



ASIAN CITRUS HOLDINGS LIMITED

亞洲果業控股有限公司\*

*(incorporated in Bermuda with limited liability)*

(Stock Code : 73)

# 2024/25

## ANNUAL REPORT

\* For identification purposes only

# CONTENTS

|                                                                         |     |
|-------------------------------------------------------------------------|-----|
| Financial Highlights                                                    | 02  |
| Chairman's Statement                                                    | 03  |
| Management Discussion and Analysis                                      | 06  |
| Directors and Senior Management Profile                                 | 19  |
| Directors' Report                                                       | 21  |
| Corporate Governance Report                                             | 36  |
| Environmental, Social and Governance Report                             | 49  |
| Independent Auditor's Report                                            | 87  |
| Consolidated Statement of Profit or Loss and Other Comprehensive Income | 92  |
| Consolidated Statement of Financial Position                            | 94  |
| Consolidated Statement of Changes in Equity                             | 96  |
| Consolidated Statement of Cash Flows                                    | 98  |
| Notes to the Consolidated Financial Statements                          | 100 |
| Five Year Financial Summary                                             | 201 |
| Company Information                                                     | 202 |

# FINANCIAL HIGHLIGHTS

## RESULTS OF OPERATIONS

|                                                                      | For the year ended 30 June |               |          |
|----------------------------------------------------------------------|----------------------------|---------------|----------|
|                                                                      | 2025                       | 2024          | % change |
|                                                                      | (RMB Million)              | (RMB Million) |          |
| <b>Reported financial information</b>                                |                            |               |          |
| Revenue                                                              | 75.4                       | 168.6         | (55.3)   |
| Other income and gains                                               | 3.7                        | 5.1           | (27.5)   |
| Loss before income tax                                               | (28.4)                     | (25.4)        | 11.8     |
| Loss attributable to the owners of the Company                       | (24.0)                     | (25.6)        | (6.3)    |
| Basic loss per share attributable to the owners of the Company (RMB) | (1.611)                    | (1.858)       | (13.3)   |

## FINANCIAL POSITION

|                           | As at<br>30 June<br>2025 | As at<br>30 June<br>2024 | % change |
|---------------------------|--------------------------|--------------------------|----------|
|                           | (RMB Million)            | (RMB Million)            |          |
| Total assets              | 144.6                    | 160.1                    | (9.7)    |
| Net current assets        | 44.0                     | 70.9                     | (37.9)   |
| Cash and cash equivalents | 9.5                      | 16.8                     | (43.5)   |
| Total equity              | 110.9                    | 137.0                    | (19.1)   |
| Current ratio             | 2.4                      | 5.1                      | (52.9)   |

# CHAIRMAN'S STATEMENT

On behalf of the board ("**Board**") of directors ("**Directors**"), I am pleased to present the latest development, progress and annual results of Asian Citrus Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") for the year ended 30 June 2025 (the "**Year**").

## REVIEW

In the past year, the People's Republic of China (the "**PRC**") economy has been operating in a complex global landscape, grappling with numerous challenges. The global economic growth has decelerated, geopolitical conflicts have persisted, trade protectionism has surged, and the monetary policies of major economies have diverged. These factors have added substantial uncertainties to the global economy and exerted an impact on the PRC economy.

Domestically, the PRC economy is in a phase of structural transformation and upgrading. The changes in the economic environment have had diverse impacts on business environment.

Overall, despite the challenges, the Group is cautiously optimistic on the resilience of the PRC economy and its growth potential in the long term.

During the Year, for the Group's planting, cultivation and sale of agricultural produce business (the "**Plantation Business**"), the Group continued to focus on passion fruit as its primary product. With a view to improve the harvest and crop yield as a whole, the Group continued to optimise its plantation strategies by evaluating and adjusting its cultivation method covering areas, such as, selection of fruit type, growing period and farmland size. Recently, the Group also explored the feasibility of the plantation of various fruits, including watermelon and cantaloupes, aiming to broaden the revenue base for its Plantation Business, though the plantation of watermelon and cantaloupes were yet to generate material revenue.

Notwithstanding the above, with the improvement in quality of the passion fruits, despite there was a drop in terms of quantities, the Group was able to sell the passion fruits at a higher selling price, thus resulting in an increase in revenue as compared to the year ended 30 June 2024 (the "**Prior Year**") for this business segment.

As for the fruit distribution business of the Group (the "**Fruit Distribution Business**"), it is the Group's strategy to evaluate the fruit market by gathering and analysing the latest market information, amongst others, the latest fruit trends (popularity and price), types of fruits and quality in order to estimate the level of demand of the markets of which the Group covers. While there was an abundant supply of blueberries and pears in the market, the Group observed the quality of such produces had not reach its marketable standard, the Group decided against entering in the market for these two fruits to avoid potential losses during the Year. With such prudent approach coupled with the Group's strategic change in product mix by focusing on fruits with reasonable margin, a substantial decrease in revenue was recorded for the Year as compared to the Prior Year for this business segment. However, on the basis that the external market environment will not continue to worsen, the Group will continue to monitor the latest development of the fruit market and will source different fruits in season that can potentially bring reasonable return to the Group.

## CHAIRMAN'S STATEMENT

The air-conditioners distribution business of the Group (the “**Air-conditioners Distribution Business**”), commenced back in 2022, primarily operated in Meizhou and Shenzhen, the PRC, during the Year. In around May 2024, local government implemented subsidies for consumers to purchase energy-efficient and smart home appliances. This had an adverse impact on the Air-conditioners Distribution Business as most of 深圳市金龍建设工程有限公司 (Shenzhen Jinlong Construction Engineering Co., Ltd.\*) (“**Jinlong Construction**”) customers were smaller-scale physical stores and did not participate in the subsidy program, which in turns, led to a decline in revenue on a year-on-year basis. However, the Group is committed to develop its Air-conditioners Distribution Business through understanding and meeting its customers’ needs going forward.

Furthermore, during the Year, via its joint ventures, being the Group’s indirectly non-wholly owned subsidiaries, the Group also commenced sales and distribution of consumables and others business (the “**Sales and Distribution of Consumables and Others Business**”), through its online and offline sale and distribution channels, with an aim of diversifying from the risks associated with the Group’s other business segments. The Group also commenced the provision of supply chain finance technology solution service under this segment. While this segment was able to generate revenue from its sales and distribution of products and services provided, this segment is still in its infancy stage and the Group will continue to refine its strategies so as to better serve the needs of the market targeted by the Group.

During the Year, against the backdrop of a challenging operating environment, the Group recorded revenue of approximately RMB75.4 million for the Year, representing a decrease of approximately 55.3% as compared to the revenue of approximately RMB168.6 million for the Prior Year. The Group recorded a net loss attributable to the owners of the Company of approximately RMB24.0 million for the Year, representing a reduction of net loss attributable to the owners of the Company of approximately RMB1.6 million as compared to the Prior Year.

\* For identification purpose only

## CHAIRMAN'S STATEMENT

### PROSPECTS

Throughout the Year, given uncertainty across global market caused by the global political instability, domestic consumption in the PRC remained challenging, which have impacted the Group's financial performance and business operations.

Given the current challenges of the PRC's domestic economy and the ongoing geopolitical tensions, the Board acknowledges the necessity of remaining vigilant regarding the potential risks that the Group might confront. The Group will respond promptly and in the best interests of its shareholders, through prudent management of its financials and operations.

Looking ahead, the Group aims at advancing step by step, to proactively capitalise and pursue on appropriate market opportunities in different business segments after due assessment. The Board will continue to review the Group's operations, business and financial performances, and adopt various strategies to diversify the risk, subject to the prevailing market dynamics and opportunities, as appropriate.

### APPRECIATION

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

**Li Ziyang**  
*Chairman*

30 September 2025

# MANAGEMENT DISCUSSION AND ANALYSIS

## OUTLOOK

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

Looking forward, with the recovery of the PRC economy, the Group believes that there will be a gradual uptick in domestic consumer market activities, bringing the Group various business opportunities. The Group will use its best endeavours to deliver positive stable returns to its shareholders through effective operations of its existing viable businesses and constantly exploring and seizing new market opportunities.

As for the Plantation Business, the Group also explored the feasibility of the plantation of various fruits, including watermelon and cantaloupe in the past. Going forward, the Group shall continue to conduct its assessments on the plantation of other fruits, subject to the positive outcome of the relevant internal feasibility studies and successful harvests, such may further improve and broaden the income base of the Group in the long run, and cautiously allocate internal resources to maximize shareholders' return as a whole.

As for the Fruit Distribution Business, attributable to fierce market competition as well as the deterioration of certain fruit quality, the Group will cautiously consider and continuously evaluate the selection of suitable type(s) and quantities of the selected fruits to be purchased from multiple suppliers for the subject season, including but not limited to winter jujube, pear, watermelon and peach, taking into account various factors, such as the changing customers' preference towards different type of fruits, and demand and supply in the market at the material time as well as price of the relevant fruits.

The Air-conditioners Distribution Business segment is one of the major revenue sources of income of the Group during the Year. The Group will continue to deploy its resources in the Air-conditioners Distribution Business with an aim to attain improved economies of scale, greater bargaining power for price negotiation with suppliers and thus improve gross profit margin through expand its scale and revenue. In the coming year, the Company intends to build upon its existing business model and cautiously expand into more locations in the PRC. In evaluating new potential locations, the Group will take into account the following factors, including, where applicable, the Company's access to the local distribution channels, local competition among the brands the Company primarily sells, the upcoming property development projects within the catchment area and access to the supporting teams. Subject to the then prevailing status, the availability of the financial and other resources of the Group at the material time, the Group plans to further develop into other cities in the PRC where its competitive advantages would be beneficial to its business expansion.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Plantation Business is carried out at Hepu Plantation located in Guangxi, the PRC (the “**Hepu Plantation**”), with the principal products being the fruits, in particular, passion fruits. The Group will try to improve the crop yield and quality over time through fruit type selection, internally developed and adopted better-suited agriculture methodologies, these might enhance the Plantation Business’s comparativeness, thus, achieving a higher selling price per unit.

The Plantation Business primarily operates under a business-to-business (“**B2B**”) business model. The customers of the Plantation Business are primarily fruit distributors and fruit retailers.

During the Year, the Plantation Business contributed revenue of approximately RMB1.6 million, as compared to approximately RMB1.3 million during the Prior Year.

Principal products of the Fruit Distribution Business are fruits, mainly including winter jujube, pear, blueberry, watermelon, and provision of value-added services, namely (i) ensuring a stable supply fruits by identifying cost-effective fruit producing areas; (ii) responsible for arranging logistics and delivery services; (iii) arranging for quality inspection agencies to test the fruits according to customers’ requirements; and (iv) coordinating and managing the handling of sub-standard fruits.

For Fruit Distribution Business, through gathering latest market information on, among others, the latest fruit trends (popularity and price), the type of fruits which are going to be in season, the upcoming fruit quality across various types of fruits due to the weather conditions, rainfall and temperature, the availability of supply from the Group’s suppliers and the estimated level of market demand in the markets of which the Group covers, relevant staff will decide on the type and quantity of fruits to be purchased for the subject season of the year based on their experiences in the fruit market, their connections and the results of their observations.

Revenue derived from the Fruit Distribution Business amounted to approximately RMB28.7 million, during the Year, represented a decrease of approximately 73.0% as compared to the approximately RMB106.5 million during the Prior Year, this was due to the Group’s prudent approach by deciding against entering into the market with sub-standard fruits as well as adjustment in the Group’s business strategy in terms of product mix with the purpose to maintain its competitiveness in the market.

## MANAGEMENT DISCUSSION AND ANALYSIS

As for the Air-conditioners Distribution Business, principal products not only consist of air conditioners, the Group also distributed other electrical appliances, such as refrigerators and rice cookers. In addition, as part of its value-added/ancillary services, the Group also offers and provides installation services, design for optimal cooling and energy efficiency (works such as measurement and preparation work for the installation, selection of the indoor and outdoor locations, planning for piping and electrical connections) and delivery services, utilising its internal resources or work with external service vendors, where appropriate.

The Air-conditioners Distribution Business primarily engages in B2B business model, it also conducts sales to individual end-customers, under a business-to-customer ("**B2C**") business model.

During the Year, the Air-conditioners Distribution Business contributed revenue of approximately RMB42.3 million, as compared to approximately RMB60.8 million for the Prior Year, the fluctuation of which was primarily attributable to adverse effects brought about by the subsidy program of local government, which the Group's customers may not have participated in.

For the Sales and Distribution of Consumables and Others Business, principal products/services include the sales and distribution of consumables through e-commerce channels, and are delivered to offline distributors, on an order by order basis, and as part of its value-added/ancillary services, the Group arranges and provides delivery service by engaging external logistics service providers. Major products include herbal-related wellness consumables/products, such as mugwort cushion, steam eye masks, mugwort hammer and herbal foot spa pad.

During the Year, the Sales and Distribution of Consumables and Others Business contributed revenue of approximately RMB1.5 million (2024: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Revenue

The Group recorded total revenue of approximately RMB75.4 million (2024: RMB168.6 million) for the Year.

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

|                                                           | For the year ended 30 June |                 | % change |
|-----------------------------------------------------------|----------------------------|-----------------|----------|
|                                                           | 2025<br>RMB'000            | 2024<br>RMB'000 |          |
| Plantation Business                                       | 1,595                      | 1,321           | 20.7%    |
| Fruit Distribution Business                               | 28,706                     | 106,507         | (73.0)%  |
| Air-conditioners Distribution Business                    | 42,267                     | 60,807          | (30.5)%  |
| Sales and Distribution of Consumables and Others Business | 1,530                      | –               | 100%     |
| Others                                                    | 1,322                      | –               | 100%     |
| Total                                                     | 75,420                     | 168,635         | (55.3)%  |

For the Year, the Group recorded revenue of approximately RMB1.6 million (2024: RMB1.3 million) from the Plantation Business in the Hepu Plantation. In both years, the major crops from Hepu Plantation are passion fruits. During the Year, owing to the Group was testifying and seeking for the appropriate cultivation method, include but not limited to the adjustment of seeding, growing period with a reduced farmland size, the quantity of harvest crop declined. It was offset by the improvement in the quality of the harvested passion fruits, resulting in a higher selling price.

In respect of the Fruit Distribution Business, the Group recorded revenue of approximately RMB28.7 million (2024: RMB106.5 million), representing a significant decline of approximately 73.0%. The drop in revenue is due to a strategic change in product mix and adjustment in the Group's business strategy in terms of product mix with the purpose to maintain competitiveness in the market, whereby the Group's focused on fruits with reasonable margins. During the Prior Year, not less than 80% of revenue was derived from blueberries and pears, and less than 20% of revenue was derived from winter jujube. However, during the Year, taking into account the results of assessment that there would be a risk of loss for blueberries and pears because of the increase in supply in the market and the decrease in quality, the management of the Company has decided not to enter the market for these two fruits and sought for other quality fruit in the market. Therefore, there was a decrease in revenue (winter jujube accounted for over 30% of the revenue whilst watermelons being newly added to the portfolio rendered for approximate 60% of revenue) for the Year.

## MANAGEMENT DISCUSSION AND ANALYSIS

Regarding the Air-conditioners Distribution Business, the Group recorded revenue of approximately RMB42.3 million (2024: RMB60.8 million) for the Year, representing a decline of approximately 30.5%. It was resulted from the lower demand for electrical appliances from customers of Jinlong Construction during the Year. Within Jinlong Construction's existing markets, namely Shenzhen and Meizhou, the local governments implemented subsidies for consumers to purchase energy-efficient and smart home appliances in around May 2024. Taking into account most of Jinlong Construction's customers are smaller-scale physical stores which may not have participated in the subsidy program, as such, end-consumer demand for their electrical appliances have been adversely affected, leading to reduced purchase orders.

During the Year, the Group commenced its Sales and Distribution of Consumables and Others Business through its joint ventures, being indirect non-wholly owned subsidiaries of the Company. The core business activity of this segment is the sales and distribution of consumables under B2B and B2C business models through e-commerce or offline channels. Major products include herbal-related wellness consumables/products, such as mugwort cushion, steam eye masks, mugwort hammer and herbal foot spa pad. Apart from the aforementioned trading activities, the Group also kicked off the provision of supply chain finance technology solution service. The aforesaid products and services have been launched in the market and the Group has generated revenue therefrom. Nonetheless, the Group is still in the process of further developing their product range and service scopes under this business line as well as refining their strategies so as to better serve the identified needs of the market targeted by the Group. Given the infant stage of this new business line, it was yet to exert significant impact to the revenue for the Year.

### ***Other income and gains***

For the Year, the Group recorded other income and gains of approximately RMB3.7 million (2024: RMB5.1 million), which mainly consists of government grants, promotion fee income as well as the interest income on loans receivable. The decline was mainly related to the drop in government grant.

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

During the year ended 30 June 2024, in view of unsatisfactory agricultural output and continuous losses under the Plantation Business cash generating unit ("**CGU**"), the recoverability of the carrying amounts of the Plantation Business CGU is in question. Peak Vision Appraisals Limited, an independent valuer was engaged to conduct a valuation on the property, plant and equipment (other than bearer plants) of which the Directors based their assessment of the subject impairment loss on. As a result from the valuation, an impairment loss of approximately RMB9.9 million on the property, plant and equipment was recorded, mainly related to the farmland infrastructure and machinery.

Property, plant and equipment in relation to the Plantation Business CGU has been fully impaired in prior years due to under-performed financial results. There is no further impairment nor reversal for the Year.

## MANAGEMENT DISCUSSION AND ANALYSIS

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

For the year ended 30 June 2025, the Group recorded decrease in fair value of investment properties of approximately RMB0.3 million (2024: RMB0.8 million), which was mainly attributable to the decrease in the appraised value of a commercial property of the Group located in the PRC. Such commercial property was previously occupied by the Group and leased out by the Group to an independent third party since 1 September 2022.

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

For the Year, the Group recorded increase in fair value of financial assets at fair value through profit or loss of approximately RMB3.6 million (2024: increase of RMB11.3 million), which was mainly attributable to the increase in the fair value of the unlisted notes which have been fully disposed of (2024: equity securities listed in the United States).

### ***Staff costs***

For the Year, the staff costs of the Group amounted to approximately RMB16.8 million (2024: RMB11.3 million). The increment in staff costs by approximately RMB5.5 million was mainly attributable to (i) the manpower deployed for the initial set up and development as well as back-office support of the new Sales and Distribution of Consumables and Others Business segment comprising salespersons, marketing team, finance team etc.; and (ii) the compensation payment for termination of employment of PRC staff.

### ***Distribution and other operating expenses***

For the Year, the distribution and other operating expenses of the Group amounted to approximately RMB1.6 million (2024: RMB0.5 million), mainly incurred on transportation and delivery, advertising and promotion campaigns, as well as after-sales service. The increase was mainly attributable to the emergence of the sales and distribution of consumables business line contributing significant delivery costs and after-sales follow up services fees.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ***General and other administrative expenses***

For the Year, the general and other administrative expenses of the Group amounted to approximately RMB17.1 million (2024: RMB17.7 million), which comprised primarily one-off consultancy fees incurred for setting up the online platform and service fees incurred for promoting online distribution channels under the newly setup segment, legal and professional fees, office premise rental, etc. The legal and professional fees included but not limited to audit fee, valuation fees and other fees paid to professional parties.

The general and other administrative expenses slightly decreased by RMB0.6 million. Despite the emergence of the one-off consultancy fee incurred for setting up the online platform and service fees incurred for promoting online distribution channels under the newly setup segment contributing approximately RMB4.7 million, the increment was offset by the absence of written off of biological asset amounting to approximately RMB2.2 million in current year, reduction in written-off of property, plant and equipment of approximately RMB1.0 million, cost-saving initiatives carried out in PRC subsidiaries reduced overall office administrative expenses by approximately RMB1.0 million and reduction in office premise rental by approximately RMB0.9 million.

### ***Income tax expense***

The Group recorded an income tax expenses for the Year of approximately RMB66,000 (2024: RMB161,000). The decrease was mainly attributable to the decline in net profit under the Fruit Distribution Business and Air-conditioners Distribution Business.

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

For the Year, loss attributable to the owners of the Company was approximately RMB24.0 million (2024: RMB25.6 million). The fluctuation for the year is mainly attributable to the absence of the impairment loss on property, plant and equipment of approximately RMB9.9 million and reduction in depreciation of approximately RMB8.9 million being offset by decline in the fair value change of financial assets at fair value through profit or loss of approximately RMB7.7 million, increment in staff cost of approximately RMB5.4 million and the sharing of general and administrative expenses to minority shareholder.

## MANAGEMENT DISCUSSION AND ANALYSIS

### RISK FACTORS

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

#### PLANTATION BUSINESS

##### *Climate changes and natural disasters*

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

##### *Contractual arrangement at Hepu Plantation*

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

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

#### FRUIT DISTRIBUTION BUSINESS

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### AIR-CONDITIONERS DISTRIBUTION BUSINESS

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

### DIVIDEND

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

### CAPITAL

On 13 October 2023, the Company announced a proposed rights issue on the basis of one rights share for every two shares in issue at a subscription price of HK\$0.035 per rights share (which represented (i) a discount of approximately 33.96% to the closing price of HK\$0.053 per ordinary share(s) (the **"Share(s)"**) of the Company as quoted on The Stock Exchange of Hong Kong Limited (the **"Stock Exchange"**) on the last full trading day for the Shares before the release of the relevant announcement (the **"Rights Issue Last Trading Day"**); (ii) a discount of approximately 33.96% to the average of the closing prices of approximately HK\$0.053 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Rights Issue Last Trading Day; (iii) a discount of approximately 35.19% to the average of the closing prices of approximately HK\$0.054 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Rights Issue Last Trading Day; (iv) a discount of approximately 38.60% to the average of the closing prices of approximately HK\$0.057 per Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Rights Issue Last Trading Day; (v) a discount of approximately 25.53% to the theoretical ex-rights price of approximately HK\$0.047 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.053 per Share as quoted on the Stock Exchange on the Rights Issue Last Trading Day; and (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Rules Governing the Listing of Securities on the Stock Exchange (the **"Listing Rules"**)) represented by a discount of approximately 11.32% to the theoretical diluted price of approximately HK\$0.047 per Share based on the benchmarked price of approximately HK\$0.053 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Rights Issue Last Trading Day of HK\$0.053 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Rights Issue Last Trading Day of approximately HK\$0.053 per Share)) to raise up to approximately HK\$43,700,000 before expenses. On 7 November 2023, the Company allotted and issued 480,467,975 ordinary shares of HK\$0.035 each by way of rights issue and the number of issued shares of the Company was increased from 2,499,637,884 shares as at 30 June 2023 to 2,980,105,859 (the **"Rights Issue"**).

## MANAGEMENT DISCUSSION AND ANALYSIS

On 14 December 2023, the Company proposed the capital reorganisation (“**Capital Reorganisation**”) to be implemented in the following manner:

- (i) the share consolidation (“**Share Consolidation**”) whereby every two hundred (200) issued and unissued existing shares of par value of HK\$0.01 each will be consolidated into one (1) consolidated share (“**Consolidated Share**”) of par value of HK\$2.00 each;
- (ii) immediately following the Share Consolidation becoming effective, the capital reduction (“**Capital Reduction**”) whereby the issued share capital of the Company will be reduced from an amount of approximately HK\$29,801,000 by an amount of approximately HK\$29,652,000 to an amount of approximately HK\$149,000 such that the par value of each issued Consolidated Share be reduced from HK\$2.00 to HK\$0.01 by (a) an elimination of any fraction of a Consolidated Share arising from the Share Consolidation in order to round down the total number of the Consolidated Shares to a whole number; and (b) a cancellation of HK\$1.99 of the paid-up capital of the Company on each issued Consolidated Share so that each issued Consolidated Share will be treated as one (1) fully paid-up share of par value HK\$0.01 each in the share capital of the Company;
- (iii) immediately following the Share Consolidation becoming effective, the sub-division (“**Sub-division**”), whereby each authorised but unissued Consolidated Shares (including the authorized unissued Consolidated Shares arising from the Capital Reduction) be subdivided into two hundreds (200) authorised but unissued New Shares of par value HK\$0.01 each so that immediately following the Capital Reorganisation, the authorised share capital of the Company shall remain HK\$50,000,000 divided into 5,000,000,000 New Shares;
- (iv) immediately following the Capital Reduction and Sub-division becoming effective, the entire amount standing to the credit of the share premium account of the Company is proposed to reduce to nil (“**Share Premium Reduction**”); and
- (v) upon the Capital Reorganisation becoming effective, the credits arising from the Capital Reduction and the Share Premium Reduction will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act to then be applied to set off the accumulated losses of the Company or be applied by the Board in a manner as permitted by the Bye-Laws and all applicable laws of Bermuda from time to time without further authorisation from the shareholders.

The proposed Capital Reorganisation was passed and approved as the special resolution by the shareholders at a special general meeting held on 19 February 2024. Accordingly, the Capital Reorganisation has become effective from 21 February 2024. As a result, the Company has 14,900,529 shares in issue and the authorised share capital of the Company remains at HK\$50,000,000, which is divided into 5,000,000,000 ordinary shares.

## MANAGEMENT DISCUSSION AND ANALYSIS

For details, please refer to the announcements of the Company dated 14 December 2023, 27 December 2023, 19 February 2024 and 21 February 2024, and the circular of the Company dated 22 January 2024.

As at 30 June 2025, the total number of issued shares of the Company was 14,900,529 shares.

### LIQUIDITY AND FINANCE RESOURCES

#### *Liquidity*

As at 30 June 2025, the Group had liabilities of approximately RMB10.8 million (2024: RMB12.0 million) in respect of bank borrowings and other borrowings with particulars disclosed in note 29 and note 30 to the consolidated financial statements respectively. The cash and cash equivalents of the Group was approximately RMB9.5 million (2024: RMB16.8 million).

As at 30 June 2025, the current ratio and quick ratio were 2.4 and 1.9, respectively (2024: 5.1 and 4.6, respectively).

#### *Funding and treasury policy*

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

#### *Charge on assets*

As at 30 June 2025, the Group's prepayment of approximately RMB9.6 million (2024: RMB13.3 million) was used as securities of obtaining bank borrowings of RMB1.8 million (2024: bank borrowings of RMB4.7 million and other borrowing of RMB1.0 million).

#### *Net gearing ratio*

The net gearing ratio of the Group (bank loans plus other borrowings less cash and cash equivalents, divided by total equity multiplied by 100%) increased from approximately –3.5% as at 30 June 2024 to approximately 1.2% as at 30 June 2025. The increase in net gearing ratio was mainly attributable to the decline in cash and cash equivalents after allocating partial funds to trade cryptocurrencies.

#### *Capital commitments*

As at 30 June 2025, the Group did not have any capital commitments (2024: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### FOREIGN EXCHANGE RISK

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

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

### EMPLOYEES OF THE GROUP

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

As at 30 June 2025, the Group had 80 (2024: 61) permanent employees.

### CONTINGENT LIABILITIES

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### OTHER SIGNIFICANT EVENTS

On 30 June 2025, Jinlong Construction, as purchaser, and 深圳市金龍空調電器有限公司 (Shenzhen Jinlong Air Conditioning Electric Co. Ltd.\*) ("**JAC**"), as seller, entered into the new framework agreement ("**New Framework Agreement**"), pursuant to which Jinlong Construction has conditionally agreed to purchase, and JAC has conditionally agreed to sell the electrical appliances (including air conditioners) from the date ("**Effective Date**") of which the relevant approval from the independent shareholders has been obtained by the Company up to and including 30 June 2028. The relevant cap for each of the period from Effective Date to 30 June 2026, year ending 30 June 2027 and year ending 30 June 2028 were proposed at RMB45,000,000, RMB56,000,000 and RMB64,000,000 respectively ("**Proposed Annual Caps**"). A special general meeting ("**SGM**") will be convened and held for the independent shareholders to consider and, if thought fit, to pass the resolution to approve the New Framework Agreement, the transactions contemplated thereunder and the Proposed Annual Caps. A circular containing, among other things, (i) further details of the New Framework Agreement, the transactions contemplated thereunder and the Proposed Annual Caps; (ii) a letter from the committee of independent non-executive Directors ("**Independent Board Committee**") containing its recommendation in respect of the New Framework Agreement, the transactions contemplated thereunder and the Proposed Annual Caps; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the independent shareholders containing its recommendation in respect of the New Framework Agreement, the transactions contemplated thereunder and the Proposed Annual Caps; (iv) a notice of the SGM; and (v) other relevant matters as required by the Listing Rules will be despatched to the shareholders of the Company.

For further details, please refer to the announcements of the Company dated 30 June 2025, 31 July 2025, 22 August 2025, 15 September 2025 and 26 September 2025.

### EVENTS AFTER THE REPORTING PERIOD

There is no material event after the reporting period.

\* For identification purposes only

# DIRECTORS AND SENIOR MANAGEMENT PROFILE

## EXECUTIVE DIRECTOR

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

Ms. Li Ziying, aged 32, joined the Board on 1 November 2023 as an Executive Director and was appointed as Chairman of the Board on 25 November 2023. She is also the director of several subsidiaries of the Company.

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

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

## NON-EXECUTIVE DIRECTOR

**Mr. James Francis BITTL**

Mr. James Francis BITTL, aged 39, joined the Board on 16 June 2021 as a Non-executive Director. Mr. Bittl received a MBA from The University of Chicago Booth School of Business in 2022, a Master of Arts from New York University in 2011 and a Bachelor of Arts from Bowdoin College in 2008. Mr. Bittl has ample experience in corporate planning and management. He is currently the managing director of World Force Trading Limited, a company principally engaged in real estate investment and general trading.

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

## INDEPENDENT NON-EXECUTIVE DIRECTORS

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

Mr. LIU Ruiqiang, aged 61, joined the Board on 10 June 2021 as an Independent Non-executive Director. Mr. Liu graduated from Sun Yat-sen University with major in economics administration in July 1985. He has over 30 years of experience in the field of tax, accounting, auditing and finance. Mr. Liu is currently a certified public accountant of the Chinese Institute of Certified Public Accountants, a senior member of Shenzhen Institute of Certified Public Accountants and a registered tax agent in the PRC. He is a partner of 深圳市義達山河稅務師事務所有限公司 (Shenzhen Yidashanhe Certified Tax Agents Co., Ltd.\*) and also a partner and director of 深圳市義達會計師事務所有限責任公司 (Shenzhen Yida Certified Public Accountants Co., Ltd.\*).

\* For identification purposes only

## DIRECTORS AND SENIOR MANAGEMENT PROFILE

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

Mr. WANG Tianshi, aged 41, joined the Board on 29 March 2022 as an Independent Non-executive Director. Mr. Wang obtained a master's degree in business administration from the Harvard University in 2012. He is experienced in investment and business management. He is currently the managing partner of Hony Ventures, principally engaging in venture capital investments in consumer and technology.

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

Mr. ZHUANG Canbin, aged 31, joined the Board on 30 December 2024 as an Independent Non-executive Director. Mr. Zhuang graduated with a bachelor's degree in finance from Shenzhen University in the PRC in 2015. He has substantive management and investment experience in blockchain technology and cryptocurrency industries. From June 2020 to August 2024, Mr. Zhuang was working in and acted as the manager of the investment department of Shenzhen Aladdin Cloud Computing Technology Company Limited\* (深圳阿拉丁雲計算技術有限公司), a company principally engaged in the sale, marketing, hosting and maintenance services for cryptocurrency mining machines. Since August 2024, Mr. Zhuang has been serving as the manager of the investment department of Shenzhen Champion Cloud Technology Company Limited\* (深圳華冠智雲科技有限公司), which engages in artificial intelligence, blockchain technology and cryptocurrency mining investment projects.

### COMPANY SECRETARY

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

\* For identification purposes only

# DIRECTORS' REPORT

The Board is pleased to present their report on the affairs of the Company, together with the audited consolidated financial statements of the Group for the year ended 30 June 2025 (the “**Consolidated Financial Statements**”).

## PRINCIPAL ACTIVITIES

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

## BUSINESS REVIEW

A review of the Group's financial performance, business activities and development is included in the Chairman's Statement and the Management Discussion and Analysis on pages 3 to 18 of this annual report.

## RESULTS

The Group's loss for the year and the Group's financial position at the date are set out in the audited consolidated financial statements on page 92 to 95 of this annual report.

## DIVIDEND

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

## FIVE YEAR FINANCIAL SUMMARY

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

## RESERVES

Details of the movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on pages 96 to 97, and note 40(b) to the Consolidated Financial Statements respectively. As at 30 June 2025, no reserves of the Company were available for distribution (2024: Nil).

## PROPERTY, PLANT AND EQUIPMENT

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

## DIRECTORS' REPORT

### PRE-EMPTIVE RIGHTS

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

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

The Company did not redeem any of its listed securities, nor did the Company or any of its subsidiaries purchase or sell any of such listed securities during the year ended 30 June 2025.

### SHARE CAPITAL

Details of the share capital of the Company are set out in note 31 to the Consolidated Financial Statements.

### DIRECTORS

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

*Executive Director*

Ms. Li Ziyang (*Chairman*)

*Non-executive Director*

Mr. James Francis Bittl

*Independent Non-executive Directors (“INEDs”)*

Mr. Liu Ruiqiang

Mr. Wang Tianshi

Mr. Zhuang Canbin (*appointed on 30 December 2024*)

Ms. Liu Jie (*retired on 30 December 2024*)

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

Change in the composition of the Board and other position of Directors during the year and up to the date of this annual report is set out below:

- (i) Ms. Liu Jie retired as an independent non-executive Director with effect from 30 December 2024.
- (ii) Mr. Zhuang Canbin was appointed as an independent non-executive Director on 30 December 2024.

## DIRECTORS' REPORT

### Rotation

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

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

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

Save as disclosed above, none of the Directors proposed for re-election at the forthcoming AGM has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

The Company has received from each of the INEDs an annual confirmation of his/her independence in writing pursuant to Rule 3.13 of the Listing Rules and the Board considers each of them to be independent.

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

As at 30 June 2025, the interests or short positions of the Directors and the Chief Executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong (the "**SFO**")), which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules, were as follows:

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

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

## DIRECTORS' REPORT

Save as disclosed above, none of the Directors, the Chief Executive of the Company or their respective associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of SFO) as at 30 June 2025 as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 30 June 2025, so far as is known to the Directors, the substantial shareholders and persons or companies (other than the Directors and the Chief Executive of the Company) who/which had an interest or short position in the shares or underlying shares of the Company, which would fall to be disclosed under the provision of Division 2 and 3 of Part XV of the SFO, or which would be required, to be entered in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

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

Note:

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

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

## DIRECTORS' REPORT

### SHARE OPTION SCHEME

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

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

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

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

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

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

No share option was granted, cancelled or exercised or lapsed pursuant to the 2020 Share Option Scheme during the year ended 30 June 2025 and none of the Directors or Chief Executive of the Company or their respective spouses or children under 18 years of age were granted or exercised any right to subscribe for any equity or debt securities of the Company or any of its associated corporations within the meaning of the SFO.

## DIRECTORS' REPORT

As at 30 June 2025, the total number of shares available for issue under the 2020 Share Option Scheme shall be 745,026, representing approximately 5% of the entire issued share capital of the Company, and the Company had no outstanding share options under the 2020 Share Option Scheme.

### DIRECTORS' RIGHT TO ACQUIRE SHARES

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

### PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-Laws, subject to the provisions of the statutes, every Director shall be entitled to be indemnified by the Company against all costs, charges losses, expenses and liabilities incurred by him/her in the execution and discharge of his/her duties or in relation thereto. The Directors and Officers Liability Insurance (the **"D&O Insurance"**) undertaken by the Company provides such indemnities to all the directors of the Company and its subsidiaries. The relevant provisions in the Bye-Laws and the D&O Insurance were in force during the year ended 30 June 2025 and as of the date of this annual report.

### RETIREMENT BENEFIT SCHEMES

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

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

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

## DIRECTORS' REPORT

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

- (i) approximately HK\$68.4 million would be used for the financing of the consideration ("**Consideration**") in respect of the acquisition of the land and properties (the "**Land and Properties**");
- (ii) approximately HK\$11.0 million would be used for the refurbishment of the Land and Properties; and
- (iii) approximately HK\$15.3 million would be used for the working capital of the Group for daily operations.

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

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

As at 30 June 2025, approximately HK\$9.0 million of the Net Proceeds after the reallocation had been utilised by the Group and approximately HK\$2.0 million remained unutilised. There has been no change in the intended use of the Net Proceeds as previously disclosed, and the Group expects to fully utilise the residual amount of the Net proceeds by 31 December 2025.

## DIRECTORS' REPORT

An analysis of the utilisation of the Net Proceeds as at 30 June 2025 is set out as below:

|                                                   | Planned use of the Net Proceeds as disclosed in the Transaction Circular<br>HK\$'000 | Actual use of the Net Proceeds from the date of completion of the Placing up to 30 June 2023<br>HK\$'000 | Unutilised Net Proceeds as at 30 June 2023<br>HK\$'000 | Reallocation of the unutilised Net Proceeds on 5 January 2024<br>HK\$'000 | Actual utilised amount as at 30 June 2025<br>HK\$'000 | Unutilised amount as at 30 June 2025<br>HK\$'000 | Expected timeline |
|---------------------------------------------------|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------------------|-------------------------------------------------------|--------------------------------------------------|-------------------|
| Financing of the Consideration                    | 68,400<br>(72.2%)                                                                    | 68,400<br>(72.2%)                                                                                        | –<br>(0.0%)                                            | –<br>(0.0%)                                                               | –<br>(0.0%)                                           | –<br>(0.0%)                                      | N/A               |
| Refurbishment of the Land and Properties          | 11,000<br>(11.6%)                                                                    | –<br>(0.0%)                                                                                              | 11,000<br>(11.6%)                                      | 2,000<br>(2.1%)                                                           | –<br>(0.0%)                                           | 2,000<br>(2.1%)                                  | 31 December 2025  |
| Plantation Business                               | N/A                                                                                  | N/A                                                                                                      | N/A                                                    | 5,000<br>(5.3%)                                                           | 5,000<br>(5.3%)                                       | –<br>(0.0%)                                      | N/A               |
| Working capital of the Group for daily operations | 15,300<br>(16.2%)                                                                    | 15,300<br>(16.2%)                                                                                        | –<br>(0.0%)                                            | 4,000<br>(4.2%)                                                           | 4,000<br>(4.2%)                                       | –<br>(0.0%)                                      | N/A               |
| Total                                             | 94,700<br>(100%)                                                                     | 83,700<br>(88.4%)                                                                                        | 11,000<br>(11.6%)                                      | 11,000<br>(11.6%)                                                         | 9,000<br>(9.5%)                                       | 2,000<br>(2.1%)                                  |                   |

### RIGHTS ISSUE AND USE OF THE NET PROCEEDS

On 11 September 2023, the Company announced that the Board proposed to implement the rights issue on the basis of one (1) rights share for every two (2) existing Shares in issue at the subscription price of HK\$0.035 per rights share, to raise up to approximately HK\$43.7 million before expenses by way of issuing up to 1,249,818,942 rights shares.

On 7 November 2023, the Company completed the Rights Issue and issued 480,467,975 rights shares. The net proceeds from the Rights Issue was approximately HK\$15.5 million ("**Net Proceeds From Rights Issue**").

## DIRECTORS' REPORT

Further details of the Rights Issue were set out in the Company's announcements dated 11 September 2023, 25 September 2023 and 6 November 2023, together with the Company's prospectus dated 13 October 2023 (collectively "**Rights Issue Documents**").

Pursuant to the Company's announcement dated 2 January 2025 ("**Announcement**"), the Group has utilised approximately HK\$13.9 million of the Net Proceeds From Rights Issue and the Board resolved to change the use of unutilised portion amounted to approximately HK\$1.6 million (the "**Unutilised Net Proceeds From Rights Issue**").

The following table sets out the utilisation of the Net Proceeds From Rights Issue, the change in use of the Unutilised Net Proceeds From Rights Issue, and the utilisation of the Unutilised Net Proceeds From Rights Issue:

|                                                                            | Intended use<br>of Net Proceeds<br>From Rights Issue<br>as disclosed in<br>the Rights Issue<br>Documents<br>HK\$'000 | Utilised<br>Net Proceeds<br>From Rights Issue<br>as at the date<br>of the<br>Announcement<br>HK\$'000 | Unutilised<br>Net Proceeds<br>From Rights Issue<br>as at the date<br>of the<br>Announcement<br>HK\$'000 | Reallocation<br>of the<br>Unutilised Net<br>Proceeds<br>From Rights Issue<br>HK\$'000 | Unutilised<br>Net Proceeds<br>From Rights<br>Issue as at<br>30 June<br>2025<br>HK\$'000 |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Expansion and development of the<br>Air-conditioners Distribution Business |                                                                                                                      |                                                                                                       |                                                                                                         |                                                                                       |                                                                                         |
| (a) Purchase of inventories                                                | 7,130<br>(46.0%)                                                                                                     | 7,130<br>(46.0%)                                                                                      | –<br>N/A                                                                                                | –<br>N/A                                                                              | –<br>N/A                                                                                |
| (b) Rental cost of warehouse in Shenzhen                                   | 728.5<br>(4.7%)                                                                                                      | 728.5<br>(4.7%)                                                                                       | –<br>N/A                                                                                                | –<br>N/A                                                                              | –<br>N/A                                                                                |
| (c) Staff costs of additional headcounts                                   | 1,612<br>(10.4%)                                                                                                     | –<br>(0.0%)                                                                                           | 1,612<br>(10.4%)                                                                                        | –<br>N/A                                                                              | –<br>N/A                                                                                |
| (d) Repayment of bank borrowings                                           | 1,379.5<br>(8.9%)                                                                                                    | 1,379.5<br>(8.9%)                                                                                     | –<br>N/A                                                                                                | –<br>N/A                                                                              | –<br>N/A                                                                                |
| Financing any investment opportunities                                     | 3,100<br>(20.0%)                                                                                                     | 3,100<br>(20.0%)                                                                                      | –<br>N/A                                                                                                | –<br>N/A                                                                              | –<br>N/A                                                                                |
| General working capital                                                    | 1,550<br>(10.0%)                                                                                                     | 1,550<br>(10.0%)                                                                                      | –<br>N/A                                                                                                | 1,612<br>(10.4%)                                                                      | –<br>N/A                                                                                |
| Total                                                                      | 15,500<br>(100%)                                                                                                     | 13,888<br>(89.6%)                                                                                     | 1,612<br>(10.4%)                                                                                        | 1,612<br>(10.4%)                                                                      | –<br>N/A                                                                                |

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors, at least 25% of the issued shares in the Company were held by the public (i.e. the prescribed public float applicable to the Company under Rule 8.08 of the Listing Rules) during the year ended 30 June 2025 and up to the date of this annual report.

## DIRECTORS' REPORT

### DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN CONTRACTS

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

### DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year ended 30 June 2025, none of the Directors were interested in any business which competed or was likely to compete directly or indirectly with the businesses of the Group.

### CONNECTED TRANSACTIONS

#### *Continuing Connected Transactions*

On 3 February 2023, Jinlong Construction and JAC entered into the Framework Agreement, pursuant to which Jinlong Construction has conditionally agreed to purchase, and JAC has conditionally agreed to sell the electrical appliances (including air conditioners) during the period from the date of the Framework Agreement to 30 June 2025. The relevant cap for each of the period from 3 February 2023 to 30 June 2023, year ending 30 June 2024 and year ending 30 June 2025 were set at RMB33,000,000, RMB64,000,000 and RMB68,000,000 respectively.

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

For further details of the above the continuing connected transaction, please refer to announcement of the Company dated 3 February 2023.

The purchase amount under the Framework Agreement for the year ended 30 June 2025 was approximately RMB23,583,000 (for the year ended 30 June 2024 was approximately RMB31,814,000).

\* For identification purposes only

## DIRECTORS' REPORT

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

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

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

### MAJOR CUSTOMERS AND SUPPLIERS

Sales to the Group's five largest customers for the year ended 30 June 2025 accounted for approximately 41.7% of the Group's total sales and sales to the Group's largest customer amounted to approximately 13.2% thereof.

Purchases from the Group's five largest suppliers for the year ended 30 June 2025 accounted for approximately 90.4% of the Group's total purchases and purchases from the Group's largest supplier amounted to approximately 43.2% thereof.

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

## DIRECTORS' REPORT

### MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 30 June 2025.

### COMMUNICATIONS WITH SHAREHOLDERS

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

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

### CORPORATE GOVERNANCE

A report on the Company's corporate governance practices is set out on pages 36 to 48 of this annual report.

### EMOLUMENT POLICY

As at 30 June 2025, the Group had 80 (30 June 2024: 61) permanent employees.

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

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

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

## DIRECTORS' REPORT

### SIGNIFICANT INVESTMENTS HELD

As at 30 June 2025, the Group was holding significant equity securities listed in the United States and cryptocurrencies as follows:

| Company name<br>(stock code)<br>/cryptocurrency | Principal activities                                                                                                                                                                                   | Number of<br>shares/<br>units held | % of<br>shareholdings | Cost of<br>acquisition<br>RMB'000 | Dividend<br>income<br>RMB'000 | Year ended 30 June 2025                             |                                                          | Reasons for<br>unrealised<br>gain | As at 30 June 2025                            |                                                |
|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-----------------------|-----------------------------------|-------------------------------|-----------------------------------------------------|----------------------------------------------------------|-----------------------------------|-----------------------------------------------|------------------------------------------------|
|                                                 |                                                                                                                                                                                                        |                                    |                       |                                   |                               | Realised<br>(losses)/gain<br>on disposal<br>RMB'000 | Unrealised<br>gain<br>on fair value<br>change<br>RMB'000 |                                   | Fair value/<br>carrying<br>amounts<br>RMB'000 | % of<br>total asset<br>of the Group<br>RMB'000 |
| Microsoft Corporation<br>(MSFT)                 | Developing, licensing, and supporting a wide range of software products and services, designing and selling hardware devices, and delivering relevant online advertising to a global customer audience | 590                                | 0.000008%             | 1,975                             | 14                            | (1,386)                                             | 176                                                      | Share price moves upwards         | 2,095                                         | 1.4%                                           |
| NVIDIA Corporation<br>(NVDA)                    | Graphics and computing and networking                                                                                                                                                                  | 3,940                              | 0.00002%              | 731                               | 2                             | (249)                                               | 968                                                      | Share price moves upwards         | 4,451                                         | 3.1%                                           |
| Bitcoin                                         | N/A                                                                                                                                                                                                    | 8.5                                | N/A                   | 5,785                             | –                             | (5)                                                 | N/A                                                      | N/A                               | 5,785                                         | 4.0%                                           |
|                                                 |                                                                                                                                                                                                        |                                    |                       | 8,491                             | 16                            | (1,640)                                             | 1,144                                                    |                                   | 12,331                                        | 8.5%                                           |

### Investment strategy, purpose and scope

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

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

## DIRECTORS' REPORT

Investments focus exclusively on trading securities of sizable companies and cryptocurrencies with high trading volumes. By investing in actively traded assets with high liquidity, the Company can respond effectively to market changes and realise its investments.

The actual investment timeframe depends on numerous factors, include, but are not limited to price volatility and also the Company's cash position. The purpose of all the Company's investments is to target both capital gains and dividend yields, if possible.

### ***Risk management and control measures***

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

To mitigate the risk of losses in its investments, the Company focuses exclusively on trading securities of sizable companies and cryptocurrencies with high trading volumes. By investing in actively traded assets with high liquidity, the Company can respond effectively to market changes and realise its investments.

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

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

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

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

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

## DIRECTORS' REPORT

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

There were no material acquisitions and disposal subsidiaries, associates and joint ventures during the year ended 30 June 2025.

### FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

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

### REVIEW OF THE FINAL RESULTS BY AUDIT COMMITTEE

The Audit Committee has reviewed with the management and the Company's independent auditor the accounting principles and practices adopted by the Group and has discussed auditing, internal control and financial reporting matters, including the review of the audited consolidated financial statements of the Group for the year ended 30 June 2025.

### INDEPENDENT AUDITOR

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

By order of the Board

**LI Ziyang**  
*Executive Director*

30 September 2025

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

30 September 2025

# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE PRACTICES

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

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

During the year ended 30 June 2025, the Company has complied with the Code Provisions of the CG Code.

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct for dealings in its securities. Following a specific enquiry made to all Directors by the Company, each of them has confirmed that he/she had fully complied with the required standard as set out in the Model Code throughout the year ended 30 June 2025.

## BOARD OF DIRECTORS

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

## BOARD COMPOSITION

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

As at 30 June 2025, the Board comprised five members, including one Executive Director, one Non-executive Director and three INEDs, as follows:

### *Executive Director*

Ms. Li Ziyi (Chairman)

### *Non-executive Director*

Mr. James Francis Bittl

### *Independent Non-executive Directors*

Mr. Liu Ruiqiang

Mr. Wang Tianshi

Mr. Zhuang Canbin

Biographical details of the Directors are set out on pages 19–20 of this annual report.

## CORPORATE GOVERNANCE REPORT

### ***Responsibilities of the Board***

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

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

### ***Nomination Policy***

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

## CORPORATE GOVERNANCE REPORT

### **Board Diversity Policy**

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

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

- (A) at least one of the members of the Board shall be female;
- (B) at least one-third of the members of the Board shall be independent non-executive Directors;
- (C) at least one of the members of the Board shall have obtained accounting or other professional qualifications;
- (D) at least 75% of the members of the Board shall have more than 5 years of experience in the industry he/she is specialised in; and
- (E) at least two of the members of the Board shall have PRC-related working experience.

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

### **Gender Diversity**

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at the end of reporting period:

|                    | Female   | Male     |
|--------------------|----------|----------|
| Board              | 20% (1)  | 80% (4)  |
| Senior management* | 20% (1)  | 80% (4)  |
| Other employees    | 40% (30) | 60% (45) |
| Overall workforce  | 39% (31) | 61% (49) |

\* Senior management comprises Directors only

## CORPORATE GOVERNANCE REPORT

During the reporting period, the Board was not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

### **Board Independence Evaluation**

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

During the year ended 30 June 2025, all Directors has completed the independence evaluation in the form of a questionnaire individually. The board independence evaluation report was presented to the Board and the evaluation results were satisfactory. Up to the date of this annual report, the Board reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism and the results were satisfactory.

### **Board Meetings**

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

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

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

## CORPORATE GOVERNANCE REPORT

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

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

### Attendance of Meetings

The attendance record of each Director at the board meetings, board committee meetings and the general meeting of the Company held during the year ended 30 June 2025 is set out in the table below:

| Name of Directors                                    | Board Meeting | Audit Committee Meeting<br>(Attendance/Number of Meetings) | Nomination Committee Meeting | Remuneration Committee Meeting | Annual General Meeting |
|------------------------------------------------------|---------------|------------------------------------------------------------|------------------------------|--------------------------------|------------------------|
| <i>Executive Director:</i>                           |               |                                                            |                              |                                |                        |
| Ms. Li Ziyang<br>(Chairman)                          | 3/8           | N/A                                                        | N/A                          | 1/2                            | 1/1                    |
| <i>Non-executive Director:</i>                       |               |                                                            |                              |                                |                        |
| Mr. James Francis Bittl                              | 4/8           | N/A                                                        | N/A                          | N/A                            | 1/1                    |
| <i>Independent Non-Executive Directors:</i>          |               |                                                            |                              |                                |                        |
| Mr. Liu Ruiqiang                                     | 8/8           | 3/3                                                        | 3/3                          | 2/2                            | 1/1                    |
| Mr. Wang Tianshi                                     | 1/8           | 1/3                                                        | 1/3                          | N/A                            | 0/1                    |
| Mr. Zhuang Canbin<br>(appointed on 30 December 2024) | 5/5           | 2/2                                                        | 1/1                          | N/A                            | N/A                    |
| Ms. Liu Jie<br>(retired on 30 December 2024)         | 3/3           | 1/1                                                        | 2/2                          | 2/2                            | 1/1                    |

Apart from Board meetings, the Chairman also held a meeting with the independent non-executive Directors without the presence of other Directors during the year ended 30 June 2025.

## CORPORATE GOVERNANCE REPORT

### INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

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

### BOARD COMMITTEES

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

#### *Audit Committee*

The Audit Committee has the primary responsibility for reviewing the effectiveness of the Company's financial control, internal control and risk management systems and ensuring that the financial performance of the Company is properly measured and reported on, receiving and reviewing reports from management and the external auditor relating to the annual and interim financial statements, and monitoring the accounting, internal control and risk management systems in use throughout the Group for the year ended 30 June 2025.

## CORPORATE GOVERNANCE REPORT

The Audit Committee performed the works as summarised below:

- (i) reviewed and recommended for the Board's approval of the financial reports for the year ended 30 June 2024 and the six months ended 31 December 2024;
- (ii) reviewed the independent auditor's report from the external auditor;
- (iii) reviewed the external auditor's independence and objectivity and recommended for the Board's approval on the re-appointment of the auditor;
- (iv) reviewed and recommended for the Board's approval of the risk management and internal control review reports discussing, among others, the major internal audit issues, the financial reporting systems, effectiveness of the internal audit function, risk management and the internal control systems of the Group;
- (v) reviewed, evaluated and assessed the effectiveness of the Audit Committee and the adequacy of its terms of reference; and
- (vi) reviewed the continuing connected transactions and their annual caps.

As at 30 June 2025, the members of the Audit Committee comprised Mr. Liu Ruiqiang, Mr. Wang Tianshi and Mr. Zhuang Canbin and Mr. Liu Ruiqiang was the chairman of this committee. During the year ended 30 June 2025, the Audit Committee has duly discharged its responsibility.

### ***Nomination Committee***

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

As at 30 June 2025, the members of the Nomination Committee comprised Mr. Liu Ruiqiang, Mr. Wang Tianshi and Mr. Zhuang Canbin and Mr. Liu Ruiqiang was the chairman of this committee. During the year, the Nomination Committee has duly discharged its responsibility.

## CORPORATE GOVERNANCE REPORT

### **Remuneration Committee**

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

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

As at 30 June 2025, the members of the Remuneration Committee comprised Mr. Liu Ruiqiang, Ms. Li Ziyang and Mr. Zhuang Canbin and Mr. Liu Ruiqiang was the chairman of this committee. During the year, the Remuneration Committee has duly discharged its responsibility.

### **DIRECTORS' INDUCTION AND CONTINUING PROFESSIONAL DEVELOPMENT**

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

During the year under review, all Directors were encouraged to attend seminars and provided with written materials to develop and refresh their professional skills and the latest development of applicable laws, rules and regulations for the directors to assist them in discharging their duties as well as commentary on the Group's business, operations and financial matters.

All Directors have confirmed that they have fulfilled the continuous professional development requirement during the year ended 30 June 2025 and have provided records of training received during the year ended 30 June 2025 to the Company.

### **SERVICE CONTRACTS**

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

## CORPORATE GOVERNANCE REPORT

Pursuant to Code Provision E.1.5 of part 2 of the CG Code, the annual remuneration for the year ended 30 June 2025 of the members of the senior management (other than the Directors of the Company) by band is set out as below:

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

### SHARE OPTION SCHEME

Details of the share option scheme are shown on pages 25 to 26 of this annual report.

### INDEPENDENT AUDITORS' REMUNERATION

The remuneration paid/payable to the external auditor of the Company, Moore Hong Kong, in respect of audit services and non-audit services for the year ended 30 June 2025 were approximately RMB1,020,000 and RMB139,000, respectively. The non-audit services for the year ended 30 June 2025 mainly consisted of other reporting services.

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

The Board acknowledges its responsibility to prepare the Group's consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error. In preparing the financial statements for the year ended 30 June 2025, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The Directors must keep proper accounting records, which disclose, with reasonable accuracy at any time, the financial position of the Group and the Company.

The auditor's statement about its reporting responsibilities on the Consolidated Financial Statements is included in the Independent Auditor's Report set out on pages 87 to 91 of this annual report.

## CORPORATE GOVERNANCE REPORT

### INTERNAL CONTROL AND RISK MANAGEMENT

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

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

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

Based on the Internal Control Report, the Audit Committee had conducted annual review on the effectiveness of the Group's internal control and risk management systems for the year ended 30 June 2025 and considered the internal control and risk management systems were effective and adequate.

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

## CORPORATE GOVERNANCE REPORT

### CORPORATE STRATEGY

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

### CULTURE

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

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

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

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

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

## CORPORATE GOVERNANCE REPORT

### COMPANY SECRETARY

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

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

### DIVIDEND POLICY

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

### SHAREHOLDERS’ RIGHTS

According to the Bye-Laws, shareholder(s) holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times has/have the right, by written requisition sent to the Board or Company Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

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

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

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

## CORPORATE GOVERNANCE REPORT

### SHAREHOLDERS COMMUNICATION POLICY

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

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

### WHISTLEBLOWING POLICY

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

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

### CONSTITUTIONAL DOCUMENTS

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OVERVIEW

### (I) Purpose and Reporting Period

This is our Environmental, Social and Governance Report (“**ESG Report**”) by the Group, reviewing and disclosing the Group’s environmental, social and governance (“**ESG**”) issues, its performances and challenges in accordance with the ESG Reporting Code (the “**ESG Reporting Code**”) outlined in Appendix C2 of the Listing Rules and Guidance Governing the listing of Securities on the Main Board of HKEX to define the report content, for the period from 1 July 2024 to 30 June 2025 (the “**Reporting Period**” or “**2024/25**”), and in many material areas being compared with the last reporting period from 1 July 2023 to 30 June 2024 (the “**Last Reporting Period**” or “**2023/24**”). The ESG Report will be used for internal assessment and management control, and communicating to the internal and external stakeholders.

### (II) Basis of Preparation

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

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

### (III) Scope of Report

The principal businesses of the Group include the Plantation Business in Hepu Plantation, the Fruit Distribution Business in Shaanxi Province, the PRC, the Air-conditioners Distribution Business in Meizhou City and Shenzhen, the PRC and the Sales and Distribution of Consumables and Others Business in the PRC.

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

### **(IV) Governance Structure**

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

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

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

1. The Group is committed to successfully undertaking its business, while providing strong returns to our investors and supporters, mitigating risks associated with our operations, ensuring a healthy and safe working environment to our employees, and contributing to sustainable developments for the local communities and the Group.
2. The Board periodically approves and updates strategies and policies that incorporate the environmental and social issues outlined in the ESG Reporting Code. The general manager is responsible for ensuring that the Board's approved targets and strategic directions are effectively implemented in the Group's ESG activities. To support this, the general manager has to monitor and review ESG issues, ensuring the recommendations of the ESG Reporting Code are regularly followed and adopted. When necessary, independent professionals and consultants have been and will continue to be engaged to conduct analyses and reviews aimed at improving or resolving ESG-related matters.
3. To promote the comprehensive risk management within the Group, the Group has made a basic assessment of relevant ESG risks through the Board's extensive understanding of the business and the communication with different stakeholders, and incorporated the relevant risks into the risk management and internal control system.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

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

The primary focus of the Group’s business model under the Fruit Distribution Business shall continue to be sourcing and distributing a range of fruits in the PRC, where the Group has established a network of quality fruit suppliers, maintained business relationship with existing customers and established relationship with new customers. The stable supply of high-quality fruits from the Group’s network of trusted suppliers will remain to be the key to the Fruit Distribution Business.

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

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

### **(VI) Board Statement**

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

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

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

### **(VII) Reporting Principles**

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

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

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

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

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

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

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

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

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

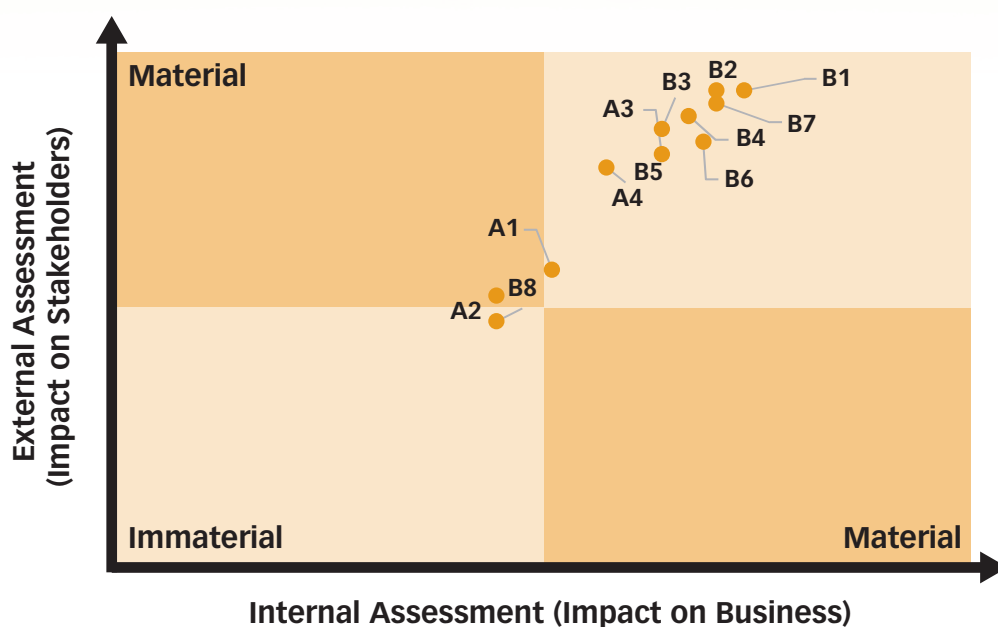
In managing the priorities, the Group continues to ensure its corporate, plantation operation, fruit distribution operation, air-conditioners distribution operation and consumables sales and distribution operation are in compliance with its environmental and social responsibilities and obligations as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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Stakeholders                                          | Communication Channels                                                                                                                                                                                                                              |
|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Shareholders/Investors                                | <ul style="list-style-type: none"><li>• General meetings</li><li>• Information published on websites of the Company and The Stock Exchange of Hong Kong Limited</li><li>• Direct emails or phone enquiries</li><li>• Dispatched documents</li></ul> |
| Employees                                             | <ul style="list-style-type: none"><li>• Direct meetings with the management executives</li><li>• Emails</li><li>• Annual and regular appraisal</li><li>• Organized functions and activities for the employees</li></ul>                             |
| Customers                                             | <ul style="list-style-type: none"><li>• Day-to-day communication through front line staff</li><li>• Emails</li><li>• Official websites</li></ul>                                                                                                    |
| Suppliers/service providers/<br>professional advisors | <ul style="list-style-type: none"><li>• Day-to-day communication through front line staff</li><li>• Regular review of the signed arrangements by the management</li></ul>                                                                           |
| NGO partners                                          | <ul style="list-style-type: none"><li>• Volunteer activities</li><li>• Sponsors and donations</li></ul>                                                                                                                                             |

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

After collecting the views and opinions, the Management Team will carry out materiality assessments internally with the related managers and externally with related stakeholders through various means of communication, such as liaison groups, panel discussions, workshops, on-site visits, company websites, emails and direct enquiry phones, etc. For 2024/25, the Group and the stakeholders have identified the following material areas and aspects:



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

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## MATERIAL AREAS AND ASPECTS AND THEIR PERFORMANCE

### (A) ENVIRONMENTAL AREAS AND ASPECTS

#### 1.1 Environmental Areas Overview and Policies

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

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

##### *Purpose*

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

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Procedure*

- (i) The Board and the Management Team shall identify and evaluate the environmental aspects for all work activities that are most likely to give rise to significant environmental impacts.
- (ii) The Board and the Management Team shall brainstorm internally and externally with other related parties and classify all the relevant work activities under normal, unusual and emergency situation as follows:

Normal: Routine activities or tasks performed as part of standard processes;

Unusual: Non-routine tasks that arise under unexpected circumstances; and

Emergency: Events that have a significant impact on the environment and require immediate action such as major leakages and spillages, fires, etc.

- (iii) When identifying the environmental aspects, all activities that are likely to cause environmental impact or improve general sustainability are considered, including but not limited to the following:
  - Gas emissions;
  - Water discharge;
  - Waste disposal;
  - Land contamination;
  - Sustainability and the efficient use of raw materials, energy, water and other natural resources;
  - Other local environmental issues; and
  - National and local laws and regulations.
- (iv) At least once every year, the Board and the Management Team shall review the environmental aspects, which will be regularly update based on new laws and regulations, organisational work activities and processes, and updated knowledge obtained through incidents/accidents, organisational or other requirements.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

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

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

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

## 1.2 Environmental Aspects

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

During the Reporting Period, the types of emissions, wastes and discharge from the Group's operations and activities were mainly air pollutants including nitrogen oxides ("NO<sub>x</sub>"), sulphur oxides ("SO<sub>x</sub>") and particulate matter ("PM") as well as greenhouse gases ("GHG") such as carbon dioxide ("CO<sub>2</sub>"), methane ("CH<sub>4</sub>") and nitrous oxide ("N<sub>2</sub>O") (collectively, "CO<sub>2</sub>e") emissions directly generated from fuel usage and indirectly generated from electricity consumption, and non-hazardous packaging wastes such as used papers and packaging materials, office residuals, general rubbish and hygiene wastes.

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

During the Reporting Period, direct emissions are generated from the mobile combustion sources namely our tractors, weed-mowing machines and generators for water pumping, and resulting in the hazardous air pollutants of NO<sub>x</sub>, SO<sub>x</sub> and PM emissions. While the indirect emissions are generated from the electricity consumption.

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

#### Direct and Indirect Emissions Record

| Items of emissions <sup>Note (1)</sup>                   | Unit      | Year ended 30 June |        | Changes    |
|----------------------------------------------------------|-----------|--------------------|--------|------------|
|                                                          |           | 2025               | 2024   |            |
| 1. SO <sub>x</sub> direct emission                       | Kilograms | 0.26               | 0.20   | +30.43%    |
| 2. NO <sub>x</sub> direct emission                       | Kilograms | 363.24             | 278.48 | +30.43%    |
| 3. PM direct emission                                    | Kilograms | 16.85              | 12.91  | +30.43%    |
| 4. CO <sub>2</sub> e direct emission                     | Tonnes    | 47.85              | 36.69  | +30.43%    |
| 5. CO <sub>2</sub> indirect emission <sup>Note (2)</sup> |           |                    |        |            |
| – Hepu Plantation                                        | Tonnes    | 101.62             | 103.24 | -1.57%     |
| – PRC Offices                                            | Tonnes    | 5.73               | 0.29   | +1,875.86% |

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

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

Same as the Last Reporting Period, the air pollutants such as SO<sub>x</sub>, NO<sub>x</sub> and PM have been generated from vehicle fuel consumption for daily operations of Hepu Plantation.

During the Reporting Period, due to the change in the number of the PRC Offices, leading to a significant increase in electricity consumption in CO<sub>2</sub> indirect emissions.

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

As aforementioned, in order to save costs and minimize emissions of air pollutants and CO<sub>2</sub>e, the Group already implemented measures to train, guide and supervise the employees to use energy and fuel smartly, and to invest in energy and fuel saving technology especially in the Hepu Plantation such as to reduce the use of air-conditioning by building high ceiling and double-layered brick wall offices, and the installation of solar power. In the coming year, the Group targets to reduce air pollutants and CO<sub>2</sub>e emissions within 1%–3% in the Hepu Plantation and the PRC Offices on the basis of similar operating conditions.

### (ii) Polluted Water Discharge

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

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

During the Reporting Period, the Group's hazardous and non-hazardous waste and organic waste were same as the Last Reporting Period as the Group's operations and activities were similar.

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

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

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

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

### (iv) Noise and Light Emissions

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

### (v) Mitigation Measures

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

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

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

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

### A2. *Use of Resources Aspect*

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### (i) Energy (electricity and fuel)

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

| Item                                       | Unit   | Year ended 30 June |         | Changes    |
|--------------------------------------------|--------|--------------------|---------|------------|
|                                            |        | 2025               | 2024    |            |
| <b>Electricity Consumption</b>             |        |                    |         |            |
| – Hepu Plantation                          | kWh    | 189,235            | 181,120 | +4.48%     |
| – PRC Offices                              | kWh    | 10,675             | 517     | +1,964.80% |
| Intensity                                  |        |                    |         |            |
| – kWh/employee in Hepu Plantation          |        | 21,026             | 30,187  | -30.35%    |
| – kWh/employee in PRC Offices              |        | 178                | 10      | +1,680.00% |
| – kWh/employee in Hong Kong Office         |        | N/A                | N/A     | N/A        |
| <b>Fuel Consumption in Hepu Plantation</b> |        |                    |         |            |
|                                            | Litres | 18,000             | 13,800  | +30.43%    |
|                                            | kWh    | 174,445            | 133,701 | +30.43%    |
| Intensity                                  |        |                    |         |            |
| – kWh/employee in Hepu Plantation          |        | 19,383             | 22,290  | -13.04%    |

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, due to change in the number of the PRC Offices, electricity consumption increased significantly.

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

On fuel consumption in the Hepu Plantation, the Group has used petrol during the Reporting Period which was the direct result of more efficiently use of the machines under close supervision. The Group will continue to assign responsible officers to supervise and guide employees to smartly and effectively use electricity, its equipment and vehicles.

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

### (ii) Water

| Item                                          | Unit           | Year ended 30 June |        | Changes |
|-----------------------------------------------|----------------|--------------------|--------|---------|
|                                               |                | 2025               | 2024   |         |
| <b>Water Consumption</b>                      |                |                    |        |         |
| – Hepu Plantation                             | m <sup>3</sup> | <b>48,730</b>      | 46,520 | +4.75%  |
| Intensity                                     |                |                    |        |         |
| – m <sup>3</sup> /employee in Hepu Plantation |                | <b>5,414</b>       | 7,753  | -30.17% |

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

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

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

### (iii) Packaging Materials and Papers

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

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

### (iv) Fertilisers and Pesticides

The Group uses both natural, organic and chemical fertilisers to nurture the fruit trees and pesticides to protect the fruit trees. During the Reporting Period, the Group consumed a total of 50,849 kilograms inorganic fertilisers and 248,855 kilograms organic fertilisers. The total amount of fertilisers used was approximately 13% less than the Last Reporting Period. For pesticides, approximately 768 kilograms were used for the Reporting Period, which was approximately 83% less than the Last Reporting Period. The Group has removed old fruit trees which have less productivity, leading to the decrease in consumption of fertilisers and pesticides. In any event, it is the continuous policy and strategy of the Group to use natural and organic fertilisers as much as possible, which will safeguard the soil texture for the future.

### A3. *Environment and Natural Resources Aspect*

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group plants its fruit trees scientifically and carefully to ensure proper conservation of the top-soil and the un-used hillside slopes. As a respect and tribute to the natural environment, the Group has committed to cultivating and maintaining the field's landscape.

In short, the Group has taken a responsible approach to implement policies and measures on energy and raw materials consumption, to handle air emissions, polluted water and waste discharges, and to ensure water supplies and usage, and proper use of the land. The Group has not been subjected to any warnings, fines or violation notices, and has been in compliance with applicable environmental protection laws and regulations in all material aspects since the first ESG reporting.

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

### A4. *Climate-related Disclosures*

In consideration of the Group's operations and activities, and the current global environmental conditions, and after collecting the views and opinions of the stakeholders, the Board identified and resolved that (i) global warming caused by direct and indirect CO<sub>2</sub>e emissions, (ii) conservation of fresh water and (iii) preservation of soil are the most important climatic issues that the Group has impacted the physical environment. These climatic issues not only affect the operation costs of the Group but also the climatic and physical environmental conditions.

#### (i) Energy

Global warming is directly and indirectly the result of uses of fossil fuels for electricity and transportation. During the Reporting Period, the Group's operations and activities directly and indirectly generated CO<sub>2</sub>e emissions through the use of electricity and petrol, though the amount was not substantial. We have implemented policies and measures, explained above, trying to reduce electricity and petrol consumption for the primary purpose to reduce CO<sub>2</sub>e emissions. The main activities of the Group is to grow fruit trees, which through the natural process of photosynthesis to absorb CO<sub>2</sub> and produce oxygen, contributing positively to address global warming.

### (ii) Fresh Water

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

### (iii) Soil

The fertility of the soil is one of the most important conditions for the growing of fruit trees. If the soil is not properly preserved, it may either be washed away or downgraded and will not be suitable for plants or fruit trees to grow. It does not only affect our main business, but it also will break the eco-chain and deteriorate the global environmental conditions. The Group has therefore implemented strict policies and measures to preserve the soil in its location, texture and fertility. To maintain the fertility of the soil, the Group has used as much natural and organic fertilisers as possible through decomposing of natural plants, grass, etc., on sites, to restrict the use of toxic chemical fertilisers, to practice crops rotation and to provide appropriate level of nutrients including moisture, etc.

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

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

### Governance

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

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

#### Management's Role:

1. Oversight of climate-related risks and opportunities is managed directly by the Board. The Management Team holds the overall responsibility for ensuring that the strategies and policies set by the Board are effectively implemented across the organization.
2. The Board is also responsible for the development of appropriate skills and competencies through training programs, professional development opportunities, and assessments of current capabilities. This ensures that the board members and relevant personnel are well-equipped to oversee and address climate-related risks and opportunities.
3. The Management Team plays a critical role in the governance of climate-related risks and opportunities. The Management Team is responsible for examining and addressing climate related risks and opportunities, and day to day implementation of policies set by the Board.
4. The Group utilizes various controls and procedures, such as internal audits, performance reviews, and sustainability reporting, to support the oversight of climate-related risks and opportunities. These controls and procedures are integrated with other internal functions, such as finance, operations, and human resources, to ensure a cohesive approach to sustainability.

### Strategy

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Physical Acute Risk

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

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

### **Physical Acute Risk**

---

#### **Extreme weather**

#### **Preventative and mitigation measures**

Typhoons

- Attach duct tapes to windows to avoid damage
- Move equipment to safety areas in advance
- Reinforce equipment and components that may be blown away
- Inform and negotiate with clients and third-party suppliers of potential delays in advance
- Arrange work from home for staff according to the guidelines of local observatory

Heavy Rain and Flooding

- Check that all windows are shut as secure as possible
- Reinforce equipment and assets which may be damaged or blown away
- Arrange work from home for staff according to the guidelines of local observatory

Thunder and Lightning

- Keep good conditions of earthing devices
- Remind employees to save data and turn off computers

### Physical Chronic Risk

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

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

### **Physical Chronic Risk**

| <b>Extreme weather</b>     | <b>Preventative and mitigation measures</b>                                                                                                                                                                                                                                                               |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sustained high temperature | <ul style="list-style-type: none"> <li>– Keep a First-aid kit convenient</li> <li>– Keep cold water available 24 hours a day</li> <li>– Mulch to conserve soil moisture and reduce soil temperature</li> <li>– Use shade nets or agroforestry techniques to protect crops from direct sunlight</li> </ul> |

| <b>Transition risk</b> | <b>Risk description</b>                                                                                                                                                                                                                                                                             |   | <b>Potential Business Impact</b>                                                                                                                 |   | <b>Mitigation Measures</b>                                                                                                                                                                                                                                                                                                       |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Legal and policy risk  | Local governments may enforce stricter carbon emission reduction policies, potentially raising the carbon emission costs for enterprises' production and operations. This includes changes to government policies, laws, and regulations, such as carbon pricing and renewable electricity pricing. | — | Increase operation cost and potential for litigation.                                                                                            | — | <ul style="list-style-type: none"> <li>Regular review of relevant legislation.</li> <li>Set up near term target to demonstrate the Group's decarbonization effort.</li> </ul>                                                                                                                                                    |
| Technology Risk        | Technological improvements that support the transition to a lower-carbon system.                                                                                                                                                                                                                    | — | Failing to upgrade to more efficient, sustainable, or automated technologies could result in higher operation costs and reduced competitiveness. | — | <ul style="list-style-type: none"> <li>Explore new technologies, sustainable materials, and techniques.</li> <li>Adapt to changes in the cost and availability of raw materials and utilities like renewable electricity, water, and gas, including the relevant costs of securing and maintaining sufficient supply.</li> </ul> |

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Transition risk            | Risk description                                                                                                                                                                                                                                                                                          | Potential Business Impact                                                                                                                                                                         | Mitigation Measures                                                                                                                                                                                                   |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Market and reputation risk | Customers have increasingly strict requirements for carbon emission management of their suppliers, while the decarbonization of products and services may become an important standard for customers to choose from. Products or services that are not low carbon may lead to a decrease in demand.       | There will be a risk of a decline in sales and reputation if end-user is getting more prefer on environmentally friendly products or services and we do not have these options for our customers. | — Expand the product or services range to cater to a broader audience and adapt to changing customer preferences, including eco-friendly and ethically produced lines to attract environmentally conscious consumers. |
|                            | There are stricter requirements for transparent carbon emissions information, and enterprises need to increase investment in the management of related performance. Poor performance in climate information disclosure may lead to reputation damage, declined stock price, or difficulties in financing. |                                                                                                                                                                                                   | — Obtain environmental related certifications like to demonstrate commitment to sustainability.<br>— Adopt environmentally friendly production processes, such as waste reduction and circularity programs.           |

### Climate-related Opportunities

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

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

*Risk Assessment and Management*

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

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

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Metrics and Targets

We strive to effectively manage and evaluate the risks and opportunities arising from climate change. Throughout the Reporting Period, we maintained continuous monitoring of key metrics, specifically GHG emissions, which serve as indicators of climate-related risks. These targets aim to reduce overall GHG emissions and electricity consumption.

#### Greenhouse Gas Emissions

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

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

| Greenhouse Gas Emission                   | Unit   | Year ended 30 June |        |         |
|-------------------------------------------|--------|--------------------|--------|---------|
|                                           |        | 2025               | 2024   | Changes |
| Scope 1 (CO <sub>2</sub> e)               | Tonnes | 47.85              | 36.69  | +30.42% |
| Scope 2 (CO <sub>2</sub> e)               | Tonnes | 107.35             | 103.53 | +3.69%  |
| Intensity<br>– CO <sub>2</sub> e/employee |        | 1.94               | 2.30   | -15.65% |

Our Group is dedicated to reduce GHG emissions. To achieve this goal, our Group has set out some ground rules of using elasticities.

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

### (B) SOCIAL AREAS AND ASPECTS

#### 2.1 Social Areas Overview

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

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

#### 2.2 Employment and Labour Practices Areas and Aspects

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

##### B1. Employment Aspect

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

- Owing to the diversity in our operation bases and activities, the Human Resources Department in the Hong Kong headquarters is responsible for reviewing and approving the Group’s human resources policies, and employment terms and conditions, while the regional offices’ human resources managers implement the approved policies and measures in compliance with the local employment laws, rules, regulations and practices;
- The regional human resources manager reports to the regional general manager and has been assigned with the responsibility to implement the Group’s human resources strategies and policies, and has been charged with the responsibility and duty to ensure all the statutory obligations of the Group have been fulfilled and complied with a legitimate manner;

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- Adopt a humanistic and equitable human resources policies with equal opportunities for all without discrimination on hiring, promotion, remuneration, benefits, training, dismissal and other aspects of employment;
- All employees are required to sign employment contracts with the Group and/or its subsidiaries, and will receive an Employee Handbook, listed out all the employment terms and conditions, benefits and obligations including but not limited to, appointment, termination, working hours, rest days, statutory holidays, remunerations, various compensations, dismissals, health, general safety and welfares, etc.;
- In accordance with the requirements of the national laws of the PRC such as Social Insurance Law of the PRC (中華人民共和國社會保險法) and the Administrative Regulations on Housing Provident Funds (住房公積金管理條例), and the EO and the Mandatory Provident Fund Schemes Ordinance (“**MPFSO**”) (Chapter 485 of the Laws of Hong Kong) of Hong Kong, the Group provides and maintains statutory benefits to all qualified staff, including but not limited to mandatory provident fund, social security insurance, medical insurance, work injury insurance and compensation and statutory holidays;
- On recruitment, the Group has adopted a mixed policy of external recruitment and internal promotion for vacancies. All vacancies are open to all with equal opportunities, to be decided with no discrimination on religion, gender, age and disability, and to be selected on the basis of qualification, skill and competency;
- Employees’ remunerations are determined with reference to the prevailing market level in line with their competency, qualifications, experience and job position. Discretionary bonuses of such amounts and at such intervals for internal employees will be rewarded at the discretion of the top management with consideration on performance; and
- Provide a safe and pleasant working environment to our employees.

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As at 30 June 2025, the Group employed a total of 80 permanent employees. Further analysis of the Group’s employment situations for the Reporting Period and comparison with the Last Reporting Period are summarised below:

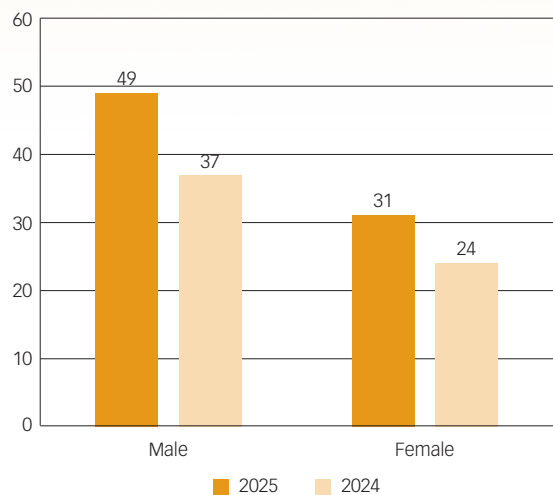


Figure 1: Number of Employees by Gender

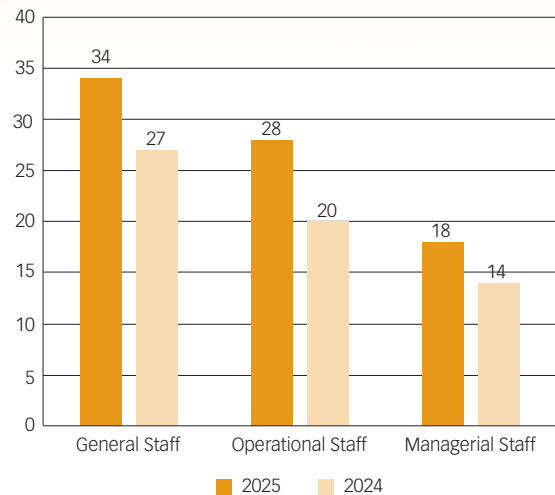


Figure 2: Number of Employees by Employment Type

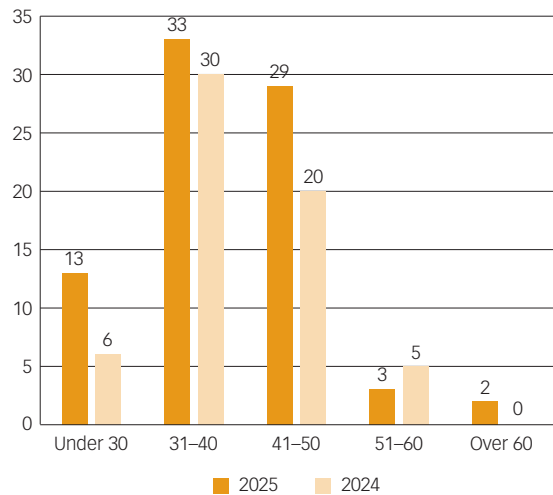


Figure 3: Number of Employees by Age

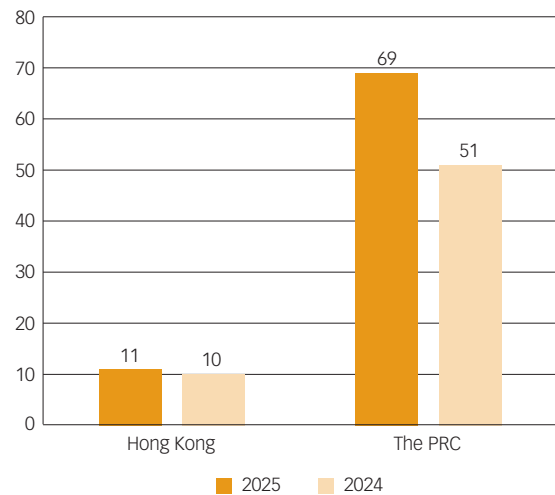
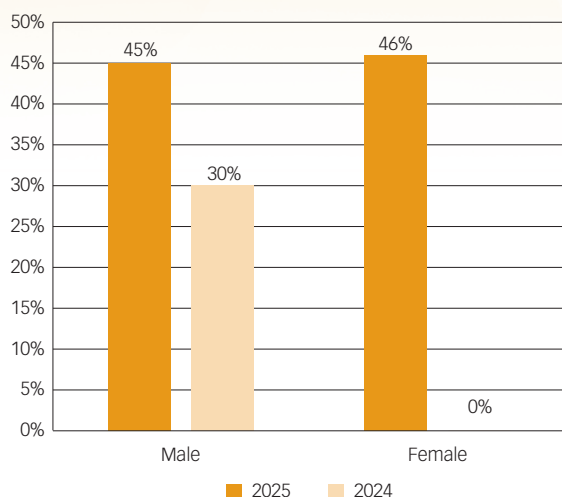


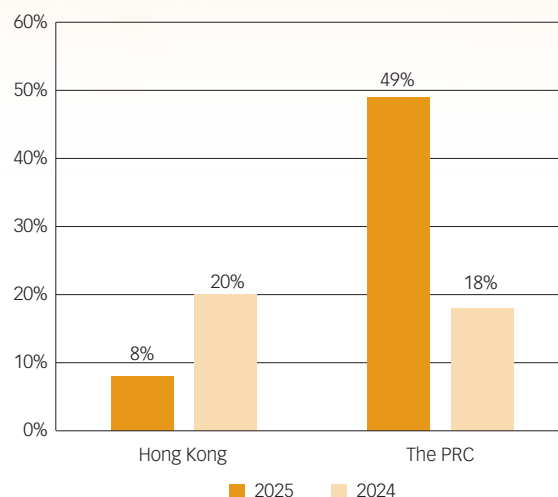
Figure 4: Number of Employees by Geographical Region

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

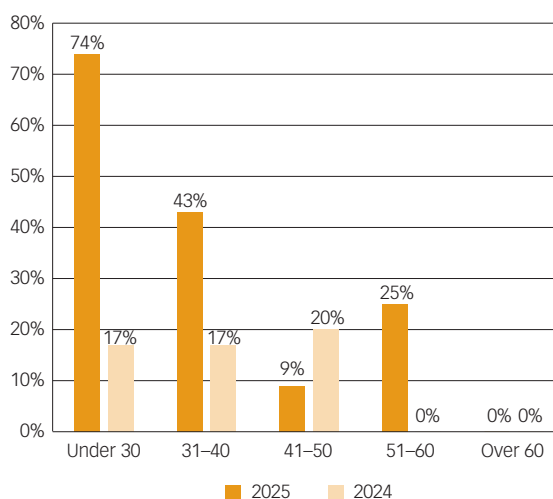
As for the employee turnover rate, an analysis of the Group's employee turnover rate breakdown for the Reporting Period is summarised in below:



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



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



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

### *B2. Health and Safety Aspect*

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

- Constantly improves the occupational safety and health management system in order to reduce risks and create a safe working environment;
- Ensures all the safety, medical and hygiene equipment are adequately in place and are operating efficiently, passing inspections and complying with all the safety and hygiene rules and regulations;
- Requires all employees to strictly comply with the health and safety policies, rules and regulations, including the Occupational Safety And Health Ordinance (Chapter 509 of the Laws of Hong Kong) and Employees Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) of Hong Kong, and the Labour Laws of the PRC and has constantly alerted the employees to perform their tasks under safety conditions;
- Takes occupational health and safety as one of our prime responsibilities, and employees are required by the in-house rules to notify their superiors immediately, whenever emergency or accidents, regardless of minor or serious occur, who will then take appropriate measures to ensure safety is not compromised, and in all circumstances the in-house rules also require all injuries or accidents to be promptly and properly dealt with and reported in accordance with the local or national laws as appropriate;
- The Group has assigned safety officers to regularly inspect and to alert employees to take precautionary measures to ensure that the workplace is safe. The Group has also provided regular training to employees to perform their jobs safely; and
- Insures all qualified employees in both the PRC and Hong Kong with medical insurance in accordance with the statutory requirements of the two jurisdictions.

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *B3. Development and Training Aspect*

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

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

- (i) Internal induction training – it is provided to new recruits to enhance their understanding of the Group’s history, organization structure, work environment, regulations, responsibilities and duties, working skills, safety operation, career development plan, etc. For example: Fundamental Ethnic Standard, Career Planning, etc.
- (ii) On-the-job and specific training – it is provided to regular employees with an aim to improve their career development and skills for performing their required job duties in a more competent and capable manner and without risking their health and safety. For example: Passion Fruit Nutrition Elements, Career Planning, Sales of Agricultural Products, etc.
- (iii) External specific skills and knowledge training – it is aiming at enhancing the technical and management skills, and professional quality and ability of the middle to senior managers.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the Group provided 127.5 hours of internal and external training to 16 employees.

| Training (No. of employees)                               | Internal | External |
|-----------------------------------------------------------|----------|----------|
| <b>Percentage of employees trained</b>                    |          |          |
| 2025                                                      | 11.25%   | 8.75%    |
| 2024                                                      | 18.03%   | —        |
| <b>Percentage of trained employees by gender</b>          |          |          |
| <b>Male</b>                                               |          |          |
| 2025                                                      | 55.56%   | 71.43%   |
| 2024                                                      | 63.64%   | —        |
| <b>Female</b>                                             |          |          |
| 2025                                                      | 44.44%   | 28.57%   |
| 2024                                                      | 36.36%   | —        |
| <b>Percentage of trained employees by employment type</b> |          |          |
| <b>Managerial staff</b>                                   |          |          |
| 2025                                                      | 33.33%   | 71.43%   |
| 2024                                                      | 63.64%   | —        |
| <b>Operational staff</b>                                  |          |          |
| 2025                                                      | —        | —        |
| 2024                                                      | —        | —        |
| <b>General staff</b>                                      |          |          |
| 2025                                                      | 66.67%   | 28.57%   |
| 2024                                                      | 36.36%   | —        |

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Average training hours per employee                 | Internal | External |
|-----------------------------------------------------|----------|----------|
| <b>Total average training hours per employee</b>    |          |          |
| 2025                                                | 1.00     | 0.59     |
| 2024                                                | 1.63     | –        |
| <b>Average training hours for male</b>              |          |          |
| 2025                                                | 1.00     | 0.53     |
| 2024                                                | 1.78     | –        |
| <b>Average training hours for female</b>            |          |          |
| 2025                                                | 1.00     | 0.69     |
| 2024                                                | 1.40     | –        |
| <b>Average training hours for managerial staff</b>  |          |          |
| 2025                                                | 1.50     | 0.42     |
| 2024                                                | 2.82     | –        |
| <b>Average training hours for operational staff</b> |          |          |
| 2025                                                | –        | –        |
| 2024                                                | –        | –        |
| <b>Average training hours for general staff</b>     |          |          |
| 2025                                                | 1.56     | 1.18     |
| 2024                                                | 2.22     | –        |

### B4. Labour Standards Aspect

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

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

### 2.3 Operation Practices Areas and Aspects

#### B5. Supply Chain Management Aspect

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

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

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

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

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

During the Reporting Period, the Plantation Business, Fruit Distribution Business, Air-conditioners Distribution Business and Sales and Distribution of Consumables and Others Business had a total of 76 suppliers (108 suppliers for 2023/24), all were local suppliers. The Group continued to support local suppliers to ensure flexibility of supplies and to boost the local economy. Owing to proper management, the Group did not experience any interruption of supplies or failure to secure sufficient quantities of supplies on time that had any material adverse impact on our business.

### *B6. Products Responsibility Aspect*

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

#### (i) Products Quality

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

For the Reporting Period, the Group has an approximately RMB486,000 of sales return of the Air-conditioners Distribution Business and Sales and Distribution of Consumables and Others Business representing approximately 0.57% of total sale of the same revenue segment. Additionally, the Group is proud that there has been no material complaint or claim on its products quality and its products have not been subject to any investigation by government authorities on quality or safety as well. For the coming year, the Group has the confidence to maintain the same good track record with its sound management control.

#### (ii) Handling of Sales Complaints

As previously reported, the Group has clear procedures to handle customers' complaints on the quality of its products. Whenever a customer complaint is received, the responsible sale-person will immediately report to the senior and to conduct investigation into the incident and find out the reasons why the quality of its products has been downgraded. For most of its sales, the customers will physically inspect, confirm and accept the quality of the products before order placement and delivery. There should not be any quality variation or complaints. However, for some sales orders, the Group, on behalf of the customers, selects and delivers the products directly to the customers' warehouses, which may have unforeseen accidents causing a change to the quality of our products during transit. Under these situations, the Group will review the situation based on site investigations and evidences, and will negotiate with the customers the remedial action to be undertaken. These types of cases were not many and had been amicably settled.

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

### (iii) Privacy

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

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

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

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

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

### B7. Anti-Corruption Aspect

The Group is well aware of the importance of honesty, integrity and fairness in its business operations and has continued in place an anti-corruption policy which involves comprehensive internal control system comprising corruption reporting and investigation procedures. An Independent Non-executive Director will be charged with the responsibility to initiate investigation upon receiving any corruption reports. Moreover, employees at all levels have been constantly reminded and advised in meetings and documents, such as the staff handbooks, on anti-corruption, conflict of interest and giving and taking of interests. With the implementation of clear policies and well-structured processes on purchases, sales, operation and finance, and the adoption of a high code of standard, the Group reported no bribery nor corruption cases during the Reporting Period, same as the Last Reporting Period.

### 2.4 Community Area and Aspect

#### B8. Community Investment Aspect

As a responsible enterprise, the Group always insists to undertake its social obligations to support and to pay back to the local residents, community and environment. During the Reporting Period, the Group contributed the following:

- (a) Environment – the Group has continued constructing its Green Environment through careful and increased planting of trees to improve the landscape of its plantation fields and more importantly to reduce global warming by absorbing CO<sub>2</sub> and release oxygen, and conserve water and top-soil;
- (b) Society – the Group has continued to work with the educational institutions on agricultural researches and provide its plantation farms as education centres such as “Guangxi Agricultural Sciences Testing Centre”, “Guangxi Agriculture Vocational College Training Centre”, “Hua Zhong Agricultural University Practice Centre” and “Hong Kong Young Patriot Agriculture Training Centre”;
- (c) Community – the Group’s plantation farm has continued to help to boost the local economy through training up the locals on fruit growing so that they can grow and develop their own fruits farms, and to co-operate with the local farmers to jointly grow other kinds of fruits such as bananas on co-operative land; and
- (d) Employees – the Group has continued to provide training to improve the employees’ job skills and knowledge. The Group also organized celebration events and gatherings for its employees during festive seasons.

# INDEPENDENT AUDITOR'S REPORT



## Moore CPA Limited

1001-1010, North Tower, World Finance Centre,  
Harbour City, 19 Canton Road,  
Tsim Sha Tsui, Kowloon, Hong Kong

T +852 2375 3180  
F +852 2375 3828

[www.moore.hk](http://www.moore.hk)

大華馬施雲  
會計師事務所有限公司

## To the Shareholders of Asian Citrus Holdings Limited

*(Incorporated in Bermuda with limited liability)*

### OPINION

We have audited the consolidated financial statements of Asian Citrus Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 92 to 200, 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, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“**IASB**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) as issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA’s *Code of Ethics for Professional Accountants* (the “**Code**”), 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.

## INDEPENDENT AUDITOR'S REPORT

### KEY AUDIT MATTERS

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

#### Key audit matter

#### How our audit addressed the key audit matter

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

Refer to the notes 21, 22 and 38(b) to the consolidated financial statements

As at 30 June 2025, the Group had trade receivables, other receivables and loan receivables with gross carrying amounts of approximately RMB12,341,000, RMB10,989,000 and RMB2,845,000, respectively, while the Group has recognised provision for ECLs allowance on trade receivables and loan receivables, net and reversal for ECLs allowance on other receivables, net amounting to RMB81,000, RMB335,000 and RMB431,000, respectively during the year ended 30 June 2025.

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

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

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT

### OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

### RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The audit committee assists the directors of the Company in discharging their responsibilities for overseeing the Group's financial reporting process.

## INDEPENDENT AUDITOR'S REPORT

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## INDEPENDENT AUDITOR'S REPORT

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

*(continued)*

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

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

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

From the matters communicated with the audit committee of the Company, we determine those matters that were of most significance 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.

#### **Moore CPA Limited**

*Certified Public Accountants*

#### **Li Wing Yin**

Practising Certificate Number: P05035

Hong Kong, 30 September 2025

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2025

|                                                                                           | Notes | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-------------------------------------------------------------------------------------------|-------|-----------------|-----------------|
| <b>Revenue</b>                                                                            | 6     | <b>75,420</b>   | 168,635         |
| Cost of sales                                                                             |       | <b>(71,157)</b> | (161,235)       |
| Other income and gains                                                                    | 7     | <b>3,730</b>    | 5,084           |
| Impairment loss on property, plant and equipment                                          | 14    | –               | (9,864)         |
| Changes in fair value of investment properties                                            | 16    | <b>(290)</b>    | (820)           |
| Gain arising from change in fair value of biological assets less costs to sell            | 18    | <b>112</b>      | –               |
| (Provision for)/reversal of allowance of expected credit losses on trade receivables, net | 21(a) | <b>(81)</b>     | 57              |
| Reversal of allowance of expected credit losses on other receivables, net                 | 21(b) | <b>431</b>      | 2,277           |
| (Provision for)/reversal of allowance of expected credit losses on loan receivables, net  | 22    | <b>(335)</b>    | 1,690           |
| Changes in fair value of financial assets at fair value through profit or loss            | 24    | <b>3,595</b>    | 11,290          |
| Depreciation of property, plant and equipment and right-of-use assets                     | 9     | <b>(3,448)</b>  | (12,353)        |
| Staff costs                                                                               | 9     | <b>(16,756)</b> | (11,336)        |
| Distribution and other operating expenses                                                 |       | <b>(1,590)</b>  | (477)           |
| General and other administrative expenses                                                 |       | <b>(17,130)</b> | (17,673)        |
| Finance costs                                                                             | 8     | <b>(877)</b>    | (722)           |
| <b>Loss before income tax</b>                                                             | 9     | <b>(28,376)</b> | (25,447)        |
| Income tax expense                                                                        | 11    | <b>(66)</b>     | (161)           |
| <b>Loss for the year</b>                                                                  |       | <b>(28,442)</b> | (25,608)        |
| <b>Loss for the year attributable to:</b>                                                 |       |                 |                 |
| Owners of the Company                                                                     |       | <b>(24,006)</b> | (25,608)        |
| Non-controlling interests                                                                 | 33(b) | <b>(4,436)</b>  | –               |
|                                                                                           |       | <b>(28,442)</b> | (25,608)        |

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2025

|                                                                                                 | Notes | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-------------------------------------------------------------------------------------------------|-------|-----------------|-----------------|
| <b>Other comprehensive (loss)/income</b>                                                        |       |                 |                 |
| <i>Items that will not be reclassified to profit or loss:</i>                                   |       |                 |                 |
| — Exchange differences on translation from foreign currency to presentation currency            |       | 3,119           | (851)           |
| <i>Items that may be reclassified subsequently to profit or loss:</i>                           |       |                 |                 |
| — Exchange differences on translation of financial statements of foreign operations, net of tax |       | (3,746)         | 942             |
| <b>Other comprehensive (loss)/income for the year</b>                                           |       | (627)           | 91              |
| <b>Total comprehensive loss for the year</b>                                                    |       | (29,069)        | (25,517)        |
| <b>Total comprehensive loss for the year attributable to:</b>                                   |       |                 |                 |
| Owners of the Company                                                                           |       | (24,633)        | (25,517)        |
| Non-controlling interests                                                                       | 33(b) | (4,436)         | —               |
|                                                                                                 |       | (29,069)        | (25,517)        |
|                                                                                                 |       | RMB             | RMB             |
| <b>Loss per share attributable to the owners of the Company</b>                                 |       |                 |                 |
| — Basic and diluted                                                                             | 12    | (1.611)         | (1.858)         |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

|                                                       | Notes | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-------------------------------------------------------|-------|-----------------|-----------------|
| <b>ASSETS AND LIABILITIES</b>                         |       |                 |                 |
| <b>Non-current assets</b>                             |       |                 |                 |
| Property, plant and equipment                         | 14    | 2,971           | 3,054           |
| Right-of-use assets                                   | 15    | 45,743          | 51,520          |
| Investment properties                                 | 16    | 13,950          | 14,240          |
| Goodwill                                              | 17    | 2,916           | 2,916           |
| Prepayment for acquisition of an intangible asset     | 23    | 2,600           | –               |
|                                                       |       | <b>68,180</b>   | <b>71,730</b>   |
| <b>Current assets</b>                                 |       |                 |                 |
| Biological assets                                     | 18    | 1,245           | 992             |
| Inventories                                           | 19    | 16,261          | 8,210           |
| Cryptocurrencies                                      | 20    | 6,168           | –               |
| Trade and other receivables                           | 21    | 19,372          | 9,631           |
| Loan receivables                                      | 22    | 2,482           | 2,883           |
| Prepayments                                           | 23    | 14,908          | 20,927          |
| Financial assets at fair value through profit or loss | 24    | 6,546           | 28,891          |
| Cash and cash equivalents                             | 25    | 9,462           | 16,804          |
|                                                       |       | <b>76,444</b>   | <b>88,338</b>   |
| <b>Current liabilities</b>                            |       |                 |                 |
| Trade and other payables                              | 26    | 20,116          | 5,355           |
| Contract liabilities                                  | 27    | 1,498           | 720             |
| Lease liabilities                                     | 28    | 135             | 767             |
| Bank borrowings                                       | 29    | 9,351           | 9,576           |
| Other borrowings                                      | 30    | 1,337           | 1,000           |
| Tax payable                                           |       | 21              | 60              |
|                                                       |       | <b>32,458</b>   | <b>17,478</b>   |
| <b>Net current assets</b>                             |       | <b>43,986</b>   | <b>70,860</b>   |
| <b>Total assets less current liabilities</b>          |       | <b>112,166</b>  | <b>142,590</b>  |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

|                                                        | Notes | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--------------------------------------------------------|-------|-----------------|-----------------|
| <b>Non-current liabilities</b>                         |       |                 |                 |
| Lease liabilities                                      | 28    | 1,196           | 4,209           |
| Bank borrowings                                        | 29    | 84              | 1,400           |
| Other borrowings                                       | 30    | 34              | –               |
|                                                        |       | <b>1,314</b>    | 5,609           |
| <b>Net assets</b>                                      |       | <b>110,852</b>  | 136,981         |
| <b>EQUITY</b>                                          |       |                 |                 |
| Share capital                                          | 31    | 137             | 137             |
| Reserves                                               | 32    | 112,211         | 136,844         |
| Total equity attributable to the owners of the Company |       | <b>112,348</b>  | 136,981         |
| Non-controlling interests                              | 33(b) | (1,496)         | –               |
| <b>Total equity</b>                                    |       | <b>110,852</b>  | 136,981         |

The consolidated financial statements on pages 92 to 200 were approved and authorised for issue by the board of directors on 30 September 2025 and are signed on its behalf by:

**Li Ziyang**  
Chairman and Executive Director

**James Francis Bittl**  
Non-Executive Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2025

|                                                                                               | Attributable to the owners of Company |                            |                                  |                                  |                                        |                               |                                | Total    | Non-controlling interests<br>(note 33(b)) | Total equity |
|-----------------------------------------------------------------------------------------------|---------------------------------------|----------------------------|----------------------------------|----------------------------------|----------------------------------------|-------------------------------|--------------------------------|----------|-------------------------------------------|--------------|
|                                                                                               | Share capital                         | Share premium <sup>#</sup> | Contributed surplus <sup>#</sup> | Revaluation reserve <sup>#</sup> | Statutory surplus reserve <sup>#</sup> | Exchange reserve <sup>#</sup> | Retained earnings <sup>#</sup> |          |                                           |              |
|                                                                                               | (Note 31)                             | (note 32(i))               | (note 32(ii))                    | (note 32(iii))                   | (note 32(iv))                          | (note 32(v))                  |                                |          |                                           |              |
|                                                                                               | RMB'000                               | RMB'000                    | RMB'000                          | RMB'000                          | RMB'000                                | RMB'000                       | RMB'000                        | RMB'000  | RMB'000                                   | RMB'000      |
| <b>At 1 July 2024</b>                                                                         | 137                                   | -                          | 8,055                            | 644                              | 2,004                                  | 2,737                         | 123,404                        | 136,981  | -                                         | 136,981      |
| Loss for the year                                                                             | -                                     | -                          | -                                | -                                | -                                      | -                             | (24,006)                       | (24,006) | (4,436)                                   | (28,442)     |
| Other comprehensive income/(loss) for the year:                                               |                                       |                            |                                  |                                  |                                        |                               |                                |          |                                           |              |
| Exchange differences on translation from foreign currency to presentation currency            | -                                     | -                          | -                                | -                                | -                                      | 3,119                         | -                              | 3,119    | -                                         | 3,119        |
| Exchange differences on translation of financial statements of foreign operations, net of tax | -                                     | -                          | -                                | -                                | -                                      | (3,746)                       | -                              | (3,746)  | -                                         | (3,746)      |
| <b>Total comprehensive loss for the year</b>                                                  | -                                     | -                          | -                                | -                                | -                                      | (627)                         | (24,006)                       | (24,633) | (4,436)                                   | (29,069)     |
| Capital contribution received from a non-controlling shareholder                              | -                                     | -                          | -                                | -                                | -                                      | -                             | -                              | -        | 2,940                                     | 2,940        |
| <b>At 30 June 2025</b>                                                                        | 137                                   | -                          | 8,055                            | 644                              | 2,004                                  | 2,110                         | 99,398                         | 112,348  | (1,496)                                   | 110,852      |

# These reserve accounts comprise the consolidated reserve of approximately RMB112,211,000 (2024: RMB136,844,000) in the consolidated statement of financial position.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2025

|                                                                                               | Attributable to the owners of Company |                                            |                                                   |                                                   |                                                        |                                                |                                                      | Total    | Non-controlling interests<br>(note 33(b)) | Total equity |
|-----------------------------------------------------------------------------------------------|---------------------------------------|--------------------------------------------|---------------------------------------------------|---------------------------------------------------|--------------------------------------------------------|------------------------------------------------|------------------------------------------------------|----------|-------------------------------------------|--------------|
|                                                                                               | Share capital<br>(Note 31)            | Share premium <sup>a</sup><br>(note 32(i)) | Contributed surplus <sup>a</sup><br>(note 32(ii)) | Revaluation reserve <sup>a</sup><br>(note 32(iv)) | Statutory surplus reserve <sup>a</sup><br>(note 32(v)) | Exchange reserve <sup>a</sup><br>(note 32(vi)) | (Accumulated losses)/ retained earnings <sup>a</sup> |          |                                           |              |
|                                                                                               | RMB'000                               | RMB'000                                    | RMB'000                                           | RMB'000                                           | RMB'000                                                | RMB'000                                        | RMB'000                                              | RMB'000  | RMB'000                                   | RMB'000      |
| At 1 July 2023                                                                                | 22,831                                | 3,782,111                                  | –                                                 | 644                                               | 1,811                                                  | 2,646                                          | (3,662,081)                                          | 147,962  | –                                         | 147,962      |
| Loss for the year                                                                             | –                                     | –                                          | –                                                 | –                                                 | –                                                      | –                                              | (25,608)                                             | (25,608) | –                                         | (25,608)     |
| Other comprehensive (loss)/income for the year:                                               |                                       |                                            |                                                   |                                                   |                                                        |                                                |                                                      |          |                                           |              |
| Exchange differences on translation from foreign currency to presentation currency            | –                                     | –                                          | –                                                 | –                                                 | –                                                      | (851)                                          | –                                                    | (851)    | –                                         | (851)        |
| Exchange differences on translation of financial statements of foreign operations, net of tax | –                                     | –                                          | –                                                 | –                                                 | –                                                      | 942                                            | –                                                    | 942      | –                                         | 942          |
| Total comprehensive income/(loss) for the year                                                | –                                     | –                                          | –                                                 | –                                                 | –                                                      | 91                                             | (25,608)                                             | (25,517) | –                                         | (25,517)     |
| Appropriation to statutory surplus reserve                                                    | –                                     | –                                          | –                                                 | –                                                 | 193                                                    | –                                              | (193)                                                | –        | –                                         | –            |
| Issue of shares upon rights issue, net of transaction cost (note 31(a))                       | 4,503                                 | 10,033                                     | –                                                 | –                                                 | –                                                      | –                                              | –                                                    | 14,536   | –                                         | 14,536       |
| Reduction of share capital and share premium (note 31(b))                                     | (27,197)                              | (3,792,144)                                | 3,819,341                                         | –                                                 | –                                                      | –                                              | –                                                    | –        | –                                         | –            |
| Transfer to accumulated losses (note 31(b))                                                   | –                                     | –                                          | (3,811,286)                                       | –                                                 | –                                                      | –                                              | 3,811,286                                            | –        | –                                         | –            |
| At 30 June 2024                                                                               | 137                                   | –                                          | 8,055                                             | 644                                               | 2,004                                                  | 2,737                                          | 123,404                                              | 136,981  | –                                         | 136,981      |

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

|                                                                                           | Notes | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-------------------------------------------------------------------------------------------|-------|-----------------|-----------------|
| <b>Cash flows from operating activities</b>                                               |       |                 |                 |
| Loss before income tax                                                                    |       | (28,376)        | (25,447)        |
| Adjustments for:                                                                          |       |                 |                 |
| Interest income                                                                           | 7     | (231)           | (373)           |
| Gain on early termination of leases                                                       | 7     | (290)           | –               |
| Gain on modification of a lease                                                           | 7     | –               | (101)           |
| Gain on bargain purchase on acquisition of a subsidiary                                   | 7     | –               | (2)             |
| Finance costs                                                                             | 8     | 877             | 722             |
| Waiver of amount due to a former director                                                 | 7     | –               | (141)           |
| Depreciation of property, plant and equipment                                             | 9     | 209             | 9,152           |
| Depreciation of right-of-use assets                                                       | 9     | 3,239           | 3,201           |
| Loss on disposal of property, plant and equipment                                         | 9     | –               | 74              |
| Loss on written-off of property, plant and equipment                                      | 9     | 14              | 973             |
| Loss on written-off of biological assets                                                  | 9     | –               | 2,156           |
| Loss on write-down of inventories                                                         | 9     | 29              | 1,122           |
| Impairment loss on property, plant and equipment                                          | 14    | –               | 9,864           |
| Changes in fair value of investment properties                                            | 16    | 290             | 820             |
| Gain arising from change in fair value of biological assets less costs to sell            | 18    | (112)           | –               |
| Provision for/(reversal of) allowance of expected credit losses on trade receivables, net | 21(a) | 81              | (57)            |
| Reversal of allowance of expected credit losses on other receivables, net                 | 21(b) | (431)           | (2,277)         |
| Provision for/(reversal of) allowance of expected credit losses on loan receivables, net  | 22    | 335             | (1,690)         |
| Changes in fair value of financial assets at fair value through profit or loss            | 24    | (3,595)         | (11,290)        |
| <b>Operating cash flows before working capital changes</b>                                |       | (27,961)        | (13,294)        |
| Increase in biological assets                                                             |       | (141)           | (897)           |
| (Increase)/decrease in inventories                                                        |       | (8,080)         | 3,212           |
| (Increase)/decrease in trade and other receivables                                        |       | (9,391)         | 2,069           |
| Decrease in prepayments                                                                   |       | 12,309          | 5,620           |
| Increase in cryptocurrencies                                                              |       | (6,289)         | –               |
| Increase/(decrease) in trade and other payables                                           |       | 15,542          | (21,518)        |
| Increase/(decrease) in contract liabilities                                               |       | 778             | (3,986)         |
| Decrease in financial assets at fair value through profit or loss held for trading        | 24    | 25,498          | 4,788           |
| <b>Net cash generated from/(used in) operations</b>                                       |       | 2,265           | (24,006)        |
| Income tax paid                                                                           |       | (105)           | (193)           |
| <b>Net cash generated from/(used in) operating activities</b>                             |       | 2,160           | (24,199)        |

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

|                                                                                 | Notes | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---------------------------------------------------------------------------------|-------|-----------------|-----------------|
| <b>Cash flows from investing activities</b>                                     |       |                 |                 |
| Purchase of property, plant and equipment                                       |       | (140)           | (1,331)         |
| Proceeds from disposal of property, plant and equipment                         |       | –               | 106             |
| Prepayment for acquisition of an intangible asset                               |       | (2,600)         | –               |
| Repayment from an independent third party                                       | 22    | –               | 8,000           |
| Loan to an independent third party                                              | 22    | –               | (2,804)         |
| Net cash inflow on acquisition of a subsidiary                                  | 34    | –               | 2               |
| Interest received                                                               |       | 231             | 658             |
| <b>Net cash (used in)/generated from investing activities</b>                   |       | <b>(2,509)</b>  | <b>4,631</b>    |
| <b>Cash flows from financing activities</b>                                     |       |                 |                 |
| Proceeds from bank borrowings                                                   | 39(b) | 10,000          | 5,000           |
| Repayments of bank borrowings                                                   | 39(b) | (16,471)        | (8,042)         |
| Repayments of other borrowings                                                  | 39(b) | (1,787)         | –               |
| Interest paid on bank borrowings                                                | 39(b) | (637)           | (489)           |
| Interest paid on other borrowings                                               | 39(b) | (72)            | (16)            |
| Repayment of principal portion of lease liabilities                             | 39(b) | (817)           | (383)           |
| Payment of interest on lease liabilities                                        | 39(b) | (151)           | (217)           |
| Proceeds from issuance of shares upon rights issue,<br>net of transaction costs | 31(a) | –               | 14,536          |
| Capital contribution received from a non-controlling<br>shareholder             |       | 2,940           | –               |
| <b>Net cash (used in)/generated from financing activities</b>                   |       | <b>(6,995)</b>  | <b>10,389</b>   |
| <b>Net decrease in cash and cash equivalents</b>                                |       | <b>(7,344)</b>  | <b>(9,179)</b>  |
| <b>Cash and cash equivalents at beginning of the year</b>                       |       | <b>16,804</b>   | <b>26,099</b>   |
| <b>Effect of foreign exchange rate changes</b>                                  |       | <b>2</b>        | <b>(116)</b>    |
| <b>Cash and cash equivalents at end of the year</b>                             | 25    | <b>9,462</b>    | <b>16,804</b>   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability on 4 June 2003 under the Companies Act of Bermuda. The address of the Company's registered office is Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda. The principal place of business of the Company is located at Room 2510, 25/F, Arion Commercial Centre, 2–12 Queen's Road West, Sheung Wan, Hong Kong. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 26 November 2009.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in note 33(a).

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

## 2. BASIS OF PREPARATION

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the year ended 30 June 2025

2. BASIS OF PREPARATION (continued)

(a) Application of amendments to IFRS Accounting Standards

In the preparation of the consolidated financial statements for the year ended 30 June 2025, the Group has applied the following amendments to IFRS Accounting Standards as issued by the IASB, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 July 2024:

|                                |                                                         |
|--------------------------------|---------------------------------------------------------|
| Amendments to IFRS 16          | Lease Liability in a Sale and Leaseback                 |
| Amendments to IAS 1            | Classification of Liabilities as Current or Non-current |
| Amendments to IAS 1            | Non-current Liabilities with Covenants                  |
| Amendments to IAS 7 and IFRS 7 | Supplier Finance Arrangements                           |

Except as described below, the application of the amendments to IFRS 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 the consolidated financial statements.

**Impacts on application of Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements**

The Group has applied the amendments for the first time in current year.

The amendments add a disclosure objective to IAS 7 *Statement of Cash Flows* stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 *Financial Instruments: Disclosures* was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

In accordance with the transition provision, the entity is not required to disclose comparative information for any reporting periods presented before the beginning of the annual reporting period in the first year of application as well as the information required by IAS 7.44 (b)(ii) and (b)(iii) above as at the beginning of the annual reporting period in which the entity first applies those amendments.

The Group has provided additional disclosures related to the amendments in notes 30(c), 38(c) and 39(c).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

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

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

|                                            |                                                                                           | Effective for<br>accounting<br>Periods<br>beginning<br>on or after |
|--------------------------------------------|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Amendments to IAS 21                       | Lack of Exchangeability                                                                   | 1 January 2025                                                     |
| Amendments to IFRS 9<br>and IFRS 7         | Amendments to the Classification and<br>Measurement of Financial Instruments              | 1 January 2026                                                     |
| Amendments to IFRS 9<br>and IFRS 7         | Contracts Referencing Nature-dependent<br>Electricity                                     | 1 January 2026                                                     |
| Amendments to IFRS<br>Accounting Standards | Annual Improvement to IFRS<br>Accounting Standards — Volume 11                            | 1 January 2026                                                     |
| IFRS 18                                    | Presentation and Disclosure in<br>Financial Statements                                    | 1 January 2027                                                     |
| Amendments to IFRS 10<br>and IAS 28        | Sale or Contribution of Assets between an<br>Investor and its Associate or Joint Venture* | To be determined                                                   |

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

Except for the new IFRS Accounting Standard mentioned below, the Group is in the process of making an assessment of what the impact of these amendments to IFRS Accounting Standards is expected to be in the period of initial application. So far the Group has not identified any aspects of the amendments which may have a significant impact on the consolidated financial statements. The actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's annual report for the year ending 30 June 2025. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in the consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

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

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

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

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

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

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

These consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 30 June 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

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

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries above.

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

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any investment retained and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

#### **(b) Business combinations and goodwill**

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

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

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

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 *Financial Instruments* ("**IFRS 9**"), is measured at fair value with changes in fair value recognised in profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

#### **(b) Business combinations and goodwill** *(continued)*

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

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

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 30 June. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("**CGU**") (or groups of CGU) that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Impairment is determined by assessing the recoverable amount of the CGU (group of CGU) to which the goodwill relates. If the recoverable amount of the CGU (group of CGU) is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit (group of CGU) and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss recognised for goodwill is not reversed in subsequent periods.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

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

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

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

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

#### **(d) Investment properties**

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

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

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

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

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

#### **(f) Inventories**

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

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

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

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

##### **Financial assets**

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

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

##### **Classification and subsequent measurement of financial assets**

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

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

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/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 IFRS 3 *Business Combinations* applies.

A financial asset is classified as 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 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. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

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

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

###### *(i) Amortised cost and interest income*

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

###### *(ii) Financial assets at FVTPL*

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

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

##### **Impairment of financial assets**

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

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

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

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

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

- |         |   |                                                                                                                                                                                                                                       |
|---------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Stage 1 | — | Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.                                               |
| Stage 2 | — | Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs. |
| Stage 3 | — | Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.                          |

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

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

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

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

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

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

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

###### *(ii) Definition of default*

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

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

###### *(iii) Credit-impaired financial assets*

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

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

###### *(iv) Write-off policy*

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

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

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

##### *(v) Measurement and recognition of ECL*

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

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

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

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

##### **Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when the rights to receive cash flows from the asset have expired.

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

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

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

#### *(h) Financial liabilities*

##### **Initial recognition and measurement**

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

#### *(h) Financial liabilities (continued)*

##### **Subsequent measurement**

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

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

##### **Derecognition of financial liabilities**

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

#### *(i) Cryptocurrencies*

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

#### *(j) Lease*

##### **Definition of a lease**

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

#### *(j) Lease (continued)*

##### **The Group as a lessee**

###### *Allocation of consideration to components of a contract*

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

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

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

###### *Right-of-use assets*

The cost of right-of-use assets include:

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

#### **(j) Lease** *(continued)*

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

###### *Refundable rental deposits*

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

###### *Lease liabilities*

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

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

#### **(j) Lease** *(continued)*

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

###### *Lease liabilities (continued)*

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

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

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

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

###### *Lease modifications*

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

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

#### **(j) Lease** *(continued)*

##### **The Group as a lessor**

###### *Classification and measurement of leases*

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

#### *(k) Other employee benefits*

##### **Pension scheme**

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “**MPF Scheme**”) under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the consolidated statement of profit or loss and other comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

The employees of the subsidiaries within the Group which operate in the PRC are required to participate in the central defined contribution pension scheme operated by the local municipal government. These PRC subsidiaries are required to contribute a percentage of their payroll costs to the central pension scheme as specified by the local municipal government.

#### *(l) Income tax*

Income tax represents the sum of current and deferred tax. Income tax relating to items recognised outside consolidated profit or loss is recognised outside consolidated profit or loss, either in other comprehensive income or directly in equity.

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

#### *(I) Income tax (continued)*

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

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and does not give risk to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

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

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

#### **Principal versus agent**

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

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

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

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

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

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

##### **Distribution and installation of air-conditioners**

###### *(i) Distribution and installation of air-conditioners*

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

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

###### *(ii) Rights of return*

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

##### **Distribution of consumables and others**

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

Revenue is normally recognised when the customer accepts delivery.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

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

##### **Supply chain finance technology solution service income**

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

##### **Cryptocurrency trading**

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

#### **(n) Foreign currencies**

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

#### **(o) Biological assets**

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

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

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

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

#### **(p) Segment reporting**

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

#### **(q) Related parties**

- (a) A person, or a close member of that person's family, is related to the Group if that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or the Group's parent;or
- (b) An entity is related to the Group if any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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

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

#### *Judgement*

#### **Principal and agent consideration in revenue recognition**

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

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

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

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

#### **Accounting for cryptocurrencies**

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

#### ***Estimates and assumptions***

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

#### **Impairment assessment of the CGUs**

The management determines the impairment loss if circumstances indicate that the carrying value of the CGUs may not be recoverable. The carrying amounts of CGUs are reviewed when there are any indicators of impairment. The recoverable amounts are the higher of its fair value less costs of disposal and its value-in-use.

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

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

#### **Fair value of biological assets**

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

#### *Estimates and assumptions (continued)*

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

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

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

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

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

##### **Goodwill impairment assessment**

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the CGU to which goodwill has been allocated, which is the higher of the value-in-use and fair value less costs of disposal. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows, a material impairment loss/further impairment loss may arise. At 30 June 2025, the carrying amount of goodwill is approximately RMB2,916,000 (2024: RMB2,916,000) with no impairment loss identified necessary. Details of the recoverable amount calculation are disclosed in note 17.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

#### *Estimates and assumptions (continued)*

##### **Determination of NRV for cryptocurrencies**

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

As at 30 June 2025, the Group held cryptocurrencies amounting to approximately RMB6,168,000 (2024: Nil) (note 20).

##### **Fair value of unlisted notes which were categorised as level 3**

The directors of the Company use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. The determination of fair value of unlisted notes includes certain assumptions not supported by observable market prices or rates. Changes to the assumptions or inputs used in deriving the valuation would have a significant impact to the fair value of these financial assets in the consolidated statement of financial position. The carrying amount of such unlisted notes under financial assets at FVTPL classified as level 3 as at 30 June 2024 amounted to approximately RMB8,949,000 (note 24). During the year ended 30 June 2025, the Group has disposed all of its investments in unlisted notes and did not hold any unlisted notes as at 30 June 2025.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

#### *Estimates and assumptions (continued)*

##### **Fair value of investment properties**

At the end of the reporting period, investment properties are stated at fair value based on the valuation performed by a firm of independent qualified professional valuers. In determining the fair value, the valuers have based on a method of valuation which involves certain estimates of market conditions as stated in note 16. In relying on the valuation report, the directors of the Company have exercised their judgement and are satisfied that the assumptions used in valuation have reflected the current market conditions. Changes to these assumptions would result in change in the fair value of the Group's investment properties being recognised in the consolidated profit or loss. The carrying amount of investment properties measured at fair value at 30 June 2025 was approximately RMB13,950,000 (2024: RMB14,240,000) (note 16).

##### **Current and deferred income taxes**

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

#### *Estimates and assumptions (continued)*

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

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets. The management of the Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation to be recorded during each reporting period. The determination of useful lives is based on the Group's historical experience with similar assets. The depreciation for future periods is adjusted if there are material changes from previous estimates. The net carrying amount of the Group's property, plant and equipment as at 30 June 2025 was approximately RMB2,971,000 (2024: RMB3,054,000) (note 14).

### 5. SEGMENT INFORMATION

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

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

|                                                           |                                                          |
|-----------------------------------------------------------|----------------------------------------------------------|
| Plantation Business                                       | — Planting, cultivation and sale of agricultural produce |
| Fruit Distribution Business                               | — Distribution of various fruits                         |
| Air-conditioners Distribution Business                    | — Distribution and installation of air-conditioners      |
| Sales and Distribution of Consumables and Others Business | — Sales and distribution of consumables and others       |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 5. SEGMENT INFORMATION (continued)

### Segment revenue and financial performance

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

|                                | Plantation Business |                 | Fruit Distribution Business |                | Air-conditioners Distribution Business |               | Sales and Distribution of Consumables and Others Business |          | Others       |          | Total           |                 |
|--------------------------------|---------------------|-----------------|-----------------------------|----------------|----------------------------------------|---------------|-----------------------------------------------------------|----------|--------------|----------|-----------------|-----------------|
|                                | 2025                | 2024            | 2025                        | 2024           | 2025                                   | 2024          | 2025                                                      | 2024     | 2025         | 2024     | 2025            | 2024            |
|                                | RMB'000             | RMB'000         | RMB'000                     | RMB'000        | RMB'000                                | RMB'000       | RMB'000                                                   | RMB'000  | RMB'000      | RMB'000  | RMB'000         | RMB'000         |
| <b>Gross segment revenue</b>   | <b>1,595</b>        | 1,321           | <b>28,706</b>               | 106,507        | <b>42,267</b>                          | 60,807        | <b>1,530</b>                                              | -        | <b>1,322</b> | -        | <b>75,420</b>   | 168,635         |
| Inter-segment revenue          | -                   | -               | -                           | -              | -                                      | -             | -                                                         | -        | -            | -        | -               | -               |
| Revenue                        | <u>1,595</u>        | <u>1,321</u>    | <u>28,706</u>               | <u>106,507</u> | <u>42,267</u>                          | <u>60,807</u> | <u>1,530</u>                                              | <u>-</u> | <u>1,322</u> | <u>-</u> | <u>75,420</u>   | <u>168,635</u>  |
| Segment results                | <u>(3,357)</u>      | <u>(23,375)</u> | <u>(2,178)</u>              | <u>527</u>     | <u>294</u>                             | <u>896</u>    | <u>(10,902)</u>                                           | <u>-</u> | <u>(40)</u>  | <u>-</u> | <u>(16,183)</u> | <u>(21,952)</u> |
| Unallocated corporate expenses |                     |                 |                             |                |                                        |               |                                                           |          |              |          | <u>(16,129)</u> | <u>(15,729)</u> |
| Unallocated corporate income   |                     |                 |                             |                |                                        |               |                                                           |          |              |          | <u>3,870</u>    | <u>12,073</u>   |
| Loss for the year              |                     |                 |                             |                |                                        |               |                                                           |          |              |          | <u>(28,442)</u> | <u>(25,608)</u> |

There was no inter-segment revenue in both years.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 5. SEGMENT INFORMATION (continued)

#### Segment assets and liabilities

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

|                                                           | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-----------------------------------------------------------|-----------------|-----------------|
| <b>Segment assets</b>                                     |                 |                 |
| Plantation Business                                       | 24,088          | 27,607          |
| Fruit Distribution Business                               | 16,647          | 9,034           |
| Air-conditioners Distribution Business                    | 27,152          | 28,047          |
| Sales and Distribution of Consumables and Others Business | 4,759           | —               |
| Total segment assets                                      | 72,646          | 64,688          |
| Unallocated corporate assets                              | 71,978          | 95,380          |
| Total assets                                              | 144,624         | 160,068         |
| <b>Segment liabilities</b>                                |                 |                 |
| Plantation Business                                       | 653             | 755             |
| Fruit Distribution Business                               | 9,734           | 1,900           |
| Air-conditioners Distribution Business                    | 16,412          | 17,603          |
| Sales and Distribution of Consumables and Others Business | 2,784           | —               |
| Total segment liabilities                                 | 29,583          | 20,258          |
| Unallocated corporate liabilities                         | 4,189           | 2,829           |
| Total liabilities                                         | 33,772          | 23,087          |

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 5. SEGMENT INFORMATION (continued)

### Other Segment Information

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

|                                                                                | Plantation Business |         | Fruit Distribution Business |         | Air-conditioners Distribution Business |         | Sales and Distribution of Consumables and Others Business |         | Unallocated |         | Total   |         |
|--------------------------------------------------------------------------------|---------------------|---------|-----------------------------|---------|----------------------------------------|---------|-----------------------------------------------------------|---------|-------------|---------|---------|---------|
|                                                                                | 2025                | 2024    | 2025                        | 2024    | 2025                                   | 2024    | 2025                                                      | 2024    | 2025        | 2024    | 2025    | 2024    |
|                                                                                | RMB'000             | RMB'000 | RMB'000                     | RMB'000 | RMB'000                                | RMB'000 | RMB'000                                                   | RMB'000 | RMB'000     | RMB'000 | RMB'000 | RMB'000 |
|                                                                                |                     |         |                             |         |                                        |         |                                                           |         |             |         |         |         |
| Additions to property, plant and equipment                                     | 38                  | 1,328   | -                           | 3       | -                                      | -       | 102                                                       | -       | -           | -       | 140     | 1,331   |
| Additions to right-of-use assets                                               | -                   | -       | -                           | -       | 1,349                                  | -       | 151                                                       | -       | -           | 503     | 1,500   | 503     |
| Depreciation of property, plant and equipment                                  | (8)                 | (8,958) | (1)                         | (2)     | (4)                                    | (5)     | (29)                                                      | -       | (167)       | (187)   | (209)   | (9,152) |
| Depreciation of right-of-use assets                                            | -                   | -       | -                           | -       | (409)                                  | (664)   | (293)                                                     | -       | (2,537)     | (2,537) | (3,239) | (3,201) |
| (Provision for)/reversal of allowance of ECLs on trade receivables, net        | -                   | -       | (86)                        | 7       | 5                                      | 50      | -                                                         | -       | -           | -       | (81)    | 57      |
| Reversal of allowance of ECLs on other receivables, net                        | 431                 | 2,254   | -                           | 23      | -                                      | -       | -                                                         | -       | -           | -       | 431     | 2,277   |
| (Provision for)/reversal of allowance of ECLs on loan receivables, net         | -                   | -       | -                           | -       | -                                      | -       | -                                                         | -       | (335)       | 1,690   | (335)   | 1,690   |
| Loss on disposal of property, plant and equipment                              | -                   | -       | -                           | -       | -                                      | -       | -                                                         | -       | -           | (74)    | -       | (74)    |
| Loss on written-off of property, plant and equipment                           | -                   | (973)   | -                           | -       | -                                      | -       | (14)                                                      | -       | -           | -       | (14)    | (973)   |
| Loss on written-off of biological assets                                       | -                   | (2,156) | -                           | -       | -                                      | -       | -                                                         | -       | -           | -       | -       | (2,156) |
| Loss on written-down of inventories                                            | -                   | -       | (29)                        | (1,122) | -                                      | -       | -                                                         | -       | -           | -       | (29)    | (1,122) |
| Impairment loss on property, plant and equipment                               | -                   | (9,864) | -                           | -       | -                                      | -       | -                                                         | -       | -           | -       | -       | (9,864) |
| Changes in fair value of investment properties                                 | (290)               | (820)   | -                           | -       | -                                      | -       | -                                                         | -       | -           | -       | (290)   | (820)   |
| Changes in fair value of financial assets at FVTPL                             | -                   | -       | -                           | 61      | -                                      | -       | -                                                         | -       | 3,595       | 11,229  | 3,595   | 11,290  |
| Gain arising from change in fair value of biological assets less costs to sell | 112                 | -       | -                           | -       | -                                      | -       | -                                                         | -       | -           | -       | 112     | -       |
| Finance costs                                                                  | -                   | -       | -                           | -       | -                                      | (722)   | (836)                                                     | -       | (41)        | -       | (877)   | (722)   |
| Interest income                                                                | 2                   | 4       | 3                           | 10      | 1                                      | 4       | 4                                                         | -       | 221         | 355     | 231     | 373     |
| Income tax expense                                                             | -                   | -       | (21)                        | (100)   | (27)                                   | (61)    | (18)                                                      | -       | -           | -       | (66)    | (161)   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 5. SEGMENT INFORMATION *(continued)*

#### **Geographical information**

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

#### **Information about major customers**

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

|                         | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-------------------------|-----------------|-----------------|
| Customer A <sup>1</sup> | 9,987           | 68,497          |
| Customer B <sup>1</sup> | —               | 29,274          |
| Customer C <sup>1</sup> | 8,158           | —               |
| Customer D <sup>1</sup> | 8,989           | —               |

<sup>1</sup> Revenue generated from customers A, B, C and D were attributable to Fruit Distribution Business.

### 6. REVENUE

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

|                                                                          | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--------------------------------------------------------------------------|-----------------|-----------------|
| <i>Revenue from contracts with customers within the scope of IFRS 15</i> |                 |                 |
| <i>Recognised at a point in time</i>                                     |                 |                 |
| Sales of passion fruits and other fruits                                 | 30,301          | 107,828         |
| Sales of air-conditioners                                                | 42,267          | 60,807          |
| Sales of consumables and others                                          | 1,137           | —               |
| Cryptocurrencies trading                                                 | 1,322           | —               |
| <i>Recognised over time</i>                                              |                 |                 |
| Supply chain finance technology solution service income                  | 393             | —               |
|                                                                          | <b>75,420</b>   | <b>168,635</b>  |

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 7. OTHER INCOME AND GAINS

|                                                         | Notes | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---------------------------------------------------------|-------|-----------------|-----------------|
| <b>Other income:</b>                                    |       |                 |                 |
| Bank interest income                                    |       | 9               | 26              |
| Dividend income                                         | 24(a) | 46              | 48              |
| Government grants                                       | (i)   | 670             | 2,790           |
| Interest income on loan receivables                     |       | 222             | 347             |
| Rental income                                           |       | 345             | 275             |
| Promotion fee income                                    | (ii)  | 2,021           | 1,079           |
| Sundry income                                           |       | 127             | 275             |
|                                                         |       | <b>3,440</b>    | <b>4,840</b>    |
| <b>Other gains:</b>                                     |       |                 |                 |
| Gain on bargain purchase on acquisition of a subsidiary | 34    | —               | 2               |
| Gain on early termination of leases                     | 15    | 290             | —               |
| Gain on modification of a lease                         | 15    | —               | 101             |
| Waiver of amount due to a former director               | (iii) | —               | 141             |
|                                                         |       | <b>290</b>      | <b>244</b>      |
| Total                                                   |       | <b>3,730</b>    | <b>5,084</b>    |

Notes:

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

During the year ended 30 June 2024, the Group recognised government grant of RMB2,790,000 which related to a subsidy on construction of agricultural and plantation facilities in Beihai city provided by 合浦縣農業農村局.

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

\* For identification purpose only

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 7. OTHER INCOME AND GAINS (continued)

Notes: (continued)

- (ii) The amount represented income from promotion campaign in the Air-conditioners Distribution Business provided to the customers of the Group in the customer's retail stores.
- (iii) On 24 November 2023, Mr. Ng Ong Nee tendered his resignation as an executive director of the Company, with effect on 25 November 2023. Pursuant to the notice of resignation, the entire balance due to him amounted to approximately RMB141,000 as on that date was waived upon his resignation.

### 8. FINANCE COSTS

|                                         | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-----------------------------------------|-----------------|-----------------|
| Interest on bank borrowings             | 637             | 489             |
| Interest on other borrowings            | 89              | 16              |
| Interest on lease liabilities (note 15) | 151             | 217             |
|                                         | <u>877</u>      | <u>722</u>      |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 9. LOSS BEFORE INCOME TAX

Loss before income tax is stated after charging the following:

|                                                                                                                             | Notes | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-----------------------------------------------------------------------------------------------------------------------------|-------|-----------------|-----------------|
| Auditor's remuneration                                                                                                      |       | 1,020           | 1,018           |
| Depreciation of property, plant and equipment                                                                               | 14    | 209             | 9,152           |
| Depreciation of right-of-use assets                                                                                         | 15    | 3,239           | 3,201           |
| Exchange loss, net                                                                                                          |       | 181             | 34              |
| Management fee expense, net ( <i>note (a)</i> )                                                                             |       | 557             | 610             |
| Office accommodation charges included in general and other administrative expenses                                          | 36(b) | 1,835           | 2,665           |
| Expenses relating to short term leases and leases of low-value assets included in general and other administrative expenses | 15    | 272             | 160             |
| Loss on disposal of property, plant and equipment                                                                           |       | —               | 74              |
| Loss on written-off of property, plant and equipment                                                                        |       | 14              | 973             |
| Loss on written-off of biological assets included in general and other administrative expenses                              | 18    | —               | 2,156           |
| Loss on written-down of inventories included in cost of inventories                                                         | 19    | 29              | 1,122           |
| Plantation security charges included in general and other administrative expenses                                           |       | 734             | 984             |
| Direct operating expenses arising from investment properties that generate rental income during the year                    |       | 49              | 50              |
| Legal and professional fees included in general and other administrative expenses ( <i>note (b)</i> )                       |       | 2,289           | 2,476           |
| Employee benefit expenses (including directors' remuneration ( <i>note 10</i> ))                                            |       |                 |                 |
| — Salaries, allowance and benefits in kind                                                                                  |       | 15,662          | 10,611          |
| — Retirement benefit scheme contributions ( <i>note (c)</i> )                                                               |       | 1,094           | 725             |
|                                                                                                                             |       | <b>16,756</b>   | <b>11,336</b>   |

Notes:

- (a) The Group has entered into a business cooperation agreement with an independent third party (the "Cooperator"). Pursuant to the business cooperation agreement, the Cooperator would contribute farmlands while the Group would contribute property, plant and equipment for the purpose of providing farmlands and facilities to individual farmers and generating management income. According to business cooperation agreement, the Group is entitled to 90% of the net income generated. During the year ended 30 June 2025, a net management fee expense of approximately RMB557,000 (2024: RMB610,000) has been recognised and included in general and other administrative expenses of the consolidated statement of profit or loss and other comprehensive income.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 9. LOSS BEFORE INCOME TAX (continued)

Notes: (continued)

- (b) The amounts mainly represented company secretarial service fees, valuation service fees and financial advisory service fees for both years.
- (c) As at 30 June 2025, the Group had no forfeited contributions available to reduce its contributions to the retirement benefit schemes in future years (2024: Nil).

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

#### (a) Directors' remuneration

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

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

|                                             | Directors' fees<br>RMB'000 | Salaries, allowance and benefits in kind<br>RMB'000 | Retirement benefit scheme contributions<br>RMB'000 | Total<br>RMB'000 |
|---------------------------------------------|----------------------------|-----------------------------------------------------|----------------------------------------------------|------------------|
| <b>For the year ended 30 June 2024</b>      |                            |                                                     |                                                    |                  |
| <b>Executive directors:</b>                 |                            |                                                     |                                                    |                  |
| Ms. Li Ziyang (note (i))                    | 148                        | –                                                   | –                                                  | 148              |
| Mr. Ng Ong Nee (note (iv))                  | –                          | –                                                   | –                                                  | –                |
| Sub-total                                   | 148                        | –                                                   | –                                                  | 148              |
| <b>Non-executive director:</b>              |                            |                                                     |                                                    |                  |
| Mr. James Francis Bittl                     | 222                        | –                                                   | –                                                  | 222              |
| Sub-total                                   | 222                        | –                                                   | –                                                  | 222              |
| <b>Independent non-executive directors:</b> |                            |                                                     |                                                    |                  |
| Mr. Liu Ruiqiang                            | 222                        | –                                                   | –                                                  | 222              |
| Mr. Lai Zheng (note (v))                    | 37                         | –                                                   | –                                                  | 37               |
| Mr. Wang Tianshi                            | 111                        | –                                                   | –                                                  | 111              |
| Ms. Liu Jie (note (ii))                     | 111                        | –                                                   | –                                                  | 111              |
| Sub-total                                   | 481                        | –                                                   | –                                                  | 481              |
| Grand total                                 | 851                        | –                                                   | –                                                  | 851              |

Notes:

- (i) Ms. Li Ziyang was appointed as an executive director on 1 November 2023.
- (ii) Ms. Liu Jie retired as an independent non-executive director on 30 December 2024.
- (iii) Mr. Zhuang Canbin was appointed as an independent non-executive director on 30 December 2024.
- (iv) Mr. Ng Ong Nee resigned as an executive director on 25 November 2023.
- (v) Mr. Lai Zheng resigned as an independent non-executive director on 31 October 2023.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

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

The executive directors' remuneration shown above were for their services in connection with the management of the affairs of the Company and the Group, while the non-executive directors' and the independent non-executive directors' remuneration shown above were for their services as directors of the Company.

During the year ended 30 June 2025, no director has waived or agreed to waive any remuneration during the year. During the year ended 30 June 2024, except for Mr. Ng Ong Nee waived his director's remuneration of approximately RMB93,000, no other director has waived or agreed to waive any remuneration during the year

#### (b) Five highest paid individuals

The five individuals whose remunerations were the highest in the Group for the year ended 30 June 2025 did not include any director (2024: Nil), whose remunerations were reflected in the analysis shown in the note (a) above. The remuneration paid and payable to the remaining 5 (2024: 5) highest paid individuals during the year is as follows:

|                                          | 2025<br>RMB'000 | 2024<br>RMB'000 |
|------------------------------------------|-----------------|-----------------|
| Salaries, allowance and benefits in kind | 5,518           | 4,709           |
| Retirement benefit scheme contributions  | 241             | 80              |
|                                          | <u>5,759</u>    | <u>4,789</u>    |

During the year ended 30 June 2025, no emoluments were paid by the Group to the directors of the Company or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2024: Nil).

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

|                                | Number of individual |          |
|--------------------------------|----------------------|----------|
|                                | 2025                 | 2024     |
| Nil to HK\$1,000,000           | 3                    | 3        |
| HK\$1,000,001 to HK\$1,500,000 | 1                    | 1        |
| HK\$2,000,001 to HK\$2,500,000 | <u>1</u>             | <u>1</u> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 11. INCOME TAX EXPENSE

Income tax expense in the consolidated statement of profit or loss and other comprehensive income represents:

|                                       | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---------------------------------------|-----------------|-----------------|
| The PRC Enterprise Income Tax ("EIT") |                 |                 |
| — Current year                        | 66              | 161             |

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdiction in which members of the Group are domiciled and operated.

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax under these jurisdictions for both years.

No provision for taxation in Hong Kong has been made as the Group has no assessable profits for the purpose of Hong Kong Profits Tax for both years.

The Group determined its provision for the PRC EIT based on the respective applicable rates on the estimated assessable income of the Group's subsidiaries in the PRC as determined in accordance with the relevant income tax laws, rules and regulations of the PRC.

The PRC EIT has been provided at the rate of 25% (2024: 25%) on the assessable profits of the Group's subsidiaries in the PRC during the year ended 30 June 2025, except certain subsidiaries operating in the PRC which were qualified small and micro-sized enterprises under Caishui [2019] No. 13, are eligible for using EIT rates at 10% and 5% (2024: 10% and 5%) during the year ended 30 June 2025. In addition, one of the indirect wholly-owned PRC subsidiaries engaged in qualifying agricultural business which entitled full EIT exemption on profits derived from such business during the years ended 30 June 2025 and 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 11. INCOME TAX EXPENSE (continued)

A reconciliation of the income tax expense applicable to loss before income tax at the applicable tax rates to income tax expense at the effective tax rate is as follows:

|                                                              | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--------------------------------------------------------------|-----------------|-----------------|
| Loss before income tax                                       | (28,376)        | (25,447)        |
| Tax at domestic income tax rate                              | (4,446)         | (5,584)         |
| Tax effect of non-taxable income                             | (613)           | (893)           |
| Tax effect of non-deductible expenses                        | 1,005           | 1,804           |
| Tax effect of deductible temporary difference not recognised | 48              | 9               |
| Tax effect of tax losses not recognised                      | 4,072           | 4,825           |
| Income tax expense                                           | 66              | 161             |

#### Deferred tax assets

At 30 June 2025, the Group had unused tax losses of approximately RMB62,811,000 (2024: RMB45,458,000) available to offset against future profits sourced in the PRC. Such unused tax losses are subject to the approval of the PRC tax authorities and can be carried forward for five years from the year when the corresponding loss was incurred. No deferred tax asset has been recognised due to unpredictability of future profit streams.

#### Deferred tax liabilities

According to the new Corporate Income Tax Law of the PRC, starting from 1 January 2008, a withholding tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong according to the tax treaty arrangements between the PRC and Hong Kong.

At 30 June 2025, temporary withholding tax differences relating to the undistributed profits of the PRC subsidiaries amounted to approximately RMB40,163,000 (2024: RMB37,619,000). Deferred tax liabilities amounted to approximately RMB3,855,000 (2024: RMB3,687,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained earnings as the Company is in a position to control the dividend policy of the PRC subsidiaries and it has been determined that it is probable that undistributed profits of the PRC subsidiaries will not be distributed in the foreseeable future.

As at 30 June 2025, there are no other significant unrecognised deferred taxation (2024: Nil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 12. LOSS PER SHARE

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

|                                                                                                     | 2025<br>RMB'000         | 2024<br>RMB'000 |
|-----------------------------------------------------------------------------------------------------|-------------------------|-----------------|
| Loss for the year attributable to the owners of the Company for the purpose of basic loss per share | <u>(24,006)</u>         | <u>(25,608)</u> |
|                                                                                                     | <b>Number of shares</b> |                 |
|                                                                                                     | 2025<br>'000            | 2024<br>'000    |
| Weighted average number of ordinary shares for the purpose of basic loss per share                  | <u>14,901</u>           | <u>13,784</u>   |

The weighted average number of ordinary shares used to calculate the basic loss per share for the year ended 30 June 2024 have been adjusted to reflect the Rights Issue (note 31(a)) and Share Consolidation (note 31(b)) during the year ended 30 June 2024.

Diluted loss per share were the same as the basic loss per share as there were no dilutive potential shares outstanding during the years ended 30 June 2025 and 2024.

### 13. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 14. PROPERTY, PLANT AND EQUIPMENT

|                                                    | Construction-<br>in-progress<br>RMB'000 | Buildings<br>RMB'000 | Leasehold<br>improvements<br>RMB'000 | Furniture,<br>plant and<br>machinery<br>RMB'000 | Motor<br>vehicles<br>RMB'000 | Farmland<br>infrastructure<br>and<br>machinery<br>RMB'000 | Bearer<br>plants<br>RMB'000 | Total<br>RMB'000 |
|----------------------------------------------------|-----------------------------------------|----------------------|--------------------------------------|-------------------------------------------------|------------------------------|-----------------------------------------------------------|-----------------------------|------------------|
| <b>Cost</b>                                        |                                         |                      |                                      |                                                 |                              |                                                           |                             |                  |
| At 1 July 2023                                     | 418                                     | 3,779                | 1,527                                | 1,464                                           | 2,740                        | 104,718                                                   | 49,583                      | 164,229          |
| Additions (note)                                   | 1,306                                   | -                    | -                                    | 25                                              | -                            | -                                                         | -                           | 1,331            |
| Transfer                                           | (1,306)                                 | -                    | -                                    | -                                               | -                            | 1,306                                                     | -                           | -                |
| Disposal and written-off                           | (418)                                   | -                    | -                                    | (468)                                           | (2,073)                      | (1,032)                                                   | -                           | (3,991)          |
| Exchange alignment                                 | -                                       | -                    | -                                    | 1                                               | -                            | -                                                         | -                           | 1                |
| At 30 June 2024 and 1 July 2024                    | -                                       | 3,779                | 1,527                                | 1,022                                           | 667                          | 104,992                                                   | 49,583                      | 161,570          |
| Additions (note)                                   | -                                       | -                    | -                                    | 140                                             | -                            | -                                                         | -                           | 140              |
| Written-off                                        | -                                       | -                    | -                                    | (18)                                            | -                            | -                                                         | -                           | (18)             |
| Exchange alignment                                 | -                                       | -                    | -                                    | (2)                                             | -                            | -                                                         | -                           | (2)              |
| <b>At 30 June 2025</b>                             | <b>-</b>                                | <b>3,779</b>         | <b>1,527</b>                         | <b>1,142</b>                                    | <b>667</b>                   | <b>104,992</b>                                            | <b>49,583</b>               | <b>161,690</b>   |
| <b>Accumulated depreciation and<br/>impairment</b> |                                         |                      |                                      |                                                 |                              |                                                           |                             |                  |
| At 1 July 2023                                     | -                                       | 839                  | 1,156                                | 1,123                                           | 2,723                        | 86,913                                                    | 49,583                      | 142,337          |
| Charge for the year (note 9)                       | -                                       | 196                  | 85                                   | 18                                              | 17                           | 8,836                                                     | -                           | 9,152            |
| Written back upon disposal and written-off         | -                                       | -                    | -                                    | (176)                                           | (2,073)                      | (589)                                                     | -                           | (2,838)          |
| Impairment loss for the year                       | -                                       | (298)                | 286                                  | 44                                              | -                            | 9,832                                                     | -                           | 9,864            |
| Exchange alignment                                 | -                                       | -                    | -                                    | 1                                               | -                            | -                                                         | -                           | 1                |
| At 30 June 2024 and 1 July 2024                    | -                                       | 737                  | 1,527                                | 1,010                                           | 667                          | 104,992                                                   | 49,583                      | 158,516          |
| Charge for the year (note 9)                       | -                                       | 164                  | -                                    | 45                                              | -                            | -                                                         | -                           | 209              |
| Written back upon written-off                      | -                                       | -                    | -                                    | (4)                                             | -                            | -                                                         | -                           | (4)              |
| Exchange alignment                                 | -                                       | -                    | -                                    | (2)                                             | -                            | -                                                         | -                           | (2)              |
| <b>At 30 June 2025</b>                             | <b>-</b>                                | <b>901</b>           | <b>1,527</b>                         | <b>1,049</b>                                    | <b>667</b>                   | <b>104,992</b>                                            | <b>49,583</b>               | <b>158,719</b>   |
| <b>Carrying amounts</b>                            |                                         |                      |                                      |                                                 |                              |                                                           |                             |                  |
| <b>At 30 June 2025</b>                             | <b>-</b>                                | <b>2,878</b>         | <b>-</b>                             | <b>93</b>                                       | <b>-</b>                     | <b>-</b>                                                  | <b>-</b>                    | <b>2,971</b>     |
| At 30 June 2024                                    | -                                       | 3,042                | -                                    | 12                                              | -                            | -                                                         | -                           | 3,054            |

Note: The additions during the years ended 30 June 2025 mainly represented the office computer equipment in relation to Plantation Business and Sales of Consumables and Others Business (2024: planting fence in relation to the plantation of passion fruits).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 14. PROPERTY, PLANT AND EQUIPMENT (continued)

During the year ended 30 June 2024, in the view of the continuous losses incurred by the Plantation business CGU, the directors of the Company concern about the recoverability of the carrying amounts of the Plantation Business CGU and perform impairment review on non-financial assets in relation to the Plantation Business CGU. The recoverable amount had been determined based on a value-in-use calculation carried out by Peak Vision Appraisals Limited ("**Peak Vision**"), an independent qualified professional valuer, which is not connected to the Group. The calculation uses cash flow projections based on the financial budgets approved by the directors of the Company based on their best estimations. The projected period covered 5 years and the pre-tax discount rate used in the forecast was 17.1% and zero terminal growth rate was adopted. As a result, further impairment loss on property, plant and equipment in relation to the Plantation Business CGU amounting to approximately RMB9,864,000 was recognised in the consolidated profit or loss during the year ended 30 June 2024.

Based on the management's assessment, no reversal of impairment on property, plant and equipment in relation to the Plantation Business CGU was considered as necessary as at 30 June 2025.

### 15. RIGHT-OF-USE ASSETS

|                                              | Leasehold<br>Land<br>RMB'000 | Leased<br>Properties<br>RMB'000 | Total<br>RMB'000 |
|----------------------------------------------|------------------------------|---------------------------------|------------------|
| <b>Cost</b>                                  |                              |                                 |                  |
| At 1 July 2023                               | 53,533                       | 4,899                           | 58,432           |
| Additions                                    | –                            | 503                             | 503              |
| Modification of lease                        | –                            | (28)                            | (28)             |
| At 30 June 2024 and 1 July 2024              | <b>53,533</b>                | <b>5,374</b>                    | <b>58,907</b>    |
| Additions                                    | –                            | <b>1,500</b>                    | <b>1,500</b>     |
| Derecognised upon early termination of lease | –                            | <b>(5,022)</b>                  | <b>(5,022)</b>   |
| <b>At 30 June 2025</b>                       | <b>53,533</b>                | <b>1,852</b>                    | <b>55,385</b>    |
| <b>Accumulated depreciation</b>              |                              |                                 |                  |
| At 1 July 2023                               | 4,228                        | 33                              | 4,261            |
| Charge for the year (note 9)                 | 2,537                        | 664                             | 3,201            |
| Modification of lease                        | –                            | (75)                            | (75)             |
| At 30 June 2024 and 1 July 2024              | <b>6,765</b>                 | <b>622</b>                      | <b>7,387</b>     |
| Charge for the year (note 9)                 | <b>2,537</b>                 | <b>702</b>                      | <b>3,239</b>     |
| Derecognised upon early termination of lease | –                            | <b>(984)</b>                    | <b>(984)</b>     |
| <b>At 30 June 2025</b>                       | <b>9,302</b>                 | <b>340</b>                      | <b>9,642</b>     |
| <b>Carrying amount</b>                       |                              |                                 |                  |
| <b>At 30 June 2025</b>                       | <b>44,231</b>                | <b>1,512</b>                    | <b>45,743</b>    |
| At 30 June 2024                              | 46,768                       | 4,752                           | 51,520           |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 15. RIGHT-OF-USE ASSETS (continued)

The analysis of expense items in relation to leases recognised in the consolidated profit or loss is as follows:

|                                                                                                                                      | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Depreciation of right-of-use assets (as above)                                                                                       | 3,239           | 3,201           |
| Gain on early termination of leases (note 7)                                                                                         | (290)           | –               |
| Gain on modification of a lease (note 7)                                                                                             | –               | (101)           |
| Expenses relating to short term leases and leases of low-value assets included in general and other administrative expenses (note 9) | 272             | 160             |
| Interest on lease liabilities (note 8)                                                                                               | 151             | 217             |
| Total amount recognised in consolidated profit or loss                                                                               | 3,372           | 3,477           |

#### Properties leased for own use

During the year ended 30 June 2025, the Group leased 2 offices in the PRC for its operations. Lease contract was entered for a fixed term of 8 years and 2 years, respectively. One of the offices with fixed term of 8 years was partially subleased to an independent third party, which was classified as an operating lease and a corresponding rental income of approximately RMB5,000 was recognised as other income and gains in the consolidated statement of profit or loss and other comprehensive income (note 7). At 30 June 2025, the undiscounted lease payments receivables by the Group in future period under non-cancellable operating leases with its tenants are disclosed in note 35. The another office with fixed term of 2 years has been early terminated and the corresponding right-of-use asset and lease liabilities were derecognised during the year, as a result, a gain on early termination of approximately RMB4,000 was recognised as other income and gains in the consolidated statement of profit or loss and other comprehensive income (note 7).

During the year ended 30 June 2024, the Group leased an office in the PRC for its operations. Lease contract was entered into for a fixed term of 2 years and half month.

During the year ended 30 June 2023, the Group leased a warehouse in the PRC for its operations. Lease contract was entered into for a fixed term of 7 years and 7 months. During the year ended 30 June 2024, the landlord of the lease has agreed to extend its rent-free period, resulting a modification of lease, the right-of-use assets was revalued on the day of modification and a net gain on modification of lease of approximately RMB101,000 was recognised as other income and gains in the consolidated statement of profit or loss and other comprehensive income (note 7). The lease has been early terminated and the corresponding right-of-use asset and lease liabilities were derecognised during the year ended 30 June 2025, as a result, a gain on early termination of approximately RMB285,000 was recognised as other income and gains in the consolidated statement of profit or loss and other comprehensive income (note 7).

These lease terms were negotiated on an individual basis and contained a wide range of different terms and conditions. The lease agreements did not impose any covenants other than the security interests in the leased assets that were held by the lessors. Leased assets might not be used as securities for borrowing purposes.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 15. RIGHT-OF-USE ASSETS (continued)

#### Ownership interests in leasehold land held for own use

During the year ended 30 June 2022, the Group acquired a leasehold land and various buildings located in Shenzhen, the PRC from an individual, 高錫武, who is an independent third party to the Group at a total consideration of RMB57,000,000, which comprised of land and building portions amounting to approximately RMB53,533,000 (as above) and RMB3,467,000 and were recognised under right-of-use assets and property, plant and equipment, respectively. The acquisition of the leasehold land and properties was completed on 30 November 2021.

The Group is the registered owner of the leasehold land and buildings. Upfront payments were made to acquire the leasehold land and buildings, and there are no ongoing payments to be made under the terms of the leasehold land and buildings. The industrial land and buildings were leased for 21 years for commercial use.

Amounts included in the consolidated statements of cash flows comprises the following:

|                                                                                                             | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Within financing cash flow — fixed payments (note 39(b))                                                    | 968             | 600             |
| Within operation cash flow — expenses relating to short-term leases and leases of low-value assets (note 9) | 272             | 160             |
| Total cash outflow for leases                                                                               | 1,240           | 760             |

### 16. INVESTMENT PROPERTIES

|                                                                 | RMB'000       |
|-----------------------------------------------------------------|---------------|
| <b>At fair value</b>                                            |               |
| At 1 July 2023                                                  | 15,060        |
| Changes in fair value recognised in consolidated profit or loss | (820)         |
| At 30 June 2024 and 1 July 2024                                 | 14,240        |
| Changes in fair value recognised in consolidated profit or loss | (290)         |
| <b>At 30 June 2025</b>                                          | <b>13,950</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 16. INVESTMENT PROPERTIES (continued)

On 1 September 2022, the Group leased out a commercial building located in the PRC to an independent third party with fixed term of 15.5 years. At 30 June 2025, the fair value of the investment properties was approximately RMB13,950,000 (2024: RMB14,240,000) based on the valuation carried out by Peak Vision. The fair value changes of approximately RMB290,000 (2024: RMB820,000) was recognised in the consolidated statement of profit or loss and other comprehensive income during the year ended 30 June 2025.

Peak Vision has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

The fair value of investment properties is a level 3 fair value measurement. The reconciliation movement of fair value balance is shown as above table. There was no transfer into or out of level 3 during the year.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The fair value of investment properties was based on the income capitalisation approach which capitalised the net income of the properties and takes into account the significant adjustments on term yield to account for the risk upon reversion.

Set out below is a table which presents the significant unobservable inputs:

| Significant unobservable inputs                 | As at 30 June |         | Valuation techniques  | Unobservable inputs                      | Range of unobservable inputs |                    |
|-------------------------------------------------|---------------|---------|-----------------------|------------------------------------------|------------------------------|--------------------|
|                                                 | 2025          | 2024    |                       |                                          | 2025                         | 2024               |
|                                                 | RMB'000       | RMB'000 |                       |                                          |                              |                    |
| Commercial building located in Guangxi, the PRC | 13,950        | 14,240  | Income capitalisation | Monthly rentals (per square meter/month) | RMB12.1 to RMB13.3           | RMB13.2 to RMB14.2 |
|                                                 |               |         |                       | Term yields                              | 2.5%                         | 2.5%               |
|                                                 |               |         |                       | Reversionary yields                      | 5.25%                        | 5.25%              |

Relationships of unobservable inputs to fair value are as follows:

- The higher the term yields/reversionary yields, the lower the fair value; and
- The higher the monthly rental, the higher the fair value.

At 30 June 2025, the undiscounted lease payments receivables by the Group in future period under non-cancellable operating leases with its tenants are disclosed in note 35.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 17. GOODWILL

|                                 | RMB'000      |
|---------------------------------|--------------|
| At 1 July 2023                  | 2,916        |
| Provision for impairment        | —            |
| At 30 June 2024 and 1 July 2024 | 2,916        |
| Provision for impairment        | —            |
| <b>At 30 June 2025</b>          | <b>2,916</b> |

Goodwill was arising from the acquisition of 陝西品尚農產品貿易有限公司 (Shaanxi Pinshang Agricultural Products Trading Co., Ltd.\*) ("**Shaanxi Pinshang**") on 31 March 2023. For the purpose of impairment testing on goodwill, the management of the Company allocated goodwill to the Fruit Distribution Business CGU.

The recoverable amount of the operating subsidiary located in the PRC is determined based on value-in-use calculations. These calculations use profit projections based on financial budgets approved by the management of the Company covering a 2.5-year period (2024: 2.5-year). The pre-tax discount rate used of 21.1% (2024: 21.9%) for the operating subsidiary located in the PRC. The management of the Company determined the budgeted revenue and budgeted gross margin based on past performance and its expectations for the market development. The cash flows beyond 2.5 years have been extrapolated using a steady 2.00% (2024: 3.00%) per annum growth rate.

Assumptions were used in the value-in-use calculations of the operating subsidiary located in the PRC for the years ended 30 June 2025 and 2024. The following describes each key assumption on which the management of the Company has based its cash flows projections to undertake impairment testing of goodwill:

**Business growth rate** — The basis used to determine the value assigned to the budgeted sales during the 2.5-year projection period is the sales growth rate achieved in the prior year immediately before the budget year.

**Pre-tax discount rates** — The pre-tax discount rates used are before income tax and reflect specific risks relating to the relevant units.

The values assigned to the key assumptions on the operating subsidiary located in the PRC are consistent with external information sources.

The management of the Company has calculated that the value-in-use of the operating subsidiary and concluded that the recoverable amount is greater than their total carrying amount of the assets of the subsidiary including allocated goodwill and therefore has concluded that there is no impairment in respect of the Group's goodwill during the year ended 30 June 2025 (2024: same).

The directors of the Company have not identified any key assumptions where a reasonably possible change in such assumptions could cause the carrying amount of goodwill to exceed the recoverable amount.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 18. BIOLOGICAL ASSETS

|                                                           | RMB'000        |                |
|-----------------------------------------------------------|----------------|----------------|
| At 1 July 2023                                            | 2,251          |                |
| Increase due to cultivation                               | 2,219          |                |
| Written-off (note 9)                                      | (2,156)        |                |
| Decrease due to harvested                                 | (1,322)        |                |
| At 30 June 2024 and 1 July 2024                           | 992            |                |
| Increase due to cultivation                               | 1,748          |                |
| Gain arising from change in fair value less costs to sell | 112            |                |
| Decrease due to harvested                                 | (1,607)        |                |
| <b>At 30 June 2025</b>                                    | <b>1,245</b>   |                |
|                                                           |                |                |
|                                                           | <b>2025</b>    | <b>2024</b>    |
|                                                           | <b>RMB'000</b> | <b>RMB'000</b> |
| Passion fruits                                            | <b>1,245</b>   | 992            |

Notes:

- (a) During the year ended 30 June 2025, the Group harvested approximately 111 tonnes of saleable passion fruits and 112 tonnes of saleable watermelons (2024: 199 tonnes of saleable passion fruits and 53 tonnes of saleable melons). The directors of the Company measured the fair value less costs to sell of passion fruits and watermelons at the point of harvest based on market prices as at or close to the harvest dates.
- (b) The growing produce cultivated by an indirectly wholly-owned subsidiary of the Company, namely 廣西合浦冠華農業有限公司 (Guangxi Hepu Guanhua Agriculture Co., Ltd.) ("**Guangxi Hepu Guanhua**"). Passion fruits are harvested annually during August to October.

These biological assets have been classified as level 3 in the fair value hierarchy. Of the total gain for the year included in profit or loss, Nil amount (2024: Nil) relates to passion fruits held at the end of the current reporting period. Gain from changes in fair value less costs to sell on passion fruits are included in profit or loss under "gain arising from change in fair value of biological assets less costs to sell".

As at 30 June 2025, the balance represented the passion fruits with carrying amount of approximately RMB1,245,000 (2024: RMB992,000) which were valued by Peak Vision who holds a recognised relevant professional qualification and has recent experience in the biological assets being valued. The significant unobservable inputs used in the valuation are as follows:

|                                                | 2025    | 2024    |
|------------------------------------------------|---------|---------|
| Selling price of passion fruits (per kilogram) | RMB18.0 | RMB20.0 |
| Pre-tax discount rate                          | 17.6%   | 17.1%   |
| Production per mu (in kilogram)                | 1,030   | 1,200   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 18. BIOLOGICAL ASSETS *(continued)*

*Notes: (continued)*

(b) *(continued)*

Relationships of unobservable inputs to fair value are as follows:

- The higher selling price of passion fruits (per kilogram), the higher the fair value;
- The higher pre-tax discount rate, the lower the fair value; and
- The higher production per mu (in kilogram), the higher the fair value.

The Group is exposed to a number of risks related to its plantation:

#### **(1) Regulatory and environmental risks**

The Group is subject to laws and regulations in the jurisdiction in which it operates. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws. The management of the Company performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

#### **(2) Supply and demand risks**

The Group is exposed to risks arising from fluctuations in the price and sales volume of passion fruits. Where possible the Group manages this risk by aligning its harvest volume to market supply and demand. The management of the Company performs regular industry trend analysis to ensure that the Group's pricing structure is in line with the market and to ensure that projected harvest volumes are consistent with the expected demand.

#### **(3) Climate and other risks**

The Group's fruits plantation is exposed to the risk of damage from climatic changes, natural diseases, forest fires and other natural forces. The Group has extensive processes in place aimed to minimise those risks, including regular forest health inspections and industry pest and disease surveys.

#### **(4) Price risk**

The Group is exposed to price risks arising from changes in passion fruit prices. The Group does not anticipate that passion fruit prices will decline significantly in the foreseeable future. The Group reviews its outlook for passion fruit prices regularly in considering the need for active price risk management.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 19. INVENTORIES

|                | 2025<br>RMB'000 | 2024<br>RMB'000 |
|----------------|-----------------|-----------------|
| Raw materials  | 931             | 729             |
| Finished goods | 15,330          | 7,481           |
|                | <u>16,261</u>   | <u>8,210</u>    |

During the year ended 30 June 2025, the Group recognised loss on write-down of inventories amounting to approximately RMB29,000 (2024: RMB1,122,000) due to damages of fruits during packaging and transportation (note 9).

### 20. CRYPTOCURRENCIES

|                                                | 2025<br>RMB'000 | 2024<br>RMB'000 |
|------------------------------------------------|-----------------|-----------------|
| Cryptocurrencies held on exchange institutions | <u>6,168</u>    | <u>—</u>        |
| Representing                                   |                 |                 |
| — Bitcoin ("BTC")                              | 5,785           | —               |
| — Solana ("SOL")                               | <u>383</u>      | <u>—</u>        |
|                                                | <u>6,168</u>    | <u>—</u>        |

During the year ended 30 June 2025, the Group acquired certain cryptocurrencies through a licensed virtual asset trading platform in Hong Kong with an aggregate amount of approximately RMB7,633,000. During the year ended 30 June 2025, the Group disposed of certain cryptocurrencies with an aggregate amount of approximately RMB1,322,000.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 21. TRADE AND OTHER RECEIVABLES

|                                                              | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--------------------------------------------------------------|-----------------|-----------------|
| Trade receivables, gross                                     | 12,341          | 3,421           |
| Less: Allowance for ECLs on trade receivables                | (103)           | (22)            |
| Trade receivables, net ( <i>note (a)</i> )                   | 12,238          | 3,399           |
| Deposits paid and other receivables, gross                   | 10,989          | 10,518          |
| Less: Allowance for ECLs on other receivables                | (3,855)         | (4,286)         |
| Deposits paid and other receivables, net ( <i>note (b)</i> ) | 7,134           | 6,232           |
| Trade and other receivables, net                             | 19,372          | 9,631           |

At 1 July 2023, trade receivables from contracts with customers amounted to approximately RMB3,022,000.

Notes:

- (a) The Group generally granted a credit period of 30 days (2024: 30 days) to customers for sales of fruits and consumables and others, while no credit period was granted to sales of air-conditioners as the Group generally requests customers to pay in advance.

The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest bearing and the Group does not hold any collateral in relation to these receivables.

The ageing analysis of trade receivables, net of ECLs allowance, based on the invoice dates, is as follows:

|               | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---------------|-----------------|-----------------|
| 1 to 30 days  | 12,238          | 3,386           |
| 31 to 60 days | —               | —               |
| 61 to 90 days | —               | 13              |
| Over 90 days  | —               | —               |
|               | 12,238          | 3,399           |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 21. TRADE AND OTHER RECEIVABLES (continued)

Notes: (continued)

(a) (continued)

As at 30 June 2025, included in the Group's trade receivables balance are trade debtors with aggregate carrying amount of RMB141,000 (2024: RMB265,000) which are past due within 90 days as at the reporting date.

The movements in allowance for ECLs on trade receivables are as follows:

|                                                                                 | RMB'000    |
|---------------------------------------------------------------------------------|------------|
| At 1 July 2023                                                                  | 79         |
| Reversal of ECLs allowance recognised to the consolidated profit or loss, net   | (57)       |
| At 30 June 2024 and 1 July 2024                                                 | 22         |
| Provision for ECLs allowance recognised to the consolidated profit or loss, net | 81         |
| <b>At 30 June 2025</b>                                                          | <b>103</b> |

(b) At 30 June 2025, the gross balances mainly comprised of an amount due from the Cooperator amounting to approximately RMB7,513,000 (2024: RMB9,510,000) in relation to the management income distributions as mentioned in note 9. The provision for ECLs allowance on this amount due amounted to approximately RMB3,855,000 (2024: RMB4,286,000) as at 30 June 2025. The amount due was unsecured, non-interest bearing and repayable on demand.

The movements in allowances for ECLs on other receivables are as follows:

|                                                                               | RMB'000      |
|-------------------------------------------------------------------------------|--------------|
| At 1 July 2023                                                                | 6,563        |
| Reversal of ECLs allowance recognised to the consolidated profit or loss, net | (2,277)      |
| At 30 June 2024 and 1 July 2024                                               | 4,286        |
| Reversal of ECLs allowance recognised to the consolidated profit or loss, net | (431)        |
| <b>At 30 June 2025</b>                                                        | <b>3,855</b> |

Details of impairment assessment of trade and other receivables are set out in note 38(b).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 22. LOAN RECEIVABLES

|                                                                                                  | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Loan receivables (including interest receivables of approximately RMB110,000 (2024: RMB114,000)) | 2,845           | 2,918           |
| Less: Allowance for ECLs on loan receivables                                                     | (363)           | (35)            |
|                                                                                                  | <u>2,482</u>    | <u>2,883</u>    |

On 2 September 2022, the Group entered into a loan agreement with an individual, who is an independent third party to the Group. The loan with principal amount of RMB8,000,000, carrying a fixed interest rate at 6% per annum and repayable on 1 June 2023, is guaranteed by Mr. Kung. In May 2023, a supplementary agreement was entered to extend the repayment date to 31 December 2023 while other terms remain the same. The principal and interest receivables were fully settled during the year ended 30 June 2024.

On 28 December 2023, the Group entered into a loan agreement with another individual, who is an independent third party to the Group. The loan with principal amount of HK\$3,000,000 (equivalent to approximately RMB2,804,000), carrying a fixed interest rate at 8% per annum and repayable on 28 December 2024, is guaranteed by Mr. Kung. On 10 January 2025, the Group and the borrower entered into a supplementary agreement to extend the maturity date to 26 December 2025 for the remaining principal and accrued interests with aggregated amount of approximately HK\$3,002,000 (equivalent to approximately RMB2,836,000) and other terms remaining unchanged.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 22. LOAN RECEIVABLES (continued)

Movement in the allowance for ECLs of loan receivables is as follows:

|                                                                            | RMB'000    |
|----------------------------------------------------------------------------|------------|
| At 1 July 2023                                                             | 1,725      |
| Reversal of ECLs allowance recognised to the consolidated profit or loss   | (1,725)    |
| Provision for ECLs allowance recognised to the consolidated profit or loss | 35         |
| At 30 June 2024 and 1 July 2024                                            | 35         |
| Provision for ECLs allowance recognised to the consolidated profit or loss | 335        |
| Exchange alignment                                                         | (7)        |
| <b>At 30 June 2025</b>                                                     | <b>363</b> |

Analysis of changes in the gross carrying amount is as follows:

|                                                        | Stage 1<br>RMB'000 | Stage 2<br>RMB'000 | Stage 3<br>RMB'000 | Total<br>RMB'000 |
|--------------------------------------------------------|--------------------|--------------------|--------------------|------------------|
| At 1 July 2023                                         | –                  | –                  | 8,398              | 8,398            |
| Additions                                              | 2,918              | –                  | 233                | 3,151            |
| Settlements during the year                            | –                  | –                  | (8,631)            | (8,631)          |
| At 30 June 2024 and 1 July 2024                        | 2,918              | –                  | –                  | 2,918            |
| Transfer to lifetime ECL not credit impaired (Stage 2) | (2,918)            | 2,918              | –                  | –                |
| Additions                                              | –                  | 222                | –                  | 222              |
| Settlements during the year                            | –                  | (222)              | –                  | (222)            |
| Exchange alignment                                     | –                  | (73)               | –                  | (73)             |
| <b>At 30 June 2025</b>                                 | <b>–</b>           | <b>2,845</b>       | <b>–</b>           | <b>2,845</b>     |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 22. LOAN RECEIVABLES (continued)

Analysis of changes in the corresponding credit loss allowance is as follows:

|                                                           | Stage 1<br>RMB'000 | Stage 2<br>RMB'000 | Stage 3<br>RMB'000 | Total<br>RMB'000 |
|-----------------------------------------------------------|--------------------|--------------------|--------------------|------------------|
| At 1 July 2024                                            | 35                 | –                  | –                  | 35               |
| Transfer to lifetime ECL not credit<br>impaired (Stage 2) | (35)               | 35                 | –                  | –                |
| ECLs allowance recognised                                 | –                  | 335                | –                  | 335              |
| Exchange alignment                                        | –                  | (7)                | –                  | (7)              |
| <b>At 30 June 2025</b>                                    | <b>–</b>           | <b>363</b>         | <b>–</b>           | <b>363</b>       |
| <b>ECL rates</b>                                          | <b>N/A</b>         | <b>12.76%</b>      | <b>N/A</b>         | <b>12.76%</b>    |

|                           | Stage 1<br>RMB'000 | Stage 2<br>RMB'000 | Stage 3<br>RMB'000 | Total<br>RMB'000 |
|---------------------------|--------------------|--------------------|--------------------|------------------|
| At 1 July 2023            | –                  | –                  | 1,725              | 1,725            |
| ECLs allowance recognised | 35                 | –                  | –                  | 35               |
| Settlements               | –                  | –                  | (1,725)            | (1,725)          |
| <b>At 30 June 2024</b>    | <b>35</b>          | <b>–</b>           | <b>–</b>           | <b>35</b>        |
| <b>ECL rates</b>          | <b>1.20%</b>       | <b>N/A</b>         | <b>N/A</b>         | <b>1.20%</b>     |

Details of impairment assessment of loan receivables are set out in note 38(b).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 23. PREPAYMENTS

|                                                                       | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-----------------------------------------------------------------------|-----------------|-----------------|
| Prepayments to suppliers ( <i>note (a)</i> )                          | 10,350          | 16,369          |
| Prepayment for acquisition of an intangible asset ( <i>note (b)</i> ) | 2,600           | –               |
| Other prepayments ( <i>note (c)</i> )                                 | 4,558           | 4,558           |
|                                                                       | <b>17,508</b>   | <b>20,927</b>   |
| Analysed into:                                                        |                 |                 |
| Current portion                                                       | 14,908          | 20,927          |
| Non-current portion                                                   | 2,600           | –               |
|                                                                       | <b>17,508</b>   | <b>20,927</b>   |

Notes:

(a) At 30 June 2025, the balance of approximately RMB10,350,000 (2024: RMB16,369,000) represented prepayments to the suppliers for the procurement of inventories, which were expected to be utilised as cost of inventories incurred within the next financial year. Included in the balance, the amount of approximately RMB9,551,000 (2024: RMB13,260,000) were pledged to secure certain bank borrowings (*note 29*) (2024: included in the balance, amounting to RMB11,719,000 is also secured to the other borrowing (*note 30*)).

(b) Included in the balance, amounting to approximately RMB2,600,000 represented prepayment for a computer software, being an online retail mobile application– 綠氧的故事, which was developed by a service provider, an independent third party to the Group.

Subsequently on 1 August 2025, the platform has been launched and available for use.

\* For identification purposes only

(c) The balance as at 30 June 2025 included prepayments of approximately RMB4,200,000 (2024: RMB4,200,000) to the Cooperator in relation to consultation fee on plantation, which were expected to be utilised as expenses within the next financial year.

### 24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

|                                                                       | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-----------------------------------------------------------------------|-----------------|-----------------|
| Listed securities and unlisted notes held for trading, at fair value: |                 |                 |
| Equity securities listed in the United States ( <i>note (a)</i> )     | 6,546           | 19,942          |
| Unlisted notes ( <i>note (b)</i> )                                    | –               | 8,949           |
|                                                                       | <b>6,546</b>    | <b>28,891</b>   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

|                                                                 | Equity securities listed in the United States (note (a))<br>RMB'000 | Unlisted notes (note (b))<br>RMB'000 | Contingent consideration receivable (note (c))<br>RMB'000 | Total<br>RMB'000 |
|-----------------------------------------------------------------|---------------------------------------------------------------------|--------------------------------------|-----------------------------------------------------------|------------------|
| At 1 July 2023                                                  | 14,548                                                              | 7,574                                | 61                                                        | 22,183           |
| Additions                                                       | –                                                                   | 16,800                               | –                                                         | 16,800           |
| Disposal                                                        | (4,733)                                                             | (16,855)                             | –                                                         | (21,588)         |
| Changes in fair value recognised in consolidated profit or loss | 9,993                                                               | 1,358                                | (61)                                                      | 11,290           |
| Exchange alignment                                              | 134                                                                 | 72                                   | –                                                         | 206              |
| At 30 June 2024 and 1 July 2024                                 | 19,942                                                              | 8,949                                | –                                                         | 28,891           |
| Additions                                                       | 9,913                                                               | 3,148                                | –                                                         | 13,061           |
| Disposal                                                        | (23,168)                                                            | (15,391)                             | –                                                         | (38,559)         |
| Changes in fair value recognised in consolidated profit or loss | 153                                                                 | 3,442                                | –                                                         | 3,595            |
| Exchange alignment                                              | (294)                                                               | (148)                                | –                                                         | (442)            |
| <b>At 30 June 2025</b>                                          | <b>6,546</b>                                                        | <b>–</b>                             | <b>–</b>                                                  | <b>6,546</b>     |

Notes:

- (a) The Group has acquired listed securities through a security company in Hong Kong during the year ended 30 June 2025 and 2024. These listed securities were classified as financial assets at FVTPL as they were held for trading. The fair values of these listed securities as at 30 June 2025 were determined based on the quoted market closing prices on the National Association of Securities Dealers Automated Quotations Stock Market ("NASDAQ") (2024: Same).

During the year ended 30 June 2025, the dividends received from certain equity securities amounting to approximately RMB46,000 (2024: RMB48,000) was recognised under other income and gains in the consolidated statement of profit or loss and other comprehensive income (note 7). In addition, a gain from change in fair value amounting to approximately RMB153,000 was also recognised to the consolidated statement of profit or loss and other comprehensive income during the year ended 30 June 2025 (2024: RMB9,993,000).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Notes: (continued)

- (b) During the year ended 30 June 2024, the Group had set up an investment account in a security company in Hong Kong which managed by an investment manager who is an independent third party to the Group, and has the power and authority to manage and make decisions for the investments. Unlisted notes were acquired during the years ended 30 June 2024 and were classified as financial assets at FVTPL as they were held for trading.

During the year ended 30 June 2025, the Group has fully disposed its investment in unlisted notes, a gain from change in fair value amounting to approximately RMB3,442,000 (2024: gain of RMB1,358,000) was recognised to the consolidated statement of profit or loss and other comprehensive income.

- (c) The balance included the contingent consideration receivable arising from the profit guarantee in relation to the acquisition of Shaanxi Pinshang during the year ended 30 June 2023. Pursuant to the profit guarantee, the potential undiscounted amount of the contingent consideration receivable that the Group could receive is between nil and RMB1,500,000.

On 31 December 2023, the guaranteed period has expired and the profit guarantee has been met, therefore no contingent consideration was received by the Group under the profit guarantee arrangement during the year ended 30 June 2024. A fair value loss of approximately RMB61,000 was recognised to the consolidated statement of profit or loss and other comprehensive income during the year ended 30 June 2024 as the profit guarantee is fulfilled. There is no further obligation from the vendors. The contingent consideration receivable has been derecognised upon expiration.

Details of the fair value measurement are disclosed in note 38(d).

### 25. CASH AND CASH EQUIVALENTS

|                           | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---------------------------|-----------------|-----------------|
| Cash and cash equivalents | 9,462           | 16,804          |

Cash and cash equivalents represent cash at banks and on hand. Bank balances carry interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

Included in bank balances, there was approximately RMB2,267,000 (2024: RMB13,509,000) denominated in RMB and deposited with banks in the PRC as at 30 June 2025, RMB is not freely convertible into other currencies, however, under Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations in the PRC, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Details of impairment assessment of cash and cash equivalents are set out in note 38(b).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 26. TRADE AND OTHER PAYABLES

|                                                 | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-------------------------------------------------|-----------------|-----------------|
| Trade payables ( <i>note (a)</i> )              | 14,420          | 1,895           |
| Other payables and accruals ( <i>note (b)</i> ) | 4,540           | 2,661           |
| Accrued staff costs                             | 1,156           | 799             |
|                                                 | <u>20,116</u>   | <u>5,355</u>    |

Notes:

- (a) The average credit period granted by suppliers was 30 days (2024: 30 days).

Ageing analysis of trade payables, based on invoice dates, as at the end of reporting period is shown as follows:

|                                 | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---------------------------------|-----------------|-----------------|
| Within 3 months                 | 13,892          | 1,793           |
| Over 3 months but within 1 year | 474             | 14              |
| Over 1 year                     | 54              | 88              |
|                                 | <u>14,420</u>   | <u>1,895</u>    |

- (b) At 30 June 2025, other payables and accruals mainly comprise of accrued legal and professional fees of approximately RMB2,226,000 (2024: RMB1,721,000). The balances of other payables and accruals are expected to be settled within one year or are repayable on demand.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 27. CONTRACT LIABILITIES

|                                    | 2025<br>RMB'000 | 2024<br>RMB'000 |
|------------------------------------|-----------------|-----------------|
| Contract liabilities arising from: |                 |                 |
| Sale of air-conditioners           | 901             | 720             |
| Sale of consumables and others     | 597             | –               |
|                                    | <u>1,498</u>    | <u>720</u>      |

Contract liabilities arise when the Group receives deposits in advance when entering into contracts. The contract liabilities primarily relate to the advance consideration received from the customers for sale of air-conditioners and consumables and others, revenue from which is recognised when the performance obligation is satisfied by delivering the air-conditioners and consumables and others to the customers.

The amount of contract liabilities under Sales of Consumables and Others Business is negotiated on a case by case basis with customers, while the Group generally requests customers to pay in advance for sales of air- conditioners.

The following table shows how much of the revenue recognised in the current year in relation to carried-forward contract liabilities:

|                                                                                                       | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Revenue recognised that was included in the contract liabilities balance at the beginning of the year | <u>720</u>      | <u>4,706</u>    |

At 1 July 2023, contract liabilities amounted to approximately RMB4,706,000.

The Group classifies these contract liabilities as current because the Group expects them to be settled in normal operating cycle within 12 months after the end of the reporting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 28. LEASE LIABILITIES

|                                       | 2025                                                           |                                         | 2024                                                           |                                         |
|---------------------------------------|----------------------------------------------------------------|-----------------------------------------|----------------------------------------------------------------|-----------------------------------------|
|                                       | Present<br>value of<br>minimum<br>lease<br>payments<br>RMB'000 | Minimum<br>lease<br>payments<br>RMB'000 | Present<br>value of<br>minimum<br>lease<br>payments<br>RMB'000 | Minimum<br>lease<br>payments<br>RMB'000 |
| Within one year                       | 135                                                            | 192                                     | 767                                                            | 974                                     |
| After one year but within two years   | 141                                                            | 192                                     | 832                                                            | 995                                     |
| After two years but within five years | 515                                                            | 624                                     | 2,068                                                          | 2,383                                   |
| Over five years                       | 540                                                            | 569                                     | 1,309                                                          | 1,353                                   |
|                                       | <u>1,331</u>                                                   | <u>1,577</u>                            | <u>4,976</u>                                                   | <u>5,705</u>                            |
| Less: Total future interest expenses  |                                                                | <u>(246)</u>                            |                                                                | <u>(729)</u>                            |
| Present value of lease liabilities    |                                                                | <u>1,331</u>                            |                                                                | <u>4,976</u>                            |
| Analysed into:                        |                                                                |                                         |                                                                |                                         |
| Current portion                       |                                                                | 135                                     |                                                                | 767                                     |
| Non-current portion                   |                                                                | <u>1,196</u>                            |                                                                | <u>4,209</u>                            |
|                                       |                                                                | <u>1,331</u>                            |                                                                | <u>4,976</u>                            |
| Analysed into:                        |                                                                |                                         |                                                                |                                         |
| Leasehold properties                  |                                                                | <u>1,331</u>                            |                                                                | <u>4,976</u>                            |

The weighted average incremental borrowing rate applied to lease liabilities is approximately 4.62% (2024: 4.87%) per annum at 30 June 2025.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 29. BANK BORROWINGS

|                                                 | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-------------------------------------------------|-----------------|-----------------|
| Bank borrowings — secured ( <i>note (a)</i> )   | 1,835           | 4,676           |
| Bank borrowings — unsecured ( <i>note (b)</i> ) | 7,600           | 6,300           |
|                                                 | <u>9,435</u>    | <u>10,976</u>   |
| Analysed into:                                  |                 |                 |
| Current portion                                 | 9,351           | 9,576           |
| Non-current portion                             | 84              | 1,400           |
|                                                 | <u>9,435</u>    | <u>10,976</u>   |

Notes:

- (a) During the year ended 30 June 2025, the Group has obtained several secured bank borrowings from 3 commercial banks in the PRC with total principal amounts of approximately RMB980,000 (2024: RMB9,290,000) for the purpose of prepaying to two suppliers (2024: three suppliers) of Air-conditioners Distribution Business. The borrowings amounting to approximately RMB980,000 (2024: RMB9,290,000) were directly deposited to the suppliers by the bank during the year ended 30 June 2025 and the details of non-cash transaction are set out in note 39(a).

Pursuant to the loan agreements entered between an indirect wholly-owned subsidiary of the Company, the suppliers and the banks, the subsidiary granted an authorisation to the banks that if the subsidiary fail to repay the bank borrowings, the banks could request repayments from the suppliers based on the prepayments made by the subsidiary.

The secured bank borrowings carried at fixed interest rates ranging from 4.00% to 11.80% (2024: 4.50% to 11.80%) per annum and the bank borrowings amounted to approximately RMB1,835,000 (2024: RMB4,676,000) are repayable by monthly instalments up to the period between September 2025 to September 2026 (2024: between December 2024 and May 2026). During the year ended 30 June 2025, the Group repaid principal amounts of approximately RMB3,821,000 (2024: RMB7,942,000) in aggregate to the banks.

At 30 June 2025, the bank borrowings amounted to approximately RMB1,835,000 (2024: RMB4,676,000) are secured by certain prepayments to the suppliers which amounted to approximately RMB9,551,000 (2024: RMB13,260,000) (note 23).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 29. BANK BORROWINGS (continued)

Notes: (continued)

- (b) During the year ended 30 June 2025, the Group has obtained several unsecured bank borrowings from 2 commercial banks in the PRC with total principal amounts of approximately RMB13,950,000 (2024: RMB6,300,000) for the purpose of prepaying to two suppliers (2024: three suppliers) of Air-conditioners Distribution Business. The borrowings amounting to approximately RMB3,950,000 (2024: RMB1,300,000) were directly deposited to the suppliers by the bank during the year ended 30 June 2025 and the details of non-cash transaction are set out in note 39(a).

The unsecured bank borrowings carried at fixed interest rates ranging from 4.00% to 8.60% (2024: 4.50% to 8.60%) per annum and the unsecured bank borrowings amounted to approximately RMB2,600,000 (2024: RMB1,300,000) are repayable by monthly instalments up to the period between December 2025 to July 2026 (2024: between June 2025 and December 2025), and the remaining portion amounted to approximately RMB5,000,000 is repayable on maturity in October 2025 (2024: RMB5,000,000 is repayable on maturity date in October 2024). During the year ended 30 June 2025, the Group repaid principal amounts of approximately RMB12,650,000 (2024: RMB100,000) in aggregate to the banks.

At 30 June 2025, the unsecured bank borrowings are guaranteed by a director of a wholly owned subsidiary (2024: Same).

Details of the repayment schedule in respect of the interest-bearing bank borrowings are as follows:

|                                                                   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-------------------------------------------------------------------|-----------------|-----------------|
| Within one year or on demand                                      | 9,351           | 9,576           |
| Within a period of more than one year but not exceeding two years | 84              | 1,400           |
|                                                                   | <u>9,435</u>    | <u>10,976</u>   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 30. OTHER BORROWINGS

|                                                              | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--------------------------------------------------------------|-----------------|-----------------|
| Other loans — unsecured ( <i>note (a)</i> )                  | 573             | —               |
| Other loans — secured ( <i>note (b)</i> )                    | —               | 1,000           |
| Supplier finance arrangement — unsecured ( <i>note (c)</i> ) | 798             | —               |
|                                                              | <u>1,371</u>    | <u>1,000</u>    |
| Analysed into:                                               |                 |                 |
| Current portion                                              | 1,337           | 1,000           |
| Non-current portion                                          | 34              | —               |
|                                                              | <u>1,371</u>    | <u>1,000</u>    |

#### Notes:

- (a) During the year ended 30 June 2025, the Group has obtained facilities from two licensed money lenders in the PRC amounting to RMB1,360,000. As at 30 June 2025, the outstanding balance of the facilities amounted to approximately RMB573,000 bears interest rates ranging from 6.18% to 7.56% per annum. Unsecured other loans amounted to approximately RMB240,000 is repayable by monthly instalments up to August 2026, and the remaining portion amounted to approximately RMB333,000 is repayable on maturity in September 2025. The unsecured other loans were directly deposited to the supplier by the licensed money lender (*note 39(a)*).
- (b) During the year ended 30 June 2024, the Group has obtained a facility from a licensed money lender in the PRC amounting to RMB1,000,000. At 30 June 2024, the facility has been fully utilised of which the outstanding balance amounting to RMB1,000,000 bears interest of 5.90% per annum and repayable on 23 September 2024. The other loans are secured by prepayment to a supplier amounted to RMB11,719,000 (*note 23*) and was directly deposited to the supplier by the licensed money lender (*note 39(a)*).
- (c) During the year ended 30 June 2025, the Group has entered into a supplier finance arrangement agreement with a corporation possessing financial permit granted by PRC authority (the “**Financier**”) to facilitate payments to certain suppliers. The Financier agreed to pay to suppliers on behalf of the Group in advance and granted repayment terms of 90 days to the Group, charging at fixed interest rate of 9% per annum. The supplier finance arrangements with principal amount of approximately RMB781,000 would be repayable on maturity between December 2024 and January 2025. On 20 January 2025, the Group entered into a supplementary agreement with the Financier, pursuant to which the Financier agreed to extend the maturity date to 30 June 2026 for the remaining principal and accrued interests of approximately RMB781,000 and RMB17,000, respectively. Interests were accumulated up to the maturity of the original arrangement, no extra interest has been charged for the extension.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 31. SHARE CAPITAL

|                                                              | Number<br>of ordinary<br>shares | Share<br>capital<br>RMB'000 |
|--------------------------------------------------------------|---------------------------------|-----------------------------|
| Ordinary shares of HK\$0.01 each                             |                                 |                             |
| <b>Authorised:</b>                                           |                                 |                             |
| At 1 July 2023                                               | 5,000,000,000                   | 50,000                      |
| Share Consolidation ( <i>note (b)(i)</i> )                   | (4,975,000,000)                 | –                           |
| Share sub-division ( <i>note (b)(iii)</i> )                  | 4,975,000,000                   | –                           |
| <b>At 30 June 2024, 1 July 2024 and 30 June 2025</b>         | <b>5,000,000,000</b>            | <b>50,000</b>               |
| <b>Issued and fully paid:</b>                                |                                 |                             |
| At 1 July 2023                                               | 2,499,637,884                   | 24,996                      |
| Issue of shares pursuant to Rights Issue ( <i>note (a)</i> ) | 480,467,975                     | 4,805                       |
| Share Consolidation ( <i>note (b)(i)</i> )                   | (2,965,205,330)                 | –                           |
| Capital Reduction ( <i>note (b)(ii)</i> )                    | –                               | (29,652)                    |
| <b>At 30 June 2024, 1 July 2024 and 30 June 2025</b>         | <b>14,900,529</b>               | <b>149</b>                  |
|                                                              |                                 | <b>RMB'000</b>              |
| Equivalent to                                                |                                 | <b>137</b>                  |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally in regard to the Company's residual assets.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 31. SHARE CAPITAL (continued)

Notes:

- (a) On 13 October 2023, the Company announced a proposed rights issue on the basis of one right share for every two shares in issue at a subscription price of HK\$0.035 per rights share to raise up to approximately HK\$43,700,000 before expenses ("**Right Issue**"). On 7 November 2023, the Company allotted and issued 480,467,975 ordinary shares of HK\$0.035 each by way of rights issue and the number of issued shares of the Company was increased to 2,980,105,859. The proceeds from the Rights Issue were approximately HK\$16,816,000 (equivalent to approximately RMB15,762,000) by which the share capital increased by approximately HK\$4,805,000 (equivalent to approximately RMB4,503,000). The remaining proceeds of approximately HK\$12,011,000 (equivalent to approximately RMB11,259,000), deducted by transaction costs of approximately HK\$1,327,000 (equivalent to approximately RMB1,226,000), to a net proceed of approximately HK\$10,684,000 (equivalent to approximately RMB10,033,000) were credited to the share premium account. Details of the Rights Issue were set out in the Company's announcements dated 11 September 2023, 25 September 2023 and 6 November 2023 and the Company's prospectus published on 12 October 2023.
- (b) Pursuant to resolutions passed by the shareholders of the Company in a special general meeting held on 19 February 2024, the Company carried out the following capital reorganisation ("**Capital Reorganisation**") and has become effective on 21 February 2024:
- (i) Every 200 issued and unissued ordinary shares with a par value of HK\$0.01 each in the existing share capital of the Company were consolidated into 1 ordinary share with a par value of HK\$2.00 each the ("**Consolidated Share(s)**") (the "**Share Consolidation**"). The total number issued shares of the Company was reduced by 2,965,205,330 shares, from 2,980,105,859 shares to 14,900,529 shares;
  - (ii) Immediately following the Share Consolidation become effective, the issued share capital of the Company was reduced from an amount of approximately HK\$29,801,000 (equivalent to approximately RMB27,334,000) by an amount of HK\$29,652,000 (equivalent to approximately RMB27,197,000) to an amount of HK\$149,000 (equivalent to approximately RMB137,000) by a cancellation of HK\$1.99 of paid-up capital of the Company on each issued Consolidated Shares will be treated as one fully paid-up share of par value of HK\$0.01 each in the share capital of the Company (the "**Capital Reduction**");
  - (iii) Upon the Share Consolidation become effective, each of the then authorized but unissued Consolidated Shares be sub-divided into two hundreds new shares so that the authorised share capital of the Company shall remain HK\$50,000,000 divided into 5,000,000,000 new shares of HK\$0.01 each (the "**Share sub-division**");
  - (iv) Immediately following the Capital Reduction becoming effective, the entire amount of approximately RMB3,792,144,000 standing to the credit of the share premium account of the Company be reduced to Nil (the "**Share Premium Reduction**") and transferred to the Contributed Surplus reserve;
  - (v) The entire credit amount arising from the Share Premium Reduction and Capital Reduction amounting to RMB3,819,341,000, be transferred to contributed surplus in the reserves in the financial statement of financial position of the Company to then set off the accumulated losses of the Company as at the effective date of the Capital Reorganisation of approximately RMB3,811,286,000.

Details of the Capital Reorganisation were set out in the Company's announcements dated 14 December 2023, 27 December 2023, 19 February 2024 and 21 February 2024 and the Company's circular dated 22 January 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 32. RESERVES

Details of the movements on the Group's reserves are as set out in the consolidated statement of changes in equity.

#### **(i) Share premium**

Share premium represents the excess of proceeds received over the nominal value of the Company's shares issued, less share issue expenses. Pursuant to the Companies Act of Bermuda, the Company's share premium account may be distributed in the form of fully paid bonus shares. As disclosure in note 31(a), the remaining proceeds from the Rights Issue were credited to the share premium account during the year ended 30 June 2024.

#### **(ii) Contributed surplus**

Contributed surplus represents the amount arising from the Capital Reorganisation of the Company effective on 21 February 2024 (note 31(b)). The entire credit amount arising from Capital Reduction and Share Premium Reduction of approximately RMB3,819,341,000 was transferred to the contributed surplus and then be applied to set off the accumulated losses of the Company amounting to RMB3,811,286,000.

#### **(iii) Revaluation reserve**

The revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for the transfer to investment properties as set out in note 3(d), which represented cumulative gains and losses arising on the revaluation of the corresponding property, plant and equipment that have been recognised in other comprehensive income. Such items will not be reclassified to consolidated profit or loss in subsequent periods.

#### **(iv) Statutory surplus reserve**

In accordance with the Company Law of the PRC, the Company's subsidiaries registered in the PRC are required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses) determined in accordance with generally accepted accounting principles in the PRC to the statutory surplus reserve until the balance of the reserve fund reaches 50% of the entity registered capital. The statutory surplus reserve can be utilised to offset prior years' losses or to increase capital, provided the remaining balance of the statutory surplus reserve is not less than 25% of registered capital.

#### **(v) Exchange reserve**

Exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 3(n).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 33. PARTICULAR OF SUBSIDIARIES

#### (a) General information of subsidiaries

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:

| Name of subsidiary                      | Place of incorporation/<br>registration | Place of operation | Paid-up capital/share capital    | Proportion of equity interests held by the Company<br>20252024 | Principal activities |                    |
|-----------------------------------------|-----------------------------------------|--------------------|----------------------------------|----------------------------------------------------------------|----------------------|--------------------|
| Directly held:                          |                                         |                    |                                  |                                                                |                      |                    |
| One Heart Holdings Limited              | The BVI                                 | Hong Kong          | United States dollar ("US\$")100 | 100%                                                           | 100%                 | Investment holding |
| Green Ray Enterprises Limited           | The BVI                                 | Hong Kong          | US\$1                            | 100%                                                           | 100%                 | Investment holding |
| Golden Rain Group Limited               | The BVI                                 | Hong Kong          | US\$100                          | 100%                                                           | 100%                 | Investment holding |
| Team Goal Group Limited                 | The BVI                                 | Hong Kong          | US\$1                            | 100%                                                           | 100%                 | Investment holding |
| Asian Citrus Management Company Limited | The BVI                                 | Hong Kong          | US\$1                            | 100%                                                           | 100%                 | Investment holding |
| New Congress Holdings Limited           | The BVI                                 | Hong Kong          | US\$1                            | 100%                                                           | 100%                 | Investment holding |
| Advance Honour Holdings Limited         | The BVI                                 | Hong Kong          | US\$1                            | 100%                                                           | 100%                 | Investment holding |
| Basic Cheer Limited                     | Hong Kong                               | Hong Kong          | HK\$1                            | 100%                                                           | 100%                 | General commercial |
| Cheer Kind Limited                      | Hong Kong                               | Hong Kong          | HK\$1                            | 100%                                                           | 100%                 | General commercial |
| Park Marvelous Limited                  | Hong Kong                               | Hong Kong          | HK\$1                            | 100%                                                           | 100%                 | General commercial |
| Fortune Richmate Limited                | Hong Kong                               | Hong Kong          | HK\$1                            | 100%                                                           | 100%                 | General commercial |
| Richfield Enterprise Limited            | Hong Kong                               | Hong Kong          | HK\$1                            | 100%                                                           | 100%                 | General commercial |
| Jet Bright Group Limited                | Hong Kong                               | Hong Kong          | HK\$1                            | 100%                                                           | 100%                 | Investment holding |
| Team Luck Develop Limited               | Hong Kong                               | Hong Kong          | HK\$1                            | 100%                                                           | 100%                 | Investment holding |
| Power Successful Limited                | Hong Kong                               | Hong Kong          | HK\$1                            | 100%                                                           | 100%                 | General commercial |
| Highest Prosper Limited                 | Hong Kong                               | Hong Kong          | HK\$1                            | 100%                                                           | 100%                 | General commercial |
| Eternal Rich Worldwide Limited          | Hong Kong                               | Hong Kong          | HK\$1                            | 100%                                                           | 100%                 | General commercial |
| Asia Wealthy Link Limited               | Hong Kong                               | Hong Kong          | HK\$1                            | 100%                                                           | 100%                 | General commercial |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 33. PARTICULAR OF SUBSIDIARIES (continued)

### (a) General information of subsidiaries (continued)

| Name of subsidiary                                                         | Place of incorporation/<br>registration | Place of operation | Paid-up capital/share capital | Proportion of equity interests held by the Company |      | Principal activities                              |
|----------------------------------------------------------------------------|-----------------------------------------|--------------------|-------------------------------|----------------------------------------------------|------|---------------------------------------------------|
|                                                                            |                                         |                    |                               | 2025                                               | 2024 |                                                   |
| <b>Indirectly held:</b>                                                    |                                         |                    |                               |                                                    |      |                                                   |
| Bright Treasure Group Holdings Limited                                     | Hong Kong                               | Hong Kong          | HK\$1                         | 100%                                               | 100% | General commercial                                |
| Surplus Mark Limited                                                       | Hong Kong                               | Hong Kong          | HK\$1                         | 100%                                               | 100% | General commercial                                |
| Golden City Worldwide Limited                                              | Hong Kong                               | Hong Kong          | HK\$1                         | 100%                                               | 100% | General commercial                                |
| Victoria Limited                                                           | Hong Kong                               | Hong Kong          | HK\$1                         | 100%                                               | 100% | General commercial                                |
| Asian Citrus (H.K.) Company Limited                                        | Hong Kong                               | Hong Kong          | HK\$1                         | 100%                                               | 100% | General commercial                                |
| Chance Full (HK) Limited                                                   | Hong Kong                               | Hong Kong          | HK\$1                         | 100%                                               | 100% | General commercial                                |
| Top Trend Corporation Limited                                              | Hong Kong                               | Hong Kong          | HK\$1                         | 100%                                               | 100% | General commercial                                |
| Ever Rich Incorporation Limited (note (i))                                 | Hong Kong                               | Hong Kong          | HK\$10,000                    | 100%                                               | 100% | Investment holding                                |
| 深圳市冠華水果商城有限公司* (Shenzhen First Class Fruits Company Limited*) (note (iii)) | The PRC                                 | The PRC            | Nil                           | 100%                                               | 100% | Distribution of fruits                            |
| Guangxi Hepu Guanhua* (note (ii))                                          | The PRC                                 | The PRC            | RMB44,932,335                 | 100%                                               | 100% | Planting, cultivation and sale of fruits          |
| 深圳市冠佳利實業有限公司* (Shenzhen Guanjiali Industrial Limited*) (note (iii))        | The PRC                                 | The PRC            | RMB17,996,000                 | 100%                                               | 100% | Distribution of fruits                            |
| 深圳市晉達實業有限公司* (Shenzhen Jinda Industrial Limited*) (note (iii))             | The PRC                                 | The PRC            | Nil                           | 100%                                               | 100% | Investment holding                                |
| Jinlong Construction* (note (ii))                                          | The PRC                                 | The PRC            | RMB10,000,000                 | 100%                                               | 100% | Distribution and installation of air-conditioners |
| Shaanxi Pinshang* (note (ii))                                              | The PRC                                 | The PRC            | Nil                           | 100%                                               | 100% | Distribution and sales of agricultural products   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 33. PARTICULAR OF SUBSIDIARIES (continued)

#### (a) General information of subsidiaries (continued)

| Name of subsidiary                                                                                                                  | Place of incorporation/<br>registration | Place of operation | Paid-up capital/share capital        | Proportion of equity interests held by the Company | 2025 | 2024 | Principal activities                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|--------------------|--------------------------------------|----------------------------------------------------|------|------|------------------------------------------------------------------------------------------------------------|
| 深圳市慶華信息服務發展有限公司# (Shenzhen Qinghua Information Service Development Co., Limited*)<br>("Shenzhen Qinghua")<br>(notes (ii) and (iii)) | The PRC                                 | The PRC            | RMB10,000,000                        | 100%                                               | 100% |      | Investment holding                                                                                         |
| 深圳市玖源萬江匯圖科技有限公司# (Shenzhen City Jiu Yuan Wan Jiang Huitu Technology Limited*)<br>("Jiu Yuan Wan Jiang")<br>(notes (ii) and (iv))    | The PRC                                 | The PRC            | RMB5,000,000                         | 100%                                               | 100% |      | Supply chain finance technology solution                                                                   |
| 蕪春艾沐科技有限公司# (Qichun Aimu Technology Co., Limited*)<br>("Qichun Aimu")<br>(notes (ii) and (v))                                       | The PRC                                 | The PRC            | RMB6,000,000<br>(2024: RMB3,060,000) | 51%                                                | 100% |      | Manufacturing and production, sales and distribution of goods and provision of technology related services |

# These entities are established in the PRC in the form of domestic limited liability company.

\* For identification purpose only

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 33. PARTICULAR OF SUBSIDIARIES (continued)

#### (a) General information of subsidiaries (continued)

Notes:

- (i) Ever Rich Incorporation Limited (“**Ever Rich**”) was acquired during the year ended 30 June 2024 (note 34).
- (ii) At 30 June 2025, certain subsidiaries’ registered capital has not been fully paid up and the aggregated unpaid share capital amounted to approximately RMB114,524,000 (2024: RMB119,524,000) and is to be paid up before the period between 30 June 2027 to 14 June 2029.
- (iii) The company was wholly owned by Ever Rich and joined the Group upon the acquisition of Ever Rich.
- (iv) On 14 February 2024, an indirectly wholly owned subsidiary, Shenzhen Qinghua and 杭州樂書數字科技有限公司 (“**Hangzhou Leshu**”), an independent third party to the Group, entered into a joint venture agreement to incorporate Jiu Yuan Wan Jiang and would contribute RMB10,200,000 and RMB9,800,000, respectively, of which Shenzhen Qinghua and Hangzhou Leshu would hold 51% and 49% equity interests in Jiu Yuan Wan Jiang. On 10 April 2024, Jiu Yuan Wan Jiang was incorporated under the PRC Laws.

As at 30 June 2025 and 2024, only Shenzhen Qinghua contributed RMB5,000,000 as the capital of Jiu Yuan Wan Jiang. Therefore, in the opinion of the directors of the Company and according to the joint venture agreement, Shenzhen Qinghua entitled 100% equity interests in Jiu Yuan Wan Jiang as at 30 June 2025 and 2024.

- (v) On 7 June 2024, Jiu Yuan Wan Jiang and 湖北蕪艾科技集團有限公司 (“**Hubei Qi Ai**”), an independent third party to the Group, entered into a joint venture agreement to incorporate Qichun Aimu and would contribute RMB3,060,000 and RMB2,940,000, respectively, of which Jiu Yuan Wan Jiang and Hubei Qi Ai would hold 51% and 49% equity interests in Qichun Aimu. On 14 June 2024, Qichun Aimu was incorporated under the PRC Laws.

As at 30 June 2024, only Jiu Yuan Wan Jiang contributed RMB3,060,000 as the capital of Qichun Aimu. Therefore, in the opinion of the directors of the Company and according to the joint venture agreement, Jiu Yan Wan Jiang entitled 100% equity interests in Qichun Aimu as at 30 June 2024.

On 2 July 2024, Hubei Qi Ai contributed RMB2,940,000 as the capital of Qichun Aimu. On 24 March 2025, Hubei Qi Ai entered into a sale and purchase agreement to dispose of its entire equity interest in Qichun Aimu to Hangzhou Leshu. As at 30 June 2025, Jiu Yuan Wan Jiang and Hangzhou Leshu held 51% and 49% equity interests in Qichun Aimu respectively.

None of the subsidiaries had issued any debt securities at the end of the reporting period (2024: Nil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 33. PARTICULAR OF SUBSIDIARIES (continued)

#### (b) Partly-owned subsidiary with material non-controlling interests ("NCI")

Financial information of Qichun Aimu which is a subsidiary of the Group which has a material non-controlling interest is summarised below. The amounts disclosed are before any inter-company elimination:

|                                         | 2025<br>RMB'000 |
|-----------------------------------------|-----------------|
| NCI percentage                          | 49%             |
| Current assets                          | 1,384           |
| Non-current assets                      | 60              |
| Current liabilities                     | (4,497)         |
| Non-current liabilities                 | —               |
| Net (liabilities)/assets                | (3,053)         |
| Carrying amount of NCI                  | (1,496)         |
| <b>For the year ended 30 June</b>       |                 |
| Revenue                                 | 1,137           |
| Loss for the year                       | (9,053)         |
| Total comprehensive income for the year | (9,053)         |
| Loss allocated to NCI                   | (4,436)         |
| Dividend paid to NCI                    | —               |
| <b>For the year ended 30 June</b>       |                 |
| Cash flows used in operating activities | (8,256)         |
| Cash flows used in investing activities | (84)            |
| Cash flows from financing activities    | 5,430           |
| Net cash (outflows)/inflows             | (2,910)         |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 34. ACQUISITION OF SUBSIDIARIES

#### *For the year ended 30 June 2024*

On 1 March 2024, a directly wholly-owned subsidiary of the Company (the “**Purchaser**”) entered into a sale and purchase agreement with Mr. Kung, being a substantial shareholder of the Company (the “**Vendor**”). Pursuant to the sale and purchase agreement, the Group agreed to acquire 100% equity interest of Ever Rich Incorporation Limited (“**Ever Rich**”) (at a consideration of HK\$10,000 (equivalent to approximately RMB9,000) by cash (the “**Acquisition**”). The Purchaser further agreed to acquire the loans due from Ever Rich to the Vendor and outstanding as at date of completion of HK\$90,000 (equivalent to approximately RMB84,000) (“**Shareholder’s Loan**”) at a consideration of HK\$90,000 (equivalent to approximately RMB84,000) by cash. Pursuant to the deed of assignment on the same date, the Shareholder’s Loan has been assigned to the Purchaser by the Vendor.

Ever Rich is principally engaged in investment holding and held 100% equity interest in an PRC subsidiary, Shenzhen Qinghua, a dormant company with no assets and liabilities.

The fair value of identifiable assets acquired and liabilities assumed of Ever Rich as at the date of the Acquisition, 1 March 2024, are as follows:

|                                                     | <b>RMB’000</b> |
|-----------------------------------------------------|----------------|
| Cash and cash equivalents                           | 95             |
| Shareholder’s Loan                                  | (84)           |
|                                                     | <hr/>          |
| Net assets of Ever Rich                             | 11             |
| Assignment of Shareholder’s Loan                    | 84             |
|                                                     | <hr/>          |
| Net assets acquired                                 | 95             |
|                                                     | <hr/>          |
| <b>The fair value of consideration transferred:</b> |                |
| Cash consideration                                  | 9              |
| Assignment of Shareholder’s Loan                    | 84             |
|                                                     | <hr/>          |
| Total purchase consideration                        | 93             |
|                                                     | <hr/>          |
| Gain on bargain purchase                            | 2              |
|                                                     | <hr/>          |
| Net cash inflow arising on the Acquisition:         |                |
| Total cash consideration paid                       | (93)           |
| Cash and cash equivalents acquired                  | 95             |
|                                                     | <hr/>          |
|                                                     | 2              |
|                                                     | <hr/>          |

The gain on bargain purchase was recognised under other income and gains of the consolidated statement of profit or loss and other comprehensive income.

\* For identification purpose only

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 34. ACQUISITION OF SUBSIDIARIES *(continued)*

*For the year ended 30 June 2024 (continued)*

#### **Impact of the Acquisition on the results of the Group**

The Acquisition did not generate any revenue and contributed a net profit of approximately RMB4,000 for the period from 1 March 2024 to 30 June 2024. If the Acquisition had occurred on 1 July 2023, pro forma consolidated loss of the Group for the year ended 30 June 2024 would have been approximately RMB25,600,000.

The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the Acquisition occurred on 1 July 2023, nor is it intended to be a projection of future results.

### 35. LEASE COMMITMENTS

#### *The Group as a lessor*

During the year ended 30 June 2025, the Group leased out its investment properties (note 16) and sub-leased a leased property (note 15) (2024: investment properties) under non-cancellable operating leases with fixed terms of 15.5 years and 5 years, respectively (2024: 15.5 years).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 35. LEASE COMMITMENTS (continued)

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

As at 30 June 2025, the undiscounted lease payments receivables by the Group in future period under non-cancellable operating leases with its tenants are as follows:

|                                         | Investment<br>properties<br>(note 16)<br>RMB'000 | Sub-lease<br>of a leased<br>property<br>(note 15)<br>RMB'000 | Total<br>RMB'000 |
|-----------------------------------------|--------------------------------------------------|--------------------------------------------------------------|------------------|
| <b>At 30 June 2025</b>                  |                                                  |                                                              |                  |
| Within one year                         | 322                                              | 60                                                           | 382              |
| After one year but within two years     | 332                                              | 60                                                           | 392              |
| After two years but within three years  | 342                                              | 60                                                           | 402              |
| After three years but within four years | 352                                              | 60                                                           | 412              |
| After four years but within five years  | 362                                              | 50                                                           | 412              |
| Over five years                         | 3,164                                            | –                                                            | 3,164            |
|                                         | <u>4,874</u>                                     | <u>290</u>                                                   | <u>5,164</u>     |
| <b>At 30 June 2024</b>                  |                                                  |                                                              |                  |
| Within one year                         | 306                                              | –                                                            | 306              |
| After one year but within two years     | 322                                              | –                                                            | 322              |
| After two years but within three years  | 332                                              | –                                                            | 332              |
| After three years but within four years | 342                                              | –                                                            | 342              |
| After four years but within five years  | 352                                              | –                                                            | 352              |
| Over five years                         | 3,528                                            | –                                                            | 3,528            |
|                                         | <u>5,182</u>                                     | <u>–</u>                                                     | <u>5,182</u>     |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 36. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following material transactions with related parties during the year:

#### (a) *Balances with former executive director and waiver of balance*

On 25 November 2023, Mr. Ng Ong Nee resigned as an executive director of the Company, the amount due to him was waived upon his resignation and recognised as other income and gains in the consolidated statement of profit or loss and other comprehensive income, details are set out in note 7.

#### (b) *Office accommodation arrangement*

Office accommodation charges disclosed in note 9 included a sum of approximately RMB1,835,000 (2024: RMB2,665,000) in respect of a short-term arrangement for the provision of office accommodation and related facilities by a company of which is controlled by Mr. Kung and Mr. Kung and Mr. James Francis Bittl are the directors of the company.

#### (c) *Compensation of key management personnel*

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the members of the board of directors and senior management of the Company. Key management personnel remuneration are as follows:

|                                           | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-------------------------------------------|-----------------|-----------------|
| Directors' fee                            | 890             | 851             |
| Salaries, allowances and benefits in kind | 904             | 863             |
| Retirement benefit scheme contributions   | 17              | 17              |
|                                           | <u>1,811</u>    | <u>1,731</u>    |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 36. RELATED PARTY TRANSACTIONS *(continued)*

#### **(d) Purchase of air-conditioners**

During the year ended 30 June 2023, the Group entered into a Framework Agreement with 深圳市金龍空調電器有限公司 (Shenzhen Jinlong Air Conditioning Electric Co., Ltd.\*) ("**JAC**") ("**Framework Agreement 2023**"). Pursuant to the Framework Agreement 2023, the Group would purchase electrical appliances (including air-conditioners) from JAC. The price and terms of the purchase will be determined after arm's length negotiation between the Group and JAC based on normal commercial terms. No guarantee was given or received in accordance to the Framework Agreement 2023.

On 30 June 2025, Framework Agreement 2023 has been expired. On the same date, the Group has entered into a New Framework Agreement with JAC ("**Framework Agreement 2025**"). The terms are generally the same as the Framework Agreement 2023 and will be expiring on 30 June 2028. Up to the date of approval for issuance of these consolidated financial statements, the Framework Agreement 2025 is subject to the independent shareholder's approval.

The ultimate beneficial owner of JAC is Mr. Kung Hoi Pang who is the relative of Mr. Kung.

During the year ended 30 June 2025, the Group purchased air-conditioners amounting to approximately RMB23,583,000 (2024: RMB31,814,000) from JAC. As at 30 June 2025, the Group has trade payables to JAC of approximately RMB2,694,000 which included in trade payables (note 26) (2024: prepayment of RMB2,033,000 which included in prepayments (note 23)).

Above transactions are considered as connected transactions under Chapter 14A of the Listing Rules. Further details are disclosed in the Company's announcements dated 3 February 2023, 30 June 2025, 31 July 2025, 22 August 2025, 5 September 2025 and 15 September 2025 and the Company's circular dated 14 March 2023.

\* For identification purpose only

#### **(e) Free of charge usage of office accommodation**

The office accommodation used by a subsidiary located in the PRC was provided by a company held by the director of the subsidiary free of charge.

#### **(f) Acquisition of a subsidiary previously held by a substantial shareholder**

On 1 March 2024, the acquisition of Ever Rich and its subsidiary was completed and a gain on bargain purchase of approximately RMB2,000 was recognised as other income and gains in the consolidated statement of profit or loss and other comprehensive income. The Vendor of Ever Rich is Mr. Kung, being a substantial shareholder of the Company. Details of the acquisition were set out in note 34.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 37. FINANCIAL INSTRUMENTS BY CATEGORY

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

|                              | 2025<br>RMB'000 | 2024<br>RMB'000 |
|------------------------------|-----------------|-----------------|
| <b>Financial assets</b>      |                 |                 |
| At FVTPL                     | 6,546           | 28,891          |
| At amortised cost:           |                 |                 |
| Trade and other receivables  | 19,020          | 9,021           |
| Loan receivables             | 2,482           | 2,883           |
| Cash and cash equivalents    | 9,462           | 16,804          |
|                              | <u>37,510</u>   | <u>57,599</u>   |
| <b>Financial liabilities</b> |                 |                 |
| At amortised cost:           |                 |                 |
| Trade and other payables     | 18,930          | 4,549           |
| Bank borrowings              | 9,435           | 10,976          |
| Other borrowings             | 1,371           | 1,000           |
|                              | <u>29,736</u>   | <u>16,525</u>   |

### 38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT

The Group's principal financial instruments include financial assets at FVTPL, trade and other receivables, loan receivables, cash and cash equivalents, trade and other payables, bank borrowings, other borrowings and lease liabilities. Details of these financial instruments are disclosed in the respective notes.

The risks associated with these financial instruments include market risks (foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. There has been no change to the Group's exposure or the manner in which it manages and measures the risk.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

#### **(a) Market risk**

##### **(i) Foreign currency risk**

The Group is exposed to foreign currency risk primarily through its trade and other receivables, loan receivables, cash and cash equivalents, trade and other payables, that is denominated in foreign currencies other than the functional currency of the group entity. The currency giving rise to this risk is primarily HK\$.

The board of directors considers that the foreign currency exposure is minimal. The Group currently does not have a foreign currency hedging policy in respect of foreign currency exposure. However, the management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

##### *Exposure to foreign currency risk*

The following table details the Group's exposure at the end of the reporting period to foreign currency risk arising from recognised assets or liabilities denominated in a currency other than RMB, the functional currency of the entity to which they relate.

|      | <b>Assets</b>  |                | <b>Liabilities</b> |                |
|------|----------------|----------------|--------------------|----------------|
|      | <b>2025</b>    | <b>2024</b>    | <b>2025</b>        | <b>2024</b>    |
|      | <b>RMB'000</b> | <b>RMB'000</b> | <b>RMB'000</b>     | <b>RMB'000</b> |
| US\$ | <b>2,448</b>   | 265            | —                  | —              |
| HK\$ | <b>9,768</b>   | 5,992          | <b>4,366</b>       | 2,406          |

##### *Sensitivity analysis*

The Group is mainly exposed to the foreign currency risk of HK\$ and US\$. The following table details the Group's sensitivity analysis, the analysis assumes a 10% increase and decrease in foreign currency against the functional currency, with all other variable held constant. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated in monetary items and adjusts their translation at the end of the reporting period for a 10% change in foreign currency rates. A positive number below indicates a decrease in post-tax loss where foreign currency strengthens 10% against functional currency. For a 10% weakening of foreign currency against the functional currency, there would be equal and opposite impact on the post-tax loss and the balances below would be negative.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)

### (a) Market risk (continued)

#### (i) Foreign currency risk (continued)

Sensitivity analysis (continued)

|      | 2025                                                       |                                                                   | 2024                                                       |                                                                   |
|------|------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------|
|      | Increase/<br>(decrease)<br>in foreign<br>exchange<br>rates | Decrease/<br>(increase)<br>in Loss after<br>income tax<br>RMB'000 | Increase/<br>(decrease)<br>in foreign<br>exchange<br>rates | Decrease/<br>(increase)<br>in loss after<br>income tax<br>RMB'000 |
| US\$ | 10%<br>(10%)                                               | 204<br>(204)                                                      | 10%<br>(10%)                                               | 22<br>(22)                                                        |
| HK\$ | 10%<br>(10%)                                               | 451<br>(451)                                                      | 10%<br>(10%)                                               | 299<br>(299)                                                      |

#### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from lease liabilities, bank borrowings, other borrowings, loan receivables and bank balances. Lease liabilities, bank borrowings, other borrowings, loan receivables and bank balances at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group does not use financial derivatives to hedge against the interest rate risk. The Group's interest rate profile is monitored by the management.

The Group's bank balances bear interest at variable interest rates, the directors of the Company considers that the exposure of the interest rate risk of bank balances is minimal, while lease liabilities, bank borrowings, other borrowings and loan receivables bear interest at fixed interest rates. Other than lease liabilities, bank borrowings, other borrowings, loan receivables and bank balances, the Group has no significant interest bearing assets and liabilities, the Group's operating cash flows are substantially independent of changes in market interest rates.

The Group will continue to monitor the exposure on cash flow interest rate risk and will consider hedging the interest rate when necessary. In the opinion of the directors of the Company, the Group does not have material interest rate risk exposure and hence no sensitivity analysis is presented.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

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

##### **(iii) Other price risk**

The Group is exposed to price risk arising from certain investments held by the Group are classified as financial assets at FVTPL in the consolidated statement of financial position.

The Group's equity price risk is mainly concentrated on listed equity instruments quoted in the stock markets and unlisted notes. The management manages this exposure by closely monitoring the price risk and maintaining a portfolio of investments with different risks.

##### *Sensitivity analysis*

The sensitivity analysis below has been determined based on the exposure to equity price risks of financial assets at FVTPL at the end of reporting period.

If the prices of the respective equity instruments had been 10% (2024: 10%) higher/lower and all other variables were held constant, loss after income tax for the year would decrease/increase by approximately RMB547,000 (2024: RMB1,665,000) as a result of the change in fair value of financial assets at FVTPL.

As at 30 June 2024, the market price of unlisted notes of approximately RMB8,949,000 depend on the valuation of the respective investments or underlying investments. If the unit price decreased/increased by 10%, loss after income tax for the year would have an estimated approximately RMB747,000 increase/decrease. The Group has disposed all its investment in unlisted notes during the year ended 30 June 2025.

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

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and its investing activities. The carrying amounts of the financial assets represent the maximum exposure to credit risk.

The Group's credit risk is primarily attributable to trade and other receivables, loan receivables and cash and cash equivalents. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)

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

##### Trade receivables

In order to minimise the credit risk on trade receivables, the Group has policies in place to ensure that sales are made to customers with appropriate credit history or in cash. In addition, the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. In addition, the Group performs impairment assessment under ECL model on trade balances from its trade customers based on provision matrix.

The Group's exposure to credit risk on trade receivables is influenced mainly by the industry or country in which the customers operate. As at 30 June 2025, 57.83% (2024: 50.78%) and 98.87% (2024: 98.45%) of the total trade receivables were due from the Group's largest debtor and the five largest debtors respectively.

The Group applies IFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables from initial recognition onwards. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

Ageing based on the past due —

##### As at 30 June 2025

|                        | ECL rate | Gross<br>carrying<br>amount<br>RMB'000 | Allowance<br>for ECL<br>RMB'000 | Net<br>carrying<br>amount<br>RMB'000 |
|------------------------|----------|----------------------------------------|---------------------------------|--------------------------------------|
| Not past due           | 0.8%     | 12,198                                 | (101)                           | 12,097                               |
| 0 to 30 days past due  | 1.1%     | 143                                    | (2)                             | 141                                  |
| 31 to 60 days past due | N/A      | —                                      | —                               | —                                    |
| 61 to 90 days past due | N/A      | —                                      | —                               | —                                    |
| Over 90 days past due  | N/A      | —                                      | —                               | —                                    |
|                        |          | <u>12,341</u>                          | <u>(103)</u>                    | <u>12,238</u>                        |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

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

##### **Trade receivables** *(continued)*

As at 30 June 2024

|                        | ECL rate | Gross<br>carrying<br>amount<br>RMB'000 | Allowance<br>for ECL<br>RMB'000 | Net<br>carrying<br>amount<br>RMB'000 |
|------------------------|----------|----------------------------------------|---------------------------------|--------------------------------------|
| Not past due           | 0.5%     | 3,150                                  | (16)                            | 3,134                                |
| 0 to 30 days past due  | 1.7%     | 256                                    | (4)                             | 252                                  |
| 31 to 60 days past due | N/A      | –                                      | –                               | –                                    |
| 61 to 90 days past due | 10.4%    | 15                                     | (2)                             | 13                                   |
| Over 90 days past due  | N/A      | –                                      | –                               | –                                    |
|                        |          | <u>3,421</u>                           | <u>(22)</u>                     | <u>3,399</u>                         |

##### **Deposits paid and other receivables**

The Group performs impairment assessment under ECL model on deposits paid and other receivables. Deposits paid and other receivables have been assessed individually based on the days past due and other credit risk characteristics.

As at 30 June 2025, the Group assessed the gross carrying amount of the amount due from the Cooperator amounting to approximately RMB7,513,000 (2024: RMB9,510,000) individually within lifetime ECL and provision of ECL allowance of approximately RMB3,855,000 (2024: RMB4,286,000) was recognised based on expected loss rate of 51.31% (2024: 45.1%) as the management considered the credit risk of these parties is low.

At 30 June 2025, no provision for ECL allowance was recognised for the remaining gross carrying amounts of approximately RMB3,125,000 (2024: RMB398,000).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

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

##### **Loan receivables**

The Group estimates the ECL under IFRS 9 ECL models. The Group assesses whether the credit risks of loan receivables have increased significantly since their initial recognition, and applies a three-stage impairment model to calculate their ECL, the management assesses impairment loss using the risk parameter modelling approach that incorporates key measurement parameters, including probability of default, loss given default and exposure at default, with the consideration of forward-looking information. At 30 June 2025, the Group has assessed loan receivables with gross carrying amount of approximately RMB2,845,000 with lifetime ECL not credit impaired (2024: RMB2,918,000 with 12m ECLs) based on average expected loss rate of 12.76% (2024: 1.2%) and provision for ECL allowance on loan receivables of approximately RMB363,000 (2024: RMB35,000).

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

Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit rating agencies. The Group assessed 12m ECLs for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECLs on bank balances is considered to be insignificant and therefore no loss allowance was recognised.

#### **(c) Liquidity risk**

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and development and to mitigate the effect of fluctuations in cash flows.

Certain portion of the Group's other borrowings are entered into supplier finance arrangements with a Financier and this results in the Group having obligations of settlement concentrated with the Financier rather than individual suppliers. The directors of the Company do not consider the supplier finance arrangements result in excessive concentrations of liquidity risk of the Group since only small portion of the Group's borrowings is subject to supplier finance arrangements and the Group has no significant reliance on the extended terms and has well management on its diversity on creditors.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)

#### (c) Liquidity risk (continued)

The following table details the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash outflows and the earliest date the Group can be required to pay:

|                          | Weighted<br>average<br>effective<br>interest rate | Within<br>1 year<br>or on<br>demand<br>RMB'000 | After<br>1 year<br>but within<br>2 years<br>RMB'000 | After<br>2 years<br>but within<br>5 years<br>RMB'000 | Over<br>5 years<br>RMB'000 | Total<br>contractual<br>undiscounted<br>cash outflow<br>RMB'000 | Carrying<br>amount<br>RMB'000 |
|--------------------------|---------------------------------------------------|------------------------------------------------|-----------------------------------------------------|------------------------------------------------------|----------------------------|-----------------------------------------------------------------|-------------------------------|
| <b>At 30 June 2025</b>   |                                                   |                                                |                                                     |                                                      |                            |                                                                 |                               |
| Trade and other payables | N/A                                               | 18,930                                         | –                                                   | –                                                    | –                          | 18,930                                                          | 18,930                        |
| Bank borrowings          | 5.2%                                              | 9,537                                          | 85                                                  | –                                                    | –                          | 9,622                                                           | 9,435                         |
| Other borrowings         | 8.06%                                             | 1,352                                          | 35                                                  | –                                                    | –                          | 1,387                                                           | 1,371                         |
| Lease liabilities        | 4.6%                                              | 192                                            | 192                                                 | 624                                                  | 569                        | 1,577                                                           | 1,331                         |
|                          |                                                   | <u>30,011</u>                                  | <u>312</u>                                          | <u>624</u>                                           | <u>569</u>                 | <u>31,516</u>                                                   | <u>31,067</u>                 |
| <b>At 30 June 2024</b>   |                                                   |                                                |                                                     |                                                      |                            |                                                                 |                               |
| Trade and other payables | N/A                                               | 4,549                                          | –                                                   | –                                                    | –                          | 4,549                                                           | 4,549                         |
| Bank borrowings          | 5.9%                                              | 9,934                                          | 1,438                                               | –                                                    | –                          | 11,372                                                          | 10,976                        |
| Other borrowings         | 5.9%                                              | 1,014                                          | –                                                   | –                                                    | –                          | 1,014                                                           | 1,000                         |
| Lease liabilities        | 4.9%                                              | 974                                            | 995                                                 | 2,383                                                | 1,353                      | 5,705                                                           | 4,976                         |
|                          |                                                   | <u>16,471</u>                                  | <u>2,433</u>                                        | <u>2,383</u>                                         | <u>1,353</u>               | <u>22,640</u>                                                   | <u>21,501</u>                 |

#### (d) Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active markets are determined with reference to quoted market bid and ask prices respectively.
- The notional amounts of financial assets and financial liabilities with a maturity of less than one year (including trade and other receivables, loan receivables, cash and cash equivalents, trade and other payables, lease liabilities, bank borrowings and other borrowings) are assumed to approximate their fair values.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)

#### (d) Fair value of financial instruments (continued)

The following table presents the carrying value of the Group's financial instruments measured at fair value across the three levels of the fair value hierarchy defined in IFRS 13 Fair Value Measurement with fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: fair values measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs.
- Level 3: fair values measured using significant unobservable input.

Saved as disclosed in above notes, certain financial assets of the Group are measured at fair value at the end of each reporting period. Below is a summary of fair value hierarchy, valuation techniques used and the key inputs to evaluate the fair values of these financial assets:

| Description                                 | Fair value<br>2025<br>RMB'000 | Fair value<br>2024<br>RMB'000 | Fair value<br>hierarchy | Valuation<br>technique<br>and key input | Significant<br>unobservable<br>inputs |
|---------------------------------------------|-------------------------------|-------------------------------|-------------------------|-----------------------------------------|---------------------------------------|
| Financial assets at FVTPL                   |                               |                               |                         |                                         |                                       |
| — Equity securities listed in United States | 6,546                         | 19,942                        | Level 1                 | Quoted bid prices in an active market   | N/A                                   |
| — Unlisted notes (note)                     | —                             | 8,949                         | Level 3                 | Broker quotation                        | Discount for lack of marketability    |
|                                             | <u>6,546</u>                  | <u>28,891</u>                 |                         |                                         |                                       |

There were no transfers between Level 1, 2 and 3 in current and prior years.

Except as detailed in the above table, the directors of the Company consider that carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

*Note:* Should the discount for lack of marketability increases or decreases by 5%, the fair value of the unlisted notes would be decreased by RMB447,000 or increased by approximately RMB447,000 as at 30 June 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)

### (d) Fair value of financial instruments (continued)

#### Information about Level 3 fair value measurements

The movements in the fair value measurement in Level 3 are as follows:

#### For the year ended 30 June 2025

|                                                                  | Financial assets at FVTPL |               |          |
|------------------------------------------------------------------|---------------------------|---------------|----------|
|                                                                  | Unlisted                  | Contingent    |          |
|                                                                  | notes                     | consideration |          |
|                                                                  | RMB'000                   | receivables   | Total    |
|                                                                  |                           | RMB'000       | RMB'000  |
| At 1 July 2024                                                   | 8,949                     | —             | 8,949    |
| Additions                                                        | 3,148                     | —             | 3,148    |
| Total gain for the year included in profit or loss               | 3,442                     | —             | 3,442    |
| Disposal                                                         | (15,391)                  | —             | (15,391) |
| Exchange alignment                                               | (148)                     | —             | (148)    |
| At 30 June 2025                                                  | —                         | —             | —        |
| Net unrealised gain recognised in profit or loss during the year | —                         | —             | —        |

#### For the year ended 30 June 2024

|                                                                  | Financial assets at FVTPL |               |          |
|------------------------------------------------------------------|---------------------------|---------------|----------|
|                                                                  | Unlisted                  | Contingent    |          |
|                                                                  | notes                     | consideration |          |
|                                                                  | RMB'000                   | receivables   | Total    |
|                                                                  |                           | RMB'000       | RMB'000  |
| At 1 July 2023                                                   | 7,574                     | 61            | 7,635    |
| Additions                                                        | 16,800                    | —             | 16,800   |
| Total gain/(loss) for the year included in profit or loss        | 1,358                     | (61)          | 1,297    |
| Disposal                                                         | (16,855)                  | —             | (16,855) |
| Exchange alignment                                               | 72                        | —             | 72       |
| At 30 June 2024                                                  | 8,949                     | —             | 8,949    |
| Net unrealised gain recognised in profit or loss during the year | 167                       | —             | 167      |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

#### **(e) Capital management**

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders, to support the Group's stability and growth; to earn a margin commensurate with the level of business and market risks in the Group's operation and to maintain an optimal capital structure to reduce the cost of capital.

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group's overall strategy remains unchanged from the prior year.

### 39. CASH FLOW INFORMATION

#### **(a) Major non-cash transactions**

- (i) As mentioned in notes 29 and 30, the Group obtained several bank borrowings and other borrowing for the purpose of prepaying to a supplier of Air-conditioners Distribution Business during the year ended 30 June 2025 in which the proceeds from the bank and other borrowing of RMB4,930,000 (2024: RMB10,590,000) and RMB1,360,000 (2024: RMB1,000,000), respectively in aggregate were directly deposited into the suppliers by the bank.
- (ii) During the year ended 30 June 2025, the Group had a non-cash addition to right-of-use assets and lease liabilities of approximately RMB1,500,000 (2024: RMB503,000) and RMB1,500,000 (2024: RMB503,000), respectively in respect of a lease arrangement for two office premises located in the PRC (2024: an office premise located in the PRC) (notes 15 and 28).
- (iii) As mentioned in note 31, during the year ended 30 June 2024, the Group has performed Capital Reorganisation. Upon the Capital Reduction and Share Premium Reduction (as defined in note 31(b)(ii) and (b)(iv)), the aggregate reduction amount in share capital and share premium of HK\$3,819,341,000.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 39. CASH FLOW INFORMATION (continued)

#### (b) Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities:

|                                                                                                | Bank<br>borrowings<br>(note 29)<br>RMB'000 | Other<br>borrowings<br>(note 30)<br>RMB'000 | Lease<br>liabilities<br>(note 28)<br>RMB'000 | Amount<br>due to<br>a former<br>director<br>RMB'000 | Total<br>RMB'000 |
|------------------------------------------------------------------------------------------------|--------------------------------------------|---------------------------------------------|----------------------------------------------|-----------------------------------------------------|------------------|
| At 1 July 2024                                                                                 | 10,976                                     | 1,000                                       | 4,976                                        | –                                                   | 16,952           |
| <b>Changes from financing cash flows:</b>                                                      |                                            |                                             |                                              |                                                     |                  |
| Proceeds from bank borrowings                                                                  | 10,000                                     | –                                           | –                                            | –                                                   | 10,000           |
| Repayments of bank borrowings                                                                  | (16,471)                                   | –                                           | –                                            | –                                                   | (16,471)         |
| Repayment of other borrowings                                                                  | –                                          | (1,787)                                     | –                                            | –                                                   | (1,787)          |
| Interest paid                                                                                  | (637)                                      | (72)                                        | –                                            | –                                                   | (709)            |
| Repayments of lease liabilities — principal                                                    | –                                          | –                                           | (817)                                        | –                                                   | (817)            |
| Repayments of lease liabilities — interest                                                     | –                                          | –                                           | (151)                                        | –                                                   | (151)            |
| Total changes from financing cash flows                                                        | (7,108)                                    | (1,859)                                     | (968)                                        | –                                                   | (9,935)          |
| <b>Other changes:</b>                                                                          |                                            |                                             |                                              |                                                     |                  |
| Bank and other borrowings (note 39(a))                                                         | 4,930                                      | 1,360                                       | –                                            | –                                                   | 6,290            |
| Other borrowings under supplier finance arrangements transfer from trade payables (note 39(c)) | –                                          | 781                                         | –                                            | –                                                   | 781              |
| Addition of new leases                                                                         | –                                          | –                                           | 1,500                                        | –                                                   | 1,500            |
| Early termination of leases                                                                    | –                                          | –                                           | (4,328)                                      | –                                                   | (4,328)          |
| Interest expenses (note 8)                                                                     | 637                                        | 89                                          | 151                                          | –                                                   | 877              |
| Total other changes                                                                            | 5,567                                      | 2,230                                       | (2,677)                                      | –                                                   | 5,120            |
| <b>At 30 June 2025</b>                                                                         | <b>9,435</b>                               | <b>1,371</b>                                | <b>1,331</b>                                 | <b>–</b>                                            | <b>12,137</b>    |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 39. CASH FLOW INFORMATION (continued)

### (b) Changes in liabilities arising from financing activities (continued)

|                                                | Bank<br>borrowings<br>(note 29)<br>RMB'000 | Other<br>borrowings<br>(note 30)<br>RMB'000 | Lease<br>liabilities<br>(note 28)<br>RMB'000 | Amount<br>due to<br>a former<br>director<br>RMB'000 | Total<br>RMB'000 |
|------------------------------------------------|--------------------------------------------|---------------------------------------------|----------------------------------------------|-----------------------------------------------------|------------------|
| At 1 July 2023                                 | 3,428                                      | –                                           | 4,910                                        | 142                                                 | 8,480            |
| <b>Changes from financing cash flows:</b>      |                                            |                                             |                                              |                                                     |                  |
| Proceeds from bank borrowings                  | 5,000                                      | –                                           | –                                            | –                                                   | 5,000            |
| Repayments of bank borrowings                  | (8,042)                                    | –                                           | –                                            | –                                                   | (8,042)          |
| Interest paid                                  | (489)                                      | (16)                                        | –                                            | –                                                   | (505)            |
| Repayments of lease liabilities — principal    | –                                          | –                                           | (383)                                        | –                                                   | (383)            |
| Repayments of lease liabilities — interest     | –                                          | –                                           | (217)                                        | –                                                   | (217)            |
| Total changes from financing cash flows        | (3,531)                                    | (16)                                        | (600)                                        | –                                                   | (4,147)          |
| <b>Other changes:</b>                          |                                            |                                             |                                              |                                                     |                  |
| Bank and other borrowings (note 39(a))         | 10,590                                     | 1,000                                       | –                                            | –                                                   | 11,590           |
| Addition of a new lease                        | –                                          | –                                           | 503                                          | –                                                   | 503              |
| Modification of a lease                        | –                                          | –                                           | (54)                                         | –                                                   | (54)             |
| Interest expenses (note 8)                     | 489                                        | 16                                          | 217                                          | –                                                   | 722              |
| Waiver of amount to a former director (note 7) | –                                          | –                                           | –                                            | (141)                                               | (141)            |
| Exchange alignment                             | –                                          | –                                           | –                                            | (1)                                                 | (1)              |
| Total other changes                            | 11,079                                     | 1,016                                       | 666                                          | (142)                                               | 12,619           |
| <b>At 30 June 2024</b>                         | <b>10,976</b>                              | <b>1,000</b>                                | <b>4,976</b>                                 | <b>–</b>                                            | <b>16,952</b>    |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 39. CASH FLOW INFORMATION (continued)

#### (c) Information of supplier finance arrangements

During the year ended 30 June 2025, the Group has entered into certain supplier finance arrangements. Under the arrangements, payments to suppliers ahead of the invoice due dates are processed by the Financier and the Group settled the original invoices by paying the Financier at extended due dates as agreed with the Financier. The principal purpose of the arrangements is to facilitate efficient payment processing and enable the Group to maintain management on cashflows and liquidity.

In the consolidated statement of cash flows, payments to the Financier are included within financing cash flows based on the nature of the arrangements.

|                                                                                                         | 2025<br>RMB'000              | 2024<br>RMB'000 |
|---------------------------------------------------------------------------------------------------------|------------------------------|-----------------|
| <b>Carrying amount of the financial liabilities that are subjected to supplier finance arrangements</b> |                              |                 |
| Presented as part of other borrowings                                                                   | 798                          | —               |
| — of which suppliers have already received payment from the financier                                   | 798                          | N/A             |
|                                                                                                         | 2025                         | 2024            |
| <b>Range of payment due dates</b>                                                                       |                              |                 |
| For liabilities presented as part of other borrowings                                                   |                              |                 |
| — liabilities that are part of supplier finance arrangements                                            | 90 days after invoice date   | N/A             |
| — comparable trade payables that are not part of supplier finance arrangements                          | 0-30 days after invoice date | N/A             |

Changes in liabilities that are subject to supplier finance arrangements are primarily attributable to additions resulting from purchases of goods and subsequent cash settlements. During the year ended 30 June 2025, borrowings under supplier finance arrangements of RMB781,000 (2024: Nil) represent the payments to the suppliers by the relevant financier directly.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 40. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

### (a) Statement of financial position of the Company

|                                | Notes | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--------------------------------|-------|-----------------|-----------------|
| <b>ASSETS AND LIABILITIES</b>  |       |                 |                 |
| <b>Non-current assets</b>      |       |                 |                 |
| Property, plant and equipment  |       | 1               | 5               |
| Investments in subsidiaries    |       | 1               | 1               |
|                                |       | <u>2</u>        | <u>6</u>        |
| <b>Current assets</b>          |       |                 |                 |
| Other receivables              |       | 71              | 19              |
| Amounts due from subsidiaries  |       | 18,906          | 37,570          |
| Cryptocurrencies               |       | 6,168           | –               |
| Cash and cash equivalents      |       | 710             | 750             |
|                                |       | <u>25,855</u>   | <u>38,339</u>   |
| <b>Current liabilities</b>     |       |                 |                 |
| Other payables and accruals    |       | 2,516           | 1,836           |
| Amounts due to subsidiaries    |       | 43,592          | 42,437          |
|                                |       | <u>46,108</u>   | <u>44,273</u>   |
| <b>Net current liabilities</b> |       | <u>(20,253)</u> | <u>(5,934)</u>  |
| <b>Net liabilities</b>         |       | <u>(20,251)</u> | <u>(5,928)</u>  |
| <b>EQUITY</b>                  |       |                 |                 |
| Share capital                  | 31    | 137             | 137             |
| Reserves                       | 40(b) | (20,388)        | (6,065)         |
|                                |       | <u>(20,251)</u> | <u>(5,928)</u>  |

The statement of financial position of the Company were approved and authorised for issue by the board of directors on 30 September 2025 and are signed on its behalf by:

**Li Ziyang**  
Chairman and Executive Director

**James Francis Bittl**  
Non-Executive Director

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

### 40. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (continued)

#### (b) Reserve movement of the Company

|                                                                                            | Share<br>premium<br>(note 32(i))<br>RMB'000 | Contributed<br>surplus<br>(note 32(ii))<br>RMB'000 | Exchange<br>reserve<br>(note 32(v))<br>RMB'000 | Accumulated<br>losses<br>RMB'000 | Total<br>RMB'000 |
|--------------------------------------------------------------------------------------------|---------------------------------------------|----------------------------------------------------|------------------------------------------------|----------------------------------|------------------|
| At 1 July 2023                                                                             | 3,782,111                                   | –                                                  | 10,130                                         | (3,811,286)                      | (19,045)         |
| Loss for the year                                                                          | –                                           | –                                                  | –                                              | (25,099)                         | (25,099)         |
| Other comprehensive income for the year                                                    |                                             |                                                    |                                                |                                  |                  |
| — Exchange differences on translation<br>from foreign currency to<br>presentation currency | –                                           | –                                                  | 849                                            | –                                | 849              |
| Total comprehensive income/(loss)<br>for the year                                          | –                                           | –                                                  | 849                                            | (25,099)                         | (24,250)         |
| Issue of shares upon rights issue,<br>net of transaction cost                              | 10,033                                      | –                                                  | –                                              | –                                | 10,033           |
| Reduction of share premium (note 31(b))                                                    | (3,792,144)                                 | 3,819,341                                          | –                                              | –                                | 27,197           |
| Transfer to accumulated loss (note 31(b))                                                  | –                                           | (3,811,286)                                        | –                                              | 3,811,286                        | –                |
| At 30 June 2024 and 1 July 2024                                                            | –                                           | 8,055                                              | 10,979                                         | (25,099)                         | (6,065)          |
| Loss for the year                                                                          | –                                           | –                                                  | –                                              | (11,204)                         | (11,204)         |
| Other comprehensive income for the year                                                    |                                             |                                                    |                                                |                                  |                  |
| — Exchange differences on translation<br>from foreign currency to<br>presentation currency | –                                           | –                                                  | (3,119)                                        | –                                | (3,119)          |
| Total comprehensive loss for the year                                                      | –                                           | –                                                  | (3,119)                                        | (11,204)                         | (14,323)         |
| <b>At 30 June 2025</b>                                                                     | <b>–</b>                                    | <b>8,055</b>                                       | <b>7,860</b>                                   | <b>(36,303)</b>                  | <b>(20,388)</b>  |

### 41. EVENT AFTER THE REPORTING PERIOD

There were no material subsequent events during the period from 30 June 2025 to the date of approval of these consolidated financial statements by the directors of the Company on 30 September 2025.

# FIVE YEAR FINANCIAL SUMMARY

|                                 | For the year ended 30 June |                 |                 |                 |                 |
|---------------------------------|----------------------------|-----------------|-----------------|-----------------|-----------------|
|                                 | 2025<br>RMB'000            | 2024<br>RMB'000 | 2023<br>RMB'000 | 2022<br>RMB'000 | 2021<br>RMB'000 |
| <b>RESULTS</b>                  |                            |                 |                 |                 |                 |
| Revenue                         | <b>75,420</b>              | 168,635         | 110,029         | 143,572         | 195,618         |
| (Loss)/profit before income tax | <b>(28,376)</b>            | (25,447)        | (58,924)        | (19,026)        | 7,319           |
| Income tax (expense)/credit     | <b>(66)</b>                | (161)           | 194             | (1,670)         | (3,327)         |
| (Loss)/profit for the year      | <b>(28,442)</b>            | (25,608)        | (58,730)        | (20,696)        | 3,992           |
|                                 |                            |                 |                 |                 |                 |
|                                 | As at 30 June              |                 |                 |                 |                 |
|                                 | 2025<br>RMB'000            | 2024<br>RMB'000 | 2023<br>RMB'000 | 2022<br>RMB'000 | 2021<br>RMB'000 |
| <b>ASSETS AND LIABILITIES</b>   |                            |                 |                 |                 |                 |
| Non-current assets              | <b>68,180</b>              | 71,730          | 94,039          | 118,364         | 72,886          |
| Current assets                  | <b>76,444</b>              | 88,338          | 94,073          | 112,227         | 193,439         |
| Total assets                    | <b>144,624</b>             | 160,068         | 188,112         | 230,591         | 266,325         |
| Non-current liabilities         | <b>1,314</b>               | 5,609           | 5,627           | 42              | –               |
| Current liabilities             | <b>32,458</b>              | 17,478          | 34,523          | 29,029          | 51,797          |
| Total equity                    | <b>110,852</b>             | 136,981         | 147,962         | 201,520         | 214,528         |

# COMPANY INFORMATION

## DIRECTORS

### **Executive Director**

Ms. Li Ziyang (*Chairman*)

### **Non-executive Director**

Mr. James Francis BITTL

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

Mr. LIU Ruiqiang

Mr. WANG Tianshi

Mr. Zhuang Canbin

(*appointed on 30 December 2024*)

Ms. LIU Jie (*retired on 30 December 2024*)

## COMPANY SECRETARY

Mr. TSE Chi Hong

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2510, 25/F,  
Arion Commercial Centre,  
2-12 Queen's Road West,  
Sheung Wan, Hong Kong.

## REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton  
Bermuda HM11

## AUDITOR

Moore CPA Limited  
Registered Public Interest Entity Auditors  
1001-1010, North Tower  
World Finance Centre  
Harbour City, 19 Canton Road  
Tsimshatsui, Kowloon  
Hong Kong

## BERMUDA AND BVI LEGAL ADVISER

Conyers Dill & Pearman  
29/F, One Exchange Square  
8 Connaught Place  
Central, Hong Kong

## JERSEY SHARE REGISTRAR

Computershare Investor Services (Jersey) Limited  
Computershare Channel Islands  
13 Castle Street  
St. Helier, Jersey CI, JE1 1ES

## BERMUDA SHARE REGISTRAR

Appleby Global Corporate Services (Bermuda) Limited  
Canon's Court, 22 Victoria Street  
PO Box HM 1179, Hamilton HM EX  
Bermuda

## HONG KONG SHARE REGISTRAR

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

## STOCK CODE

The Stock Exchange of Hong Kong Limited: 73

## WEBSITE

[www.asian-citrus.com](http://www.asian-citrus.com)