of their wind and solar energy projects. Prior to that, Mr. Lu held the positions of (i) deputy general manager at Huaneng Luoyang Thermal Power Co., Ltd.\* (華能洛陽熱電有限責任公司) from 2011 to 2022, where he was responsible for the planning, construction, management, supervision and operation of two 350 megawatts (MW) power plants and the development and construction of the wind and solar energy plants with an aggregate output of 390 MW at Luoyang and Anyang, PRC; (ii) deputy executive general manager and general manager at Luoyang Yangguang Thermal Power Co., Ltd.\* (洛陽陽光熱電有限公司) from 2010 to 2011 where he was responsible for the operation of power plants and development of the thermal energy project; (iii) deputy executive general manager at Henan Nengxin Thermal Power Co., Ltd.\* (河南能信熱電有限公司) from 2005 to 2010, where he was responsible for the construction, operation and human resources management at two 210 MW output power plants; and (iv) deputy general manager at Xinyang Huayu Power Generation Co., Ltd.\* (信陽華豫發電有限責任公司) from 1997 to 2005 where he was responsible for the planning, construction, management and quality control of the two 300 MW output power plants.

**Mr. Liu Xiaohong** (“Mr. Liu XH”), aged 55, was appointed as an independent non-executive Director on 30 June 2025. He obtained his doctor of philosophy degree in electronic science and technology from Zhejiang University in 2001. Mr. Liu XH has over 24 years of experience in software development and software implementation management with applications ranging from finance, energy, transportation and smart city sectors. Mr. Liu XH is currently the chairman of Beijing Jilian Software Technology Co., Ltd.\* (北京集聯軟件科技有限公司), a position he held since 2013. Prior to that, Mr. Liu XH was the vice president of the smart city strategic business unit of Digital China from 2009 to 2012 and the consulting director of Great Wall Computer Software and Systems Co., Ltd.\* (長城計算機軟件與系統有限公司) from 2006 to 2008.

### COMPANY SECRETARY

During the Year, **Mr. Wong Tsz Lun** (“Mr. Wong”), aged 40, was the company secretary of the Company. He has over 10 years of experience in the fields of accounting, auditing and financial management. Mr. Wong obtained a bachelor’s degree in accounting from La Trobe University of Melbourne in Australia in 2006. He has been a member of the Hong Kong Institute of Certified Public Accountants since January 2011. Prior to joining the Group, Mr. Wong worked for Deloitte Touche Tohmatsu from January 2007 to August 2014. From October 2015 to December 2017, Mr. Wong was the company secretary of China Rongzhong Financial Holdings Company Limited (stock code: 3963), the issued shares of which are listed on the Stock Exchange. Mr. Wong resigned on 24 July 2024.

Following the resignation of Mr. Wong, **Mr. Hui Ching Yat** (“Mr. Hui”) has been appointed as the company secretary and an authorised representative of the Company under Rule 3.05 of the Listing Rules with effect from 24 July 2024. Mr. Hui, aged 27, is a practising solicitor and was admitted as a solicitor in Hong Kong in March 2023. Mr. Hui obtained his Bachelor of Laws from the University of Nottingham in 2019. His practice mainly focuses on the listings of companies on the Main Board and GEM of the Stock Exchange and he has extensive experience in Listing Rules compliance and company secretarial matters.

\* The English translation of the Chinese name of the relevant organisation or entity included in this report is for identification and reference only, and is not the official English name of such organisation or entity.



The Directors present their report and the audited financial statements for the year ended 30 June 2025.

## PRINCIPAL ACTIVITIES

The principal activities of the Company and its subsidiaries are investment holding and investing in listed and unlisted companies established and/or doing business in Hong Kong and other parts of the PRC. Details of the principal activities of the subsidiaries are set out in note 34 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the Year.

## OPERATING SEGMENT INFORMATION

Operating segment information of the Group is set out in note 6 to the financial statements.

## RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 61.

The Board does not recommend the payment of any dividend for the year ended 30 June 2025 (2024: Nil).

## RELATIONSHIP WITH SUPPLIERS, CUSTOMERS, EMPLOYEES AND OTHER STAKEHOLDERS

The Group understands the importance of maintaining a good relationship with its suppliers, customers, employees and other stakeholders to meet the Group's immediate and long-term goals. Although there were no major customers and suppliers during the Year, as disclosed in the section headed "Major Customers and Suppliers" on page 19 of this annual report, the Company has created a framework for motivating staff and a formal communication channel in order to maintain healthy relationships with its employees and other stakeholders.

## COMPLIANCE WITH LAWS AND REGULATIONS

The Group pays attention to legal and regulatory requirements in designing its policies and practices. Legal and compliance advisers will be engaged when necessary to ensure the Group operates in accordance with applicable laws and regulations.

## FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results, assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 134. This summary does not form part of the audited financial statements.

## PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in note 15 to the financial statements.

## SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and share-based payment transactions during the Year are set out in notes 26 and 28 to the financial statements, respectively.

# Report of Directors

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws (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.

## PURCHASES, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares) during the Year. As at 30 June 2025, the Company did not hold any treasury shares.

## RESERVES

Details of movements in the reserves of the Company and the Group during the Year are set out in note 35 to the financial statements and in the consolidated statement of changes in equity on page 63 respectively.

## DISTRIBUTABLE RESERVES

At 30 June 2025, the Company's reserves available for distribution, comprising share premium, contributed surplus and accumulated losses in aggregate, amounted to HK\$20,931 (2024: HK\$31,369) calculated in accordance with the Companies Act 1981 of Bermuda.

## MAJOR CUSTOMERS AND SUPPLIERS

A substantial portion of the Group's income is derived from the Group's investments and bank deposits and thus the disclosure of information regarding customers would not be meaningful. The Group has no major suppliers of which disclosure is required.

## DIRECTORS

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

### Executive Director

Mr. Du Lin Dong (*Chief Executive Officer*)

### Non-executive Directors

Mr. Liu Xiaodong (*re-designated as non-executive Director and appointed as Chairman on 30 June 2025*)

Ms. Li Hongxi (*appointed on 27 March 2025*)

### Independent non-executive Directors

Mr. Lei Zhiwei (*resigned on 30 June 2025*)

Mr. Liu Xiaodong (*re-designated as non-executive Director on 30 June 2025*)

Mr. Zong Shijian

Mr. Lu Lin (*appointed on 30 June 2025*)

Mr. Liu Xiaohong (*appointed on 30 June 2025*)



**DIRECTORS (continued)**

According to Bye-laws 88(1) and 88(2), at each annual general meeting, one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to, but not less than one-third, shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

According to Bye-law 87(2), any Director appointed to fill in a casual vacancy on the Board shall hold office only until the next general meeting of the Company and shall then be eligible for re-election at that meeting.

The Directors are subject to retirement by rotation and re-election in accordance with the provisions of the Bye-laws.

Biographical details of the Directors are set out on pages 14 to 16 of this annual report.

**DIRECTORS' SERVICE CONTRACTS**

Mr. Du Lin Dong entered into a service agreement with the Company on 23 June 2010, pursuant to which Mr. Du Lin Dong was appointed to act as executive Director and the chairman of the Board for a period of 3 years from the date of the agreement at an annual remuneration of HK\$3,000,000, a housing allowance of not more than HK\$50,000 per month and an annual fee of HK\$120,000 for his office as executive Director. Under the service agreement, either party needs to give not less than 3 months' written notice to the other party in case of early termination of the appointment. The service agreement was amended on 8 October 2013, 8 June 2015, 1 July 2016, 1 July 2017 and 28 February 2018, pursuant to which Mr. Du Lin Dong resigned as the chairman of the Board and was appointed as the chief executive officer of the Company on 8 October 2013, and appointed as the chairman of the Board on 8 June 2015, his annual remuneration was increased to HK\$5,000,000 with effect from 1 July 2016, decreased to HK\$3,000,000 with effect from 1 July 2017, increased to HK\$5,000,000 with effect from 28 February 2018, decreased to HK\$3,000,000 with effect from 1 January 2021 and decreased to HK\$700,000 with effect from 1 January 2024, respectively. The other terms of the service agreement remain unchanged.

Save as disclosed above, no Directors have entered into service contracts with the Company which are not determinable by the Company within 1 year without payment of compensation, other than statutory compensation.

# Report of Directors

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

As at 30 June 2025, the interests and short positions of the Directors and the chief executive in the shares, share options, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong (the "SFO")) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

### Long positions in ordinary shares of the Company

| Name of Director | Capacity                                                 | Number of issued ordinary shares held |                     |                     |                 | Approximate percentage of shareholding in the Company |
|------------------|----------------------------------------------------------|---------------------------------------|---------------------|---------------------|-----------------|-------------------------------------------------------|
|                  |                                                          | Personal interests                    | Interests of spouse | Corporate interests | Total interests |                                                       |
| Du Lin Dong      | Beneficial owner and interests of controlled corporation | 171,624,830                           | 34,400,000          | –                   | 206,024,830     | 1.88%                                                 |

*Note:* Mr. Du Lin Dong is personally holding 171,624,830 ordinary shares. The 34,400,000 ordinary shares were held by Ms. Liu Zan, who is the spouse of Mr. Du Lin Dong. Under SFO, Mr. Du Lin Dong is deemed to be interested in the ordinary shares in which Ms. Liu Zan is interested in and vice versa.

Save as disclosed above, as at 30 June 2025, none of the Directors nor the chief executive had or was deemed to have any interests and short positions in the shares, share options, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.



## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

The register of substantial shareholders maintained under section 336 of the SFO shows that as at 30 June 2025, the Company had been notified of the following substantial shareholders' interests or short positions, being 5% or more of the Company's ordinary shares and underlying shares:

### Long positions in the ordinary shares of the Company

| Name of Shareholder                          | Capacity                                              | Notes | Number of issued ordinary shares held |                     |                     |                 | Approximately percentage of shareholding in the Company |
|----------------------------------------------|-------------------------------------------------------|-------|---------------------------------------|---------------------|---------------------|-----------------|---------------------------------------------------------|
|                                              |                                                       |       | Personal interests                    | Interests of spouse | Corporate interests | Total interests |                                                         |
| Chen Jian                                    | Beneficial owner/ Interests of controlled corporation | (1)   | 663,600,000                           | –                   | 1,016,860,000       | 1,680,460,000   | 15.32%                                                  |
| Gan Xiaoqing                                 | Beneficial owner                                      |       | 1,117,780,000                         | –                   | –                   | 1,117,780,000   | 10.19%                                                  |
| Jumbo View Holdings Limited                  | Beneficial owner                                      | (1)   | 1,016,860,000                         | –                   | –                   | 1,016,860,000   | 9.27%                                                   |
| Huang Shiyong                                | Interests of controlled corporation                   | (2)   | –                                     | –                   | 1,000,000,000       | 1,000,000,000   | 9.11%                                                   |
| Huang Tao                                    | Interests of controlled corporation                   | (2)   | –                                     | –                   | 1,000,000,000       | 1,000,000,000   | 9.11%                                                   |
| Century Golden Resources Investment Co., Ltd | Beneficial owner                                      | (2)   | 1,000,000,000                         | –                   | –                   | 1,000,000,000   | 9.11%                                                   |
| Zhang Zuhao                                  | Beneficial owner                                      |       | 1,000,000,000                         | –                   | –                   | 1,000,000,000   | 9.11%                                                   |
| Li Zebin                                     | Beneficial owner                                      |       | 662,070,000                           | –                   | –                   | 662,070,000     | 6.03%                                                   |

#### Notes:

- (1) 88% of the issued share capital of Jumbo View Holdings Limited is owned by Chen Jian, Chen Jian is therefore deemed to be interested in the ordinary shares held by Jumbo View Holdings Limited.
- (2) 40% and 50% of the issued share capital of Century Golden Resources Investment Co., Ltd is owned by Mr. Huang Shiyong and Mr. Huang Tao, respectively, and Mr. Huang Shiyong and Mr. Huang Tao are therefore deemed to be interested in the ordinary shares held by Century Golden Resources Investment Co., Ltd.

Save as disclosed above, as at 30 June 2025, the Company has not been notified by any other persons, not being a Director or chief executive of the Company, who has interests or short positions in the ordinary shares and underlying shares of the Company representing 5% or more of the Company's issued share capital.

# Report of Directors

## **DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE**

No transaction, arrangement or contract of significance, to which the Company or its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

## **EMOLUMENTS OF DIRECTORS**

Details of the emoluments of the Directors are set out in note 11 to the financial statements.

The emoluments payable to the Directors are determined with reference to responsibilities, years of service and performance of each individual, the results of the Group and the prevailing market rates.

## **INDEPENDENT NON-EXECUTIVE DIRECTORS' INDEPENDENCE**

The Company has received, from each of the INEDs, an annual confirmation or a confirmation letter of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the INEDs are independent.

## **PERMITTED INDEMNITY PROVISION**

Pursuant to the Company's Bye-laws, Directors shall be indemnified out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to the Directors. The Company has taken out and maintained appropriate insurance cover in respect of potential legal actions against the Directors.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The Group's principal activity is investing in listed and unlisted investments and other related financial assets. Details of the principal risks and uncertainties relating to the investments of the Group are set out in notes 4, 30 and 31 to the financial statements. The activity of the Group is also affected by the volatility and uncertainty of the world wide economies.

## **ENVIRONMENTAL POLICIES**

The Group is devoted to promoting and maintaining the environmental and social sustainable development. As a responsible enterprise, the Company is in compliance with all the material relevant laws and regulations in Hong Kong in terms of the environmental friendliness, health as well as safety and adopts effective measures, conserves energy and reduces waste.

The Board is pleased to present you the environmental, social and governance report (the "ESG Report") set out on pages 40 to 55 of this annual report which depicts the performance on the sustainability of the Group.

## **EQUITY-LINKED AGREEMENTS**

Save for the share option scheme of the Company as disclosed in the "Share Option Scheme" section below, no equity-linked agreements were entered into by the Group, or existed during the Year.



## SHARE OPTION SCHEME

In light of the requirements of Chapter 17 of the Listing Rules, the Company adopted a share option scheme (the “Scheme”) on 15 December 2017. The principal terms of the share option scheme adopted by the Company on 15 December 2017 (the “Share Option Scheme”) are set out as follows:

### Purpose

The purpose of the Share Option Scheme is to provide an incentive or a reward to eligible persons for their contribution to our Group and/or to enable our Group to recruit and retain high-calibre employees and attract human resources that are valuable to our Group or any entity in which our Group holds any equity interest (“Invested Entity”).

### Participants

Subject to the provisions in the Share Option Scheme, the Board shall be entitled at any time and from time to time within the period of 10 years after the date of adoption of the Share Option Scheme to make an offer to any of the following classes of persons: (1) any employee (whether full-time or part-time) of our Company, any of our subsidiaries and any Invested Entity; (2) any director (including executive, non-executive and independent non-executive directors) of our Company, any of our subsidiaries or any Invested Entity; (3) any supplier of goods or services to any member of our Group or any Invested Entity; (4) any customer of our Group or any Invested Entity; and (5) any consultant, adviser, manager, officer or entity that provides research, development or other technological support to our Group or any Invested Entity.

### Total number of Shares available for issue

- (1) The maximum number of shares of the Company (the “Shares”) which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Company must not, in aggregate, exceed 30% of the total number of Shares in issue from time to time.
- (2) The total number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of our Company shall not exceed 10% of the total number of Shares in issue, without prior approval from the Company’s shareholders (the “Shareholders”). As at 30 June 2023, the outstanding number of options available for grant under the Share Option Scheme is 1,097,163,403 options to subscribe for Shares, representing 10% of the number of Shares in issue as at the date of adoption of the Share Option Scheme.

### Maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of the options granted and may be granted to any participants in any 12-month period must not exceed 1% of the Shares in issue (as for connected persons, not exceed 0.1% of the Shares in issue or the value of HK\$5 million), unless prior approval is obtained from the Shareholders.

### Time of acceptance and exercise of an option

Any offer made to a participant for an option must be taken up within 21 days from the date (the “Offer Date”) as specified in the offer letter issued by our Company, upon payment of HK\$1. Option may be exercised in whole or in part at any time before the expiry of the period to be determined and notified by the Board, which shall not be longer than 10 years from the Offer Date. Unless otherwise determined by the Board and specified in the offer letter at the time of the offer, there is neither any performance target that needs to be achieved by the grantee before an option can be exercised nor any minimum period for which an option must be held before an option can be exercised.

# Report of Directors

## SHARE OPTION SCHEME (*continued*)

### The subscription price

The subscription price for any Share under the Share Option Scheme is determined by the Board, and shall be at least the highest of: (i) the closing price of a Share on the Offer Date; (ii) the average closing price of a Share for the five business days immediately preceding the Offer Date; and (iii) the nominal value of a Share on the Offer Date.

### Life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date of adoption of the Share Option Scheme on 15 December 2017. Since the adoption of the Share Option Scheme, during the Year and up to the date of this report, no option has been granted and there has been no movement of any options granted (if any) under the Share Option Scheme. There is no option outstanding, granted, cancelled or lapsed during the Year.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in note 28 to the financial statements, at no time during the Year was the Company or any of its subsidiaries or fellow subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## CONTINUING CONNECTED TRANSACTIONS

During the Year, the Group had the following continuing connected transactions, certain details of which are disclosed in compliance with the requirements of Chapter 14A of the Listing Rules:

### (a) Non-exempted continuing connected transaction

#### ***Investment management agreement***

An investment management agreement (the "Investment Management Agreement") was entered into between the Company and an associate, China Financial International Investments & Managements Limited ("CFIIM") on 28 April 2020 to renew the appointment of CFIIM as the investment manager of the Company for a further period of three years effective from 29 April 2020 to 28 April 2023. Pursuant to the Investment Management Agreement, CFIIM is entitled to a management fee which is receivable monthly in arrears at the rate of 0.75% per annum of the aggregate market value of the portfolio managed by CFIIM on the last business day of each calendar month.

The Investment Management Agreement was entered into accordingly on 28 April 2023 to renew the appointment of CFIIM as the investment manager of the Company for a further period of three years effective from 29 April 2023 to 28 April 2026. Pursuant to the Investment Management Agreement, CFIIM is entitled to a management fee which is receivable monthly in arrears at the rate of 0.75% per annum of the aggregate market value of the portfolio managed by CFIIM on the last business day of each calendar month.

The aggregate management fees payable to CFIIM under the Investment Management Agreement and the New Investment Management Agreement are subject to the following caps:

- not exceeding HK\$500,000 annually from 29 April 2023 to 28 April 2026





## CONTINUING CONNECTED TRANSACTIONS *(continued)*

### (a) **Non-exempted continuing connected transaction *(continued)*** ***Investment management agreement (continued)***

During the Year, the aggregate management fees paid/payable by the Company to CFIIIM under the Investment Management Agreement together with the New Investment Management Agreement to CFIIIM amounted to HK\$115,000 (2024: HK\$117,000).

CFIIIM, being the investment manager of the Company, is regarded as a connected person of the Company by virtue of Rule 14A.08 of the Listing Rules. In addition, CFIIIM is an associate of the Company who holds 29% of the entire issued shares of CFIIIM. Accordingly, the services rendered under the Investment Management Agreement and the New Investment Management Agreement constitute a non-exempted continuing connected transaction of the Company.

The aforesaid continuing connected transaction has been reviewed by the INEDs of the Company. The INEDs confirmed that the aforesaid continuing connected transaction was entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) in accordance with the Investment Management Agreement and the New Investment Management Agreement on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Rongcheng (Hong Kong) CPA Limited (“RCHK”), the Company’s auditor, were engaged to report on the Group’s continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 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. RCHK have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transaction disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor’s letter has been provided by the Company to the Stock Exchange.

### (b) **Continuing connected transaction exempted from reporting, annual review, announcement and independent shareholders’ approval requirements** ***Custodian agreement***

Pursuant to the custodian agreement (the “Custodian Agreement”) dated 12 June 2007, the Company appointed Bank of Communications Trustee Limited as its custodian with effect from 12 June 2007. The custodian has agreed to provide securities services to the Company, including the safe custody and physical settlement of the securities in the investment portfolio of the Company, and the collection of dividends and other entitlements in respect of such securities. The Custodian Agreement will continue in force until it is terminated by either the Company or the custodian by giving to the other not less than 90 days’ notice in writing expiring at any time. Pursuant to the Custodian Agreement, the custodian fee is 0.05% of the net asset value, the minimum charge is HK\$4,000 per valuation per month and will be billed monthly (i.e., calculated on a monthly basis on the net asset value of the portfolio as at the month end), the fund service fee is HK\$4,000 per month, and the transaction fees are HK\$320 per transaction for listed securities and HK\$650 per unlisted/physical securities transaction. The custodian fee paid/payable during the Year amounted to HK\$157,000 (2024: HK\$156,000).

The custodian is regarded as a connected person of the Company by virtue of Rule 14A.08 of the Listing Rules. Accordingly, the Custodian Agreement constitutes a de-minimis continuing connected transaction of the Company under Rule 14A.76 of the Listing Rules.

# Report of Directors

## CONTINUING CONNECTED TRANSACTIONS (*continued*)

The INEDs also confirmed that (i) the aggregate value of the annual management fees paid and payable by the Company to the investment manager did not exceed the prescribed caps; and (ii) the aggregate value of the annual custodian fee to the custodian fell below the de-minimis threshold of the Listing Rules and would be exempted from the reporting, annual review, announcement and independent shareholders' approval requirements under the Listing Rules.

## CONNECTED TRANSACTION

During the Year, the Group did not have any connected transaction.

During the Year, on 7 February 2025, CFIIIM increased its share capital from HK\$1,000,000 to HK\$1,500,000. The issued shares of CFIIIM were increased from 1,000,000 shares to 1,500,000 due to its funding need to meet the requirement under the Financial Report Rules. The Company subscribed for 145,000 shares (the "CFIIIM Subscription") while another major shareholder of CFIIIM subscribed for 355,000 shares in CFIIIM. After the CFIIIM Subscription, the Company remained holding 29% of the entire issued shares of CFIIIM.

CFIIIM, being the investment manager of the Company, is regarded as a connected person of the Company by virtue of Rule 14A.08 of the Listing Rules. Hence, the CFIIIM Subscription was regarded as a connected transaction under Chapter 14A of the Listing Rules. Given that all the percentage ratios of the CFIIIM Subscription were less than 5% and the total consideration was less than HK\$3,000,000, the CFIIIM Subscription was fully exempt from reporting, announcement, circular and shareholders' approval requirements under the Listing Rules.

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, as at the date of this report, there is a public float of more than 25% of the issued share capital of the Company.

## AUDITOR

The consolidated financial statements of the Group for the year ended 30 June 2025 were audited by RCHK, who would retire at the conclusion of the forthcoming AGM of the Company, and being eligible, offer themselves for re-appointment. A resolution will be proposed to the shareholders at the forthcoming AGM to re-appoint RCHK as the auditor of the Company.

ON BEHALF OF THE BOARD

**Du Lin Dong**

*Chief Executive Officer*

Hong Kong

29 September 2025



The Board is committed to maintain good corporate governance standard and procedures to ensure the integrity, transparency and quality of disclosure in order to enhance the Shareholders' value.

During the Year, the Company has applied the principles and complied with the CG Code contained in Appendix C1 to the Listing Rules, save for the deviation below:

- (a) The code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company deviated from code provision C.2.1 in that the positions of both chairman and chief executive officer of the Company have been held by Mr. Du Lin Dong during the Year. Given the Group's stage of development, the Board considered that this structure did not impair the balance of power and authority between the Board and the management of the Company. Mr. Du Lin Dong possesses the essential leadership skills to manage the Board and extensive knowledge in the business of the Group. The Board considered that the dual-role structure was more suitable for the Company because it can promote the efficient formulation and implementation of the Company's strategies.

Nonetheless, the Board reviews the Company's management structure from time to time, and following the change of chairman of the Board with effect from 30 June 2025, Mr. Liu Xiaodong, non-executive director of the Company was appointed as chairman in place of Mr. Du Lin Dong. Subsequent to the above changes, the Company has been in compliance with code provision C.2.1 of the CG Code.

## DIRECTORS' SECURITIES TRANSACTION

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiry by the Company, all Directors have confirmed that they have fully complied with the Model Code throughout the Year.

## THE BOARD

The Board is responsible for leadership and control of the Company and oversees the Company's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors of the Board take decisions objectively in the interests of the Company. All Directors, including INEDs, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The Board reserves for its decision all matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions, financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

The Directors may have access to the advice and services of the company secretary of the Company with a view to ensure that the Board procedures, and all applicable rules and regulations, are followed.

In addition, the Directors may, upon reasonable request, seek independent professional advice in appropriate circumstance at the Company's expenses. The Board shall resolve to provide separate appropriate independent professional advice to the Directors to assist the relevant Directors to discharge their duties.

# Corporate Governance Report

## THE BOARD *(continued)*

### **Roles and responsibilities**

The Board is collectively responsible for leadership, direction, supervision, and control of the Company's affairs, aiming to promote the long-term success of the Group. It makes decisions objectively in the best interests of the Company and the Shareholders to achieve the strategic business objectives with a focus on value creation while managing business risks. The Board also sets internal policies to monitor and control the operating and financial performance of the Group.

The Executive Director has extensive experience in corporate management and professional knowledge. He participates in the day-to-day business operations of the Company. Non-executive Directors and independent non-executive Directors contribute a wide range of business, technological and financial experience, expertise, and international perspectives to the Board discussion. Independent non-executive Directors have years of experience in finance, audit, and corporate governance. They are involved in scrutinising the Group's performance, providing independent opinions and views, upholding corporate standards of conduct and monitoring reporting processes to achieve agreed corporate goals and strategic objectives.

The Board has delegated the authority and responsibilities to the Board committees and the senior management for formulating business plans, exploring new business opportunities, implementing strategies, and managing daily business administration and operations. The Board is monitoring and reviewing the performance of the delegated functions and work tasks on a regular ongoing basis proactively through reporting and meeting with the senior management.

All Board members are provided with sufficient resources to discharge their duties and have access to the senior management of the Company for requesting further information and documents related to the matters be discussed in the Board meetings, upon reasonable request, to seek independent professional advice under appropriate circumstances, at the Company's expense. All Directors also have access to the Company Secretary, who is responsible for ensuring the Board procedures and all applicable rules and regulations are complied with.

### **Composition**

During the Year and as at the date of this annual report, the Board comprises the following Directors:

#### **Executive Director**

Mr. Du Lin Dong (*Chief Executive Officer*)

#### **Non-executive Directors**

Mr. Liu Xiaodong (*Chairman*) (*re-designated as non-executive Director on 30 June 2025*)

Ms. Li Hongxi (*appointed on 27 March 2025*)

#### **Independent non-executive Directors**

Mr. Lei Zhiwei (*resigned on 30 June 2025*)

Mr. Liu Xiaodong (*re-designated as non-executive Director on 30 June 2025*)

Mr. Zong Shijian

Mr. Liu Xiaohong (*appointed on 30 June 2025*)

Mr. Lu Lin (*appointed on 30 June 2025*)



### THE BOARD *(continued)*

The Directors are, collectively and individually, aware of their responsibilities to the Shareholders. The Directors' biographical details are set out in the section of "Biographical Details of Directors and Senior Management" on pages 14 to 16 of this annual report.

The Board's constitution is governed by Bye-law 87(1) under which the number of Directors shall not be less than two and Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules under which every board of directors of a listed issuer must include at least three independent non-executive directors, at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise, and an issuer must appoint independent non-executive directors representing at least one-third of the board. Its composition also ensures that there is a balance of skills and experience appropriate to the requirements of the business of the Group and a balance of executive and non-executive Directors (including INEDs) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

To the best knowledge of the Board, there is no financial, business or family relationship among the members of the Board during the Year. All of them are free to exercise their individual judgments.

#### **Board Diversity Policy**

The Company has adopted a board diversity policy (the "Diversity Policy") which sets out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

Pursuant to the Diversity Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service. The Board and nomination committee (the "Nomination Committee") will review such objectives from time to time to ensure their appropriateness and the progress made towards achieving those objectives. The Company will also take into consideration its own specific needs from time to time in determining the optimum composition of the Board.

#### **Chairman and Chief Executive Officer**

The code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company deviated from code provision C.2.1 in that the positions of both chairman and chief executive officer of the Company have been held by Mr. Du Lin Dong during the Year. Given the Group's stage of development, the Board considered that this structure did not impair the balance of power and authority between the Board and the management of the Company. Mr. Du Lin Dong possesses the essential leadership skills to manage the Board and extensive knowledge in the business of the Group. The Board considered that the dual-role structure was more suitable for the Company because it can promote the efficient formulation and implementation of the Company's strategies.

Nonetheless, the Board reviews the Company's management structure from time to time, and following the change of chairman of the Board with effect from 30 June 2025, Mr. Liu Xiaodong, non-executive director of the Company was appointed as chairman in place of Mr. Du Lin Dong. Subsequent to the above changes, the Company has been in compliance with code provision C.2.1 of the CG Code.

# Corporate Governance Report

## THE BOARD *(continued)*

### Independent Non-executive Directors

To determine the non-executive Directors' independence, assessments are carried out upon appointment, annually and at any time where the circumstances warrant reconsideration. Each of the INEDs is appointed for a term of not more than 3 years and they are also subject to retirement by rotation at least once every 3 years in accordance with Bye-law 88(1) and the CG Code. Also, if an INED serves more than 9 years, his further appointment will be subject to a separate resolution to be approved by Shareholders in accordance with the CG Code.

The Company has received written annual confirmation from each INED of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all INEDs to be independent in light of the independence guidelines set out in the Listing Rules. The Board and the nomination committee of the Company (the "Nomination Committee") believe that their detailed knowledge and experience of the Group's business and their external experience continue to be of significant benefit to the Company and that they maintain an independent view of its affairs.

### Continuous Professional Development

The Company provides relevant reading materials to all of the Directors to help ensure that they are apprised of the latest changes in the commercial, legal and regulatory environment in which the Group conducts its businesses, and to refresh their knowledge and skills on the roles, functions and duties of a listed company director to ensure that the Directors' contribution to the Board remains informed and relevant. In addition, all Directors are encouraged to attend external forums or training courses on relevant topics which count towards Continuous Professional Development training.

|                                                              | Corporate governance/updates on laws<br>rules and regulations/finance/business |                                 |
|--------------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------|
|                                                              | Read materials                                                                 | Attended seminars/<br>briefings |
| <b>Directors</b>                                             |                                                                                |                                 |
| <b>Executive Director</b>                                    |                                                                                |                                 |
| Mr. Du Lin Dong                                              | ✓                                                                              | ✓                               |
| <b>Non-executive Directors</b>                               |                                                                                |                                 |
| Ms. Li Hongxi ( <i>appointed on 30 June 2025</i> )           | ✓                                                                              | ✓                               |
| Mr. Liu Xiaodong ( <i>redesignated on<br/>30 June 2025</i> ) | ✓                                                                              | ✓                               |
| <b>Independent non-executive Directors</b>                   |                                                                                |                                 |
| Mr. Lei Zhiwei ( <i>resigned on 30 June 2025</i> )           | ✓                                                                              | ✓                               |
| Mr. Zong Shijian                                             | ✓                                                                              | ✓                               |
| Mr. Liu Xiaohong ( <i>appointed on<br/>30 June 2025</i> )    | ✓                                                                              | ✓                               |
| Mr. Lu Lin ( <i>appointed on 30 June 2025</i> )              | ✓                                                                              | ✓                               |





## THE BOARD *(continued)*

### Meetings

Each Director makes every effort to contribute to the formulation of strategy, policy and decision-making by attending each meeting, whether in person or by telephonic conference, and each of them is prepared to contribute to the Group's business. All Directors are also encouraged to attend general meetings and develop a balanced understanding of the views of the Shareholders.

Besides the AGM, regular Board meetings and Board committees meetings are held for reviewing, discussing, considering and approving the financial and operating performance, the overall strategies and policies of the Company.

During the Year, 4 Board meetings, 2 audit committee (the "Audit Committee") meetings, 2 remuneration committee (the "Remuneration Committee") meeting, 1 Nomination Committee meeting, 1 executive committee (the "Executive Committee") meeting, 1 risk management committee (the "Risk Management Committee") meetings and 1 annual general meeting were held. The attendance record of each Director was as follows:

| Director                                                                           | Attendance/Number of Meetings |                         |                                |                              |                             |                                   |                 |
|------------------------------------------------------------------------------------|-------------------------------|-------------------------|--------------------------------|------------------------------|-----------------------------|-----------------------------------|-----------------|
|                                                                                    | Board Meeting                 | Audit Committee Meeting | Remuneration Committee Meeting | Nomination Committee Meeting | Executive Committee Meeting | Risk Management Committee Meeting | General Meeting |
| Mr. Du Lin Dong                                                                    | 4/4                           | N/A                     | 2/2                            | N/A                          | 1/1                         | 1/1                               | 1/1             |
| Mr. Lei Zhiwei ( <i>resigned on 30 June 2025</i> )                                 | 1/4                           | 1/2                     | N/A                            | N/A                          | N/A                         | 1/1                               | 1/1             |
| Mr. Liu Xiaodong ( <i>redesignated as non-executive Director on 30 June 2025</i> ) | 1/4                           | 1/2                     | N/A                            | N/A                          | N/A                         | N/A                               | 1/1             |
| Mr. Zong Shijian                                                                   | 1/4                           | 1/2                     | N/A                            | N/A                          | N/A                         | N/A                               | 1/1             |
| Ms. Li Hongxi ( <i>appointed on 27 March 2025</i> )                                | 3/4                           | N/A                     | N/A                            | N/A                          | N/A                         | N/A                               | N/A             |
| Mr. Lu Lin ( <i>appointed on 30 June 2025</i> )                                    | N/A                           | N/A                     | N/A                            | N/A                          | N/A                         | N/A                               | N/A             |
| Mr. Liu Xiaohong ( <i>appointed on 30 June 2025</i> )                              | N/A                           | N/A                     | N/A                            | N/A                          | N/A                         | N/A                               | N/A             |

# Corporate Governance Report

## BOARD COMMITTEES

The Company has five Board committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee, the Executive Committee and the Risk Management Committee, for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference which are available on the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)) and on the Company's website (except for the written terms of reference of the Executive Committee and the Risk Management Committee which are available to Shareholders upon request). All the Board committees should report to the Board on their decisions or recommendations made. The attendance record of the Board committee members for the Year is shown above.

All Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

### Audit Committee

As at 30 June 2025, the Audit Committee comprises the following members, all being the INEDs, namely, Mr. Zong Shijian (chairman of the Audit Committee), Mr. Lei Zhiwei (resigned on 30 June 2025), Mr. Liu Xiaodong (ceased to be a member on 30 June 2025), Mr. Liu Xiaohong (appointed on 30 June 2025) and Mr. Lu Lin (appointed on 30 June 2025). None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The main duties of the Audit Committee are reviewing the financial information and reports of the Group and considering any significant or unusual items raised by the financial officers of the Group or external auditors before submission to the Board; reviewing the relationship with and the terms of appointment of the external auditors and making the relevant recommendation to the Board; and reviewing the Company's financial reporting system, internal control and risk management system.

During the Year, the Audit Committee has performed the following major duties:

- reviewed and discussed the annual financial statements, results announcement and report for the year ended 30 June 2025, the related accounting principles and practices adopted by the Group and the relevant audit findings, the report from the management on the Company's internal control and risk management review and processes; and recommendation of the reappointment of the external auditors; and
- reviewed and discussed the internal control and risk management systems.

The external auditors attended all the above meetings to discuss with the Audit Committee members on issues arising from the audit and financial reporting matters.

There is no disagreement between the Board and the Audit Committee regarding the appointment of external auditors.

**BOARD COMMITTEES (continued)****Remuneration Committee**

As at 30 June 2025, the Remuneration Committee comprises the following members, namely, Mr. Du Lin Dong, an executive Director, Mr. Lei Zhiwei (resigned on 30 June 2025), Mr. Liu Xiaodong (re-designated on 30 June 2025), Mr. Liu Xiaohong and Mr. Lu Lin (as chairman) (both are INED and appointed 30 June 2025).

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's remuneration policy and structure and the remuneration packages of Directors and senior management. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his associates will participate in deciding his own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

During the Year, the Remuneration Committee has performed the following major duties:

- generally reviewed the remuneration policy and remuneration package of the Group;
- reviewed and approved the remuneration of the Directors; and
- determine the remuneration package for newly appointment directors.

Details of Directors' remuneration for the Year are disclosed in note 11 to the financial statements.

**Nomination Committee**

As at 30 June 2025, the Nomination Committee comprises the following members, Mr. Lei Zhiwei (resigned on 30 June 2025), Mr. Liu Xiaohong (chairman, appointed 30 June 2025), Mr. Liu Xiaodong and Mr. Zong Shijian.

The principal responsibilities of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board, formulating relevant procedures for nomination of Directors, identifying qualified individuals to become members of the Board and making recommendation to the Board on the appointment or re-appointment of Directors. The nomination should be taken into consideration of the nominee's qualification, ability and potential contributions to the Company and to review the board diversity policy, as appropriate and make recommendations on any required changes to the Board for consideration and approval, and monitor its implementation so as to ensure its effectiveness, and make disclosure of its summary and the progress of its implementation in the Corporate Governance Report.

During the Year, the Nomination Committee has performed the following major duties:

- reviewed the structure, size, composition and diversity of Board including the skills, knowledge and experience;
- made recommendations to the Board on the appointment and re-appointment of Directors;
- reviewed the policy and procedures for nomination of Directors; and
- assessed the independence of all the Company's INEDs.

# Corporate Governance Report

## **BOARD COMMITTEES *(continued)***

### **Nomination Committee *(continued)***

#### ***Selection Criteria***

The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate:

- (1) reputation for integrity;
- (2) accomplishment and experience in the business in which the Group is engaged in;
- (3) commitment in respect of available time and relevant interest;
- (4) diversity in all its aspects, including but not limited to race, gender, age (18 years or above), educational background, professional experience, skills and length of service;
- (5) qualifications which include professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- (6) the number of existing directorships and other commitments that may demand the attention of the candidate;
- (7) requirement for the Board to have independent non-executive Directors in accordance with the Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in Rules 3.08, 3.09 and 3.13 of the Listing Rules;
- (8) the Board Diversity Policy and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board; and
- (9) such other perspectives appropriate to the Company's business.

#### ***Director Nomination Procedure***

Subject to the provisions in the Bye-laws and the Listing Rules, if the Board recognises the need for an additional Director or a member of senior management, the following procedure will be followed:

- (1) The Nomination Committee and/or the Board will identify potential candidates based on the criteria as set out in the selection criteria, possibly with assistance from external agencies and/or advisors;
- (2) The Nomination Committee and/or the Company Secretary will then provide the Board with the biographical details and details of the relationship between the candidate and the Company and/or the Directors, directorships held, skills and experience, other positions which involve significant time commitment and any other particulars required by the Listing Rules, the Companies Act of the Cayman Islands and other regulatory requirements for any candidate for appointment to the Board;
- (3) The Nomination Committee would then make recommendation to the Board on the proposed candidate(s) and the terms and conditions of the appointment;



## BOARD COMMITTEES *(continued)*

### Nomination Committee *(continued)*

#### Director Nomination Procedure *(continued)*

- (4) The Nomination Committee should ensure that the proposed candidate(s) will enhance the diversity of the Board, being particularly mindful of gender balance;
- (5) In the case of the appointment of an independent non-executive Director, the Nomination Committee and/or the Board should obtain all information in relation to the proposed Director to allow the Board to adequately assess the independence of the Director in accordance with the factors set out in Rules 3.08, 3.09 and 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time; and
- (6) The Board will then deliberate and decide on the appointment based upon the recommendation of the Nomination Committee.

### Executive Committee

The Executive Committee comprises the executive Director, namely, Mr. Du Lin Dong (chairman of the Executive Committee). The Executive Committee has been authorised to make investment decisions on behalf of the Group and operate normal course of business of the Group.

### Risk Management Committee

The Risk Management Committee comprises the following members, namely, Mr. Du Lin Dong (chairman of Risk Management Committee), an executive Director, and Mr. Liu Xiaohong, an INED. It is mainly responsible for enhancing and strengthening the system of risk management of the Group related to the unlisted investments and providing comments and recommendations thereon to the Board, and identifying such risks of the Group and providing recommendations to the Board.

### Corporate Governance Functions

The Board is responsible for the corporate governance functions with the following duties:

- to develop and review the Company's policies and practices on corporate governance and make recommendations on changes and updating;
- to review and monitor the training and continuous professional development of Directors;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;
- to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report; and
- such other corporate governance duties and functions set out in the CG Code (as amended from time to time) for which the Board are responsible.

# Corporate Governance Report

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

The Directors acknowledge their responsibilities for the preparation of the financial statements of the Company and ensure that they are prepared in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of such financial statements.

The statement of the external auditor of the Company, Rongcheng (Hong Kong) CPA Limited, with regard to their reporting responsibilities on the Company's financial statements, is set out in the "Independent Auditor's Report" on page 56 of this Annual Report.

## RULE 3.09D CONFIRMATIONS

During the year ended 30 June 2024 and 30 June 2025, Mr. Lei Zhiwei (subsequently resigned on 30 June 2025), Mr. Liu Xiaodong, Mr. Zong Shijian, Ms. Li Hongxi, Mr. Liu Xiaohong and Mr. Lu Lin have been appointed as Directors. Prior to their appointments becoming effective, each of them has confirmed that he/she (i) has on the respective dates set out below obtained legal advice from a firm of solicitors qualified to advise on Hong Kong laws as regards the requirements under the Listing Rules that are applicable to him/her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange and (ii) understood his/her obligations as a director of a listed issuer.

| Name of Director | Date of obtaining legal advice |
|------------------|--------------------------------|
| Mr. Lei Zhiwei   | 5 January 2024                 |
| Mr. Liu Xiaodong | 5 January 2024                 |
| Mr. Zong Shijian | 5 January 2024                 |
| Ms. Li Hongxi    | 21 March 2025                  |
| Mr. Liu Xiaohong | 30 June 2025                   |
| Mr. Lu Lin       | 30 June 2025                   |

## COMPANY SECRETARY

With effect from 24 July 2024, Mr. Wong Tsz Lun resigned as the company secretary of the Company (the "Company Secretary") and an authorised representative of the Company under Rule 3.05 of the Listing Rules (the "Authorised Representative"), and Mr. Hui Ching Yat ("Mr. Hui") was appointed as the Company Secretary and an Authorised Representative. The Company Secretary supports the Board, ensures good information flow within the Board and Board policy and procedures are followed; advises the Board on governance matters, facilitates induction and, monitors the training and continuous professional development of Directors. Mr. Hui has attained not less than 15 hours of relevant professional training during the current Year under review. His biography is set out in the "Biographical Details of the Directors and Senior Management" section of this report.





## RISK MANAGEMENT AND INTERNAL CONTROLS

The Group is committed to set up and maintain an effective risk management and internal control systems which is devised to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage and minimize rather than eliminate the risks of failure in the Group's operational systems.

The Board is responsible for maintaining a sound and effective risk management and internal control systems particularly in respect of the controls on financial, operational, compliance and risk management, to achieve the Group's business strategies and business operations and safeguard the Shareholders' investment and the Company's assets.

During the Year, the outsourced internal auditor was responsible for the review and appraisal on the effectiveness of financial, operational and compliance controls and risk management of the Group, provided reports to the Audit Committee in three phases with highlighting observations and recommendations to improve the risk management and internal control systems. The Audit Committee also reviewed the adequacy of the scope, functions, competency and resources of the outsourced internal audit functions.

The Audit Committee considered that there was no material defect in the Company's internal control review report. After discussion with the Audit Committee, the Board and management considered that the recommendations were reasonable and would implement the relevant procedures accordingly.

The Board, through the Audit Committee, reviewed the overall effectiveness of the Group's risk management and internal control systems during the Year, including financial, operational, compliance and risk management. The Board was of the view that the existing risk management and internal control systems are effective and adequate to the Group.

## AUDITOR'S REMUNERATION

The Audit Committee reviews each year with the external auditor of the Group with regards to their independence, appointment, the scope of audit, fees, and the scope and appropriate fees for any non-audit services provided by them.

During the Year, the fees paid/payable to the Group's external auditor, Rongcheng (Hong Kong) CPA Limited, in respect of audit services and non-audit services amounted to HK\$1,000,000 (2024: HK\$1,000,000) and HK\$250,000 (2024: Nil), respectively. It should be noted that the non-audit services, e.g. interim financial statements and results announcements, provided by the external auditor during the Year were incidental to their audit services.

# Corporate Governance Report

## COMMUNICATIONS WITH SHAREHOLDERS

The Board recognises the importance of continuing communications with the Shareholders and investors, and maintains ongoing dialogues with them through various channels. The primary communication channel between the Company and its Shareholders is through the publication of its interim and annual reports. The Company's share registrars serve the Shareholders with respect to all share registration matters. The Company's general meetings provide a useful forum for Shareholders to exchange views with the Board. The Board members and management of the Company are available to answer Shareholders' questions and explain the procedures for demanding and conducting a poll, if necessary. Any relevant information and documents on proposed resolutions are normally sent to all Shareholders at least 21 days before the AGM.

All Shareholders' communications, including interim and annual reports, announcements and press releases are available on the Company's website at <http://www.irasia.com/listco/hk/cfii>.

A Shareholders' communication policy of the Company (the "Communication Policy") has been adopted by the Company to maintain an on-going dialogue with Shareholders and encourage them to communicate actively with the Company and also establishing and reviewing the Communication Policy on a regular basis to ensure its effectiveness, details of the Communication Policy are available on the Company's website.

## SHAREHOLDERS' RIGHTS

### Right to convene special general meeting

In accordance with the Company's Bye-law 58, the Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, 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. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Companies Act 1981 of Bermuda.

Any number of Shareholders representing not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the company, or, in the case of the Company not having a share capital, members of the Company representing not less than one-tenth of the total voting rights of all the members having at the said date a right to vote at general meetings of the Company, forthwith proceed duly to convene a special general meeting of the Company. Shareholders should follow the procedures as set out in Section 79 of the Companies Act 1981 of Bermuda for putting forward such proposals.

### Right to put enquiries to the Board

Shareholders may at any time send their written enquiries or requests in respect of their rights to the principal place of business of the Company in Hong Kong at Suite 2001, 20th Floor, Tower 1, The Gateway, Harbour City, Kowloon, Hong Kong, for the attention of the Board.



## INVESTOR RELATIONS

### Constitutional Documents

There were no changes in the Company's constitutional documents during the Year. An up-to-date version of the Company's constitutional documents is available on the websites of the Stock Exchange and the Company.

### General Meetings

General meetings, including AGM, are an important forum where communications with the Shareholders can be effectively conducted. The annual general meeting for 2024 was held at Suite 2001, 20th Floor, Tower 1, The Gateway, Harbour City, Kowloon, Hong Kong, on 27 June 2025. All resolutions proposed were duly passed. Details of the poll results were posted on the websites of the Stock Exchange and the Company.

The Company keeps on promoting investor relations and enhancing communication with the existing Shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public who may contact the Company by phone on (852) 3542 5373 during normal business hours, by fax at (852) 3542 5370 or by e-mail at [info@cfii.com.hk](mailto:info@cfii.com.hk).

# Environmental, Social and Governance Report

We are pleased to present our annual ESG Report for the year ended 30 June 2025 for the Company which outlines the policies and performance on the sustainability of the Group.

The Board recognises the importance of and acknowledges the responsibility for the strategy and reporting on the environmental and social areas of the Group. While achieving our goals and business objectives, the Company works to minimise and manage environmental and social impacts arising from its daily operations and contribute to the long-term well-being of the communities in which it operates.

## REPORTING PERIOD

Unless otherwise stated, the ESG Report covers the period from 1 July 2024 to 30 June 2025 (“reporting period”).

## REPORTING SCOPE

Our ESG Report covers the principal activities of the Company and its principal subsidiaries which are principally engaged in investing in listed and unlisted companies established and/or doing business in Hong Kong and the PRC.

## REPORTING BASIS

The ESG Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide as set out in Appendix C2 of the Listing Rules and has complied with the “comply or explain” provisions. During the process of preparation of this ESG Report, we summarized the Group’s performance in corporate social responsibility based on the principles of “Materiality, Quantitative, Balance and Consistency”. Please refer to the table below for our understanding and response to such reporting principles.

| Reporting Principles | Definitions                                                                                                                                                                                                 | Our Response                                                                                                                                                                                  |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Materiality          | The issues covered in the ESG Report should reflect the significant impacts of the Group on the economy, environment and society, or the scope of assessments and decisions of stakeholders being affected. | Through continuous communication with stakeholders, combined with the Group’s strategic development and business operations, we can identify current material sustainable development issues. |
| Quantitative         | The ESG Report should disclose key performance indicators (“KPIs”) in a measurable manner.                                                                                                                  | The Group quantitatively discloses its environmental and social KPIs, and provides textual explanations on quantitative resources.                                                            |
| Balance              | The ESG Report should reflect fairly the overall sustainability performance of the Group.                                                                                                                   | The Group has explained in detail the sustainable development issues that have a significant impact on the business, including the results achieved and the challenges it faced.              |
| Consistency          | The Group should use consistent disclosure principles for the preparation of the ESG Report.                                                                                                                | The Group will ensure that the disclosure scope and reporting methods of the ESG Report are generally consistent every year.                                                                  |



## SOURCE OF INFORMATION

The information disclosed in this ESG Report is derived from the Group's formal documents, statistics or public information. The Board is responsible for the truthfulness, accuracy and completeness of its contents.

## ACCESS TO THE ESG REPORT

The ESG Report is available in Chinese and English versions. In case of any discrepancy between the Chinese and English versions of the ESG Report, the English version shall prevail. You may access the Group's official website at <http://www.irasia.com/listco/hk/cfii> or the website of the Stock Exchange at <http://www.hkex.com.hk> for an electronic copy of the ESG Report.

## CONTACT INFORMATION

The Group welcomes your feedback on the ESG Report for our sustainability initiatives. Please contact us through our Company's website <http://www.irasia.com/listco/hk/cfii>.

## SUSTAINABILITY GOVERNANCE

The Group has established an ESG framework to promote and implement the Group's sustainability strategy. To ensure effective ESG management, our ESG governance structure, composed of the Board, ESG working group, respective functional departments and subordinate companies, was established to promote ESG management and disclosure. The Board, the ultimate decision-making body of the Group, is responsible for the Group's ESG governance. The Board steers the Group's sustainable development forward and bears the overall responsibility for its ESG efforts. In the future, the Board will continue to strengthen ESG risk management and improve the ESG working mechanism and regulatory processes to enhance its ESG governance standard. The ESG working group, serving at the supervision and coordination level, is responsible for implementing ESG governance strategy, coordinating ESG matters, compiling ESG reports, and reporting relevant work progress to the Board on a regular basis. Each functional department and subordinate company, serving on the execution level, is responsible for rolling out initiatives set up by the ESG working group and reporting relevant work progress and data.



# Environmental, Social and Governance Report

## MATERIALITY ASSESSMENT

The Group attaches importance to the materiality assessment of ESG issues for the purpose of timely and comprehensive understanding of the materiality of each ESG issue to the business development of the Group and the expectation of stakeholders, in order to facilitate the Group's effective disclosure of ESG information and continuous improvement in the management level of relevant issues. The materiality assessment on ESG issues of the Group during the reporting period covers the following steps:

- Step 1 The Group identified the following 21 issues in accordance with the disclosure requirements set out in the ESG Reporting Guide and based on the business characteristics and daily operations of the Group. These issues are considered to have impacts on the environment and society during our operation.
- Step 2 Based on the understanding of the demands and expectations of stakeholders during the daily operation, the Group determined the materiality of ESG issues by benchmarking the key points and the trend of ESG works of industry peers.
- Step 3 Based on the results of the materiality assessment, the Group discussed and determined the key disclosure of the ESG Report during the reporting period and the key points for improvement in the future ESG work of the Group.

| Social Aspects                             |                                               |                                                       |                          | Environmental Aspects        |                                          |
|--------------------------------------------|-----------------------------------------------|-------------------------------------------------------|--------------------------|------------------------------|------------------------------------------|
| 1. <b>Equal opportunity</b>                | 5. Prevention of child labor and forced labor | 9. Complaint handling                                 | 13. Community investment | 14. Exhaust emissions        | 18. Water consumption                    |
| 2. <b>Employment and employee benefits</b> | 6. Selection and evaluation of suppliers      | 10. <b>Protection of intellectual property rights</b> |                          | 15. Greenhouse gas emissions | 19. Paper consumption                    |
| 3. Occupational health and safety          | 7. Control and management on supply           | 11. <b>Customer data</b>                              |                          | 16. Waste management         | 20. Management of environment and nature |
| 4. Employee development and training       | 8. Service quality                            | 12. <b>Anti-corruption and money laundering</b>       |                          | 17. Energy consumption       | 21. Climate change                       |

According to the results of the materiality assessment, 5 material topics (*note*) are regarded as the most concerned issues of stakeholders and the Group. While taking into account environmental and social responsibilities, the Group will pay more attention to the above areas, and will strive to achieve continuous improvement and sustainable business development.

*Note:* Presented in bold.



## ENVIRONMENTAL PROTECTION

### Environmental Policies and Performance

The Group is committed to building an eco-friendly corporation that tries to reduce the impact of its operations on the environment. The Group's principal investment objective is to achieve long-term capital appreciation of assets through investments primarily in equity and equity-related investments in companies operating in Hong Kong and the PRC. Its operation is office based with limited energy and water consumption, the direct impact on the environment is minimal. During the reporting period, the Group's motor vehicle was not in use and remained parked in the car park for an extended period. During this period, the Group's most significant environmental impact was electricity consumption in the office through the use of lights, air conditioners and office equipment.

Accordingly, the Group adopts various practices to prevent pollution, reduce waste, increase recycling and minimize natural resource use by continually improving our environmental management practices and measures. Through an environmental protection guideline sent during the reporting period which mainly suggests ways to reduce energy and paper consumption, we educate our staff to adopt responsible behavior and promote environmental protection in our workplace.

To save paper, employees are encouraged to use duplex printing for internal documents; facilities and procedures are in place for paper waste recycling; and the Group has strived for long to establish a paperless office by using electronic storage and communication whenever possible.

The impact of freshwater use is relatively insignificant for the Group and we did not encounter any problems in sourcing water that is fit for purpose. Water charges do not form a separate item in the rent, yet the Group encourages staff to reduce water wastage in daily operations.

We also took different measures to minimize environmental impact by saving electricity and encouraging the recycling of office supplies and other materials such as (1) the room temperature should be set at an appropriate range, (2) power supply should be switched off when they are not in use and (3) preference will be given to office equipment with relatively high energy efficiency.

During the reporting period, the Group consumed/generated no significant hazardous waste, non-hazardous waste, water and packaging materials due to its business nature. The Group is not aware of any material violation in all applicable environmental laws and regulations during the reporting period. Since the Group's business does not produce a significant amount of emission or energy usage, it will not be meaningful for us to establish any quantitative target or process to track the achieved result. We believe the implementation of the measures as referred to above has promoted the Group's employees' awareness of the importance of resources saving and environmental protection.

### The Environment and Natural Resources

The Group raises staff's awareness of environmental issues through education and training and enlists employees' support in improving the Group's performance, promotes environmental awareness among customers, business partners and shareholders and supports community activities in relation to environmental protection and sustainability and evaluates regularly and monitors past and present business activities impacting health, safety and environmental matters. With the integration of policies mentioned above, the Group strives to minimise the impacts on the environment and natural resources.



# Environmental, Social and Governance Report

## ENVIRONMENTAL PROTECTION *(continued)*

### Climate Change

The Group is committed to mitigating climate change and enhancing its resilience to adapt to the increasing threat of climate-related consequences.

Although climate change may not bring direct impacts on the Group's business, the Group, as a supporter of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), has assessed the potential climate related risks that it may face under different climate scenarios. The Group identified the rising average temperature and increasing severity and likelihood of extreme weather events such as typhoons and rainstorms as major physical risks impacting our daily operations.

The Group's ESG working group is responsible for identifying and assessing any climate-related risks to which the Group's operations are exposed, and updating the Board with the latest news and developments on climate regulations and industry benchmark. In order to cope with climate-related risk, the Group implemented an emergency response mechanism as stipulated in our Staff Manual such as work from home so as to cope with extreme weather. Such contingency plan has become a part of standardized operation procedures of the Group to quickly and adequately respond to any impact of extreme weather conditions.

In the future, we will continue to identify potential business activities that impact the environment and develop corresponding improvement measures, so as to further prevent the possible negative impacts of our operation on climate change.

## EMPLOYMENT AND LABOUR PRACTICES

### Employment

People are the foundation of our business success and we treat employees as our greatest asset. To attract and retain our high-calibre labour force, the Group has implemented policies and procedures to achieve an effective human capital management system, covering compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.

We promote a culture of diversity and respect and strive to provide a fair and inclusive work environment free from all kinds of discrimination for employees to achieve their goals and pursue their career objectives.

The Group places emphasis on maintaining a team of high-caliber talent and provides competitive remuneration and welfare packages. The Group has endeavored to review and improve its remuneration system on a regular basis to remain competitive. With an aim to facilitate the retention of talent, the Group offers, in addition to salaries and bonuses, various benefits including an education allowance, a housing allowance, the Mandatory Provident Fund, meal allowances and compensation for mobile communication.

The Group is not aware of any non-compliance with relevant laws and regulations in relation to employment during the reporting period that have a significant impact on the Group.



## EMPLOYMENT AND LABOUR PRACTICES *(continued)*

### Health and Safety

The Group has established relevant policy to provide a healthy and safe working environment for the employees. The Group will maintain its office premises from time to time in order to provide a safe working place for the employees. The Group also encourages employees to participate in recreational activities organised by outside parties.

The Group regularly promotes employees' occupational safety and health good practices at work in the aspects of lighting condition, use of office equipment, office safety, computer workstation design and working posture through briefing and various communication channels, resulting in a better quality of working environment.

Besides, the Group also equipped the office with below to provide a comfortable working environment for employees including:

- provision of adjustable working chairs and seats;
- provision of sufficient storage space for a more spacious desk area;
- keeping objects and tools easily reachable and conveniently located; and
- installation of air cleaning systems.

The Group is not aware of any non-compliance with relevant laws and regulations in relation to health and safety in the working environment during the reporting period that have had a significant impact on the Group.

### Development and Training

Due to our business nature, on-the-job training and continuous professional development for professional qualifications are important elements to enhance the industry knowledge of the employees of the Group. The Group encourages employees to attend training courses (e.g. Listing Rules and accountancy related seminars) and reimbursement will be made by the Group for those job-related training courses. Besides, the Group circulates relevant reference materials for the employees' self-study.

# Environmental, Social and Governance Report

## EMPLOYMENT AND LABOUR PRACTICES *(continued)*

### Labour Standards

The Company complies with all applicable labour laws and regulations on employment in Hong Kong and the countries in which the Company or its subsidiaries operate.

The Group considers child and forced labour unacceptable and has to be prevented. It respects human rights and takes this factor seriously when making investments. The Group has not invested, to the best of its knowledge, in any company which has historical records of employing child or forced labour.

The Group believes it is important to recruit employees of high quality; a very comprehensive screening has been part of the recruitment processes.

Employee work schedules are set up consistent with standard working hours adopted within the industry. All employees are provided with appropriate leave entitlements, including annual leave, sick leave, marriage leave, maternity leave, examination leave and compassionate leave etc.

During the reporting period, the Group has complied with policies and relevant laws and regulations regarding prevention of child labour or forced labour.

## OPERATING PRACTICES

### Supply Chain Management

The Group's general business suppliers include providers of financial information, legal and securities brokerage services. The Group is committed to ensuring that its supply chain management is socially responsible. We implemented a selection process on its suppliers taking into consideration such elements as their qualifications, reputation, past performance, financial strength and price.

### Product Responsibility

The Group invests in companies operating in diversified industries. It will take into account environmental, public health, safety, and social issues associated with target companies when evaluating its investment decisions.

### Intellectual Property

Due to our business nature, the impact of observing and protecting intellectual property rights is considered as not material to our operations by management. We have not received any material claim against us for infringement of any trademark nor were we aware of any pending or threatened claims in relation to any such infringement, nor had any material claim been made by us against third parties in relation to the infringement of intellectual property rights owned by us or third parties during the reporting period.



## OPERATING PRACTICES *(continued)*

### Privacy Protection

The Group is committed to ensuring personal data and privacy of its customers are kept confidential. In addition to complying with the relevant provisions of the Personal Data (Privacy) Ordinance, the Group has implemented various measures to prevent unauthorized access of customers' data, such as installation on all computers together with backup services security features which require password access to information stored on the hard disk or server. In addition, all staff members are reminded of the importance of keeping confidential any aspects of the Group's business and the need to comply with the "Code of Confidentiality" whose details are laid down in the Staff Manual.

During the reporting period, there were no cases of non-compliance with the relevant laws or regulations regarding product responsibility.

### Anti-corruption

The Group is committed to ensuring that no bribes, payment or advantages are solicited from or given or offered to any persons, whether in the public or private sector, for any purpose, which can ensure the strict adherence to the Prevention of Bribery Ordinance. The Group regards honesty, integrity and fair play as the core values that must be upheld by our colleagues at all times. Thus, the Group has formulated a whistle-blowing policy to promote business ethics and integrity so as to avoid suspected corruption, extortion and money laundering. Employees can report suspected corruption through reporting channels such as emails. If there are any suspected cases of corruption, employees are encouraged to report the related cases through the mentioned channels. Anti-corruption training materials were circulated to employees of the Company for self-study.

The Group has been in strict compliance with law and regulation related to anti-corruption. During the reporting period, there was no legal case regarding corrupt practices brought against the Group or its employees.

## COMMUNITY

### Community Investment

The Group is fully aware of the importance of interacting with the wider community in fulfilling corporate social responsibility. In this aspect, the Group would explore the possibility to identify suitable partners and support community and environmental programmes that align with the Group's missions and values.

# Environmental, Social and Governance Report

## APPENDIX I OVERVIEW OF KEY PERFORMANCE INDICATORS

### 1. Environmental Aspects<sup>1&2</sup>

| No. of KPIs                          | KPIs                                          | Unit                                      | 2025            | 2024     |
|--------------------------------------|-----------------------------------------------|-------------------------------------------|-----------------|----------|
| <b>A1.1 Emissions</b>                | Sulphur Dioxide                               | kg                                        | <b>0.00</b>     | 0.00     |
|                                      | Nitrogen Oxides                               | kg                                        | <b>0.00</b>     | 0.00     |
|                                      | Particulate Matter                            | kg                                        | <b>0.00</b>     | 0.00     |
| <b>A1.2 Greenhouse gas emissions</b> | Scope 1 Direct emissions                      | kg of CO <sub>2</sub> e                   | <b>0.00</b>     | 0.00     |
|                                      | Scope 2 Indirect emissions                    | kg of CO <sub>2</sub> e                   | <b>1,128.22</b> | 1,166.49 |
|                                      | <b>Total</b>                                  | kg of CO <sub>2</sub> e                   | <b>1,128.22</b> | 1,166.49 |
|                                      | <b>Intensity</b>                              | kg of CO <sub>2</sub> e/<br>square meters | <b>9.6</b>      | 9.9      |
| <b>A1.4 Non-hazardous waste</b>      | Total non-hazardous waste (paper consumption) | kg                                        | <b>17.18</b>    | 17.34    |
|                                      | <b>Intensity</b>                              | kg/square meters                          | <b>0.15</b>     | 0.15     |
| <b>A2.1 Energy consumption</b>       | Unleaded petrol                               | kWh                                       | <b>0</b>        | 0        |
|                                      | Purchased electricity                         | kWh                                       | <b>2,969.00</b> | 2,991.00 |
|                                      | <b>Total</b>                                  | kWh                                       | <b>2,969.00</b> | 2,991.00 |
|                                      | <b>Intensity</b>                              | kWh/square meters                         | <b>25.30</b>    | 25.49    |

#### Notes:

- Unless otherwise stated, the emission factors used in calculating the environmental KPIs in this ESG Report are based on the "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the HKEx and the "2024 Sustainability Report – ESG Database" issued by CLP Power Hong Kong Limited.
- Intensity is calculated based on the area of Hong Kong office during the reporting period amounting to 117.34 square meters (2024: 117.34 square meters).



## APPENDIX I OVERVIEW OF KEY PERFORMANCE INDICATORS (continued)

### 2. Social Aspects

| No. of KPIs                                            | KPIs                                                                                                    | Unit   | 2025 | 2024 |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------|--------|------|------|
| <b>B1.1 Total number of employees</b>                  | <b>By gender</b>                                                                                        |        |      |      |
|                                                        | Male                                                                                                    | person | 4    | 4    |
|                                                        | Female                                                                                                  | person | 2    | 2    |
|                                                        | <b>By employment type</b>                                                                               |        |      |      |
|                                                        | Full-time                                                                                               | person | 6    | 6    |
|                                                        | Part-time                                                                                               | person | Nil  | Nil  |
|                                                        | <b>By age group</b>                                                                                     |        |      |      |
|                                                        | 30 or below                                                                                             | person | Nil  | Nil  |
|                                                        | 31–40                                                                                                   | person | 2    | 1    |
|                                                        | 41–50                                                                                                   | person | Nil  | Nil  |
|                                                        | 51 or above                                                                                             | person | 4    | 5    |
|                                                        | <b>By employment category</b>                                                                           |        |      |      |
|                                                        | Normal                                                                                                  | person | 1    | 2    |
|                                                        | Middle                                                                                                  | person | Nil  | Nil  |
|                                                        | Senior                                                                                                  | person | 5    | 4    |
|                                                        | <b>By geographical region</b>                                                                           |        |      |      |
|                                                        | Hong Kong                                                                                               | person | 6    | 6    |
|                                                        | The PRC                                                                                                 | person | Nil  | Nil  |
| <b>B1.2 Employee turnover rate</b>                     | <b>Turnover rate by gender</b>                                                                          |        |      |      |
|                                                        | Male                                                                                                    | %      | Nil  | 75   |
|                                                        | Female                                                                                                  | %      | Nil  | 50   |
|                                                        | <b>Turnover rate by age group</b>                                                                       |        |      |      |
|                                                        | 30 or below                                                                                             | %      | Nil  | Nil  |
|                                                        | 31–40                                                                                                   | %      | Nil  | 200  |
|                                                        | 41–50                                                                                                   | %      | Nil  | Nil  |
|                                                        | 51 or above                                                                                             | %      | Nil  | 40   |
|                                                        | <b>By geographical region</b>                                                                           |        |      |      |
|                                                        | Hong Kong                                                                                               | %      | Nil  | 67   |
|                                                        | The PRC                                                                                                 | %      | Nil  | Nil  |
| <b>B2.1 Number and rate of work-related fatalities</b> | Number of work-related fatalities occurred in each of the past three years including the reporting year | person | Nil  | Nil  |
|                                                        | Rate of work-related fatalities                                                                         | %      | Nil  | Nil  |

# Environmental, Social and Governance Report

## APPENDIX I OVERVIEW OF KEY PERFORMANCE INDICATORS (continued)

### 2. Social Aspects (continued)

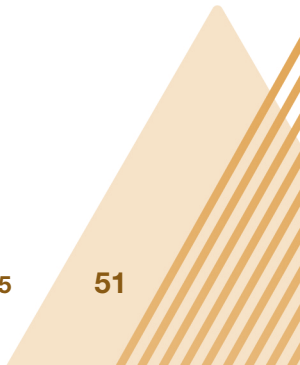
| No. of KPIs                                                  | KPIs                                                                              | Unit                         | 2025       | 2024 |
|--------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------|------------|------|
| <b>B2.2 Number of working days lost due to work injury</b>   | Number of working days lost due to work injury                                    | day                          | <b>Nil</b> | Nil  |
| <b>B5.1 Number of suppliers</b>                              | <b>Number of suppliers/ service providers by geographical region</b><br>Hong Kong | suppliers/ service providers | <b>15</b>  | 15   |
| <b>B6.2 Number of complaints about products and services</b> | Number of complaints about service received                                       | case                         | <b>Nil</b> | Nil  |
| <b>B7.1 Legal cases in relation to corruption</b>            | Number of legal cases in relation to corruption filed and concluded               | case                         | <b>Nil</b> | Nil  |





## APPENDIX II ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE CONTENT INDEX

| Subject areas, aspects, general disclosures and KPIs |                                                                                                                                                                           | Section                                                                  |
|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| A. Environmental                                     |                                                                                                                                                                           |                                                                          |
| Aspect A1: Emissions                                 |                                                                                                                                                                           |                                                                          |
|                                                      | General Disclosure                                                                                                                                                        | Environmental Policies and Performance                                   |
| KPI A1.1                                             | The types of emissions and respective emissions data.                                                                                                                     | Appendix I Overview of Key Performance Indicators: Environmental Aspects |
| KPI A1.2                                             | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Appendix I Overview of Key Performance Indicators: Environmental Aspects |
| KPI A1.3                                             | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).                                          | Appendix I Overview of Key Performance Indicators: Environmental Aspects |
| KPI A1.4                                             | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).                                      | Appendix I Overview of Key Performance Indicators: Environmental Aspects |
| KPI A1.5                                             | Description of emission targets set and steps taken to achieve them.                                                                                                      | Environmental Policies and Performance                                   |
| KPI A1.6                                             | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction targets set and steps taken to achieve them.                            | Environmental Policies and Performance                                   |



# Environmental, Social and Governance Report

## APPENDIX II ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE CONTENT INDEX *(continued)*

| Subject areas, aspects, general disclosures and KPIs |                                                                                                                                                                            | Section                                                                  |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Aspect A2: Use of Resources                          |                                                                                                                                                                            |                                                                          |
|                                                      | General Disclosure                                                                                                                                                         | Environmental Policies and Performance                                   |
| KPI A2.1                                             | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). | Appendix I Overview of Key Performance Indicators: Environmental Aspects |
| KPI A2.2                                             | Water consumption in total and intensity (e.g. per unit of production volume, per facility).                                                                               | Environmental Policies and Performance                                   |
| KPI A2.3                                             | Description of energy use efficiency targets set and steps taken to achieve them.                                                                                          | Environmental Policies and Performance                                   |
| KPI A2.4                                             | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency targets set and steps taken to achieve them.                         | Environmental Policies and Performance                                   |
| KPI A2.5                                             | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.                                                   | Not applicable due to business nature                                    |
| Aspect A3: The Environmental and Natural Resources   |                                                                                                                                                                            |                                                                          |
|                                                      | General Disclosure                                                                                                                                                         | The Environmental and Natural Resources                                  |
| KPI A3.1                                             | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.                                        | Environmental Policies and Performance                                   |
| Aspect A4: Climate Change                            |                                                                                                                                                                            |                                                                          |
|                                                      | General Disclosure                                                                                                                                                         | Climate Change                                                           |
| KPI A4.1                                             | Description of the significant climate-related issues which have impacted, and those which may impact the issuer, and how they are dealt with.                             | Climate Change                                                           |



## APPENDIX II ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE CONTENT INDEX *(continued)*

| Subject areas, aspects, general disclosures and KPIs |                                                                                                                      | Section                                                                                                                               |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| B. Social                                            |                                                                                                                      |                                                                                                                                       |
| Employment and Labour Practices                      |                                                                                                                      |                                                                                                                                       |
| Aspect B1: Employment                                |                                                                                                                      |                                                                                                                                       |
|                                                      | General Disclosure                                                                                                   | Employment                                                                                                                            |
| KPI B1.1                                             | Total workforce by gender, employment type (full-time or part-time), age group and geographical region.              | Appendix I Overview of Key Performance Indicators: Social Aspects                                                                     |
| KPI B1.2                                             | Employee turnover rate by gender, age group and geographical region.                                                 | Appendix I Overview of Key Performance Indicators: Social Aspects                                                                     |
| Aspect B2: Health and safety                         |                                                                                                                      |                                                                                                                                       |
|                                                      | General Disclosure                                                                                                   | Health and Safety                                                                                                                     |
| KPI B2.1                                             | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.    | Appendix I Overview of Key Performance Indicators: Social Aspects                                                                     |
| KPI B2.2                                             | Lost days due to work injury.                                                                                        | Appendix I Overview of Key Performance Indicators: Social Aspects                                                                     |
| KPI B2.3                                             | Description of occupational health and safety measures adopted, how they are implemented and monitored.              | Health and Safety                                                                                                                     |
| Aspect B3: Development and Training                  |                                                                                                                      |                                                                                                                                       |
|                                                      | General Disclosure                                                                                                   | Development and Training                                                                                                              |
| KPI B3.1                                             | The percentage of employee trained by gender and employee category (e.g. senior management, middle management, etc). | In light of our business nature and result of materiality assessment, such KPIs is considered as not material and thus not disclosed. |
| KPI B3.2                                             | The average training hours completed per employee by gender and employee category.                                   | In light of our business nature and result of materiality assessment, such KPIs is considered as not material and thus not disclosed. |

# Environmental, Social and Governance Report

## APPENDIX II ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE CONTENT INDEX *(continued)*

| Subject areas, aspects, general disclosures and KPIs |                                                                                                                                                                        | Section                                                              |
|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| Aspect B4: Labour Standards                          |                                                                                                                                                                        |                                                                      |
|                                                      | General Disclosure                                                                                                                                                     | Labour Standards                                                     |
| KPI B4.1                                             | Description of measures to review recruitment practices to avoid child and forced labour.                                                                              | Labour Standards                                                     |
| KPI B4.2                                             | Description of steps taken to eliminate such practices when discovered.                                                                                                | Labour Standards                                                     |
| Operating Practices                                  |                                                                                                                                                                        |                                                                      |
| Aspect B5: Supply Chain Management                   |                                                                                                                                                                        |                                                                      |
|                                                      | General Disclosure                                                                                                                                                     | Supply Chain Management                                              |
| KPI B5.1                                             | Number of suppliers by region.                                                                                                                                         | Appendix I Overview of Key Performance Indicators:<br>Social Aspects |
| KPI B5.2                                             | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.        | Supply Chain Management                                              |
| KPI B5.3                                             | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.                           | Supply Chain Management                                              |
| KPI B5.4                                             | Description of practices used to promote the use of environmentally preferable products and services when selecting suppliers, how they are implemented and monitored. | Not applicable due to business nature                                |



## APPENDIX II ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE CONTENT INDEX *(continued)*

| Subject areas, aspects, general disclosures and KPIs |                                                                                                                                                                   | Section                                                                                                                               |
|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| Aspect B6: Product Responsibility                    |                                                                                                                                                                   |                                                                                                                                       |
|                                                      | General Disclosure                                                                                                                                                | Product Responsibility                                                                                                                |
| KPI B6.1                                             | Percentage of total products sold or shipped subject to recalls for safety and health reasons.                                                                    | Not applicable due to business nature                                                                                                 |
| KPI B6.2                                             | Number of products and service related complaints received and how they are dealt with.                                                                           | Not applicable due to business nature                                                                                                 |
| KPI B6.3                                             | Description and practices relating to observing and protecting intellectual property rights.                                                                      | Product Responsibility                                                                                                                |
| KPI B6.4                                             | Description of quality assurance process and recall procedures.                                                                                                   | Not applicable due to business nature                                                                                                 |
| KPI B6.5                                             | Description of customer data protection and privacy policies, how they are implemented and monitored.                                                             | Product Responsibility                                                                                                                |
| Aspect B7: Anti-corruption                           |                                                                                                                                                                   |                                                                                                                                       |
|                                                      | General Disclosure                                                                                                                                                | Anti-corruption                                                                                                                       |
| KPI B7.1                                             | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the case. | Appendix I Overview of Key Performance Indicators: Social Aspects                                                                     |
| KPI B7.2                                             | Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.                                                        | Anti-corruption                                                                                                                       |
| KPI B7.3                                             | Description of anti-corruption training provided to directors and staff.                                                                                          | Anti-corruption                                                                                                                       |
| Aspect B8: Community Investment                      |                                                                                                                                                                   |                                                                                                                                       |
|                                                      | General Disclosure                                                                                                                                                | Community Investment                                                                                                                  |
| KPI B8.1                                             | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).                                                       | In light of our business nature and result of materiality assessment, such KPIs is considered as not material and thus not disclosed. |
| KPI B8.2                                             | Resources contributed (e.g. money or time) to the focus area.                                                                                                     | In light of our business nature and result of materiality assessment, such KPIs is considered as not material and thus not disclosed. |

# Independent Auditor's Report

## 容诚 | RCHK

### Independent Auditor's Report to the Shareholders of China Financial International Investments Limited

中國金融國際投資有限公司

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

#### OPINION

We have audited the consolidated financial statements of China Financial International Investments Limited ("the Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 61 to 133, which comprise the consolidated statement of financial position as at 30 June 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

#### BASIS FOR THE OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Key audit matter

### How our audit addressed the key audit matter

#### **Valuation of financial instruments at fair value through profit or loss ("FVTPL") and financial instruments at fair value through other comprehensive income ("FVTOCI") measured at level 3 fair value measurement**

We identified the valuation of financial instruments at FVTPL and financial instruments at FVTOCI measured at level 3 fair value measurement as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole and the judgments involved in the valuation.

As at 30 June 2025, financial instruments at FVTPL and financial instruments at FVTOCI classified as level 3 fair value measurement amounted to approximately HK\$27,888,000 and HK\$13,779,000, respectively, representing 26.50% of the Group's net assets. Details of these financial instruments are set out in notes 18, 19, and 31 to the consolidated financial statements.

Management engaged valuation specialists to apply valuation techniques to determine the fair values of the financial instruments at FVTPL and financial instruments at FVTOCI that are not quoted in active markets. These valuation techniques, in particular those that included significant unobservable inputs, involved subjective judgments and assumptions. The sensitivity of the assumptions used may have material impact on the valuation of these financial instruments.

Our procedures in relation to valuation of financial instruments included:

- Obtaining and examining the terms of financial instruments and relevant agreements in relation to the financial instruments;
- Obtaining an understanding of the entity's valuation process and adoption of the key assumptions and estimations;
- Evaluating the competence, capabilities and objectivity of the independent external valuation expert, taking into account its experience and qualifications and business interests with the Group;
- Evaluating the appropriateness of the valuation methodologies and assumptions adopted by the management and the independent external valuation expert to estimate the fair values of financial instruments;
- Assessing and challenging the reasonableness and relevance of key assumptions, parameters and inputs used based on the knowledge and understanding of the financial instruments; and
- Checking the mathematical accuracy of the fair value calculations.



# Independent Auditor's Report

## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the Company's 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 AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors 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.

Those charged with governance are responsible 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 solely to you, as a body, in accordance with our agreed terms of engagement 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 HKSAAs 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.



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

As part of an audit in accordance with HKSAAs, we exercise professional judgment 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.
- 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.
- 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 those charged with governance 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.

# Independent Auditor's Report

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

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

### **Rongcheng (Hong Kong) CPA Limited**

(Formerly known as "CL Partners CPA Limited")

*Certified Public Accountants*

*Registered Public Interest Entity Auditors*

### **RUAN, Qianting**

Practising Certificate Number: P08288

Hong Kong, 29 September 2025

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

|                                                                                                   | NOTES | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|---------------------------------------------------------------------------------------------------|-------|------------------|------------------|
| <b>Revenue</b>                                                                                    | 5     | <b>164</b>       | 1,224            |
| Other income                                                                                      | 7     | <b>327</b>       | 1                |
| Reversal of impairment loss of other receivables                                                  | 10    | <b>3,677</b>     | 6,722            |
| Fair value (loss)/gain on financial assets at fair value through profit or loss ("FVTPL")         |       | <b>(4,978)</b>   | 24,543           |
| Administrative expenses                                                                           |       | <b>(7,112)</b>   | (7,589)          |
| Share of loss of an associate                                                                     |       | <b>(38)</b>      | (250)            |
| Finance costs                                                                                     | 8     | <b>(849)</b>     | (892)            |
| (Loss)/profit before tax                                                                          |       | <b>(8,809)</b>   | 23,759           |
| Income tax credit                                                                                 | 9     | <b>–</b>         | 4,138            |
| <b>(Loss)/profit for the year</b>                                                                 | 10    | <b>(8,809)</b>   | 27,897           |
| <b>Other comprehensive income/(expense)</b>                                                       |       |                  |                  |
| <i>Item that will not be reclassified to profit or loss:</i>                                      |       |                  |                  |
| Fair value gain on equity instruments at fair value through other comprehensive income ("FVTOCI") |       | <b>1,838</b>     | 8,562            |
| <i>Item that may be reclassified subsequently to profit or loss:</i>                              |       |                  |                  |
| Exchange differences on translation from functional currency to presentation currency             |       | <b>(935)</b>     | (765)            |
| Other comprehensive income for the year                                                           |       | <b>903</b>       | 7,797            |
| <b>Total comprehensive (expense)/income for the year</b>                                          |       | <b>(7,906)</b>   | 35,694           |
| (Loss)/profit for the year attributable to owners of the Company                                  |       | <b>(8,809)</b>   | 27,897           |
| <b>Total comprehensive (expense)/income for the year attributable to owners of the Company</b>    |       | <b>(7,906)</b>   | 35,694           |
| <b>(LOSS)/EARNINGS PER SHARE</b>                                                                  | 14    |                  |                  |
| Basic (HK cents)                                                                                  |       | <b>(0.080)</b>   | 0.254            |

# Consolidated Statement of Financial Position

At 30 June 2025

|                                              | NOTES | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|----------------------------------------------|-------|------------------|------------------|
| <b>NON-CURRENT ASSETS</b>                    |       |                  |                  |
| Property, plant and equipment                | 15    | –                | –                |
| Right-of-use asset                           | 16    | –                | –                |
| Interest in an associate                     | 17    | 306              | 199              |
| Financial assets at FVTPL                    | 18    | 27,888           | 36,992           |
| Equity instruments at FVTOCI                 | 19    | 29,761           | 27,923           |
| Deposit                                      | 20    | –                | 268              |
|                                              |       | <b>57,955</b>    | 65,382           |
| <b>CURRENT ASSETS</b>                        |       |                  |                  |
| Prepayments, deposits and other receivables  | 20    | 1,824            | 104,275          |
| Financial assets at FVTPL                    | 18    | 25,150           | 21,215           |
| Cash and cash equivalents                    | 21    | 96,482           | 19               |
|                                              |       | <b>123,456</b>   | 125,509          |
| <b>CURRENT LIABILITIES</b>                   |       |                  |                  |
| Other payables and accruals                  | 22    | 13,739           | 14,376           |
| Amount due to an associate                   | 23    | 67               | 402              |
| Borrowing                                    | 24    | 9,997            | 9,997            |
| Lease liability                              | 25    | 371              | 602              |
|                                              |       | <b>24,174</b>    | 25,377           |
| <b>NET CURRENT ASSETS</b>                    |       | <b>99,282</b>    | 100,132          |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | <b>157,237</b>   | 165,514          |
| <b>NON-CURRENT LIABILITY</b>                 |       |                  |                  |
| Lease liability                              | 25    | –                | 371              |
| <b>NET ASSETS</b>                            |       | <b>157,237</b>   | 165,143          |
| <b>CAPITAL AND RESERVES</b>                  |       |                  |                  |
| Share capital                                | 26    | 109,717          | 109,717          |
| Reserves                                     |       | 47,520           | 55,426           |
| <b>TOTAL EQUITY</b>                          |       | <b>157,237</b>   | 165,143          |
| <b>NET ASSET VALUE PER SHARE (HK cents)</b>  | 27    | <b>1.43</b>      | 1.51             |

The consolidated financial statements on pages 61 to 133 were approved and authorised for issue by the board of directors on 29 September 2025 and are signed on its behalf by:

**DU LIN DONG**  
DIRECTOR

**ZONG SHIJIAN**  
DIRECTOR

# Consolidated Statement of Changes in Equity

For the year ended 30 June 2025



|                                                       | Share<br>capital<br>HK\$'000 | Share<br>premium<br>HK\$'000 | Contributed<br>surplus<br>HK\$'000<br>(note (a)) | Capital<br>reserve<br>HK\$'000<br>(note (b)) | Financial<br>assets<br>at FVTOCI<br>reserve<br>HK\$'000 | Exchange<br>reserve<br>HK\$'000 | Accumulated<br>losses<br>HK\$'000 | Total<br>HK\$'000 |
|-------------------------------------------------------|------------------------------|------------------------------|--------------------------------------------------|----------------------------------------------|---------------------------------------------------------|---------------------------------|-----------------------------------|-------------------|
| At 1 July 2023                                        | 109,717                      | 2,067,672                    | 278,979                                          | 2,766                                        | (86,883)                                                | 1,415                           | (2,244,217)                       | 129,449           |
| Profit for the year                                   | -                            | -                            | -                                                | -                                            | -                                                       | -                               | 27,897                            | 27,897            |
| Other comprehensive income/<br>(expense) for the year | -                            | -                            | -                                                | -                                            | 8,562                                                   | (765)                           | -                                 | 7,797             |
| Total comprehensive income/<br>(expense) for the year | -                            | -                            | -                                                | -                                            | 8,562                                                   | (765)                           | 27,897                            | 35,694            |
| At 30 June 2024                                       | 109,717                      | 2,067,672                    | 278,979                                          | 2,766                                        | (78,321)                                                | 650                             | (2,216,320)                       | 165,143           |
| Loss for the year                                     | -                            | -                            | -                                                | -                                            | -                                                       | -                               | (8,809)                           | (8,809)           |
| Other comprehensive income/<br>(expense) for the year | -                            | -                            | -                                                | -                                            | 1,838                                                   | (935)                           | -                                 | 903               |
| Total comprehensive income/<br>(expense) for the year | -                            | -                            | -                                                | -                                            | 1,838                                                   | (935)                           | (8,809)                           | (7,906)           |
| <b>At 30 June 2025</b>                                | <b>109,717</b>               | <b>2,067,672</b>             | <b>278,979</b>                                   | <b>2,766</b>                                 | <b>(76,483)</b>                                         | <b>(285)</b>                    | <b>(2,225,129)</b>                | <b>157,237</b>    |

## Notes:

- (a) The contributed surplus represents the share premium reduction during the year ended 30 June 2010. Under the Companies Law of Bermuda, the contributed surplus of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if (i) it would, after the payment, be unable to pay its liabilities as they become due; or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.
- (b) The capital reserve represents the waiver of amount due to a shareholder in 2005.

# Consolidated Statement of Cash Flows

For the year ended 30 June 2025

|                                                                      | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|----------------------------------------------------------------------|------------------|------------------|
| <b>OPERATING ACTIVITIES</b>                                          |                  |                  |
| (Loss)/profit before tax                                             | (8,809)          | 23,759           |
| Adjustments for:                                                     |                  |                  |
| Share of loss of an associate                                        | 38               | 250              |
| Interest income                                                      | (327)            | (1)              |
| Dividend income                                                      | (164)            | (1,224)          |
| Finance costs                                                        | 849              | 892              |
| Reversal of impairment loss of other receivables                     | (3,677)          | (6,722)          |
| Fair value loss/(gain) on financial assets at FVTPL                  | 4,978            | (24,543)         |
|                                                                      |                  |                  |
| Operating cash flows before movements in working capital             | (7,112)          | (7,589)          |
| (Increase)/decrease in prepayments, deposits and other receivables   | (425)            | 436              |
| (Decrease)/increase in other payables and accruals                   | (637)            | 584              |
| (Decrease)/increase in an amount due to an associate                 | (335)            | 117              |
|                                                                      |                  |                  |
| Cash used in operations                                              | (8,509)          | (6,452)          |
| Income tax paid                                                      | –                | (62)             |
| Interest received                                                    | 327              | 1                |
| Dividend received                                                    | 164              | 1,073            |
|                                                                      |                  |                  |
| <b>NET CASH USED IN OPERATING ACTIVITIES</b>                         | <b>(8,018)</b>   | <b>(5,440)</b>   |
|                                                                      |                  |                  |
| <b>INVESTING ACTIVITIES</b>                                          |                  |                  |
| Repayment of prepayments for potential investments                   | 3,677            | 6,323            |
| Repayment of prepayments for investments                             | 29,009           | –                |
| Repayments of consideration receivables for disposals of investments | 74,135           | –                |
| Capital injection for investment in an associate                     | (145)            | –                |
| Proceeds on disposals of financial assets at FVTPL                   | 149              | –                |
|                                                                      |                  |                  |
| <b>NET CASH FROM INVESTING ACTIVITIES</b>                            | <b>106,825</b>   | <b>6,323</b>     |
|                                                                      |                  |                  |
| <b>FINANCING ACTIVITIES</b>                                          |                  |                  |
| Interest paid                                                        | (849)            | (892)            |
| Repayment of lease liability                                         | (602)            | (561)            |
|                                                                      |                  |                  |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>                         | <b>(1,451)</b>   | <b>(1,453)</b>   |
|                                                                      |                  |                  |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>          | <b>97,356</b>    | <b>(570)</b>     |
|                                                                      |                  |                  |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>            | <b>19</b>        | <b>606</b>       |
|                                                                      |                  |                  |
| Effect of foreign exchange rate changes                              | (893)            | (17)             |
|                                                                      |                  |                  |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>                  | <b>96,482</b>    | <b>19</b>        |
| represented by bank balances and cash                                |                  |                  |





## 1. GENERAL INFORMATION

China Financial International Investments Limited (the “Company”) was incorporated in the Cayman Islands under the Cayman Islands Companies Law as an exempted company. With effect from 9 May 2006, the Company de-registered from the Cayman Islands and re-domiciled in Bermuda under the Companies Act 1981 of Bermuda as an exempted company. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in investing in listed and unlisted companies established and/or doing businesses in Hong Kong and the People’s Republic of China (the “PRC”).

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) as the shares of the Company are listed on the Stock Exchange, whereas the functional currency of the Company is Renminbi (“RMB”).

## 2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### **New and amendments to HKFRS Accounting Standards that are mandatorily effective for the current year**

In the current year, the Group has applied the following new and amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 July 2024 for the preparation of the consolidated financial statements:

|                                  |                                                                                                                     |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------|
| Amendments to HKAS 1             | Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) |
| Amendments to HKAS 1             | Non-current Liabilities with Covenants                                                                              |
| Amendments to HKAS 7 and HKFRS 7 | Supplier Finance Arrangements                                                                                       |
| Amendments to HKFRS 16           | Lease Liability in a Sale and Leaseback                                                                             |

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



# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (continued)

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

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

|                                          |                                                                                                    |
|------------------------------------------|----------------------------------------------------------------------------------------------------|
| Amendments to HKFRS 10 and HKAS 28       | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup> |
| Amendments to HKAS 21                    | Lack of Exchangeability <sup>2</sup>                                                               |
| Amendments to HKFRS 9 and HKFRS 7        | Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>             |
| Amendments to HKFRS 9 and HKFRS 7        | Contracts Referencing Nature-dependent Electricity <sup>3</sup>                                    |
| Amendments to HKFRS Accounting Standards | Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>3</sup>                         |
| HKFRS 18                                 | Presentation and Disclosure in Financial Statements <sup>4</sup>                                   |

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

### **HKFRS 18 Presentation and Disclosure in Financial Statements**

HKFRS 18 “Presentation and Disclosure in Financial Statements”, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements”. This new HKFRS Accounting Standards, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; 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 financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.



### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

#### **Basis of preparation of the consolidated financial statements**

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are accounted for in accordance with HKFRS 16 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of Assets".

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### **Basis of preparation of the consolidated financial statements *(continued)***

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the assets through corroboration with observable market data. Observable inputs generally used to measure the fair value of financial assets classified as Level 2 include: quoted market prices for similar assets in active markets, quoted market prices in markets that are not active for identical or similar assets and other market observable inputs; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### **Material accounting policy information**

#### ***Basis of consolidation***

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.



### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### **Material accounting policy information *(continued)***

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

Changes in the Group's interests in existing subsidiaries

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 "Financial Instruments" or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

##### ***Investments in subsidiaries***

Investments in subsidiaries are stated at cost less any identified impairment loss.

##### ***Interest in an associate***

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of the associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### **Material accounting policy information *(continued)***

#### ***Interest in an associate (continued)***

The Group assesses whether there is an objective evidence that the interest in an associate maybe impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

When an investment in an associate is held by, or is held indirectly through, an entity that is a venture capital organisation, upon initial recognition the entity may elect to measure the investment as designated at FVTPL and accounted for in accordance with HKFRS 9 "Financial Instruments". Such investments shall be measured at fair value in accordance with HKFRS 9, with changes in fair value recognised in profit or loss in the period of the change.

#### ***Revenue from contracts with customers***

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

A performance obligation represents service (or a bundle of services) that is distinct or a series of distinct services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct services.



### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### Material accounting policy information *(continued)*

##### **Leases**

###### 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 on or after the date of initial application of HKFRS 16 or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 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.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

###### *Right-of-use asset*

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- 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 asset is measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability.

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

The Group presents right-of-use asset as a separate line item on the consolidated statement of financial position.



# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### Material accounting policy information *(continued)*

#### **Leases *(continued)***

The Group as a lessee *(continued)*

##### *Refundable rental deposit*

Refundable rental deposit paid is accounted under HKFRS 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 asset.

##### *Lease liability*

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 liability is adjusted by interest accretion and lease payments.

The Group remeasures lease liability (and makes a corresponding adjustment to the related right-of-use asset) 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.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liability as a separate line item on the consolidated statement of financial position.





### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### **Material accounting policy information *(continued)***

##### ***Leases (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, less any lease incentives receivable, 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 liability by making corresponding adjustments to the relevant right-of-use asset.

When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

##### ***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 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. Hong Kong dollars) 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.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### **Material accounting policy information *(continued)***

#### ***Borrowing costs***

All borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss in the period in which they are incurred.

#### ***Employee benefits***

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. In determining the present value of the Group's defined benefit obligations and the related current service cost and, where applicable, past service cost, the Group attributes benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than earlier years, the Group attributes the benefit on a straight-line basis from:

- (a) the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service) until
- (b) the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.



### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### Material accounting policy information *(continued)*

##### **Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and an associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

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

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### **Material accounting policy information *(continued)***

#### ***Taxation (continued)***

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities results in net deductible temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

#### ***Property, plant and equipment***

Property, plant and equipment are tangible assets that are held for use in the production or supply of services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.



### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### **Material accounting policy information *(continued)***

##### ***Impairment on property, plant and equipment and right-of-use asset***

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use asset to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment and right-of-use asset are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. 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. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### **Material accounting policy information *(continued)***

#### ***Cash and cash equivalents***

Cash and cash equivalents presented on the consolidated statement of financial position include cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

#### ***Provisions***

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision, is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

#### ***Financial instruments***

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

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received 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 financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest and dividend income which are derived from the Group's ordinary course of business are presented as revenue.



### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### **Material accounting policy information *(continued)***

#### ***Financial instruments (continued)***

##### Financial assets

##### *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.

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

- the financial asset is held within a business model whose objective is achieved by both selling and collecting 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, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 “Business Combinations” applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.



# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### Material accounting policy information *(continued)*

#### Financial instruments *(continued)*

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) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the financial assets at FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "revenue" line item in profit or loss.

##### (iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI 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 profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "fair value loss on financial assets at FVTPL" line item.

#### *Impairment of financial assets subject to impairment assessment under HKFRS 9*

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including deposits, other receivables and cash and cash equivalents) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.





### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### Material accounting policy information *(continued)*

##### Financial instruments *(continued)*

###### Financial assets *(continued)*

###### *Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)*

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments 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.

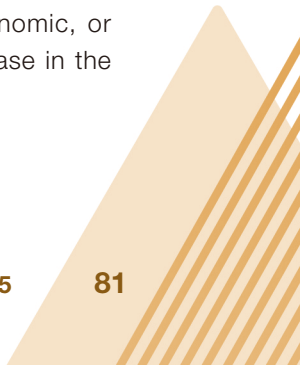
The Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood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

#### (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; and
- 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.



# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### Material accounting policy information *(continued)*

#### Financial instruments *(continued)*

Financial assets *(continued)*

*Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)*

##### (i) Significant increase in credit risk *(continued)*

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.

##### (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:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- 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
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.



### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### Material accounting policy information *(continued)*

#### Financial instruments *(continued)*

Financial assets *(continued)*

*Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)*

#### (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. 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 profit or loss.

#### (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.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount.

#### *Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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 profit or loss.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### Material accounting policy information *(continued)*

#### Financial instruments *(continued)*

##### Financial assets *(continued)*

##### *Derecognition of financial assets (continued)*

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the financial assets at FVTOCI reserve is not reclassified to profit or loss, but is transferred to accumulated losses.

##### Financial liabilities and equity

##### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### *Financial liabilities*

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

##### Financial liabilities at amortised cost

Financial liabilities including other payables, amount due to an associate and borrowing are subsequently measured at amortised cost, using the effective interest method.

##### *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 profit or loss.



## 4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going 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.

### **Critical judgments in applying accounting policies**

The following are the critical judgments, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

### ***Classification of investments in unlisted equity securities***

Certain investments in unlisted equity securities of the Group are not classified as an associate nor accounted for using the equity method, even though the Group owns or potentially owns more than 20% ownership interest in those investments. In the opinion of the directors of the Company, the Group has no significant influence over those investments since the Group and each of the investee entered into relevant written agreement/declaration to conclude the following:

- the Group does not have any rights to appoint any representatives on the board of directors or equivalent governing body of those investments;
- the Group does not have any rights to participate in policy-making processes, including participation in decisions about dividends or other distributions; and
- the Group does not have any right to interchange any managerial personnel with those investments.

Based on the above, it does not consider as having significant influence on the investments. Hence, those investments are not considered as associate of the Group. Such investments are treated as either financial asset at FVTPL or equity instruments at FVTOCI, depending on the business model of the respective investments. Further details are set out in notes 18 and 19.

### **Key sources of estimation uncertainty**

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

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

### Key sources of estimation uncertainty (continued)

#### Fair value measurement of financial instruments

At 30 June 2025, HK\$41,667,000 (2024: HK\$52,339,000) of the Group's financial assets (comprising equity instruments at FVTOCI of HK\$13,779,000 (2024: HK\$15,347,000), and financial assets at FVTPL of HK\$27,888,000 (2024: HK\$36,992,000)) are measured at fair values with fair values being determined based on significant unobservable inputs using valuation techniques. Judgment and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair values of these instruments. Further details are set out in note 31c.

#### Provision for taxation

Uncertainties exist with respect to the interpretation of complex tax regulations and changes in tax laws on foreign withholding tax. Given the wide range of international investments, differences arising between the actual investment income and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it invests. The amounts of such provisions are based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective investment's domicile.

#### Provision of ECL for other receivables

Management regularly reviews the impairment assessment and evaluates ECL of other receivables. Appropriate impairment allowance is recognised in profit or loss.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on other receivables at the reporting date with the one as at the date of initial recognition. In making this assessment, other receivables are assessed individually by management of the Group, based on the financial background, financial condition and the historical settlement records, including past due dates and default rates and forward-looking information, that is reasonable and supportable, available without undue cost or effort.

During the year ended 30 June 2025, reversal of impairment loss of HK\$3,677,000 (2024: reversal of impairment loss of HK\$6,722,000) was recognised in relation to other receivables.

## 5. REVENUE

### Dividend income from:

Financial assets at FVTPL

| 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|------------------|------------------|
| 164              | 1,224            |



## 6. OPERATING SEGMENTS

Information reported to the executive directors of the Company, being the chief operating decision maker (the “CODM”), for the purposes of resource allocation and assessment of segment performance focuses on the type and underlying business of the Group’s investments.

Specifically, the Group’s reportable segments under HKFRS 8 “Operating Segments” are as follows:

1. Micro-loan service – equity investments in investees engaged in micro-loan services
2. Real estate and natural gas – equity investments in investees engaged in real estate and natural gas business
3. Clean energy – equity investment in investees engaged in clean energy industry
4. Others – equity investments in investees engaged in guarantee service, aluminium alloy strip, foil production and product processing and management consultation service and other businesses

### Segment revenue and results

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

#### For the year ended 30 June 2025

|                                                     | Micro-loan<br>service<br>HK\$'000 | Real estate<br>and<br>natural gas<br>HK\$'000 | Clean<br>energy<br>HK\$'000 | Others<br>HK\$'000 | Total<br>HK\$'000 |
|-----------------------------------------------------|-----------------------------------|-----------------------------------------------|-----------------------------|--------------------|-------------------|
| Segment revenue                                     | -                                 | -                                             | 164                         | -                  | 164               |
| Segment profit/(loss)                               | -                                 | 4,219                                         | (8,899)                     | (134)              | (4,814)           |
| Share of loss of an associate                       |                                   |                                               |                             |                    | (38)              |
| Other income                                        |                                   |                                               |                             |                    | 327               |
| Reversal of impairment loss of other<br>receivables |                                   |                                               |                             |                    | 3,677             |
| Finance costs                                       |                                   |                                               |                             |                    | (849)             |
| Administrative expenses                             |                                   |                                               |                             |                    | (7,112)           |
| Loss before tax                                     |                                   |                                               |                             |                    | (8,809)           |

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 6. OPERATING SEGMENTS (continued)

### Segment revenue and results (continued)

For the year ended 30 June 2024

|                                                     | Micro-loan<br>service<br>HK\$'000 | Real estate<br>and<br>natural gas<br>HK\$'000 | Clean<br>energy<br>HK\$'000 | Others<br>HK\$'000 | Total<br>HK\$'000 |
|-----------------------------------------------------|-----------------------------------|-----------------------------------------------|-----------------------------|--------------------|-------------------|
| Segment revenue                                     | <u>–</u>                          | <u>–</u>                                      | <u>1,224</u>                | <u>–</u>           | <u>1,224</u>      |
| Segment profit/(loss)                               | <u>–</u>                          | <u>6,541</u>                                  | <u>(33,753)</u>             | <u>52,979</u>      | <u>25,767</u>     |
| Share of loss of an associate                       |                                   |                                               |                             |                    | (250)             |
| Other income                                        |                                   |                                               |                             |                    | 1                 |
| Reversal of impairment loss of other<br>receivables |                                   |                                               |                             |                    | 6,722             |
| Finance costs                                       |                                   |                                               |                             |                    | (892)             |
| Administrative expenses                             |                                   |                                               |                             |                    | (7,589)           |
| Profit before tax                                   |                                   |                                               |                             |                    | <u>23,759</u>     |

Segment profit/(loss) represents the profit/(loss) from each segment without allocation of share of loss of an associate, other income, reversal of impairment loss of other receivables, finance costs and administrative expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.





## 6. OPERATING SEGMENTS (continued)

### Other segment information

Amounts included in the measure of segment profit or loss or segment assets:

#### For the year ended 30 June 2025

|                                                        | Micro-loan<br>service<br>HK\$'000 | Real estate<br>and<br>natural gas<br>HK\$'000 | Clean<br>energy<br>HK\$'000 | Others<br>HK\$'000 | Total<br>HK\$'000 |
|--------------------------------------------------------|-----------------------------------|-----------------------------------------------|-----------------------------|--------------------|-------------------|
| Fair value gain/(loss) on financial assets<br>at FVTPL | -                                 | 4,219                                         | (9,063)                     | (134)              | (4,978)           |

#### For the year ended 30 June 2024

|                                                        | Micro-loan<br>service<br>HK\$'000 | Real estate<br>and<br>natural gas<br>HK\$'000 | Clean<br>energy<br>HK\$'000 | Others<br>HK\$'000 | Total<br>HK\$'000 |
|--------------------------------------------------------|-----------------------------------|-----------------------------------------------|-----------------------------|--------------------|-------------------|
| Fair value gain/(loss) on financial assets<br>at FVTPL | -                                 | 6,541                                         | (34,977)                    | 52,979             | 24,543            |

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 6. OPERATING SEGMENTS (continued)

### Segment assets and liabilities

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

|                             | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|-----------------------------|------------------|------------------|
| Micro-loan service          | –                | –                |
| Real estate and natural gas | 41,132           | 33,508           |
| Clean energy                | 27,888           | 66,002           |
| Others                      | 13,779           | 89,765           |
|                             | <hr/>            | <hr/>            |
| Total segment assets        | 82,799           | 189,275          |
| Unallocated assets          | 98,612           | 1,616            |
|                             | <hr/>            | <hr/>            |
| Consolidated assets         | <u>181,411</u>   | <u>190,891</u>   |

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than property, plant and equipment, right-of-use asset, interest in an associate, certain prepayments, deposits and other receivables and cash and cash equivalents; and
- no liabilities are allocated to reportable segments.

### Geographical information

The Group's operations are located in the PRC (country of domicile).

## 7. OTHER INCOME

|                      | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|----------------------|------------------|------------------|
| Bank interest income | 327              | 1                |
|                      | <hr/>            | <hr/>            |



## 8. FINANCE COSTS

|                             | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|-----------------------------|------------------|------------------|
| Interest on borrowing       | 800              | 802              |
| Interest on lease liability | 49               | 90               |
|                             | <hr/>            | <hr/>            |
|                             | 849              | 892              |
|                             | <hr/>            | <hr/>            |

## 9. INCOME TAX CREDIT

The income tax credit for the year can be reconciled to the (loss)/profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

|                              | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|------------------------------|------------------|------------------|
| Current tax                  | –                | 62               |
| Overprovision in prior years | –                | (4,200)          |
|                              | <hr/>            | <hr/>            |
| Income tax credit            | –                | (4,138)          |
|                              | <hr/>            | <hr/>            |

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

No provision for Hong Kong Profits Tax and PRC Enterprise Income Tax has been made in the consolidated financial statements as the Group has no assessable profits for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 9. INCOME TAX CREDIT (continued)

The income tax credit for the year can be reconciled to the (loss)/profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

|                                                                        | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000 |
|------------------------------------------------------------------------|--------------------------------|------------------|
| (Loss)/profit before tax                                               | <b>(8,809)</b>                 | 23,759           |
| Tax at applicable rates in the jurisdictions concerned ( <i>note</i> ) | <b>(1,430)</b>                 | 3,920            |
| Tax effect of share of loss of an associate                            | <b>6</b>                       | 41               |
| Tax effect of expenses not deductible for tax purpose                  | <b>1,195</b>                   | 5,357            |
| Tax effect of income not taxable for tax purpose                       | <b>(633)</b>                   | (9,649)          |
| Overprovision in respect of prior years                                | <b>–</b>                       | (4,200)          |
| Tax effect of tax losses not recognised                                | <b>893</b>                     | 338              |
| Tax effect of deductible temporary differences not recognised          | <b>(1)</b>                     | (7)              |
| Utilisation of tax losses previously not recognised                    | <b>(30)</b>                    | –                |
| Others                                                                 | <b>–</b>                       | 62               |
| Income tax credit for the year                                         | <b>–</b>                       | (4,138)          |

*Note:* The domestic tax rate (which is Hong Kong Profits Tax rate) in the jurisdiction where the operation of the Company is substantially based is used.

At the end of the reporting period, the Group has unused tax losses of HK\$506,567,000 (2024: HK\$501,152,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

As 30 June 2025, the Group has deductible temporary differences of HK\$3,800 (2024: HK\$42,000) of which deferred tax assets has not been recognised. Tax effect of such deductible temporary differences as at 30 June 2025 was HK\$1,000 (2024: HK\$7,000).

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to HK\$317,300,000 (2024: HK\$317,422,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025



## 10. (LOSS)/PROFIT FOR THE YEAR

(Loss)/profit for the year has been arrived at after charging/(crediting):

|                                                                           | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|---------------------------------------------------------------------------|------------------|------------------|
| Directors' emoluments ( <i>note 11</i> )                                  | 928              | 2,154            |
| Other staff:                                                              |                  |                  |
| Salaries and other benefits                                               | 886              | 1,221            |
| Contributions to retirement benefits scheme                               | 106              | 123              |
|                                                                           | <hr/>            | <hr/>            |
| Total employee benefits expense                                           | 1,920            | 3,498            |
|                                                                           | <hr/>            | <hr/>            |
| Auditor's remuneration                                                    |                  |                  |
| – audit services                                                          | 1,050            | 1,000            |
| – non-audit services                                                      | 250              | 195              |
| Custodian fee                                                             | 157              | 156              |
| Investment management fees ( <i>note 33</i> )                             | 115              | 117              |
| Reversal of impairment loss of other receivables ( <i>note 20(i)(a)</i> ) | (3,677)          | (6,722)          |
|                                                                           | <hr/> <hr/>      | <hr/> <hr/>      |

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows:

### For the year ended 30 June 2025

|                                             | Mr. Du<br>Lin Dong<br>HK\$'000<br>(note (i)) | Total<br>HK\$'000 |
|---------------------------------------------|----------------------------------------------|-------------------|
| (A) Executive director:                     |                                              |                   |
| Fees                                        | 120                                          | 120               |
| Salaries and other benefits                 | 700                                          | 700               |
| Contributions to retirement benefits scheme | 18                                           | 18                |
|                                             | <hr/>                                        | <hr/>             |
| Sub-total                                   | 838                                          | 838               |
|                                             | <hr/> <hr/>                                  | <hr/> <hr/>       |

The executive director's emoluments shown above were for his services in connection with the management of the affairs of the Company and the Group.

|                             | Ms. Li<br>Hongxi<br>HK\$'000<br>(note (iv)) | Mr. Liu<br>Xiaodong<br>HK\$'000<br>(note (vii)) | Total<br>HK\$'000 |
|-----------------------------|---------------------------------------------|-------------------------------------------------|-------------------|
| (B) Non-executive director: |                                             |                                                 |                   |
| Fees                        | -                                           | -                                               | -                 |
|                             | <hr/> <hr/>                                 | <hr/> <hr/>                                     | <hr/> <hr/>       |



## 11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

|                                          | Mr. Lei<br>Zhiwei<br>HK\$'000<br>(note (vi)) | Mr. Lu Lin<br>HK\$'000<br>(note (v)) | Mr. Liu<br>Xiaohong<br>HK\$'000<br>(note (v)) | Mr. Liu<br>Xiaodong<br>HK\$'000<br>(note (vii)) | Mr. Zong<br>Shijian<br>HK\$'000 | Total<br>HK\$'000 |
|------------------------------------------|----------------------------------------------|--------------------------------------|-----------------------------------------------|-------------------------------------------------|---------------------------------|-------------------|
| (C) Independent non-executive directors: |                                              |                                      |                                               |                                                 |                                 |                   |
| Fees                                     | 30                                           | -                                    | -                                             | 30                                              | 30                              | 90                |

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

|       |     |
|-------|-----|
| Total | 928 |
|-------|-----|

For the year ended 30 June 2024

|                                             | Mr. Du<br>Lin Dong<br>HK\$'000<br>(note (i)) | Total<br>HK\$'000 |
|---------------------------------------------|----------------------------------------------|-------------------|
| (A) Executive director:                     |                                              |                   |
| Fees                                        | 120                                          | 120               |
| Salaries and other benefits                 | 1,850                                        | 1,850             |
| Contributions to retirement benefits scheme | 18                                           | 18                |
| Sub-total                                   | 1,988                                        | 1,988             |

The executive director's emoluments shown above were for his services in connection with the management of the affairs of the Company and the Group.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

|                             | Ms. Chen Xi<br>HK\$'000<br>(note (iii)) | Total<br>HK\$'000 |
|-----------------------------|-----------------------------------------|-------------------|
| (B) Non-executive director: |                                         |                   |
| Fees                        | 31                                      | 31                |

The non-executive director's emoluments shown above were for her services as the director of the Company.

|                                          | Mr. Lei<br>Zhiwei<br>HK\$'000<br>(note (vi)) | Mr. Liu<br>Xiaodong<br>HK\$'000<br>(note (vii)) | Mr. Zong<br>Shijian<br>HK\$'000 | Mr. Zeng<br>Xianggao<br>HK\$'000<br>(note (ii)) | Mr. Zhang<br>Jing<br>HK\$'000<br>(note (iii)) | Mr. Wong<br>Lok Man<br>HK\$'000<br>(note (iii)) | Total<br>HK\$'000 |
|------------------------------------------|----------------------------------------------|-------------------------------------------------|---------------------------------|-------------------------------------------------|-----------------------------------------------|-------------------------------------------------|-------------------|
| (C) Independent non-executive directors: |                                              |                                                 |                                 |                                                 |                                               |                                                 |                   |
| Fees                                     | 15                                           | 15                                              | 15                              | 30                                              | 30                                            | 30                                              | 135               |

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

|       |       |
|-------|-------|
| Total | 2,154 |
|-------|-------|

### Notes:

- (i) Mr. Du Lin Dong is also the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.
- (ii) Resigned on 29 December 2023.
- (iii) Resigned on 5 January 2024.
- (iv) Appointed on 27 March 2025.
- (v) Appointed on 30 June 2025.
- (vi) Resigned on 30 June 2025.
- (vii) Redesignated as a non-executive director from an Independent non-executive director on 30 June 2025.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during both years.

No emoluments were paid by the Group to any director as an inducement to join or upon joining the Group or as compensation for loss of office as a director in connection with the management of the affairs of any member of the Group during both years.





## 12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included two directors (2024: two directors), details of whose remuneration are set out in note 11 above. Details of the remuneration for the year of the remaining three (2024: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

|                                             | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000 |
|---------------------------------------------|--------------------------------|------------------|
| Salaries and other benefits                 | <b>886</b>                     | 1,220            |
| Contributions to retirement benefits scheme | <b>106</b>                     | 123              |
|                                             | <b>992</b>                     | 1,343            |

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

|                          | <b>2025</b><br><b>Number of employees</b> | 2024<br>Number of employees |
|--------------------------|-------------------------------------------|-----------------------------|
| HK\$nil to HK\$1,000,000 | <b>3</b>                                  | 3                           |

During the years ended 30 June 2025 and 2024, no emoluments were paid by the Group to these individuals as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

## 13. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 30 June 2025, nor has any dividend been proposed since the end of the reporting period (2024: HK\$nil).

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 14. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per share attributable to owners of the Company is based on the following data:

|                                                                                                                     | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|---------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| (Loss)/profit for the year attributable to owners of the Company for the purpose of basic (loss)/earnings per share | <b>(8,809)</b>   | 27,897           |

### Number of shares

|                                                                                               | 2025<br>'000      | 2024<br>'000 |
|-----------------------------------------------------------------------------------------------|-------------------|--------------|
| Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share | <b>10,971,634</b> | 10,971,634   |

No diluted (loss)/earnings per share for both years was presented as there were no potential ordinary shares in issue for both years.

## 15. PROPERTY, PLANT AND EQUIPMENT

|                                                  | Furniture<br>and fixtures<br>HK\$'000 | Office<br>equipment<br>HK\$'000 | Motor<br>vehicles<br>HK\$'000 | Total<br>HK\$'000 |
|--------------------------------------------------|---------------------------------------|---------------------------------|-------------------------------|-------------------|
| <b>COST</b>                                      |                                       |                                 |                               |                   |
| At 1 July 2023                                   | 95                                    | 71                              | 1,678                         | 1,844             |
| Disposal                                         | —                                     | —                               | (1,678)                       | (1,678)           |
| At 30 June 2024, 1 July 2024 and<br>30 June 2025 | 95                                    | 71                              | —                             | 166               |
| <b>DEPRECIATION</b>                              |                                       |                                 |                               |                   |
| At 1 July 2023                                   | 95                                    | 71                              | 1,678                         | 1,844             |
| Disposal                                         | —                                     | —                               | (1,678)                       | (1,678)           |
| At 30 June 2024, 1 July 2024 and<br>30 June 2025 | 95                                    | 71                              | —                             | 166               |
| <b>CARRYING VALUES</b>                           |                                       |                                 |                               |                   |
| At 30 June 2025 and 30 June 2024                 | —                                     | —                               | —                             | —                 |



## 15. PROPERTY, PLANT AND EQUIPMENT (*continued*)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

|                        |                    |
|------------------------|--------------------|
| Furniture and fixtures | 25%                |
| Office equipment       | 33 $\frac{1}{3}$ % |
| Motor vehicles         | 30%                |

## 16. RIGHT-OF-USE ASSET

|                                                                  | <b>Leasehold<br/>land and<br/>building<br/>HK\$'000</b> |                  |
|------------------------------------------------------------------|---------------------------------------------------------|------------------|
| Carrying amount as at 1 July 2023, 30 June 2024 and 30 June 2025 |                                                         | –                |
|                                                                  | <b>2025<br/>HK\$'000</b>                                | 2024<br>HK\$'000 |
| Total cash outflow for leases                                    | <b>651</b>                                              | 651              |

For the year ended 30 June 2025, the Group leases one (2024: one) office for its operations. Lease contracts are entered into for a fixed term of 3 years (2024: 3 years). Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

### Restrictions or covenants on leases

In addition, lease liability of HK\$371,000 are recognised with related right-of-use asset of HK\$nil as at 30 June 2025 (2024: lease liability of HK\$973,000 and related right-of-use asset of HK\$nil). The lease agreements do not impose any covenants other than the security deposits for the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

### Impairment assessment on right-of-use asset

The Group recorded substantial decrease in fair values in its unlisted equity instruments during 2023 and have consequently determined full impairment of right-of-use asset by the end of 2023. No additions of right-of-use asset or respective impairment was resulted as at 30 June 2025 and 2024.

For the purposes of impairment testing, right-of-use asset (including allocation of corporate assets) that generates cash flows is included in the respective cash-generating unit.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 16. RIGHT-OF-USE ASSET (continued)

### Impairment assessment on right-of-use asset (continued)

The recoverable amount of each cash-generating unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering the remaining rental period of the right-of-use asset and discount rate of 8% (2024: 8%).

The cash flow projections, growth rates and discount rate as at 30 June 2025 and 2024 have been reassessed taking into consideration higher degree of estimation uncertainties due to uncertainty on how volatility or disruptions in energy or financial markets may progress and evolve.

## 17. INTEREST IN AN ASSOCIATE

|                                                                  | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|------------------------------------------------------------------|------------------|------------------|
| Cost of investment in an associate                               | 435              | 290              |
| Share of post-acquisition losses and other comprehensive expense | (129)            | (91)             |
|                                                                  | <u>306</u>       | <u>199</u>       |

Details of the Group's associate at the end of the reporting period are as follows:

| Name of associate                                                         | Place of incorporation | Principal place of business | Paid up issued capital                     | Proportion of ownership interest and voting rights held by the Group |      | Principal activity                     |
|---------------------------------------------------------------------------|------------------------|-----------------------------|--------------------------------------------|----------------------------------------------------------------------|------|----------------------------------------|
|                                                                           |                        |                             |                                            | 2025                                                                 | 2024 |                                        |
| China Financial International Investments & Managements Limited ("CFIIM") | Hong Kong              | Hong Kong                   | 2025: HK\$1,500,000<br>2024: HK\$1,000,000 | 29%                                                                  | 29%  | Provision of asset management services |



## 17. INTEREST IN AN ASSOCIATE (continued)

### Summarised financial information of CFIM

The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRS Accounting Standards.

The associate is accounted for using the equity method in these consolidated financial statements.

|                                                   | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000 |
|---------------------------------------------------|--------------------------------|------------------|
| Current assets                                    | <b>1,115</b>                   | 735              |
| Current liabilities                               | <b>60</b>                      | 50               |
| Net assets                                        | <b>1,055</b>                   | 685              |
| Revenue                                           | <b>115</b>                     | 117              |
| Loss and total comprehensive expense for the year | <b>(130)</b>                   | (864)            |

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

|                                                      | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000 |
|------------------------------------------------------|--------------------------------|------------------|
| Net assets of CFIM                                   | <b>1,055</b>                   | 685              |
| Proportion of the Group's ownership interest in CFIM | <b>29%</b>                     | 29%              |
| The Group's share of net assets of CFIM              | <b>306</b>                     | 199              |

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 18. FINANCIAL ASSETS AT FVTPL

|                                                  | Notes | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--------------------------------------------------|-------|------------------|------------------|
| Financial assets mandatorily measured at FVTPL:  |       |                  |                  |
| Listed securities held for trading               |       |                  |                  |
| – Equity securities listed in Hong Kong          | (i)   | <b>25,150</b>    | 21,215           |
| Financial assets classified/designated at FVTPL: |       |                  |                  |
| – Unlisted equity investments                    | (ii)  | <b>27,888</b>    | 36,992           |
| Total                                            |       | <b>53,038</b>    | 58,207           |
| Analysed for reporting purposes as:              |       |                  |                  |
| Current assets                                   |       | <b>25,150</b>    | 21,215           |
| Non-current assets                               |       | <b>27,888</b>    | 36,992           |
|                                                  |       | <b>53,038</b>    | 58,207           |

Notes:

- (i) The fair values of listed securities are determined based on the quoted market prices available on the relevant exchange at the end of the reporting period.

Particulars of the major components of the investment portfolio as at 30 June 2025, in terms of the carrying value of the respective individual investment, are as follows:

### China City Infrastructure Group Limited (“China City Infrastructure”)

As at 30 June 2025, the Group held 436,079,429 shares (2024: 436,079,429 shares) in China City Infrastructure, representing approximately 13.94% (2024: 13.94%) of the issued share capital of China City Infrastructure. No dividend was declared and received during both years. As at 30 June 2025, the market value of the investment in the shares of China City Infrastructure was HK\$25,150,000 (2024: HK\$20,932,000).

### Hidili Industry International Development Limited (“Hidili Industry”)

As at 30 June 2024, the Group held 2,555,000 shares in Hidili Industry, representing approximately 0.06% of the issued share capital of Hidili Industry. Hidili Industry is principally engaged in coal mining and manufacture and sale of clean coal. In December 2024, the Group disposed all of its equity holding in Hidili Industry on market for the aggregated consideration of approximately HK\$149,000. Hence, as at 30 June 2025, the market value of the investment in the shares of Hidili Industry was HK\$nil (2024: HK\$283,000).

## 18. FINANCIAL ASSETS AT FVTPL (continued)

Notes: (continued)

(ii) At the end of the reporting period, the Group had the following unlisted equity investments:

| Name                                                                                         | Notes | Place of incorporation/<br>registration<br>and business | Group's effective interest |      | Principal activities                                                                                                                                                                                                                               | 2025                   |                  | 2024                   |                  |
|----------------------------------------------------------------------------------------------|-------|---------------------------------------------------------|----------------------------|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------|------------------------|------------------|
|                                                                                              |       |                                                         | 2025                       | 2024 |                                                                                                                                                                                                                                                    | Fair value<br>HK\$'000 | Cost<br>HK\$'000 | Fair value<br>HK\$'000 | Cost<br>HK\$'000 |
|                                                                                              |       |                                                         |                            |      |                                                                                                                                                                                                                                                    |                        |                  |                        |                  |
| Micro-loan service:                                                                          |       |                                                         |                            |      |                                                                                                                                                                                                                                                    |                        |                  |                        |                  |
| Harbin Zhongjinguoxin Microfinance Co., Ltd.<br>("Harbin Zhongjinguoxin")                    | (a)   | The PRC                                                 | 30%                        | 30%  | Provision of small loan and financial consultation services                                                                                                                                                                                        | -                      | 36,693           | -                      | 36,693           |
| Tianjin Binlian Microfinance Limited<br>("Tianjin Binlian")                                  | (b)   | The PRC                                                 | 3.3%                       | 3.3% | Provision of small loan and financial consultation services                                                                                                                                                                                        | -                      | 12,271           | -                      | 12,271           |
| Nanjing Jiangning MingYangRongTong Agricultural Microfinance Co., Ltd. ("Nanjing Jiangning") | (c)   | The PRC                                                 | 30%                        | 30%  | Provision of small loan and financial consultation services                                                                                                                                                                                        | -                      | 36,673           | -                      | 36,673           |
| Clean energy:                                                                                |       |                                                         |                            |      |                                                                                                                                                                                                                                                    |                        |                  |                        |                  |
| Henan Tianguan Energy and Biotechnology Company Limited ("Henan Tianguan")                   | (d)   | The PRC                                                 | 30%                        | 30%  | Production and sales of denatured fuel ethanol, sales of acetone, butanol, polyols, production and sales of biodegradable plastic and biodiesel, sales of chemical products, wheat bran flour, feed sales, acetic acid and acetaldehyde production | 6,988                  | 230,763          | 6,808                  | 230,763          |
| Hunan South China New Energy Limited<br>("Hunan South China")                                | (e)   | The PRC                                                 | 30%                        | 30%  | New energy technologies development, transfer and consultation, research and development, manufacturing and sales of chemical products, chemical reagents and auxiliaries (excluding hazardous chemicals and precursor chemicals)                  | -                      | 51,200           | -                      | 51,200           |
| Henan Keyi Huirui Energy and Biotechnology Company Limited ("Keyi Huirui")                   | (f)   | The PRC                                                 | 30%                        | 30%  | Biotechnology energy technology development, transfer and consultation, research and development, manufacturing and sales of biotechnology energy and chemical equipment                                                                           | -                      | 117,450          | -                      | 117,450          |
| Henan Zhongxin Bioenergy Co., Ltd<br>("Zhongxin Bioenergy")                                  | (g)   | The PRC                                                 | 30%                        | 30%  | Production and sales of fuel ethanol and related products                                                                                                                                                                                          | 804                    | 52,084           | 9,527                  | 52,084           |
| Henan Zhongxin Petrochemical Oil Trading Limited<br>("Zhongxin Petrochemical Oil")           | (h)   | The PRC                                                 | 30%                        | 30%  | Operating refined petroleum products                                                                                                                                                                                                               | 20,096                 | 52,084           | 20,657                 | 52,084           |
| Others:                                                                                      |       |                                                         |                            |      |                                                                                                                                                                                                                                                    |                        |                  |                        |                  |
| Xi'an Kairong Financial Service Limited ("Xi'an Kairong")                                    | (i)   | The PRC                                                 | 30%                        | 30%  | Provision of financial management services                                                                                                                                                                                                         | -                      | 18,724           | -                      | 18,724           |
|                                                                                              |       |                                                         |                            |      |                                                                                                                                                                                                                                                    | 27,888                 |                  | 36,992                 |                  |

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 18. FINANCIAL ASSETS AT FVTPL (*continued*)

Notes: (*continued*)

(ii) (*continued*)

- (a) On 29 August 2011, the Group invested in a 30% equity interest of Harbin Zhongjinguoxin, a joint venture established in the PRC. Harbin Zhongjinguoxin is principally engaged in the provision of small loan and financial consultation services in Harbin, Heilongjiang Province, the PRC.

On 22 December 2016, the Company entered into a disposal agreement to dispose of all of its equity interest in Harbin Zhongjinguoxin to an independent third party for a cash consideration of RMB25,000,000. A deposit of HK\$2,500,000 was received and still included as receipt in advance in “other payables and accruals” as at 30 June 2024 and 2025. As at 30 June 2025, in the opinion of the directors of the Company, the disposal transaction has not yet been completed after 12 months from the date of the disposal agreement but the transaction is still be considered as valid.

- (b) On 13 January 2012, the Group invested in a 10% equity interest of Tianjin Binlian, a joint venture established in the PRC. The Group’s equity interest in Tianjin Binlian was reduced to 3.3% on 22 January 2014, as the registered capital of Tianjin Binlian was enlarged by the new registered capital subscribed by its other shareholders on that date. Tianjin Binlian is principally engaged in the provision of small loan and financial consultation services in Tianjin, especially Dongli District, the PRC.
- (c) On 31 August 2012, the Group invested in a 30% equity interest of Nanjing Jiangning, a joint venture established in the PRC. Nanjing Jiangning is principally engaged in the provision of small loan and financial consultation services in Jiangning District, Nanjing, Jiangsu Province, the PRC.
- (d) On 11 May 2018, the Group invested in a 30% equity interest of Henan Tianguan, a joint venture established in the PRC. Henan Tianguan is principally engaged in production and sales of denatured fuel ethanol, sales of acetone, butanol, polyols, production and sales of biodegradable plastic and biodiesel, sales of chemical products, wheat bran flour, feed sales, acetic acid and acetaldehyde production.
- (e) On 23 January 2019, Keyi (Shanghai) Investment Limited (“Keyi (Shanghai)”), a wholly-owned subsidiary of the Company, invested in a 30% equity interest of Hunan South China with the capital contribution of RMB45,000,000. Hunan South China is engaged in new energy technologies development, transfer and consultation, research and development, manufacturing and sales of chemical products, chemical reagents and auxiliaries (excluding hazardous chemical and precursor chemicals).
- (f) On 5 September 2019, Keyi and three independent third parties formed Keyi Huirui, which had the registered capital of RMB350,000,000. Keyi injected RMB105,000,000 for its contribution for 30% of Keyi Huirui’s equity interest. On 31 October 2023, the registered capital of Keyi Huirui was increased to RMB450,000,000 and Keyi remained as a 30% shareholder.
- (g) On 16 March 2020, the Group invested in a 30% equity interest of Zhongxin Bioenergy, a joint venture established in the PRC. Zhongxin Bioenergy is principally engaged in production and sales of fuel ethanol and related products, the production and supply of electricity and heat, and the research, development and technical services of fuel ethanol and denatured fuel ethanol.
- (h) On 16 March 2020, the Group invested in a 30% equity interest of Zhongxin Petrochemical Oil, a joint venture established in the PRC. Zhongxin Petrochemical Oil is principally operating refined petroleum products (such as vehicle ethanol gasoline, kerosene, diesel, natural gas) without storage facilities, selling food and chemical products, retail medicine and road cargo transport.
- (i) On 18 December 2012, the Group invested in a 30% equity interest of Xi’an Kairong, a joint venture established in the PRC. Xi’an Kairong is principally engaged in the provision of financial management services to SMEs in Xi’an Economic Development Zone, Shaanxi Province, the PRC.





## 18. FINANCIAL ASSETS AT FVTPL (continued)

Notes: (continued)

(ii) (continued)

The fair values of all the above investments were determined by the directors of the Company with reference to the professional valuation carried out by GW Financial Advisory Services Limited, an independent external valuer not connected to the Group.

At the end of the reporting period, the Group held more than 20% of the effective shareholding interest in the above investee companies save and except Tianjin Binlian. The investments in these companies are not accounted for as associates as the Group had no significant influence over these companies. In accordance with the relevant written agreement/declaration signed between the Group and these investee companies as well as the other shareholders of the investee companies, the Group does not have the right to participate in its policy-making processes, to appoint directors nor management and to interchange of managerial personnel. Hence, all of these investments are not regarded as associates of the Group and are accounted for as financial assets at FVTPL for the years ended 30 June 2025 and 2024.

## 19. EQUITY INSTRUMENTS AT FVTOCI

|                                                    | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|----------------------------------------------------|------------------|------------------|
| Listed investments:                                |                  |                  |
| – Equity securities listed in Hong Kong (note (i)) | 15,982           | 12,576           |
| Unlisted investments:                              |                  |                  |
| – Equity securities (note (ii))                    | 13,779           | 15,347           |
| Total                                              | 29,761           | 27,923           |

Notes:

(i) Listed equity securities

The fair values of listed equity securities are determined based on the quoted market prices available on the relevant exchange at the end of the reporting period.

Particulars of the investment as at 30 June 2025, in terms of the carrying value of the listed investment, are as follows:

### China City Infrastructure

On 21 June 2016, the Company and China City Infrastructure, a company listed on the Stock Exchange, entered into the share subscription agreement to subscribe for 262,000,000 new shares of China City Infrastructure with a one-year lock-up period for a total subscription price of HK\$131,000,000 at HK\$0.50 per share. The transaction was completed on 28 June 2016. At 30 June 2025, the 262,000,000 shares (2024: 262,000,000 shares) representing approximately 8.4% (2024: 8.4%) of the entire issued share capital in China City Infrastructure. China City Infrastructure is principally engaged in infrastructure businesses, property investment, property development, hotel business, property management and natural gas in the PRC. As at 30 June 2025, the fair value of the Group's interest in China City Infrastructure was HK\$15,982,000 (2024: HK\$12,576,000).

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 19. EQUITY INSTRUMENTS AT FVTOCI (continued)

Notes: (continued)

(ii) Unlisted equity investments

As at 30 June 2024, the Group held the following unlisted equity investments:

| Name                                                                    | Notes | Place of<br>incorporation/<br>registration and<br>business | Group's<br>effective interest |       | Principal activities                                                       | 2025       |          | 2024       |          |
|-------------------------------------------------------------------------|-------|------------------------------------------------------------|-------------------------------|-------|----------------------------------------------------------------------------|------------|----------|------------|----------|
|                                                                         |       |                                                            | 2025                          | 2024  |                                                                            | Fair value | Cost     | Fair value | Cost     |
|                                                                         |       |                                                            |                               |       |                                                                            | HK\$'000   | HK\$'000 | HK\$'000   | HK\$'000 |
| Others:                                                                 |       |                                                            |                               |       |                                                                            |            |          |            |          |
| Jiangxi Huazhang Hanchen Guarantee Group Limited ("Jiangxi Huazhang")   | (a)   | The PRC                                                    | 1.77%                         | 1.77% | Provision of financing guarantees to small and medium enterprises ("SMEs") | 13,779     | 43,150   | 15,347     | 43,150   |
| Shenzhen Zhongtounxin Asset Management Company Limited ("Zhongtounxin") | (b)   | The PRC                                                    | 30%                           | 30%   | Provision of consultation services on project investments                  | -          | 18,350   | -          | 18,350   |
|                                                                         |       |                                                            |                               |       |                                                                            |            |          |            |          |
|                                                                         |       |                                                            |                               |       |                                                                            | 13,779     |          | 15,347     |          |

(a) On 13 April 2011, the Group acquired a 30% equity interest of Jiangxi Huazhang, a joint venture established in the PRC. The Group's equity interest in Jiangxi Huazhang became 7.2% on 15 July 2013, then dropped to 2.98% on 19 August 2016 and to 2.06% on 23 September 2021 and further dropped to 1.77% on 21 February 2024, as the registered capital of Jiangxi Huazhang was enlarged by the new registered capital subscribed by its other shareholders on those dates. Jiangxi Huazhang is principally engaged in the provision of financing guarantees to SMEs in the Jiangxi Province, the PRC.

(b) On 29 April 2011, the Group invested in a 30% equity interest of Zhongtounxin, a joint venture established in the PRC. The first contribution of RMB6,000,000 (equivalent to HK\$7,200,000) was made by the Company in 2011 and the second contribution of RMB9,000,000 (equivalent to HK\$11,150,000) was made on 10 May 2012. Zhongtounxin is principally engaged in the provision of consultation services for project investments in the PRC.

The fair values of all of the above investments were determined by the directors of the Company with reference to the professional valuation carried out by GW Financial Advisory Services Limited, an independent external valuer not connected to the Group.

At the end of the reporting period, the Group held more than 20% of the effective shareholding interests in China City Infrastructure and Zhongtounxin. The investments in these companies are not accounted for as associates since the Group had no significant influence over them. In accordance with the relevant written agreement/declaration signed between the Group and the investee companies as well as the other shareholders of the investee companies, the Group does not have the right to participate in their policy-making processes, to appoint directors nor management and to interchange of managerial personnel. Hence, this investments are not regarded as associates of the Group and are accounted for as equity instruments at FVTOCI for the year ended 30 June 2025 and 2024.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025



## 20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

|                                                        | Notes | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--------------------------------------------------------|-------|------------------|------------------|
| Deposit paid for potential investments                 | (i)   | –                | 3,677            |
| Rental and utilities deposits                          |       | 274              | 274              |
| Prepayments for investments                            | (ii)  | –                | 29,009           |
| Consideration receivable for disposal of an investment | (iii) | –                | 74,135           |
| Dividend receivables                                   |       | 148              | 148              |
| Other receivables                                      | (iv)  | 3,549            | 3,144            |
|                                                        |       | <hr/>            | <hr/>            |
|                                                        |       | 3,971            | 110,387          |
| Less: credit loss allowance                            |       | (2,580)          | (6,278)          |
|                                                        |       | <hr/>            | <hr/>            |
|                                                        |       | 1,391            | 104,109          |
| Prepayments                                            |       | 433              | 434              |
|                                                        |       | <hr/>            | <hr/>            |
|                                                        |       | 1,824            | 104,543          |
|                                                        |       | <hr/>            | <hr/>            |
| Analysed for reporting purposes as:                    |       |                  |                  |
| Current assets                                         |       | 1,824            | 104,275          |
| Non-current assets                                     |       | –                | 268              |
|                                                        |       | <hr/>            | <hr/>            |
|                                                        |       | 1,824            | 104,543          |
|                                                        |       | <hr/>            | <hr/>            |

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

Notes:

- (i) Deposit paid for potential investments

|                                             | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|---------------------------------------------|------------------|------------------|
| Mr. Zhang Gui Qing ("Mr. Zhang") (note (a)) | —                | 3,677            |
|                                             | —                | 3,677            |
| Less: credit loss allowance                 | —                | (3,677)          |
|                                             | —                | —                |
|                                             | —                | —                |

Note:

- (a) The Group entered into an agreement ("Agreement 1") with an independent third party, Mr. Zhang during the year of 2020. Pursuant to Agreement 1, Mr. Zhang is responsible for assisting to seek and recommend potential investments in the PRC to the Company with a term of three years, and the Company agreed to provide the deposit to Mr. Zhang amounted to HK\$10,000,000 during the period as agreed. The deposit is refundable after the period expired and is interest free. This contract's three-years term expired in October 2022, although Mr. Zhang recommended several investment projects to the Group, no suitable investment project was chosen by the Group. Hence, the Group made a request to Mr. Zhang to refund the deposit in full. By the end of 2025, the Group received a repayment of HK\$3,677,000 from Mr. Zhang. As a result, a reversal of credit loss allowance of HK\$3,677,000 has been recognised and included in reversal of impairment loss of other receivables in the current year.
- (ii) The Group made certain prepayments totaling RMB26,827,000 (equivalent to HK\$29,009,000) intended as capital injection for two unlisted investments during the year of 2023. In the opinion of the directors of the Company, such amounts would be recorded as investment costs for unlisted investment included in financial assets at FVTPL once all their existing investors fulfil their capital call and the official capital registration procedure is completed. Subsequently, there was no additional capital injection made from other investors into these entities up to the end of reporting period, and hence the Group retrieved these amounts from the two investees. Such amount have been received by the Group as at the year ended 30 June 2025.
- (iii) The Group disposed its entire interest of Mengzhou Houyuan for a consideration of RMB9,000,000 (equivalent to HK\$9,670,000) to an independent third party during the year of 2023, in which the Group provided one-year credit period to this purchaser. In the opinion of the directors of the Company, the amount of this receivable is expected to be recoverable based on the assessment of the financial background of the purchaser. Such amount has been received by the Group as at the year ended 30 June 2025.

During the year ended 30 June 2024, the Group disposed its entire interest of Jusheng Light Alloy for a consideration of RMB60,000,000 (equivalent to HK\$64,465,000) to an independent third party. In the opinion of the directors of the Company, the amount of this receivable is expected to be recoverable based on the assessment of the financial background of the purchaser. Such amount has been received by the Group as at the year ended 30 June 2025.

- (iv) Included in the other receivables were interest receivable of approximately HK\$1,144,000 (2024: HK\$1,144,000) from a bond issued by China City Infrastructure and an advance made to Zhongtougjin of approximately HK\$1,437,000 (2024: HK\$1,450,000). The directors are in negotiation with the counterparties for the repayment of the receivables to the Group. Provided that the receivables have not been repaid by the end of 30 June 2025, no reversal of impairment was made during the year and the receivables were considered as fully impaired.



## 21. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include demand deposits and short term deposits for the purpose of meeting the Group's short term cash commitments, which carry interest at market rates of range from 0% to 0.55% (2024: 0% to 0.88%) per annum.

For the year ended 30 June 2025, the Group performed impairment assessment on bank balances and concluded that the probability of defaults of the counterparty banks are insignificant and accordingly, no allowance for credit losses is provided.

## 22. OTHER PAYABLES AND ACCRUALS

|                     | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|---------------------|------------------|------------------|
| Receipts in advance | 2,500            | 2,500            |
| Accruals            | 10,711           | 11,457           |
| Other payables      | 528              | 419              |
|                     | <hr/>            | <hr/>            |
|                     | <b>13,739</b>    | 14,376           |
|                     | <hr/> <hr/>      | <hr/> <hr/>      |

## 23. AMOUNT DUE TO AN ASSOCIATE

CFIIM is the investment manager of the Group and provides investment management services to the Group in relation to the Group's investments. The amount represents the balance due to CFIIM that is unsecured, interest-free and at a credit term of 30 days from the invoice date.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 24. BORROWING

|                                                                                                                                    | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Bond (unsecured)                                                                                                                   | <b>9,997</b>     | 9,997            |
| The carrying amount of the above borrowing is repayable<br>(based on scheduled repayment dates set out in the loan<br>agreements): |                  |                  |
| Within one year                                                                                                                    | <b>9,997</b>     | 9,997            |
| Analysed for reporting purposes as:                                                                                                |                  |                  |
| Current liabilities                                                                                                                | <b>9,997</b>     | 9,997            |
| Non-current liabilities                                                                                                            | –                | –                |
|                                                                                                                                    | <b>9,997</b>     | 9,997            |

### Notes:

- As at 9 April 2020, the Group has entered into an extension agreement for the bond of HK\$5,000,000 (the “Bond 1”) to extend the maturity date from 8 July 2020 to 7 July 2021.
- As at 9 April 2020, the Group has entered into an extension agreement for the bond of HK\$5,000,000 (the “Bond 2”) to extend the maturity date from 12 November 2020 to 11 November 2021.
- As at 30 June 2021, the Group has entered into an agreement with the bond holder of Bond 1 and Bond 2 (collectively referred to as the “Bond 3”) to combine two bonds with the principal amount of HK\$10,000,000 at an interest rate of 7% per annum with maturity date on 30 June 2023, effective from 1 July 2021.
- At 30 June 2023, the Group has entered into a subscription agreement with the bond holder of Bond 3 for a bond with principal amount of HK\$10,000,000 (the “Bond 4”) at an interest rate of 8% per annum with maturity date on 30 June 2026 and repayable on demand, effective from 1 July 2023. The bond holder of Bond 3 agreed with the Company to use Bond 4 to renew the Bond 3 which matured on 30 June 2023.

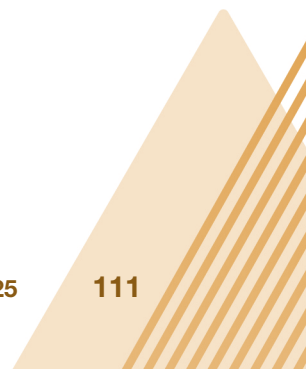


## 25. LEASE LIABILITY

|                                                                                   | 2025<br>HK\$'000 | 2024<br>HK\$'000  |
|-----------------------------------------------------------------------------------|------------------|-------------------|
| <b>Lease liability payable:</b>                                                   |                  |                   |
| Within one year                                                                   | 371              | 602               |
| Within a period of more than one year but not exceeding two years                 | —                | 371               |
|                                                                                   | <u>371</u>       | <u>973</u>        |
| Less: amounts due for settlement within 12 months shown under current liabilities | (371)            | (602)             |
| Amount due for settlement after 12 months shown under non-current liabilities     | —                | 371               |
|                                                                                   | <u><u>—</u></u>  | <u><u>371</u></u> |

At 30 June 2025, the weighted average incremental borrowing rate applied to lease liability is 7.00% (2024: 7.00%) per annum.

The Group's lease liability is denominated in the functional currency of the relevant group entities.



# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 26. SHARE CAPITAL OF THE COMPANY

|                                               | Number of<br>shares<br>'000 | Share<br>capital<br>HK\$'000 |
|-----------------------------------------------|-----------------------------|------------------------------|
| Ordinary shares of HK\$0.01 each              |                             |                              |
| <b>Authorised:</b>                            |                             |                              |
| At 1 July 2023, 30 June 2024 and 30 June 2025 | 30,000,000                  | 300,000                      |
| <b>Issued and fully paid:</b>                 |                             |                              |
| At 1 July 2023, 30 June 2024 and 30 June 2025 | 10,971,634                  | 109,717                      |

## 27. NET ASSET VALUE PER SHARE

The calculation of the net asset value per share is based on the net assets of HK\$157,237,000 (2024: HK\$165,143,000) and 10,971,634,000 (2024: 10,971,634,000) issued and fully paid ordinary shares as at 30 June 2025.

## 28. SHARE-BASED PAYMENT TRANSACTIONS

On 15 December 2017, a share option scheme (the "Scheme") was approved by the Shareholders of the Company at the annual general meeting to replace the previous scheme. The Scheme shall be valid and effective for a period of 10 years ending on 14 December 2027. The exercise price of the options under the Scheme is determinable by the board of directors, but will be at least the highest of:

- (i) the closing price of the shares on the Stock Exchange (as stated in the Stock Exchange's daily quotation sheets) on the offer date, which must be a business day;
- (ii) the average of the closing prices of the shares on the Stock Exchange (as stated in the Stock Exchange's daily quotation sheets) for the 5 business days immediately preceding the offer date; and
- (iii) the nominal value of the Company's shares on the offer date.

The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.





## 28. SHARE-BASED PAYMENT TRANSACTIONS *(continued)*

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5,000,000, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options under the Scheme may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The maximum number of the shares available for issue upon exercise of all share options which may be further granted under the Scheme is 1,097,163,403 shares, representing 10% of the total number of issued shares of the Company on 15 December 2017.

No share options were granted under the Scheme.

## 29. RETIREMENT BENEFITS PLANS

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the scheme (subject to a maximum of HK\$1,500 per month per employee) which contribution is matched by employees. Forfeited contributions in respect of unvested benefits of employees leaving the Group's employment cannot be used to reduce ongoing contributions.

The employees of the Group's subsidiary in the PRC are members of the state-managed retirement benefit scheme operated by the government of the PRC. The subsidiary is required to contribute certain percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The total expense recognised in profit or loss of HK\$124,000 (2024: HK\$141,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 30. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

## 31. FINANCIAL INSTRUMENTS

### a. Categories of financial instruments

|                                    | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|------------------------------------|------------------|------------------|
| <b>Financial assets</b>            |                  |                  |
| Mandatorily measured at FVTPL      |                  |                  |
| – Held-for-trading                 | 25,150           | 21,215           |
| Classified/designated at FVTPL     | 27,888           | 36,992           |
| Financial assets at amortised cost | 97,873           | 75,119           |
| Equity instruments at FVTOCI       | 29,761           | 27,923           |
|                                    | <u>180,672</u>   | <u>161,249</u>   |
| <b>Financial liabilities</b>       |                  |                  |
| Amortised cost                     | 10,963           | 11,791           |



## 31. FINANCIAL INSTRUMENTS (continued)

### b. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, deposits and other receivables, cash and cash equivalents, other payables, amount due to an associate, borrowing and lease liability. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (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 of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### Market risk

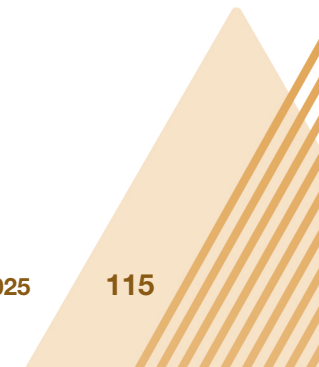
##### (i) Currency risk

The Group mainly operates in Hong Kong and the PRC, with certain of their purchases and disposals of investments being settled in HK\$ and RMB. The Group has foreign currency cash and cash equivalents, deposits and other receivables, financial assets at FVTPL, equity instruments at FVTOCI and other payables. The Group is thus exposed to currency risk arising from fluctuations on foreign currencies, primarily RMB, against the functional currency of the relevant group entities. Management continuously monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

#### *The Group's exposure to currency risk*

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. Differences resulting from the translation of the financial statements of the entities within the Group into the Group's presentation currency are excluded.

|                                   | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|-----------------------------------|------------------|------------------|
| Financial assets at FVTPL         | 27,888           | 36,992           |
| Equity instruments at FVTOCI      | 13,779           | 15,347           |
| Deposits and other receivables    | 1,000            | 74,708           |
| Cash and cash equivalents         | 95,845           | 19               |
| Other payables                    | (528)            | (148)            |
|                                   | <hr/>            | <hr/>            |
| Overall exposure to currency risk | 137,984          | 126,918          |
|                                   | <hr/> <hr/>      | <hr/> <hr/>      |



# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 31. FINANCIAL INSTRUMENTS (continued)

### b. Financial risk management objectives and policies (continued)

#### Market risk (continued)

##### (i) Currency risk (continued)

##### Sensitivity analysis

The following table demonstrates the sensitivity at the end of reporting period to a reasonably possible change in the HK\$ exchange rate against RMB for group entities with RMB as functional currencies, with all other variables held constant, of the Group's loss for the year and accumulated losses.

|                                 | (Decrease)/<br>increase in<br>profit/(loss)<br>for the<br>year and<br>accumulated<br>losses |                   |
|---------------------------------|---------------------------------------------------------------------------------------------|-------------------|
|                                 | %                                                                                           | HK\$'000          |
| <b>2025</b>                     |                                                                                             |                   |
| If HK\$ weakens against RMB     | 5                                                                                           | 6,899             |
| If HK\$ strengthens against RMB | (5)                                                                                         | (6,899)           |
|                                 | <u>          </u>                                                                           | <u>          </u> |
| <b>2024</b>                     |                                                                                             |                   |
| If HK\$ weakens against RMB     | 5                                                                                           | (6,346)           |
| If HK\$ strengthens against RMB | (5)                                                                                         | 6,346             |
|                                 | <u>          </u>                                                                           | <u>          </u> |

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the group entities' profit/(loss) for the year and accumulated losses measured in the respective functional currencies, translated into HK\$ at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group, including intra-group balances with foreign operations within the Group denominated in a currency other than the functional currency of the foreign operations, which expose the Group to foreign currency risk at the end of the reporting period. The analysis is performed on the same basis for year ended 30 June 2024.



## 31. FINANCIAL INSTRUMENTS (continued)

### b. Financial risk management objectives and policies (continued)

#### Market risk (continued)

##### (ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate borrowing (see note 24 for details). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances (see note 21 for details). The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook.

Total interest income from financial assets that are measured at amortised cost is as follows:

|                                    | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|------------------------------------|------------------|------------------|
| Other income                       |                  |                  |
| Financial assets at amortised cost | 327              | 1                |

Interest expense on financial liabilities not measured at FVTPL:

|                                         | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|-----------------------------------------|------------------|------------------|
| Financial liabilities at amortised cost | 800              | 802              |
| Lease liability                         | 49               | 90               |
|                                         | 849              | 892              |

No sensitivity analysis is performed as the directors of the Company consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 31. FINANCIAL INSTRUMENTS (continued)

### b. Financial risk management objectives and policies (continued)

#### **Market risk (continued)**

##### (iii) Other price risk

The Group is exposed to equity price risk through its investments in equity securities measured at FVTPL and FVTOCI. For equity securities measured at FVTPL quoted in the Stock Exchange, management manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group also invested in certain unquoted equity securities of investees operating in various industry sectors for long term strategic purposes which had been designated as FVTOCI. The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arises.

##### *Sensitivity analysis*

The sensitivity analyses have been determined based on the exposure to equity price risk at the reporting date. Sensitivity analyses for unquoted equity securities with fair value measurement categorised within Level 3 were disclosed in note 31c.

If the prices of the respective equity instruments had been 5% (2024: 5%) higher/lower, the loss for the year ended 30 June 2025 would decrease/increase by HK\$2,057,000 (2024: the profit for the year would increase/decrease by HK\$1,690,000) as a result of the changes in fair value of equity investments at FVTPL by HK\$1,258,000 (2024: HK\$1,061,000) and equity instruments at FVTOCI by HK\$799,000 (2024: HK\$629,000).

#### **Credit risk and impairment assessment**

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to deposits and other receivables and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

##### *Deposits and other receivables*

For deposits and other receivables, the management makes periodic individual assessment on the recoverability of deposits and other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information.

##### *Bank balances*

The Group has concentration of credit risk on liquid funds which are deposited with several banks. The credit risks on bank balances are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.



## 31. FINANCIAL INSTRUMENTS *(continued)*

### b. Financial risk management objectives and policies *(continued)*

#### ***Credit risk and impairment assessment (continued)***

The Group's internal credit risk grading assessment comprises the following categories:

| <b>Internal credit rating</b> | <b>Description</b>                                                                                                                             | <b>All financial assets</b>        |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Low risk                      | The counterparty has a low risk of default and does not have any past-due amounts.                                                             | 12m ECL                            |
| Watch list                    | Debtor frequently repays after due dates but usually settle in full after due date.                                                            | 12m ECL                            |
| Doubtful                      | There have been significant increases in credit risk since initial recognition through information developed internally or external resources. | Lifetime ECL – not credit-impaired |
| Loss                          | There is evidence indicating the asset is credit-impaired.                                                                                     | Lifetime ECL – credit-impaired     |
| Write-off                     | There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.            | Amount is written off              |

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 31. FINANCIAL INSTRUMENTS (continued)

### b. Financial risk management objectives and policies (continued)

#### Credit risk and impairment assessment (continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

| 2025                                      | Notes | External<br>credit<br>rating | Internal<br>credit<br>rating | 12m or<br>lifetime ECL | Gross<br>carrying<br>amount<br>HK\$'000 |
|-------------------------------------------|-------|------------------------------|------------------------------|------------------------|-----------------------------------------|
| <b>Financial assets at amortised cost</b> |       |                              |                              |                        |                                         |
| Deposits and other receivables            | 20    | N/A                          | (note (a))                   | 12m ECL                | 1,391                                   |
|                                           |       |                              | (note (a))                   | Credit-impaired        | 2,580                                   |
|                                           |       |                              |                              |                        | <hr/> 3,971                             |
| Cash and cash equivalents                 | 21    | AA                           | N/A                          | 12m ECL                | 96,482                                  |
| <b>2024</b>                               |       |                              |                              |                        |                                         |
|                                           | Notes | External<br>credit<br>rating | Internal<br>credit<br>rating | 12m or<br>lifetime ECL | Gross<br>carrying<br>amount<br>HK\$'000 |
| <b>Financial assets at amortised cost</b> |       |                              |                              |                        |                                         |
| Deposits and other receivables            | 20    | N/A                          | (note (a))                   | 12m ECL                | 75,099                                  |
|                                           |       |                              | (note (a))                   | Credit-impaired        | 6,278                                   |
|                                           |       |                              |                              |                        | <hr/> 81,377                            |
| Cash and cash equivalents                 | 21    | AA                           | N/A                          | 12m ECL                | 19                                      |





## 31. FINANCIAL INSTRUMENTS (continued)

### b. Financial risk management objectives and policies (continued)

#### Credit risk and impairment assessment (continued)

Note:

- (a) For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

|                                | Past due<br>HK\$'000 | Not past due/no<br>fixed repayment<br>terms<br>HK\$'000 | Total<br>HK\$'000 |
|--------------------------------|----------------------|---------------------------------------------------------|-------------------|
| <b>2025</b>                    |                      |                                                         |                   |
| Deposits and other receivables | <u>2,580</u>         | <u>1,391</u>                                            | <u>3,971</u>      |
|                                |                      |                                                         |                   |
| <b>2024</b>                    | Past due<br>HK\$'000 | Not past due/no<br>fixed repayment<br>terms<br>HK\$'000 | Total<br>HK\$'000 |
| Deposits and other receivables | <u>6,278</u>         | <u>75,099</u>                                           | <u>81,377</u>     |

The following tables show reconciliation of loss allowances that have been recognised for deposits and other receivables.

|                                        | 12m ECL<br>HK\$'000 | Lifetime ECL<br>(credit-<br>impaired)<br>HK\$'000 | Total<br>HK\$'000 |
|----------------------------------------|---------------------|---------------------------------------------------|-------------------|
| At 1 July 2023                         | –                   | 13,000                                            | 13,000            |
| Reversal of impairment loss recognised | –                   | (6,722)                                           | (6,722)           |
|                                        | <u>–</u>            | <u>–</u>                                          | <u>–</u>          |
| At 30 June 2024 and 1 July 2024        | –                   | 6,278                                             | 6,278             |
| Reversal of impairment loss recognised | –                   | (3,677)                                           | (3,677)           |
| Exchange difference                    | –                   | (21)                                              | (21)              |
|                                        | <u>–</u>            | <u>–</u>                                          | <u>–</u>          |
| At 30 June 2025                        | <u>–</u>            | <u>2,580</u>                                      | <u>2,580</u>      |

#### Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Future cash flows from operating activities is dependent on realisation of the listed and unlisted investments. In order to continue funding future capital programmes, the Company may need to obtain additional equity or debt financing, or assess other options. The ability to access the required capital to maintain current financial position and cash flows is dependent on a variety of external factors.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 31. FINANCIAL INSTRUMENTS (continued)

### b. Financial risk management objectives and policies (continued)

#### Liquidity risk (continued)

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

Liquidity table

|                               | Weighted<br>average<br>effective<br>interest<br>rate | On<br>demand<br>or<br>less than<br>1 month<br>HK\$'000 | 1 month<br>to<br>1 year<br>HK\$'000 | 1 to 2<br>years<br>HK\$'000 | Over 2<br>years<br>HK\$'000 | Total<br>undiscounted<br>cash flows<br>HK\$'000 | Carrying<br>amount<br>HK\$'000 |
|-------------------------------|------------------------------------------------------|--------------------------------------------------------|-------------------------------------|-----------------------------|-----------------------------|-------------------------------------------------|--------------------------------|
| <b>2025</b>                   |                                                      |                                                        |                                     |                             |                             |                                                 |                                |
| Other payables                | -                                                    | 528                                                    | -                                   | -                           | -                           | 528                                             | 528                            |
| Amount due to an<br>associate | -                                                    | 67                                                     | -                                   | -                           | -                           | 67                                              | 67                             |
| Borrowing                     | 8.00%                                                | 9,997                                                  | -                                   | -                           | -                           | 9,997                                           | 9,997                          |
| Lease liability               | 7.00%                                                | 54                                                     | 326                                 | -                           | -                           | 380                                             | 371                            |
|                               |                                                      | <u>10,646</u>                                          | <u>326</u>                          | <u>-</u>                    | <u>-</u>                    | <u>10,972</u>                                   | <u>10,963</u>                  |
| <b>2024</b>                   |                                                      |                                                        |                                     |                             |                             |                                                 |                                |
| Other payables                | -                                                    | 419                                                    | -                                   | -                           | -                           | 419                                             | 419                            |
| Amount due to an<br>associate | -                                                    | 402                                                    | -                                   | -                           | -                           | 402                                             | 402                            |
| Borrowing                     | 8.00%                                                | 9,997                                                  | -                                   | -                           | -                           | 9,997                                           | 9,997                          |
| Lease liability               | 7.00%                                                | 54                                                     | 596                                 | 380                         | -                           | 1,030                                           | 973                            |
|                               |                                                      | <u>10,872</u>                                          | <u>596</u>                          | <u>380</u>                  | <u>-</u>                    | <u>11,848</u>                                   | <u>11,791</u>                  |



## 31. FINANCIAL INSTRUMENTS (continued)

### b. Financial risk management objectives and policies (continued)

#### Liquidity risk (continued)

Liquidity table (continued)

As disclosed in note 24, the Group has entered into a subscription agreement with the bond holder for a bond with principal amount of HK\$10,000,000 at an interest rate of 8% per annum with maturity date on 30 June 2026 and repayable on demand clause, effective from 1 July 2023. The borrowing will be repaid in accordance with the scheduled repayment date set out in the loan agreement, detail of which are set out in the table below:

|             | Weighted<br>average<br>effective<br>interest<br>rate | On<br>demand<br>or<br>less than<br>1 month<br>HK\$'000 | 1 month<br>to<br>1 year<br>HK\$'000 | 1 to 2<br>years<br>HK\$'000 | Over 2<br>years<br>HK\$'000 | Total<br>undiscounted<br>cash flows<br>HK\$'000 | Carrying<br>amount<br>HK\$'000 |
|-------------|------------------------------------------------------|--------------------------------------------------------|-------------------------------------|-----------------------------|-----------------------------|-------------------------------------------------|--------------------------------|
| <b>2025</b> |                                                      |                                                        |                                     |                             |                             |                                                 |                                |
| Borrowing   | 8.00%                                                | 67                                                     | 10,730                              | -                           | -                           | 10,797                                          | 9,997                          |
| <b>2024</b> |                                                      |                                                        |                                     |                             |                             |                                                 |                                |
| Borrowing   | 8.00%                                                | 67                                                     | 733                                 | 10,800                      | -                           | 11,600                                          | 9,997                          |

### c. Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management of the Group works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 31. FINANCIAL INSTRUMENTS (continued)

### c. Fair value measurements of financial instruments (continued)

#### (i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

#### Fair value hierarchy at 30 June 2025

|                               | Level 1<br>HK\$'000 | Level 2<br>HK\$'000 | Level 3<br>HK\$'000 | Total<br>HK\$'000 |
|-------------------------------|---------------------|---------------------|---------------------|-------------------|
| Equity instruments at FVTOCI: |                     |                     |                     |                   |
| – Listed investments          | 15,982              | –                   | –                   | 15,982            |
| – Unlisted investments        | –                   | –                   | 13,779              | 13,779            |
| Financial assets at FVTPL     |                     |                     |                     |                   |
| – Listed securities           | 25,150              | –                   | –                   | 25,150            |
| – Unlisted equity investments | –                   | –                   | 27,888              | 27,888            |
|                               | <u>41,132</u>       | <u>–</u>            | <u>41,667</u>       | <u>82,799</u>     |

#### Fair value hierarchy at 30 June 2024

|                               | Level 1<br>HK\$'000 | Level 2<br>HK\$'000 | Level 3<br>HK\$'000 | Total<br>HK\$'000 |
|-------------------------------|---------------------|---------------------|---------------------|-------------------|
| Equity instruments at FVTOCI: |                     |                     |                     |                   |
| – Listed investments          | 12,576              | –                   | –                   | 12,576            |
| – Unlisted investments        | –                   | –                   | 15,347              | 15,347            |
| Financial assets at FVTPL     |                     |                     |                     |                   |
| – Listed securities           | 21,215              | –                   | –                   | 21,215            |
| – Unlisted equity investments | –                   | –                   | 36,992              | 36,992            |
|                               | <u>33,791</u>       | <u>–</u>            | <u>52,339</u>       | <u>86,130</u>     |



## 31. FINANCIAL INSTRUMENTS (continued)

### c. Fair value measurements of financial instruments (continued)

#### (i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

|                                                                     | Fair value                                                             | Valuation technique         | Significant unobservable inputs              | Range/value                                      | Sensitivity of fair value to the input                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------------|------------------------------------------------------------------------|-----------------------------|----------------------------------------------|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Unlisted security classified as equity instruments at FVTOCI</i> |                                                                        |                             |                                              |                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Others                                                              | 30 June 2025:<br>HK\$13,779,000<br><br>30 June 2024:<br>HK\$15,347,000 | Market comparable companies | Price to book ratio ("PB ratio")             | 30 June 2025: 0.6730<br><br>30 June 2024: 0.7012 | The fair values of companies are determined with reference to multiples of comparable listed companies, using the average of the PB ratios of comparables. The fair value measurement is positively correlated to the PB ratios. Had the highest PB ratio among the comparables been used as at 30 June 2025, the Group's OCI would have increased by HK\$709,000 (2024: HK\$767,000). Had the lowest PB ratio among the comparables been used as at 30 June 2025, the Group's OCI would have decreased by HK\$709,000 (2024: HK\$767,000). |
|                                                                     |                                                                        |                             | Discounts for lack of marketability ("DLOM") | 30 June 2025: 70%<br><br>30 June 2024: 70%       | The fair values of companies are also determined with reference to DLOM. The fair value measurement is negatively correlated to the DLOM. Had the DLOM decreased by 5% as at 30 June 2025, the Group's OCI would have increased by HK\$1,655,000 (2024: HK\$2,558,000). Had the DLOM increased by 5% as at 30 June 2025, the Group's OCI would have decreased by HK\$1,655,000 (2024: HK\$2,558,000).                                                                                                                                       |

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 31. FINANCIAL INSTRUMENTS (continued)

### c. Fair value measurements of financial instruments (continued)

#### (i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

|                                                                            | Fair value            | Valuation technique         | Significant unobservable inputs | Range/value               | Sensitivity of fair value to the input                                                                                                                                                                                                                                                                                  |
|----------------------------------------------------------------------------|-----------------------|-----------------------------|---------------------------------|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Unlisted equity investments classified as financial assets at FVTPL</u> |                       |                             |                                 |                           |                                                                                                                                                                                                                                                                                                                         |
| Micro-loan service                                                         | 30 June 2025: HK\$nil | Market comparable companies | PB ratio                        | 30 June 2025: nil (note)  | The fair value is positively correlated to the PB ratios. Had the highest PB ratio among the comparables been used, the carrying amount would have increased by HK\$nil (2024: HK\$nil). Had the lowest PB ratio among the comparables been used, the carrying amount would have decreased by HK\$nil (2024: HK\$nil).  |
|                                                                            | 30 June 2024: HK\$nil |                             | 30 June 2024: nil (note)        |                           |                                                                                                                                                                                                                                                                                                                         |
|                                                                            |                       |                             | DLOM                            | 30 June 2025: nil% (note) | The fair value is negatively correlated to the DLOM. Had the DLOM decreased by 5%, the carrying amount would have increased by HK\$nil (2024: HK\$nil). Had the DLOM increased by 5%, the carrying amount would have decreased by HK\$nil (2024: HK\$nil).                                                              |
|                                                                            |                       |                             | 30 June 2024: nil% (note)       |                           |                                                                                                                                                                                                                                                                                                                         |
| <u>Unlisted equity investments classified as financial assets at FVTPL</u> |                       |                             |                                 |                           |                                                                                                                                                                                                                                                                                                                         |
| Others                                                                     | 30 June 2025: HK\$nil | Market comparable companies | PB ratio                        | 30 June 2025: nil (note)  | The fair value is positively correlated to the PB ratios. Had the highest PB ratio among the comparables been used, the carrying amounts would have increased by HK\$nil (2024: HK\$nil). Had the lowest PB ratio among the comparables been used, the carrying amount would have decreased by HK\$nil (2024: HK\$nil). |
|                                                                            | 30 June 2024: HK\$nil |                             | 30 June 2024: nil (note)        |                           |                                                                                                                                                                                                                                                                                                                         |
|                                                                            |                       |                             | DLOM                            | 30 June 2025: nil% (note) | The fair value is negatively correlated to the DLOM. Had the DLOM decreased by 5%, the carrying amount would have increased by HK\$nil (2024: HK\$nil). Had the DLOM increased by 5%, the carrying amount would have decreased by HK\$nil (2024: HK\$nil).                                                              |
|                                                                            |                       |                             | 30 June 2024: nil% (note)       |                           |                                                                                                                                                                                                                                                                                                                         |

Note: Since the unlisted equity investments reflect a negative valuation, no inputs have been adopted.



## 31. FINANCIAL INSTRUMENTS (continued)

### c. Fair value measurements of financial instruments (continued)

#### (i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

|                                                                            | Fair value                      | Valuation technique         | Significant unobservable inputs                                                                                | Range/value                                                                                                                    | Sensitivity of fair value to the input                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------|---------------------------------|-----------------------------|----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Unlisted equity investments classified as financial assets at FVTPL</i> |                                 |                             |                                                                                                                |                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Clean energy                                                               | 30 June 2025:<br>HK\$27,888,000 | Market comparable companies | Ratio of enterprise value over sales ("EV/Sales")                                                              | 30 June 2025: (ethanol producer: nil; ethanol trading: 1.60)                                                                   | The fair values of companies are determined with reference to multiples of comparable listed companies, using average of the EV/Sales and EV/EBITDA ratios of comparables. The fair value measurement is positively correlated to the EV/Sales and EV/EBITDA ratios. Had the EV/Sales and EV/EBITDA ratio increased by 5% as at 30 June 2025, the Group's profit or loss would have increased by HK\$388,000 (2024: HK\$647,000). Had EV/Sales and EV/EBITDA ratio decreased by 5% as at 30 June 2025, the Group's profit or loss would have decreased by HK\$388,000 (2024: HK\$647,000). |
|                                                                            | 30 June 2024:<br>HK\$36,992,000 |                             | Ratio of enterprise value over earnings before interest, tax depreciation and amortization ("EV/EBITDA ratio") | 30 June 2024: (ethanol producer: 0.56; ethanol trading: 1.00)                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                            |                                 |                             | DLOM                                                                                                           | 30 June 2025: (ethanol producer: 90%; ethanol trading: 60%)<br><br>30 June 2024: (ethanol producer: 90%; ethanol trading: 60%) | The fair values of companies are also determined with reference to DLOM. The fair value measurement is negatively correlated to the DLOM. Had the DLOM decreased by 5% as at 30 June 2025, the Group's profit or loss would have increased by HK\$6,597,000 (30 June 2024: HK\$10,750,000). Had the DLOM increased by 5% as at 30 June 2025, the Group's profit or loss would have decreased by HK\$6,597,000 (30 June 2024: HK\$10,750,000).                                                                                                                                              |

There were no transfers between Level 1 and 2 during both years.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 31. FINANCIAL INSTRUMENTS (continued)

### c. Fair value measurements of financial instruments (continued)

#### (ii) Reconciliation of Level 3 fair value measurements

For the year ended 30 June 2025

|                        | Financial<br>assets<br>at FVTPL<br>(unlisted)<br>HK\$'000 | Equity<br>instruments<br>at FVTOCI<br>(unlisted)<br>HK\$'000 | Total<br>HK\$'000 |
|------------------------|-----------------------------------------------------------|--------------------------------------------------------------|-------------------|
| Opening balance        | 36,992                                                    | 15,347                                                       | 52,339            |
| Total losses:          |                                                           |                                                              |                   |
| – in profit or loss    | (9,063)                                                   | –                                                            | (9,063)           |
| – in OCI               | –                                                         | (1,568)                                                      | (1,568)           |
| – exchange realignment | (41)                                                      | –                                                            | (41)              |
| Disposals              | –                                                         | –                                                            | –                 |
| Closing balance        | <u>27,888</u>                                             | <u>13,779</u>                                                | <u>41,667</u>     |

For the year ended 30 June 2024

|                        | Financial<br>assets<br>at FVTPL<br>(unlisted)<br>HK\$'000 | Equity<br>instruments<br>at FVTOCI<br>(unlisted)<br>HK\$'000 | Total<br>HK\$'000 |
|------------------------|-----------------------------------------------------------|--------------------------------------------------------------|-------------------|
| Opening balance        | 83,448                                                    | 10,715                                                       | 94,163            |
| Total losses:          |                                                           |                                                              |                   |
| – in profit or loss    | 18,549                                                    | –                                                            | 18,549            |
| – in OCI               | –                                                         | 4,632                                                        | 4,632             |
| – exchange realignment | 121                                                       | –                                                            | 121               |
| Disposals              | (65,126)                                                  | –                                                            | (65,126)          |
| Closing balance        | <u>36,992</u>                                             | <u>15,347</u>                                                | <u>52,339</u>     |





## 31. FINANCIAL INSTRUMENTS (continued)

### c. Fair value measurements of financial instruments (continued)

#### (ii) Reconciliation of Level 3 fair value measurements (continued)

Of the net loss for the year included in profit or loss, a loss of HK\$9,284,000 (2024: HK\$34,977,000) relates to financial assets at FVTPL held at the end of the current reporting period. Fair value gains or losses on financial assets at FVTPL are included in “fair value gain/(loss) on financial assets at FVTPL”.

Included in OCI are loss of HK\$1,568,000 (2024: gain of HK\$4,632,000) relating to unlisted equity securities classified as equity instruments at FVTOCI, held at the end of the current reporting period and are reported as changes of “financial assets at FVTOCI reserve”.

#### (iii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in financial statements approximate their fair values due to short maturity.

## 32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those 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.

|                         | <b>Borrowing</b><br>(note 24)<br>HK\$'000 | <b>Lease liability</b><br>(note 25)<br>HK\$'000 | <b>Total</b><br>HK\$'000 |
|-------------------------|-------------------------------------------|-------------------------------------------------|--------------------------|
| At 1 July 2023          | 9,997                                     | 1,534                                           | 11,531                   |
| Financing cash outflows | (802)                                     | (651)                                           | (1,453)                  |
| Finance costs (note 8)  | 802                                       | 90                                              | 892                      |
| At 30 June 2024         | 9,997                                     | 973                                             | 10,970                   |
| Financing cash outflows | (800)                                     | (651)                                           | (1,451)                  |
| Finance costs (note 8)  | 800                                       | 49                                              | 849                      |
| At 30 June 2025         | <b>9,997</b>                              | <b>371</b>                                      | <b>10,368</b>            |

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 33. RELATED PARTY TRANSACTIONS

During the year, the Group entered into the following transactions with related parties:

|                                                             | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|-------------------------------------------------------------|------------------|------------------|
| Investment management fee paid/payable to CFIIIM (note (i)) | 115              | 117              |

Note:

- (i) An investment management agreement (the "Investment Management Agreement") was entered into between the Company and CFIIIM on 25 April 2014 to renew the appointment of CFIIIM as the investment manager of the Company for a further period of three years effective from 29 April 2014 to 28 April 2017. Pursuant to the Investment Management Agreement, CFIIIM is entitled to a management fee which is receivable monthly in arrears at the rate of 0.75% per annum of the aggregate market value of the portfolio managed by CFIIIM on the last business day of each calendar month.

The Investment Management Agreement expired on 28 April 2017 and a new investment management agreement (the "2nd Investment Management Agreement") was entered into accordingly on 26 April 2017 to renew the appointment of CFIIIM as the investment manager of the Company for a further period of three years effective from 29 April 2017 to 28 April 2020. Pursuant to the 2nd Investment Management Agreement, CFIIIM is entitled to a management fee which is receivable monthly in arrears at the rate of 0.75% per annum of the aggregate market value of the portfolio managed by CFIIIM on the last business day of each calendar month.

The Investment Management Agreement expired on 28 April 2020 and a new investment management agreement (the "3rd Investment Management Agreement") was entered into accordingly on 27 April 2020 to renew the appointment of CFIIIM as the investment manager of the Company for a further period of three years effective from 29 April 2020 to 28 April 2023. Pursuant to the 3rd Investment Management Agreement, CFIIIM is entitled to a management fee which is receivable monthly in arrears at the rate of 0.75% per annum of the aggregate market value of the portfolio managed by CFIIIM on the last business day of each calendar month.

The Investment Management Agreement expired on 28 April 2023 and a new investment management agreement (the "4th Investment Management Agreement") was entered into accordingly on 27 April 2023 to renew the appointment of CFIIIM as the investment manager of the Company for a further period of three years effective from 29 April 2023 to 28 April 2026. Pursuant to the 4th Investment Management Agreement, CFIIIM is entitled to a management fee which is receivable monthly in arrears at the rate of 0.75% per annum of the aggregate market value of the portfolio managed by CFIIIM on the last business day of each calendar month.

Investment management fees also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are disclosed in the report of directors in the annual report.

The remuneration of directors of the Company who are considered as key management during the year is set out in note 11.

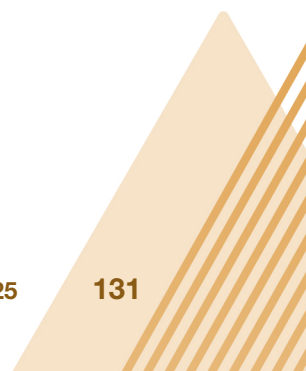
The remuneration of directors and key executives is determined by the remuneration committee of the Company having regard to the performance of individuals and market trends.



## 34. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the subsidiaries held by the Company at the end of the reporting period are set out below.

| Name of subsidiary                                           | Place of incorporation                    | Paid up issued/<br>registered capital | Proportion of ownership<br>interest held directly by<br>the Company |      | Principal activities<br>and place of<br>operation |
|--------------------------------------------------------------|-------------------------------------------|---------------------------------------|---------------------------------------------------------------------|------|---------------------------------------------------|
|                                                              |                                           |                                       | 2025                                                                | 2024 |                                                   |
| Best Joy Asia Investment Limited                             | The British Virgin Islands<br>(the "BVI") | US\$1,000                             | 100%                                                                | 100% | Inactive                                          |
| China Financial International Investments (Nanchang) Limited | The BVI                                   | US\$10,000                            | 100%                                                                | 100% | Inactive                                          |
| China Financial International Investments (Haerbin) Limited  | The BVI                                   | US\$10,000                            | 100%                                                                | 100% | Inactive                                          |
| China Financial International Investments (Henan) Limited    | The BVI                                   | US\$10,000                            | 100%                                                                | 100% | Inactive                                          |
| Joy State Holdings Limited                                   | Hong Kong                                 | HK\$1                                 | 100%                                                                | 100% | Investment holding,<br>Hong Kong                  |
| Keyi (Shanghai)                                              | The PRC                                   | RMB200,000,000                        | 100%                                                                | 100% | Investment holding,<br>the PRC                    |



# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## 35. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

|                                              | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|----------------------------------------------|------------------|------------------|
| <b>NON-CURRENT ASSETS</b>                    |                  |                  |
| Property, plant and equipment                | –                | –                |
| Right-of-use asset                           | –                | –                |
| Investments in subsidiaries                  | 6,808            | 6,808            |
| Interest in an associate                     | 435              | 290              |
| Financial assets at FVTPL                    | 20,902           | 30,185           |
| Equity instruments at FVTOCI                 | 29,761           | 27,923           |
| Deposit                                      | –                | 268              |
|                                              | <b>57,906</b>    | <b>65,474</b>    |
| <b>CURRENT ASSETS</b>                        |                  |                  |
| Prepayments, deposits and other receivables  | 796              | 2,102            |
| Financial assets at FVTPL                    | 25,150           | 21,215           |
| Cash and cash equivalents                    | 462              | –                |
|                                              | <b>26,408</b>    | <b>23,317</b>    |
| <b>CURRENT LIABILITIES</b>                   |                  |                  |
| Other payables and accruals                  | 13,173           | 14,357           |
| Amounts due to subsidiaries                  | 9,840            | 3,596            |
| Amount due to an associate                   | 67               | 402              |
| Borrowing                                    | 9,997            | 9,997            |
| Lease liability                              | 371              | 602              |
|                                              | <b>33,448</b>    | <b>28,954</b>    |
| <b>NET CURRENT LIABILITIES</b>               | <b>(7,040)</b>   | <b>(5,637)</b>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> | <b>50,866</b>    | <b>59,837</b>    |
| <b>NON-CURRENT LIABILITY</b>                 |                  |                  |
| Lease liability                              | –                | 371              |
| <b>NET ASSETS</b>                            | <b>50,866</b>    | <b>59,466</b>    |
| <b>CAPITAL AND RESERVES</b>                  |                  |                  |
| Share capital                                | 109,717          | 109,717          |
| Reserves                                     | (58,851)         | (50,251)         |
| <b>TOTAL EQUITY</b>                          | <b>50,866</b>    | <b>59,466</b>    |



## 35. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

### Movements in the Company's reserves

|                                            | Share<br>premium<br>HK\$'000 | Contributed<br>surplus<br>HK\$'000<br>(note (i)) | Capital<br>reserve<br>HK\$'000<br>(note (ii)) | Financial<br>assets at<br>FVTOCI<br>reserve<br>HK\$'000 | Exchange<br>reserve<br>HK\$'000 | Accumulated<br>losses<br>HK\$'000 | Total<br>HK\$'000 |
|--------------------------------------------|------------------------------|--------------------------------------------------|-----------------------------------------------|---------------------------------------------------------|---------------------------------|-----------------------------------|-------------------|
| At 1 July 2023                             | 2,067,672                    | 278,979                                          | 2,766                                         | (86,883)                                                | (6,065)                         | (2,271,630)                       | (15,161)          |
| Loss for the year                          | -                            | -                                                | -                                             | -                                                       | -                               | (43,652)                          | (43,652)          |
| Other comprehensive<br>income for the year | -                            | -                                                | -                                             | 8,562                                                   | -                               | -                                 | 8,562             |
| Total comprehensive<br>income for the year | -                            | -                                                | -                                             | 8,562                                                   | -                               | (43,652)                          | (35,090)          |
| At 30 June 2024                            | 2,067,672                    | 278,979                                          | 2,766                                         | (78,321)                                                | (6,065)                         | (2,315,282)                       | (50,251)          |
| Loss for the year                          | -                            | -                                                | -                                             | -                                                       | -                               | (10,438)                          | (10,438)          |
| Other comprehensive<br>income for the year | -                            | -                                                | -                                             | 1,838                                                   | -                               | -                                 | 1,838             |
| Total comprehensive<br>income for the year | -                            | -                                                | -                                             | 1,838                                                   | -                               | (10,438)                          | (8,600)           |
| <b>At 30 June 2025</b>                     | <b>2,067,672</b>             | <b>278,979</b>                                   | <b>2,766</b>                                  | <b>(76,483)</b>                                         | <b>(6,065)</b>                  | <b>(2,325,720)</b>                | <b>(58,851)</b>   |

#### Notes:

- (i) The contribution surplus represents share premium reduction. Under the Companies Law of Bermuda, the contributed surplus of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of the contributed surplus if (i) it would after the payment, be unable to pay its liabilities as they become due; or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium.
- (ii) The capital reserve represents the waiver of an amount due to a shareholder in 2005.

## Five-Year Financial Summary

A summary of the results, assets and liabilities of the Group for the last 5 financial years, as extracted from the published audited financial statements and reclassified as appropriate, is set out below.

### RESULTS

|                                                               | Year ended 30 June |                  |                  |                  |                  |
|---------------------------------------------------------------|--------------------|------------------|------------------|------------------|------------------|
|                                                               | 2025<br>HK\$'000   | 2024<br>HK\$'000 | 2023<br>HK\$'000 | 2022<br>HK\$'000 | 2021<br>HK\$'000 |
| Revenue                                                       | 164                | 1,224            | 76               | 2,234            | 1,503            |
| (Loss)/profit before tax                                      | (8,809)            | 23,759           | (387,171)        | (215,195)        | (66,513)         |
| Income tax credit/(expense)                                   | –                  | 4,138            | –                | –                | (132)            |
| (Loss)/profit for the year                                    | (8,809)            | 27,897           | (387,171)        | (215,195)        | (66,645)         |
| Other comprehensive income/(expense) for the year, net of tax | 903                | 7,797            | (56,169)         | (11,547)         | 50,459           |
| Total comprehensive (expense)/income for the year             | (7,906)            | 35,694           | (443,340)        | (226,742)        | (16,186)         |

### ASSETS AND LIABILITIES

|                   | As at 30 June    |                  |                  |                  |                  |
|-------------------|------------------|------------------|------------------|------------------|------------------|
|                   | 2025<br>HK\$'000 | 2024<br>HK\$'000 | 2023<br>HK\$'000 | 2022<br>HK\$'000 | 2021<br>HK\$'000 |
| Total assets      | 181,411          | 190,891          | 159,257          | 606,258          | 834,381          |
| Total liabilities | (24,174)         | (25,748)         | (29,808)         | (33,469)         | (34,850)         |
| Total equity      | 157,237          | 165,143          | 129,449          | 572,789          | 799,531          |