Heng Tai Consumables Group Limited
亨泰消費品集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00197)

Annual Report 2025/26

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:
Mr. Lam Kwok Hing *(Chairman and Chief Executive Officer)*
Ms. Lee Choi Lin Joecy
Ms. Gao Qin Jian *(resigned on 11 March 2026)*
Mr. Chan Cheuk Yu Stephen
Mr. Sun Banggui *(appointed on 11 March 2026)*

Independent Non-Executive Directors:
Ms. Mak Yun Chu
Mr. Poon Yiu Cheung Newman
Mr. Hung Hing Man *(resigned on 11 March 2026)*
Ms. Chan Wai Ying *(appointed on 6 August 2026)*

AUDIT COMMITTEE
Ms. Mak Yun Chu *(Chairman)*
Ms. Chan Wai Ying *(appointed on 6 August 2026)*
Mr. Hung Hing Man *(resigned on 11 March 2026)*
Mr. Poon Yiu Cheung Newman

REMUNERATION COMMITTEE
Ms. Mak Yun Chu *(Chairman)*
Mr. Lam Kwok Hing
Ms. Chan Wai Ying *(appointed on 6 August 2026)*
Mr. Poon Yiu Cheung Newman

NOMINATION COMMITTEE
Ms. Mak Yun Chu *(Chairman)*
Mr. Lam Kwok Hing
Ms. Chan Wai Ying *(appointed on 6 August 2026)*
Mr. Poon Yiu Cheung Newman

COMPANY SECRETARY
Mr. Chu Yi Chit *(resigned on 11 March 2026)*
Mr. Hung Hing Man *(appointed on 11 March 2026)*
Mr. Hui Hung Kwan *(appointed on 6 August 2026)*

AUTHORISED REPRESENTATIVES
Mr. Lam Kwok Hing
Mr. Hung Hing Man *(appointed on 11 March 2026)*

INDEPENDENT AUDITOR
Infinity CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditors

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Hutchins Drive
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Grand Cayman KY1-1111
Cayman Islands

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Hong Kong

PRINCIPAL BANKERS
Bank of China Limited
China CITIC Bank International Limited
Hang Seng Bank Limited
LUSO International Banking Ltd.

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE
Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586, Gardenia Court
Camana Bay, Grand Cayman
KY1-1100, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE
Union Registrars Limited
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North Point
Hong Kong

COMPANY WEBSITE
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STOCK CODE
00197

CHAIRMAN'S STATEMENT

On behalf of the board (the "Board") of directors (the "Directors") of Heng Tai Consumables Group Limited (the "Company"), I present to our valued shareholders the annual report of the Company and its subsidiaries (collectively, the "Group") for the financial year ended 30 June 2026 ("FY2025/26").

FINANCIAL PERFORMANCE

During the year under review, the global operating environment remained challenging, marked by ongoing macro-economic uncertainties, rising trade protectionism, fragile supply chains and geopolitical risks. In Chinese Mainland, economic growth continued to be weighed down by the impacts of the real-estate and debt crises. This reduced consumers' disposable income and weakened overall consumer confidence. Despite various domestic stimulus measures, end-market demand stayed subdued. Competition intensified further as local domestic brands continued to gain market share supported by product improvement and cross-border e-commerce penetration, creating sustained pressure on imported goods under our FMCG Trading Business. During the year, the Group completed the deregistration of its securities licence and formally discontinued the securities dealing and margin financing business, as part of portfolio streamlining to concentrate resources on core FMCG Trading Business, Agri-Products Business and newly operated Travel-related Business, Water Product Business, and IT-related Business (as defined in "Management discussion and analysis"), with a view to diversifying its business operations and exploring new business opportunities.

Group total revenue from continuing operations decreased to approximately HK$255.5 million in FY2025/26, as compared with approximately HK$426.9 million for FY2024/25. The decline was mainly driven by weaker sales within the FMCG Trading Business amid soft consumption and fierce market competition, partially mitigated by contributions from the new Travel-related Business. The Group recorded a total net loss from continuing operations of approximately HK$209.8 million for FY2025/26, versus a net loss of approximately HK$205.1 million in the prior financial year. The increase in the net loss was mainly attributable to a combination of approximately 40.1% decrease in revenue, approximately HK$8.3 million decrease in other gains and income, approximately HK$70.0 million increase in net impairment losses on financial assets, and approximately HK$18.8 million increase in impairment losses on inventories, and partly offset by approximately HK$1.7 million decrease in changes in fair value due to biological transformation, approximately 35.8% decrease in selling and distribution expenses, approximately 23.6% decrease in administrative expenses, and approximately HK$79.5 million decrease in impairment losses on non-financial assets. The Group also record a net loss from discontinued operation, which was the securities dealing business in Hong Kong, was approximately HK$22.6 million, which mainly comprised of HK$13.8 million impairment loss recognised on loan receivables and approximately HK$8.0 million tax expense.

BUSINESS REVIEW

During the financial year under review, the Group's operating landscape was shaped by fragile domestic consumption, heightened market competition, supply-chain risks, unfavourable weather conditions for agricultural production and ongoing global policy uncertainties. As a result, the revenue of the FMCG Trading Business decreased by approximately 52.9% compared to FY2024/25. Against this backdrop, the Group trimmed down unprofitable imported-goods lines, rationalise product mix and explore cooperation with domestic manufacturers for local-source merchandise to adapt to shifting market preferences and continued to explore different variety of new product options for export from Chinese Mainland to Asia and European markets.

For the Agri-Products Business, trading activities faced similar challenges of soft demand and intense competition. During the FY2025/26, the Agri-Products Business recorded a decrease in its revenue. The Agri-Products Trading Business was also affected by the weak market demand and the keen competition from domestic products.

During the year, the Group also completed the acquisition of a travel-services entity in January 2026. The new Travel-related Business recorded approximately HK$16.7 million revenue for FY2025/26.

CHAIRMAN'S STATEMENT

DIVIDENDS

The Board does not recommend the payment of a final dividend in respect of the year ended 30 June 2026. Given sustained operating losses, uncertain macro-economic outlook across global, Chinese Mainland and Hong Kong markets, as well as foreseeable capital requirements for core-business operations, the Board considers it prudent to retain cash resources to support existing businesses and cater for potential unforeseen operational expenditure.

LOOKING AHEAD

The global economic outlook remains clouded by trade-policy volatility and unresolved geopolitical tensions. Chinese Mainland consumption environment will continue to be affected by lingering real-estate-sector pressures and cautious household spending, while competition within both FMCG Trading Business and Agri-Product Business is expected to stay fierce.

Facing such persistent headwinds, the Group will stick to a prudent development strategy centered on our core businesses. For FMCG Trading Business and Agri-Products Business, the Group will further optimise our procurement network, select high-margin niche products from both overseas and domestic suppliers, and continue to evaluate export opportunities for competitive Chinese-sourced merchandise targeting Asian and European markets. We will push forward operational enhancement at our Dongguan processing center to lift operational efficiency for Chinese Mainland sales.

For the Upstream Farming Business, we will adopt a highly cautious stance on new-project investment and capital outlay. Research-and-development efforts will be directed toward improving farming techniques, while new developments will be deferred subject to visible market recovery. Group-wide cost-control measures will be strictly enforced, with regular performance reviews for each operating segment. The Group will closely monitor foreign-currency exposure, counterparty credit risks and supply-chain stability, striving to safeguard our financial position to navigate ongoing external challenges.

Beyond focusing on its core business operation in 2027, the Group will continually strengthen the Travel-related Business, Water Product Business, and IT-related Business, which were newly rolled out in 2026. Separately, the Group plans to explore the launch of a new money lender business in 2027. All contemplated new business initiatives will undergo regulatory compliance review and comprehensive risk assessment. The Group will adhere to its prudent risk governance framework to protect the Group's financial health.

CORPORATE SUSTAINABILITY

The Group continues to attach importance to sustainable operations covering our trading, distribution, processing and upstream farming activities. We implement resource-saving measures across office premises and operational facilities and comply with relevant environmental regulatory requirements for food-processing and logistics sites. We maintain sound communication with employees, suppliers and customers and prioritise long-term stakeholder interests. Leveraging our existing business foundation, we seek to enhance operational resilience so as to pursue sustainable development amid a volatile operating environment.

On behalf of the Board, I would like to take this opportunity to extend my sincere appreciation to my fellow colleagues for their faith, commitment, and hardworking during the past year. I would also like to thank our shareholders and business partners for their support and trust through this difficult period.

We will do all our best and we wish you all the best for the coming year.

Mr. Lam Kwok Hing
Chairman
Hong Kong, 2 November 2026

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

During FY2025/26, the Group is principally engaged in (i) the trading of packaged foods, beverages and household consumable products (the "FMCG Trading Business"); (ii) the trading of agri-products ("Agri-Products Trading Business") and the upstream farming business ("Upstream Farming Business") (collectively, the "Agri-Products Business"); and (iii) other businesses, including travel agency, tour leading and related business ("Travel-related Business"), sales of packaged drinking water products ("Water Product Business"), sales of electronic products and information technology maintenance service ("IT-related Business"). The first two businesses come together to form two vertically integrated supply chains allowing the Group to effectively deliver perishable and non-perishable consumer products in China.

The Group previously operated securities dealing and margin financing services. For FY2025/26, upon deregistration of its securities licence, the Group ceased this securities dealing business. Exiting this non-core segment allows redeployment of capital and management resources to core and new businesses while mitigating financial-industry risks. And in January 2026, the Company completed an acquisition of a travel-services entity. The new Travel-related Business provides one-stop inbound travel arrangement services for Chinese Mainland tour groups visiting Hong Kong covering accommodation, catering, sightseeing and shopping arrangements. Categorised under "All other segments", it supplements the Group's core FMCG and Agri-Products Trading Businesses as a strategic measure to diversify revenue amid challenging consumer-trading market conditions.

During FY2025/26, the global economy continued to face a number of challenges, including muted global economic growth amid lingering higher-for-longer interest rates, evolving cross-border trade measures which introduced policy uncertainties and weighed on international merchandise trade, as well as continued geopolitical tensions across several regions. In Chinese Mainland, the post-pandemic economic recovery remained uneven. Along with the persistent real estate and debt crises, China's economy remained weak in recent years which resulted in weak Chinese consumers spending. Worse still, the US-Iran war hiked the oil price, leading to leaping costs and largely reduces the purchasing power of customers. In addition, market competition in the domestic consumer goods industry intensified further during the year. Local domestic brands continued to leverage cost advantages, flexible pricing strategies and large-scale marketing promotion activities to seize market share. Consumer preference for homemade products maintained an upward trend, which further squeezed the living space of imported fast-moving consumer goods. Against such a severe and unfavourable market backdrop, the Group's core FMCG Trading Business and Agri-Products Trading Business faced substantial operational pressure.

The global and domestic operating environment remains fraught with uncertainties and challenges. Weak consumption momentum, intensifying industry competition, and unpredictable international trade policies will continue to pose challenges to the Group's operation. Moving forward, The Group will continue to adopt conservative stance on future developments, implement cost-saving initiatives and ensure a strong and healthy financial position to weather any unforeseeable headwinds.

FINANCIAL PERFORMANCE

During the financial year under review, the Group generated total revenue from continuing operations was approximately HK$255.5 million as compared to approximately HK$426.9 million for FY2024/25, representing a fall of approximately 40.1%. The decrease in revenues was mainly attributable to the decrease in the revenues of the FMCG Trading Business and Agri-Products Trading Business, but partly offset by the increase in the revenues of the revenue of Travel-related Business. During the financial year under review, the revenue of the FMCG Trading Business and Agri-Products Trading Business continued to drop due to weak market demand and keen competition from domestic brands. The Group had to reduce selling prices of certain products to maintain competitiveness in a tough market. The Group continued to refine its product mix, strategically trimmed down its imported trading business for a number of unprofitable products that facing fierce competition to reduce different kinds of operating expenses, like marketing expenses, which also decreased the revenue of the imported trading businesses. Against the backdrop of the challenging business environment, the Group always aims at strengthening and diversifying its business to increase the shareholders' values. In January 2026, the Group acquired the Travel-Related Business, and the revenue generated by this newly launched business amounted to approximately HK$16.7 million for the reporting year. During FY2025/26, there was no revenue from securities dealing and margin financing services because the Group terminated the related business operations.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's overall gross profit margin decreased from approximately 8.0% for FY2024/25 to approximately 4.0% for FY2025/26. This decline was primarily attributable to the contraction of the gross profit margin of the FMCG Trading Business. As previously mentioned, the Group was required to reduce the selling prices of most products, particularly our imported FMCG products, in order to remain competitive against domestic brands. Meanwhile, sourcing costs continued to rise, further compressing the gross profit margin of the FMCG Trading Business. On the other hand, the gross profit margin of the Agri-Products Business remained relatively stable during FY2025/26, as the margin contraction of imported agricultural products, which faced similar market pressures as those in the FMCG Trading Business, was largely offset by the steady margins recorded in the trading of domestic agricultural products.

Changes in fair value due to biological transformation decreased from approximately HK$10.2 million for FY2024/25 to approximately HK$8.5 million for FY2025/26.

Other income, gains and losses decreased to approximately HK$2.4 million compared to approximately HK$10.7 million in FY2024/25. Other income, gains and losses mainly represented interest income of approximately HK$5.4 million derived from the investments in the bonds issued by China Healthwise Holdings Limited ("China Healthwise"), the recovery of bad debts previously written off of approximately HK$1.1 million, and other miscellaneous income of approximately HK$1.0 million, and partly offset by a fair value loss on the convertible bonds issued by China Healthwise of approximately HK$6.3 million.

Selling and distribution expenses decreased by approximately 35.8% from approximately HK$51.9 million to approximately HK$33.3 million compared to FY2024/25, representing approximately 13.0% of total revenue (FY2024/25: 12.1%). The decrease was mainly attributable to the reduction in commissions paid and freight and transportation expenses incurred by the FMCG Trading Business and Agri-Products Trading Business, in line with the decrease in the related revenue, as well as the decrease in amortisation of intangible assets.

Administrative expenses decreased by approximately 23.6% from approximately HK$63.3 million to approximately HK$48.4 million compared to FY2024/25. The decrease in administrative expenses was primarily attributable to the decrease in business activities and the Group's various cost saving initiatives.

Net impairment losses on financial assets were approximately HK$74.9 million for FY2025/26 (FY2024/25: HK$4.9 million), which represented the impairment losses of approximately HK$59.5 million and HK$15.4 million recognised on trade receivables and other receivables respectively. During the year, the Group has implemented a more stringent credit control to customers to ensure collectability. Also, the Group continued to adopt a cautious approach and has made sufficient provision for those trade debts which were overdue and exposed to higher risk of collectability given these tumbling and uncertain economic conditions, and so increased the expected credit loss recognised on the financial assets.

Impairment losses on non-financial assets of approximately HK$37.6 million (FY2024/25: HK$117.1 million) represented impairment losses on the Group's segment assets on FMCG Trading Business, Agri-Products Trading Business and Upstream Farming Business amounted to approximately HK$10.0 million (FY2024/25: HK$Nil), approximately HK$2.5 million (FY2024/25: HK$Nil) and approximately HK$25.1 million (FY2024/25: HK$117.1 million) respectively.

As mentioned above, the Group encountered weak Chinese consumers spending, fierce market competition from domestic Chinese products and rising sourcing costs during the year, and both the Group's FMCG Trading Business and Agri-Products Trading Business recorded decline in revenue and incurred segment losses, which indicated the possibility of impairment losses on both segment assets. The Group engaged Libra Appraisal Limited, an independent professional valuer to conduct valuations based on the income approach to compute each of the value-in-use of the FMCG Trading Business segment and Agri-Products Trading Business segment by using the cash flow projections covering a 5-year period for impairment review purposes. Given the aforesaid unfavourable circumstances, the Board adopted a cautious approach on the profit forecasts on these segment businesses such as lower sales growth and lower gross profit projection as compared with the previous financial year's forecast, which resulted in recoverable amounts of the business segments less than the carrying amounts and hence impairment losses were recognised. For the year under review, the pre-tax discount rate used in FMCG Trading Business segment and Agri-Products Trading Business segment was approximately 10.60% (FY2024/25: 10.22%) and 11.00% (FY2024/25: 9.67%) respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

For the FMCG Trading Business, total impairment losses of approximately HK$10.0 million were allocated to its segment assets, comprising approximately HK$3.3 million to property, plant and equipment, approximately HK$0.9 million to right-of-use assets, approximately HK$2.5 million to other intangible assets and approximately HK$3.3 million to prepayments.

For the Agri-Products Trading Business, total impairment losses of approximately HK$2.5 million were allocated to its segment assets, comprising approximately HK$1.0 million to property, plant and equipment, approximately HK$0.3 million to right-of-use assets and approximately HK$1.2 million to other intangible assets.

For the Upstream Farming Business, although the revenue during the year under review remained fairly stable compared to the last financial year, the Group has been continuously reviewing the feasibility of the new developments including new arable land development, fruit processing centre and agri-tourism business in Jiangxi Province, China. Over the past few years, the Group has continuously invested resources in research and development to enhance its agricultural capabilities, including establishing an agricultural research and testing laboratory and engaging various farming experts during the development of arable land. However, in view of the weak macroeconomic environment and heightened competition, the Group has slowed the pace of developing new arable land, constructing fruit processing facilities, and advancing its agri-tourism business in Jiangxi. Given these unfavourable conditions, the Group adopted a more conservative approach toward new development initiatives within the Upstream Farming Business and has lowered its expectation for future business performance and prospects. The management has prepared a profit and cash flow forecast on a more conservative basis such as lower sales growth and lower gross profit projection as compared with the previous financial year's forecast. Furthermore, the Group also used a higher pre-tax discount rate of approximately 12.43% (FY2024/25: 9.67%) to reflect the risks associated with the adverse factors inflicting on the Upstream Farming Business, resulting in a decline in future free cash flows and thus an impairment loss to its carrying amount compared with its value in use.

For the Upstream Farming Business, total impairment losses of approximately HK$25.1 million (FY2024/25: HK$117.1 million) were allocated to its segment assets, comprising approximately HK$10.3 million (FY2024/25: HK$62.9 million) for property, plant and equipment, approximately HK$4.3 million (FY2024/25: HK$Nil) for biological assets, approximately HK$5.4 million (FY2024/25: HK$32.0 million) for bearer plants, approximately HK$2.9 million (FY2024/25: HK$10.8 million) for right-of-use assets, approximately HK$2.2 million (FY2024/25: HK$6.3 million) for prepayments, but no impairment was recognised for construction in progress (FY2024/25: HK$5.1 million).

The management has adopted the income approach consistently as in the previous financial year as the valuation method for the aforesaid valuations. Income approach is an appropriate method that can reflect the value of cash flow generated by continuous operation of the assets, which is consistent with the requirements under HKAS 36 in determining the value-in-use of cash generating unit.

Impairment losses on inventories increased to approximately HK$18.9 million for FY2025/26 from approximately HK$0.1 million in FY2024/25. The increase was mainly attributable to the Group's cautious approach under challenging market conditions, writing down the carrying values of certain aged or slow-moving items to their estimated net realisable value to safeguard asset quality.

Other operating expenses decreased from approximately HK$0.9 million for FY2024/25 to approximately HK$0.4 million for FY2025/26. Other operating expenses for FY2025/26 represented a one-time loss on revaluation of property related to the buildings located in Shanghai of approximately HK$0.4 million.

Finance costs were kept at a stable minimal level during the financial year.

Net loss from continuing operations for the year ended 30 June 2026 was approximately HK$209.8 million (FY2024/25: HK$205.1 million). The increase in the net loss was mainly attributable to a combination of approximately 40.1% decrease in revenue, approximately HK$8.3 million decrease in other gains and income, approximately HK$70.0 million increase in net impairment losses on financial assets, and approximately HK$18.8 million increase in impairment losses on inventories, and partly offset by approximately HK$1.7 million decrease in changes in fair value due to biological transformation, approximately 35.8% decrease in selling and distribution expenses, approximately 23.6% decrease in administrative expenses, and approximately HK$79.5 million decrease in impairment losses on non-financial assets.

Net loss for the year ended 30 June 2026 from discontinued operation, which was the securities dealing business in Hong Kong, was approximately HK$22.6 million, which mainly comprised of HK$13.8 million impairment loss recognised on loan receivables and approximately HK$8.0 million income tax expense.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

FMCG Trading Business

The FMCG Trading Business sells packaged foods, beverages and household consumable products into the domestic Chinese market. These products are largely sourced overseas through the Group's wide-reaching global procurement network and are imported primarily from Australasia, Europe, the Americas and South East Asia. The FMCG Trading Business contributed approximately HK$117.2 million in revenues to the Group for FY2025/26, decreased by approximately 52.9% from that contributed in FY2024/25. The decrease in revenues was primarily attributable to the weak market demand and the fierce competition against domestic brands. During the financial year under review, China's economic growth was still unbalanced, the fierce competition from domestic brands which continuously used low prices to grab market share on top of their tremendous advertisements further worsened the business environment. In view of the keen competition, the Group had to reduce selling prices for certain products and even trimmed down some unprofitable imported goods to stay competitive, which inevitably affected its revenue and gross profit margin for FY2025/26. Against this backdrop, the Group continuously refined its product mix and sourced new products, not only from overseas suppliers, but also seeking cooperations with domestic manufacturers in view of the great improvement in the quality of Chinese products in recent years. In future, the Group will closely follow the market trends to streamline and trim down its trading business for unprofitable imported goods and contemplate exporting different variety of new products from China to Asian and European markets. This business unit can be classified into three categories including packaged foods, beverages and household consumable products with their respective contribution of approximately 85%, 10% and 5%. Packaged foods, including biscuits, candies, chocolate, condiments, margarine, milk powder products, healthy food, noodles, snacks, rice and nourishing and exclusively licensed branded products, remained as the most important category, followed by beverage products.

Agri-Products Business

The Agri-Products Business contains trading fresh produce imported from countries like Australia and Southeast Asia as well as upstream cultivations in China. This business unit generated approximately HK$121.2 million for the FY2025/26, decreased by approximately 32.0% as compared to approximately HK$178.2 million generated in FY2024/25, primarily attributable to the decrease in the revenue of the Agri-Products Trading Business.

Agri-Products Trading Business

The Agri-Products Business comprises the trading of fresh produce imported from countries such as Australasia and Southeast Asia, the domestic sourcing of fresh produce, and upstream cultivation operations in China. This business unit generated approximately HK$121.2 million for FY2025/26, representing a decrease of approximately 32.0% compared to approximately HK$178.2 million generated in FY2024/25, primarily due to decreased revenue from the trading of imported agricultural products. During the Period, the imported agricultural products trading business faced a similarly weak macroeconomic environment as the FMCG Trading Business, particularly as the quality gap between imported and domestic agricultural products has narrowed in recent years, thus intensifying competition. Accordingly, the Group trimmed down its imported agricultural products trading business to save operating expenses and overheads, while reallocating more resources to the domestic agricultural products trading business with support from the Dongguan processing centre, which provides washing, sorting and grading, packing, and storage services for domestic fresh produce. As a result, the revenue contribution of domestic agricultural products to the Agri-Products Business increased markedly from approximately 29.8% to approximately 44.2% compared with the previous year. The gross profit margin of the Agri-Products Business also remained relatively stable, primarily because the steady gross profit margins of domestic agricultural products offset the contraction in margins from imported agricultural products.

Upstream Farming Business

During the financial year under review, the Group continued to carefully operate in the plantations of early crop oranges and ponkans in the Jiangxi's farming base. The revenue of the upstream farming business remained fairly stable compared to the last financial year in spite of the weak market demand. During FY2025/26, the product quality has been steadily improving, primarily stemmed from the better agricultural skills and the operation commencement of the fruit processing centre which provided various functions including fruit washing, sorting and grading, packing and storage. The Group has been continuously deploying its resources into research and development to improve its agricultural skills over past few years, such as establishing a research and test-lab centre and engaging different farming experts during the course of improving its arable lands. Therefore, the product quality and variety of the Group's self-grown agricultural products have been continuously enhancing, coupled with high quality processing procedures being carried out at the fruit processing centre which further facilitated its quality assurance and brand building, and hence providing stable revenue stream to the Group. However, in view of the weak macroeconomic environment and heightened competition, the Group has slowed the pace and has been continuously reviewing the feasibility of the new developments including new arable land, fruit processing facilities and agri-tourism business in Jiangxi Province, China.

The Group has been continuously reviewing the feasibility of the new developments of the Upstream Farming Business including new arable land development, fruit processing centre and agri-tourism business in Jiangxi Province, China.

MANAGEMENT DISCUSSION AND ANALYSIS

Other Business

In view of the weak macroeconomic environment and keen competition, the Group decelerated its pace in the development of the new businesses, especially the Travel-related Business. The Group engaged in negotiations with multiple travel agencies during FY2025/26 to drive business development, its Other Business now comprises Travel-related Business that deliver comprehensive travel arrangements for Chinese Mainland tour groups visiting Hong Kong, including accommodation coordination, meal arrangements, sightseeing tours and shopping experiences. Having commenced in 2026, this newly-launched Travel-related Business generated approximately HK$16.7 million in revenue for FY2025/26.

During FY2025/26, the Water Product Business, and the IT-related Business contributed approximately HK$0.4 million in revenue to the Group. Looking ahead, the Board intends to explore new business opportunities and will continue to assess market demand.

PRINCIPAL RISKS AND UNCERTAINTIES

A number of factors are critical for the results and business operations of the Group, some of which are inherent to FMCG Trading Business, Agri-Products Trading Business, Upstream Farming Business, Travel-related Business, Water Product Business, IT-related Business and the planned new money lender business, and some are from external macro-environment. The major principal risks and uncertainties are summarised as follows:

1. Economic and Financial Market Volatility

The Group's trading businesses, together with the newly launched Travel-related Business and IT-related Businesses are impacted by fluctuations in the global economy and financial market, particularly those in China. The decline in China's economic growth inevitably affected the level of disposable income and consumer confidence, and hence weighing on the demand of the Group's products as well as consumer spending on Travel-related services and revenues of the Group. Therefore, if there is any significant financial volatility and economic setback, or even economic shutdown caused by force majeure events such as global pandemic and wars, the Group's operations and financial performance may be adversely affected. The economic risks may result in financial market turbulence and market disruption.

2. Increasing Market Competition

The industries in which the Group operates in China are highly competitive. The Group's competitiveness is its product differentiation by providing high quality imported products at reasonable prices. However, the Group's competitiveness may be weakening in light of increasing market competition arising from the improvement of domestic product quality and the higher penetration of cross-border internet shopping. The Hong Kong financial industry is also a highly competitive market. In addition, the newly entered Travel-related service market and IT-related market are also characterised by intense competition from established market players. The Group cannot assure to maintain existing client base across all business segments.

3. Increasing Political Risks

Political risks including the recent rise of global protectionism may severely affect the Group's trading businesses. The increase in tariffs and various customs formalities as a result of the protectionism will increase the import costs and decrease the competitiveness of the Group's imported products, and the Group cannot assure to pass on the increased costs to customers or maintain existing client base under such circumstances. For the planned money lender business, cross-border regulatory changes, political policy shifts and sanctions risk may also bring additional compliance and operating constraints to the new business initiative.

4. Supply Chain Risk

The Group sources products from a number of overseas suppliers. The cooperation is based on well-entrenched relationship and fair terms of trade between the Group and suppliers. However, the Group cannot warrant that the relationship with each supplier will remain unchanged, and in the event the Group is unable to reach agreement upon reasonable terms with any suppliers and cannot find suitable substitute suppliers, the Group's operations may be affected. Supply chain may also be disrupted by force majeure events such as global pandemic and wars, the freight costs may rocket and the Group cannot warrant to restock inventory timely. For Travel-related Business, disruption to global logistics, cross-border travel restrictions and overseas service partner failures also constitute an extended supply chain risk for the new business.

5. Inclement Weather Condition

The Group's Upstream Farming Business is highly dependent on the weather condition. Inclement weather condition will inevitably damage the level of crop productivity and thus the revenues of the Upstream Farming Business. Furthermore, the climate conditions of the areas where the suppliers for the Group's Agri-Products Trading Business are located could also severely affect the stability of product supply.

MANAGEMENT DISCUSSION AND ANALYSIS

6. Financial Risk

The Group is exposed to various financial risks, including but not limited to, interest rate risk, currency risk, credit default risk, liquidity risk and policy risk. While the Group actively monitors these risks and adopts risk management measures to mitigate the potential adverse effects that could be derived from these risks, the Group cannot warrant that these risks can be fully hedged and the Group may suffer when unexpected financial events occur. In respect of the planned money lender business, it will additionally bear elevated borrower credit default risk, interest rate fluctuation risk and funding liquidity risk specific to lending operations.

7. New Business Execution, Regulatory Compliance and Operational Risk

The Group newly rolled out Travel-related Business and IT-related Business in 2026 and intends to launch a new money lender business in 2027. The Group has limited prior operating track record and in-house management expertise in these new business verticals. There are risks of underperformance, failure to achieve expected revenue and profitability, as well as integration difficulty with the Group's existing core business operations. Moreover, these new businesses are subject to separate industry-specific licensing, regulatory compliance and prudential supervision requirements. Failure to obtain, maintain or renew relevant licences, or breach of applicable industry regulations, may lead to fines, suspension of business operations or reputational damage. The Group will subject all new business initiatives to regulatory compliance review and comprehensive risk assessment but cannot guarantee successful execution or full compliance under evolving regulatory regimes.

8. Climate and ESG Transition Risk

The Group is exposed to climate and ESG transition risks arising from evolving environmental regulations, market changes and stakeholder expectations. Tightening environmental rules in Chinese Mainland and Hong Kong may increase compliance costs for emissions, energy efficiency, packaging and waste, and may require upgrades to the Group's vehicle fleet and energy systems. Rising demand for low-carbon products and climate disclosures, shifting consumer preferences and higher costs for low-carbon assets and packaging management could raise operating costs and financing access. The Group implements mitigation measures including energy-efficient asset deployment, sustainability supplier engagement, ESG reporting, data enhancement and packaging optimisation. Notwithstanding such measures, the Group cannot warrant that it can fully mitigate adverse impacts brought by evolving ESG and climate requirements.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group devotes much attention to environmental protection and is committed to promoting environment-friendly behaviours in the course of business activities. The Group implemented different measures and set out guidelines for saving electricity, water and other precious resources and encouraged recycle of office supplies and other materials. The Group also operated major food processing centres and logistics facilities in strict compliance with the relevant environmental regulations and internationally recognised standards.

KEY RELATIONSHIP

The Group's success highly depends on the support from key relationships with employees, suppliers and customers. The Group understands the importance of maintaining a good relationship with them to achieve its immediate and long-term business goals.

The Group is continuously offering training and encouraging continuing education for our employees. Meanwhile, the Group recognises the value of its key personnel in maintaining team morale and competitiveness. Both internal promotion and external recruitment are applied to select and promote top employees for vacant positions and attract qualified candidates to join the Group.

The Group cooperates with a number of suppliers based on long-term relationships. The Group emphasises on the communication with suppliers and timely keeps them abreast of market trend in China's consumer market. The Group also provides value-added and tailor-made services to our suppliers to increase their stickiness.

The Group's customers include wholesalers, on-premise customers, e-commerce operators and securities investors. The Group's most important mission is to deliver high quality, safe and niche products to our customers. The Group continuously conducts market research and expands various communication channels to understand customers' needs.

During FY2025/26, there was no material and significant dispute between the Group and its employees, suppliers and customers.

MANAGEMENT DISCUSSION AND ANALYSIS

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the management is aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During FY2025/26, there was no material breach of or non-compliance with the applicable laws and regulations by the Group, except for non-compliance with Rule 3.10(1), Rule 3.10A and Rule 3.21 of the Listing Rules, details of which were disclosed in the Corporate Governance Report on page 23.

Reference is made to the announcement of the Company dated 30 September 2026. The Company was unable to publish its annual results for the year ended 30 June 2026 (the "2026 Annual Results") not later than three months after the end of the financial year (i.e. on or before 30 September 2026), nor to publish its unaudited management accounts based on the financial results which have yet to be agreed upon with the auditors. The delay in publication of the 2026 Annual Results constituted non-compliance of Rules 13.49(1) of the Listing Rules.

Due to the delay in the publication of the 2026 Annual Results, the Company was unable to despatch its annual report for the year ended 30 June 2026 (the "2026 Annual Report") to its shareholders not more than four months after the end of the financial year of the Company (i.e. on or before 31 October 2026). The delay in despatch of the 2026 Annual Report constituted non-compliance with Rule 13.46(2) of the Listing Rules.

SIGNIFICANT INVESTMENT HELD AND ITS PERFORMANCE

As at 30 June 2026, the Group held convertible bonds and straight bonds issued by China Healthwise.

China Healthwise is a listed company on th Main Board of the Stock Exchange (Stock Code: 348) and together with its subsidiaries are principally engaged in sale of Chinese health products, money lending business and investment in financial instruments. On 19 August 2024, 8 October 2024, 15 November 2024 and 22 November 2024, the Group and China Healthwise entered into a subscription agreement and three supplemental agreements (collectively the "Subscription Agreement") for subscribing the bonds issued by China Healthwise in the aggregate principal amount of HK$72.3 million, of which HK$16.8 million is the principal amount of the convertible bonds and HK$55.5 million is the principal amount of the straight bonds (collectively the "Bonds"). On 31 December 2024, all conditions precedents to the subscription of the Bonds under the Subscription Agreement have been satisfied and the Bonds were issued. The consideration for the subscription of the Bonds was set off against the outstanding principal amount of HK$72.3 million under the outstanding convertible bonds issued by China Healthwise to the Group on 11 October 2018 (the "Bonds 2018").

The convertible bonds bear interest at a rate of 6% per annum, the conversion price at which the convertible bonds is to be converted into conversion share shall be HK$0.088 per conversion share. Based on the conversion price of HK$0.088 per conversion share, a maximum of 190,909,090 new shares may be allotted and issued by China Healthwise, which represents approximately 19.86% of the issued share capital as enlarged by the issue and allotment of the new shares. As at 30 June 2026, the outstanding principal amount of the convertible bonds was HK$16.8 million and its fair value classified and measured through profit or loss was approximately HK$14.5 million (30 June 2025: HK$20.8 million), hence recorded a fair value loss on investment of approximately HK$6.3 million. On 26 August 2026, China Healthwise has early redeemed the principal amount of convertible bonds of HK$16,800,000.

The straight bonds bear interest at a rate of 8% per annum. As at 30 June 2026, the outstanding principal amount of the straight bonds was HK$55.5 million and its fair value classified and measured through other comprehensive income was approximately HK$46.3 million.

The maturity dates of the straight bonds shall be two years from the date of issue 31 December 2024. The aggregate fair value of the Bonds at 30 June 2026 was approximately HK$60.8 million, representing approximately 15.3% of the Group's total assets, and the Group recorded an aggregate of interest income of approximately HK$5.4 million from the aforesaid investment in China Healthwise during the financial year.

The objective for the aforesaid investment is to better utilise the Group's available cash and seek higher interest income in view of the uncertain global trading market.

MANAGEMENT DISCUSSION AND ANALYSIS

EVENT AFTER REPORTING PERIOD

(i) On 10 July 2026, RSM Hong Kong ("RSM", the former auditor of the Company), has voluntarily resigned as the auditor of the Company (the "Resignation"). In the resignation letter of RSM dated 10 July 2026, it was stated that following a realignment of its internal resources and workflows, RSM resigned as the auditor of the Company in relation to the audit of the Company's financial statements for the year ended 30 June 2026. The Board and the audit committee of the Board (the "Audit Committee") have also confirmed that they are not aware of any unusual or unresolved matter between the Company and RSM in relation to its Resignation that need to be brought to the attention of the Shareholders or the Stock Exchange.

On 10 July 2026, the Board further announces that, with the recommendation of the Audit Committee, Quentin Wong & Co. CPA Limited ("QW CPA") has been appointed by the Board as the new auditor of the Company with effect from 10 July 2026 to fill the casual vacancy following the Resignation.

Reference is also made to the circular of the extraordinary general meeting of the Company for change of auditor dated 12 August 2026, the notice of the extraordinary general meeting dated 12 August 2026, announcement of Company dated 1 September 2026 in relation to the poll results of the extraordinary general meeting held on 1 September 2026, and the announcement of the Company dated 10 July 2026 (as supplemented by the supplemental announcements of the Company dated 10 July 2026 and 28 August 2026) in relation to, among other matters, the change of auditor of the Company.

On 1 September 2026, the extraordinary general meeting was held in relation to the appointment of QW CPA as the auditor of the Company. As less than 50% votes were cast in favour for the proposed resolution regarding the appointment of QW CPA as the auditor of the Company, the proposed resolution was not passed as an ordinary resolution by the Shareholders. With the recommendation of the Audit Committee, Infinity CPA Limited was appointed as the new auditor of the Company with effect from 9 September 2026 to fill the casual vacancy following the resignation of RSM and to hold office until the conclusion of the next annual general meeting of the Company (the "AGM").

(ii) Reference is made to the announcement of the Company dated 30 June 2026 and the circular of the Company dated 31 August 2026. On 30 June 2026, the Group entered into conditional agreements in respect of (i) a very substantial disposal and connected transaction in relation to the proposed disposal of Si Wan Limited and its subsidiary, which mainly held a property located in Shanghai for a consideration of HK$54,000,000; and (ii) a major and connected transaction concerning the lease-back of the aforesaid property for a term of three years for an annual rent of RMB5,760,000.

On 29 October 2026, all the conditions precedent of the aforesaid transactions have been fulfilled and completion took place accordingly. The disposal is a strategic move for the Group to adopt a leaner cost structure with lower fixed overhead, and the leaseback arrangement will ensure that the property will continue to be used as the logistics centre of the Group to support the Group's FMCG Trading Business and Agri-Products Business.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a healthy financial position throughout the year under review. The Group financed its operations and business development with internally generated resources and equity funding.

On 10 October 2025, a total of 30,605,000 ordinary shares were placed from Mr. Lam Kwok Hing, who is the Chairman, executive director and chief executive officer of the Company (the "Subscriber"), to not less than six independent placees at the placing price of HK$0.476 per share (the "Placing Price"). On 17 October 2025, the Company issued 30,605,000 ordinary shares (the "Subscription Shares") to the Subscriber at the subscription price of HK$0.476 per share (equivalent to the Placing Price). The aggregate nominal value of the Subscription Shares was HK$306,050. The market price of the shares on 8 October 2025, being the date of the placing and subscription agreement, was HK$0.580 per share. The gross proceeds of the placing and subscription was approximately HK$14.6 million. The net proceeds of the placing and subscription was approximately HK$14.2 million, representing a net issue price (i.e. Placing Price less expenses incurred in the placing and subscription) of approximately HK$0.465 per placing share. The details of the intended use of net proceeds was set out in the section "USE OF PROCEEDS FROM TOP-UP PLACING 2025" below.

As at 30 June 2026, the Group did not have any interest-bearing borrowings (30 June 2025: Nil), hence no gearing ratio was presented. The gearing ratio was expressed as a ratio of total bank borrowings to total assets. During the financial year under review,the Group's bank facilities were secured by corporate guarantees provided by the Company and certain subsidiaries of the Company, and charge over minimal securities.

MANAGEMENT DISCUSSION AND ANALYSIS

A significant portion of sales, purchases, services income and bank and cash equivalents of the Group were either denominated in Renminbi, Hong Kong dollars or US dollars. The Group will closely monitor the foreign currency exposure and may consider arranging for hedging facilities when it is necessary. As at 30 June 2026, the Group did not have any significant hedging instrument outstanding.

As at 30 June 2026, the Group's current assets amounted to approximately HK$294.9 million (30 June 2025: HK$421.6 million) and the Group's current liabilities amounted to approximately HK$35.1 million (30 June 2025: HK$66.2 million). The Group's current ratio maintained at a level of approximately 8.4 as at 30 June 2026 (30 June 2025: 6.4). As at 30 June 2026, the Group had total assets of approximately HK$397.3 million (30 June 2025: HK$658.5 million) and total liabilities of approximately HK$45.5 million (30 June 2025: HK$81.6 million).

USE OF PROCEEDS FROM RIGHTS ISSUE 2024

On 24 May 2024, the Company raised from a rights issue the net proceeds of approximately HK$17.4 million (the "Rights Issue 2024").

Set out below are the details of the use of the net proceeds of approximately HK$17.4 million from the Rights Issue 2024.

Approximate HK$ million	Planned use of proceeds as disclosed in the prospectus of the Company dated 30 April 2024	Remaining proceeds as at 30 June 2025	**Utilised during the year ended 30 June 2026**	**Utilised as at 30 June 2026**	**Remaining proceeds as at 30 June 2026**	Expected timeline for the intended use
(i) Development of the fertilizers trading business under the Agri-Products Business	13.9	7.2	**0.4**	**7.1**	**6.8**	by 30 June 2026
(ii) General working capital of the Group	3.5	–	**–**	**3.5**	**–**	by 30 June 2025
Total	17.4	7.2	**0.4**	**10.6**	**6.8**	

THE DELAY IN USE OF PROCEEDS FROM RIGHTS ISSUE 2024 AND THE REASONS

As indicated in the table above, the remaining proceeds of approximately HK$6.8 million as at 30 June 2026 was originally intended to be used by 30 June 2026 for development of the fertilizers trading business under the Agri-Products Business. As the economic growth of the PRC continued to be dragged down by the real estate and debt crises resulting in weak market demand, the Company was reviewing the market planning and development of fertilizers trading business and hence the expected timeline for the intended use of the aforesaid remaining proceeds was extended to 30 June 2027.

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF PROCEEDS FROM TOP-UP PLACING 2025

On 17 October 2025, the Company raised from a placing and top-up subscription (the "Top-Up Placing 2025") the net proceeds of approximately HK$14.2 million.

Set out below are the details of the use of the net proceeds of approximately HK$14.2 million from the Top-Up Placing 2025.

Approximate HK$ million	Planned use of proceeds as disclosed in the announcement of the Company dated 17 October 2025	**Utilised during the year ended 30 June 2026**	**Utilised as at 30 June 2026**	**Remaining proceeds as at 30 June 2026**	Expected timeline for the intended use
(i) Refurbishment of the buildings and replacement and upgrading fixtures and logistics equipment of the logistics centre in Shanghai of the PRC	7.5	**7.5**	**7.5**	**–**	by 31 October 2026
(ii) Purchasing new equipment and expanding headcounts for the processing centre in Dongguan of the PRC	2.7	**2.7**	**2.7**	**–**	by 31 October 2026
(iii) General working capital of the Group	4.0	**4.0**	**4.0**	**–**	by 30 June 2026
Total	14.2	**14.2**	**14.2**	**–**	

NUMBER AND REMUNERATION OF EMPLOYEES

As at 30 June 2026, the Group had 191 employees for its operations in Chinese Mainland, Hong Kong and Macau. The Group's employees are remunerated in accordance with their work performance and experience. The Group also participates in a retirement benefit scheme for its staff in the PRC and a defined Mandatory Provident Fund Scheme for its staff in Hong Kong. For the year ended 30 June 2026, no forfeited contributions by the Group on behalf of employees who leave the scheme prior to vesting fully in such contributions was used by the Group to reduce the existing level of contributions. The Group provides various trainings to employees including but not limited to induction training, on-the-job training provided by department heads and sponsorship program for position-related self-education and professional qualification.

MANAGEMENT DISCUSSION AND ANALYSIS

SHARE OPTION SCHEME

The Group has adopted a share option scheme on 21 December 2018 of which the Board may, at its discretion, grant options to eligible participants of the share option scheme. During the year ended 30 June 2026, no share options were granted or to be granted, exercised, vested, cancelled nor lapsed and the Company had no share options outstanding or unvested under the share option scheme as at 30 June 2026 (30 June 2025: Nil). The number of options available for grant under the share option scheme mandate as at 1 July 2025, 30 June 2026 and the date of this report was 9,363,480, which represented approximately 4.5% of the issued shares of the Company at the date of this report.

DEVELOPMENT AND PROSPECTS

Looking forward to FY2026/27, the Group will continue to operate amid a challenging external operating environment. Macroeconomic uncertainties in Chinese Mainland, intensifying market competition in fast-moving consumer goods and agricultural product sectors, potential geopolitical frictions, supply-chain volatility and adverse weather conditions for farming activities will continue to pose headwinds to the Group's business performance. Consumer preferences are shifting towards cost-effective quality products while cross-border e-commerce keeps heightening competitive pressure on traditional distribution channels. Nevertheless, steady domestic consumption potential, gradual recovery of cross-boundary flows between Hong Kong and Chinese Mainland, as well as market demand for safe, imported high-quality food and agricultural produce still present tangible business opportunities for the Group, together with rising inbound tourism demand as cross-border travel between Hong Kong and the Chinese Mainland.

Building upon its two core reportable segments, FMCG Trading Business and Agri-Products Business, together with its newly-developed Travel-related Business operation in Hong Kong, the Group will prioritise operational optimisation, cost control and working capital management in the coming year. For the FMCG trading segment, the Group will refine its product portfolio, focus on high-margin imported consumer goods, optimise customer mix and channel structure. In respect of the Agri-Products Business, the Group will continue to monitor farming output volatility caused by adverse weather, enhance supply-chain stability through diversified suppliers, and cautiously roll out its planned fertiliser-trading business in light of market conditions.

For the Travel-related Business, which just started and generated revenue in FY2025/26, the Group will strengthen cooperation with more Chinese Mainland travel agents and expand its one-stop inbound tour services covering accommodation, catering, sightseeing and shopping to attract more customers amid the cross-border tourism recovery. Despite improving tourism market conditions, the Group will grow this business cautiously in view of fierce competition in the travel sector.

Furthermore, the Group will continue to strengthen its Water Product Business, IT-related Business, both of which were newly launched in 2026. The Group also plans to explore the launch of a money lending business in 2027.

Given ongoing industry-wide and macro-economic risks, the Board takes a cautious view on the Group's near-term profit outlook. At the same time, the Group will closely watch key risks, such as economic swings, market competition (including intense competition in the travel services sector), supply-chain disruptions, unfavorable weather and different financial risks, which are set out elsewhere in this report.

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Lam Kwok Hing, *Chairman, Managing Director, Executive Director and Chief Executive Officer*
Mr. Lam Kwok Hing, aged 70, is the Chairman, Managing Director, Executive Director and the Chief Executive Officer. He is a member of the Remuneration Committee and the Nomination Committee of the Company. Mr. Lam has been appointed as the Executive Director since April 2001 and is the overall strategic visionary of the Group. He also holds certain directorships in the subsidiaries of the Company. Mr. Lam founded the original group company with other founding shareholders in 1994. He manages the strategic planning, corporate policy development, marketing strategy and high level management for the Group's macro business activities. Over the past decade, Mr. Lam was instrumental in shaping the development and evolution of the Group and building the business from a small-scale packaged food trading house to an integrated distribution and logistics enterprise. Since March 2012, the Board has appointed Mr. Lam as Chief Executive Officer in view of Mr. Lam's in-depth experience in the industry and thorough understanding of the Group's overall operation. In the context of the challenging business environment, the Board believes that the arrangement would provide the Group with strong and consistent leadership, and allow for effective and efficient planning and implementation of business decisions and strategies which can generate benefits for the Group and the shareholders as a whole. Mr. Lam is the spouse of Ms. Lee Choi Lin Joecy, who is also the Executive Director and co-founder of the Company.

Ms. Lee Choi Lin Joecy, *Executive Director*
Ms. Lee Choi Lin Joecy, aged 66, has been appointed as the Executive Director since April 2001 and holds certain directorships in the subsidiaries of the Company. Ms. Lee is responsible for the general administration and management of the Group. She has over 20 years' experience in marketing and distribution of fast moving consumer goods. Ms. Lee founded the original group company with other founding shareholders in 1994. Ms. Lee is the spouse of Mr. Lam Kwok Hing, who is the Chairman, Managing Director, Executive Director and the Chief Executive Officer of the Company.

Mr. Chan Cheuk Yu Stephen, *Executive Director*
Mr. Chan Cheuk Yu Stephen, aged 49, has been appointed as the Executive Director since February 2017 and holds certain directorships in the subsidiaries of the Company. Mr. Chan received his Bachelor's degree with first honour in Financial Economics from Coventry University, UK and a Master's degree in Finance from University of London, Imperial College of Science, Technology and Medicine. He was an executive director of the institutional sales of a reputable brokerage firm immediately prior to joining the Company. He has more than 15 years' experience in investment banking, securities, IPOs, corporate actions and derivatives. Mr. Chan is also a director of Glazy Target Limited, a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Sun Banggui, *Executive Director*
Mr. Sun Banggui, aged 49, has been appointed as the Executive Director since 11 March 2026. Mr. Sun has over 15 years of experience in investment management, with a focus on investment analysis and post-investment project supervision. He previously held the position of investment director at Shenzhen Huaxin Xingye Investment Management Co., Ltd. and has been involved in overseeing various investment projects. Mr. Sun completed a programme in Business Administration at Nankai University and was awarded a bachelor's degree in Economics by Southwest University of Science and Technology. From December 2021 to May 2022, Mr. Sun was an executive director of HSC Resources Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1850). In addition, since May 2024, Mr. Sun has been serving as a non-executive director of SDM Education Group Holdings Limited, a company previously listed on GEM of the Stock Exchange (stock code: 8363), which has been delisted since 4 November 2025. As at the date of this report, Mr. Sun is a director of Sino Rich Base Limited, which is a subsidiary of the Company.

DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Mak Yun Chu, *Independent Non-executive Director*
Ms. Mak Yun Chu, aged 68, has been appointed as the Independent Non-executive Director since April 2004. She is also the Chairman of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. Ms. Mak is a fellow member of the Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants, and has over 20 years' experience in accounting and administration. Ms. Mak has also been an independent non-executive director of Jakota Capital (Holding) Group (former name "Kingkey Financial International (Holdings) Limited", stock code: 1468), a company listed on the Main Board of the Stock Exchange since March 2016.

Mr. Poon Yiu Cheung Newman, *Independent Non-executive Director*
Mr. Poon Yiu Cheung Newman, aged 72, has been appointed as the Independent Non-executive Director since November 2003. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. Mr. Poon received his Bachelor of Arts Degree, majoring in accounting and economics from the University of Alberta in Canada. Mr. Poon was a senior executive in a multinational insurance company and held a senior accounting position in a renowned hotel and has over 30 years' experience in insurance and accounting.

Ms. Chan Wai Ying, *Independent Non-executive Director*
Ms. Chan Wai Ying, aged 44, has been appointed as the Independent Non-executive Director since 6 August 2026. She is also a member of Audit Committee, Remuneration Committee and Nomination Committee of the Company. Ms. Chan obtained her Bachelor of Business Studies (Major in Hong Kong Human Resource Management) from University College Dublin in July 2013. She possesses comprehensive academic expertise in corporate human resource strategy, talent development and employment diversity management. She has over 18 years of practical experience covering enterprise human resources planning, remuneration governance and organizational administration. Currently, she is an executive director of Carry Wealth Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 643).

SENIOR MANAGEMENT

Mr. Hung Hing Man, *Joint Company Secretary and Chief Financial Officer*
Mr. Hung Hing Man, aged 56, was the Independent Non-executive Director of the Company from February 2017 to March 2026 and has been appointed as the Chief Financial Officer, Company Secretary and the Authorised Representative of the Company on 11 March 2026. Mr. Hung holds a master's degree in business administration from the University of Western Sydney. He is a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants, the Taxation Institute of Hong Kong and the Society of Chinese Accountants and Auditors. Mr. Hung is currently a proprietor of a certified public accountants firm. He has extensive working experience in corporate finance, accounting, auditing and taxation sectors. Mr. Hung has been appointed as an independent non-executive director of Yangzhou Guangling District Taihe Rural Micro-finance Company Limited (stock code: 1915) on 21 August 2026, a company listed on the Main Board of the Stock Exchange but the trading in the shares on the Stock Exchange remains suspend from 1 April 2025. Mr. Hung was an independent non-executive director of China Information Technology Development Limited (stock code: 8178), a company listed on the GEM of the Stock Exchange from April 2015 to July 2024, and was also an independent non-executive director of Town Health International Medical Group Limited (stock code: 3886), a company listed on the Main Board of the Stock Exchange from February 2023 to December 2023.

Mr. Hui Hung Kwan, *Joint Company Secretary*
Mr. Hui Hung Kwan, aged 54, has been appointed as the Joint Company Secretary of the Company on 6 August 2026. Mr. Hui was an independent non-executive Director of Shanghai INT Medical Instruments Co., Ltd, a company listed on the Main Board of the Stock Exchange (stock code: 1501) from December 2018 to September 2026, and an independent non-executive Director of Life Concepts Holdings Limited, a company listed on the GEM of the Stock Exchange (stock code: 8056) since August 2023. After obtaining his bachelor's degree in business administration from the Chinese University of Hong Kong in 1994, Mr. Hui has more than 30 years of experience in accounting and finance. Mr. Hui is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

Ms. Hung Sau Yung Rebecca, *General Manager for group administration and accounting*
Ms. Hung Sau Yung Rebecca, aged 60, joined the Group in March 1998. Ms. Hung received her Bachelor Degree in Business majoring in accounting from Queensland University of Technology in Australia. Ms. Hung has over 25 years' experience in accounting and administration. Prior to joining the Group, she worked as an administration and accounting manager in a Hong Kong trading company. Ms. Hung was the Executive Director since January 2012 and retired in December 2018. After her retirement, Ms. Hung is the General Manager overseeing the internal financial operations and controls as well as managing the administrative functions of the Group.

DIRECTORS' REPORT

The directors ("Directors") of Heng Tai Consumables Group Limited (the "Company", together with its subsidiaries, the "Group") have pleasure in presenting the annual report and the audited consolidated financial statements for the financial year ended 30 June 2026.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 47 to the consolidated financial statements. During the year ended 30 June 2026, the Group completed the deregistration of its securities licence and ceased its financial services business. The Group also commenced new travel-related and other businesses during the year. Further details are set out in the "Management Discussion and Analysis" section.

RESULTS AND FINANCIAL POSITION

The results of the Group for the financial year ended 30 June 2026 are set out in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income on pages 40 and 41 respectively.

The state of affairs of the Group as at 30 June 2026 are set out in the consolidated statement of financial position on pages 42 to 43.

RESERVES

The movements in the reserves of the Group are set out in the consolidated statement of changes in equity on page 44. The movements in the reserves of the Company are set out in note 39(b) to the consolidated financial statements.

DIVIDENDS

The board of Directors (the "Board") does not recommend the payment of a final dividend to the shareholders of the Company for the financial year ended 30 June 2026 (2025: HK$Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 16 to the consolidated financial statements.

CONSTRUCTION IN PROGRESS

Details of the movements in construction in progress of the Group are set out in note 18 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 37 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 30 June 2026, reserves of the Company available for distribution to the shareholders of the Company were approximately HK$256,859,000 (2025: HK$592,966,000). Under the Companies Law of the Cayman Islands (Cap 22, Law 3 of 1961, consolidated and revised), the share premium account of the Company of approximately HK$2,474,284,000 (2025: HK$2,460,350,000) is distributable to the shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company will be able to pay its debts as they fall due in the ordinary course of business. The share premium account of the Company may also be distributed in the form of fully paid bonus shares to be issued to members.

MAJOR CUSTOMERS AND SUPPLIERS

Sales attributable to the Group's five largest customers accounted for less than 30% of the Group's total sales for the year ended 30 June 2026.

Purchases attributable to the Group's five largest suppliers and the Group's largest supplier accounted for approximately 37% and approximately 10% respectively of the Group's total purchases for the year ended 30 June 2026.

At all times during the year, no Director, their associate or any shareholder of the Company (which, to the knowledge of the Directors own more than 5% of the Company's issued share capital) had any interests in the major customers or suppliers noted above.

DIRECTORS' REPORT

DIRECTORS

The Directors during the year ended 30 June 2026 and up to the date of this report were:

Executive Directors

Mr. Lam Kwok Hing *(Chairman and Chief Executive Officer)*
Ms. Lee Choi Lin Joecy
Ms. Gao Qin Jian *(resigned on 11 March 2026)*
Mr. Chan Cheuk Yu Stephen
Mr. Sun Banggui *(appointed on 11 March 2026)*

Independent Non-executive Directors

Ms. Mak Yun Chu
Mr. Poon Yiu Cheung Newman
Mr. Hung Hing Man *(resigned on 11 March 2026)*
Ms. Chan Wai Ying *(appointed on 6 August 2026)*

According to Article 108, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he/she retires.

According to Article 112, the Directors shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the shareholders in general meeting. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at the meeting.

As such, Ms. Lee Choi Lin Joecy, Mr. Chan Cheuk Yu Stephen, Mr. Sun Banggui and Ms. Chan Wai Ying will retire at the forthcoming annual general meeting and, who being eligible, will offer themselves for re-election.

The Company has received from each Independent Non-executive Director an annual confirmation of his/her independence pursuant to rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), and considers all Independent Non-executive Directors are independent.

UPDATE ON DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Details of emoluments of the relevant Directors for the financial year ended 30 June 2026 are set out in note 13 to the consolidated financial statements.

DIRECTORS' SERVICE CONTRACTS

All Directors have entered into service contracts or appointment letter with the Company. Save for Mr. Lam Kwok Hing, Ms. Lee Choi Lin Joecy and Ms. Chan Wai Ying, all Directors were appointed for a term of three years.

Each of Mr. Lam Kwok Hing and Ms. Lee Choi Lin Joecy entered into service contracts with the Company for an initial term of three years commencing on 1 July 2001 renewable automatically for successive terms of one year after the expiry of each of the then current term until terminated by not less than three months' notice in writing served by either party. Ms. Chan Wai Ying entered into an appointment letter for a term of two years commencing on 6 August 2026.

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any Director had a material interest, whether directly or indirectly, subsisted at the end of the financial year or at any time during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company, other than a contract of service with any director or engagement with any full-time employee, were entered into or subsisted during the year.

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2026, the interests and short positions of each Director and chief executive in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company under Section 352 of Part XV of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"), were as follows:

Long Positions

Director	Note	Capacity/nature of interests	Number of ordinary shares in interest	Approximate percentage of the issued shares*
Mr. Lam Kwok Hing ("Mr. Lam")	1	Beneficial interest	30,606,157	14.63%
Ms. Lee Choi Lin Joecy ("Ms. Lee")	1	Family interest	30,606,157	14.63%
Mr. Chan Cheuk Yu Stephen ("Mr. Chan")	2	Interest in controlled corporation	15,053,003	7.20%

* The percentage represents the number of ordinary shares divided by the number of the Company's issued shares as at 30 June 2026 (i.e. 209,210,453 shares).

Notes:

1. Ms. Lee is the spouse of Mr. Lam, by virtue of the SFO, Ms. Lee is deemed to be interested in said 30,606,157 shares beneficially owned by Mr. Lam.

2. 15,053,003 shares are held by Glazy Target Limited ("Glazy Target"), a company incorporated in the BVI wholly and beneficially owned by Mr. Chan.

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executive of the Company and their respective associates had any interests or short positions in shares, underlying shares or debentures of the Company, its subsidiaries or any associated corporations (within the meaning of Part XV of the SFO).

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section titled "Directors' Interests in Securities", at no time during the financial year nor at the end of the financial year were there rights to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or where there such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Directors, their respective spouses or children under 18 years of age to acquire such rights in the Company or any other body corporate.

SHARE OPTION SCHEME

Particulars of the share option scheme of the Company are set out in note 40 to the consolidated financial statements.

DIRECTORS' REPORT

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 30 June 2026, the interests of every person, other than a Director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO and to the best knowledge of Directors were as follows:

Long Positions

Substantial shareholder	Capacity/nature of interests	Number of ordinary shares in interest	Approximate percentage of the issued shares*
Mr. Chow Yin Man	Beneficial owner	24,898,774	11.90%
Glazy Target (Note)	Beneficial owner	15,053,003	7.20%
Mr. Chan (Note)	Interest in controlled corporation	15,053,003	7.20%

* The percentage represents the number of ordinary shares divided by the number of the Company's issued shares as at 30 June 2026 (i.e. 209,210,453 shares).

Note: These shares are in duplicate the interests held by Mr. Chan as stated in section "Directors' Interests in Securities". Glazy Target is wholly and beneficially owned by Mr. Chan.

Save as disclosed above, as at 30 June 2026, no person, other than a Director and chief executive of the Company whose interests are set out in the section titled "Directors' Interests in Securities" above, had any interest or short position in the shares or underlying shares of the Company that was recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company maintained a sufficient public float of not less than 25% of the Company's total issued shares held by the public during the year ended 30 June 2026 and up to the date of this report.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the shareholders by reason of their holding of the Company's securities.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the year ended 30 June 2026 and up to the date of this report, no Director, controlling shareholder or their respective associates (as defined in the Listing Rules) is considered to have any interest in a business which competes or may compete, either directly or indirectly, with the businesses of the Group.

EMOLUMENT POLICY

The Group's remuneration policy was adopted by the Board on the basis of the experience, level of responsibility, contribution and effectiveness of the Group's employees.

The emoluments of the Directors are decided by the Board, as authorised by the shareholders at annual general meetings, having regard to the individual performance, duties and responsibilities with the Company and the prevailing market conditions. All of the Directors' emoluments are covered by the relevant service contract.

The Remuneration Committee was set up in July 2005, advising the Board on the emoluments of the Directors and senior management. The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of which are set out in note 40 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands.

DIRECTORS' REPORT

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's articles of association, all the Directors shall be indemnified and secured harmless out of the assets of the Company from and against all actions, cost, charges, losses, damages and expenses which they shall or may incur or sustain. In addition, the Company has arranged for appropriate Directors and officers liability insurance ("D&O Insurance") to indemnify its Directors and officers against liabilities arising out of legal action on corporate activities. The relevant provisions in the D&O Insurance were in force during the financial year ended 30 June 2026 and as of the date of this report.

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

Throughout the financial year ended 30 June 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CONNECTED TRANSACTIONS

Pursuant to Rule 14A.72 of the Listing Rules, the related party transactions in relation to the key management personnel remuneration as set out in note 46 to the consolidated financial statements were connected transactions exempt from the connected transactions requirements. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

On 30 June 2026, the Group entered into conditional agreements in respect of (i) a very substantial disposal and connected transaction in relation to the proposed disposal of a subsidiary; and (ii) a major and connected transaction concerning the lease-back of a property. These transactions were put to vote at the extraordinary general meeting of the Company held on 18 September 2026 and have been duly approved by the independent shareholders. On 29 October 2026, all the conditions precedent of the aforesaid transactions have been fulfilled and completion took place accordingly.

Save for the aforesaid and disclosed in other part of this report, during the year ended 30 June 2026 and up to the date of this report, no connected transactions were entered into between the Company or any of its subsidiaries and a connected person as defined under the Listing Rules.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 120.

BUSINESS REVIEW

Details of business review during the year ended 30 June 2026 are set out in the section titled "Chairman's Statement" on pages 3 to 4 and "Management Discussion and Analysis" on pages 5 to 15 of this report, and all such discussions form part of this Directors' Report.

CORPORATE GOVERNANCE

Details of the Company's corporate governance principles and practices are set out in the Corporate Governance Report on pages 23 to 34.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Environmental, Social and Governance Report is published in a separate electronic form on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.hengtai.com.hk at the same time as the publication of this annual report.

INDEPENDENT AUDITOR

On 10 July 2026, RSM Hong Kong has resigned as the auditor of the Company. On 9 September 2026, upon the recommendation of the audit committee of the Company, Infinity CPA Limited ("Infinity CPA") was proposed as the auditor of the Company. The consolidated financial statements for the year ended 30 June 2026 were audited by Infinity CPA, who will retire at the end of the forthcoming AGM, and being eligible, offer itself for re-appointment. A resolution for the re-appointment of Infinity CPA as the independent auditor of the Company will be proposed at the forthcoming AGM.

By order of the Board
Lam Kwok Hing
Chairman

Hong Kong, 2 November 2026

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

Heng Tai Consumables Group Limited (the "Company", together with its subsidiaries, the "Group") is committed to establish and maintain good corporate governance practices and procedures which are the important elements for risk management along with the growth and expansion of the Company. The Company emphasises on maintaining and carrying out sound, solid and effective corporate governance principles and structures. The board (the "Board") of directors (the "Directors") believes that a well-balanced corporate governance system enables the Group to achieve business excellence and fulfill the Company's vision and missions, and has applied the principles of the Corporate Governance Code (the "CG Code") as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") to its corporate governance structure and practices as described in this report. Throughout the financial year ended 30 June 2026, save as disclosed below, the Company has complied with all the applicable code provisions of the CG Code.

Deviation from Code Provision C.2.1 of the Code

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Since March 2012, the Board has appointed Mr. Lam Kwok Hing ("Mr. Lam") as Chief Executive Officer in view of Mr. Lam's in-depth experience in the industry and thorough understanding of the Group's overall operations. As a result of the appointment, the roles of Chairman and Chief Executive Officer are performed by Mr. Lam. Mr. Lam is the co-founder of the Group and has over 30 years' experience in the consumer products industry. In the context of the challenging business environment, the Board believes that a consistent leadership, effective and efficient planning and implementation of business decisions and strategies are of utmost importance. While all major decisions of the Group were made in consultation with and under due consideration and approval by the Board, the Board believes that by virtue of Mr. Lam's in-depth experience and thorough understanding of the Group, vesting the roles of Chairman and Chief Executive Officer on Mr. Lam can generate benefits for the Group and shareholders as a whole and at the same time the balance of power and authority between the Board and the management of the Group is effectively maintained.

Non-compliance with Rule 3.10(1), Rule 3.10A and Rule 3.21 of the Listing Rules

Following the resignation of Mr. Hung Hing Man ("Mr. Hung") as the independent non-executive director and a member of the Audit Committee on 11 March 2026, the Board comprises of six Directors, of which four are executive Directors and two are Independent Non-executive Directors. The Company therefore fails to comply with the requirements of the Listing Rules as set out in (i) Rule 3.10(1) that the Board must include at least three Independent Non-Executive Directors; (ii) Rule 3.10A that the Company must appoint Independent Non-Executive Directors representing at least one-third of the Board; (iii) Rule 3.21 that the audit committee of the Board (the "Audit Committee") must comprise a minimum of three members and must be chaired by an Independent Non-Executive Director.

On 6 August 2026, Ms. Chan Wai Ying ("Ms. Chan") was appointed as the Independent Non-Executive Director and the member of the Audit Committee, a member of the Nomination Committee and a member of the Remuneration Committee. Following the appointment of Ms. Chan as an Independent Non-Executive Director and the member of the Audit Committee, the Company has re-complied with requirements of Rule 3.10(1), Rule 3.10A and Rule 3.21 of the Listing Rules.

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 the code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, they all confirmed that they had fully complied with the required standard set out in the Model Code throughout the financial year ended 30 June 2026.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

During the year ended 30 June 2026 and up to the date of this report, the Board comprised seven Directors, including four Executive Directors, three Independent Non-executive Directors. Biographies of the directors are set out in the section titled "Directors and Senior Management" of this report. As at the date of this report, the Board comprised the following directors:

Executive Directors

Mr. Lam Kwok Hing *(Chairman and Chief Executive Officer)*
Ms. Lee Choi Lin Joecy
Ms. Gao Qin Jian *(resigned on 11 March 2026)*
Mr. Chan Cheuk Yu Stephen
Mr. Sun Banggui *(appointed on 11 March 2026)*

Independent Non-executive Directors

Ms. Mak Yun Chu
Mr. Poon Yiu Cheung Newman
Mr. Hung Hing Man *(resigned on 11 March 2026)*
Ms. Chan Wai Ying *(appointed on 6 August 2026)*

In recognition of their contributions and services to the Group, Directors are remunerated with annual directors' fees or monthly salaries that are commensurable with their duties, individual performance and the prevailing market conditions. Directors' fees or salaries are decided by the Board, as authorised by the shareholders in annual general meetings. Directors may also be granted options to subscribe for shares of the Company under the share option scheme of the Company in order to provide them with an opportunity to participate in the equity of the Company and to motivate them to optimise their performance. In addition, all Directors are covered by appropriate insurance on Directors' liabilities from their risk exposure arising from the management of the Group.

Save as disclosed in the section titled "Directors and Senior Management" of this annual report, there is no financial, business, family or other material/relevant relationship between Board members and chief executive.

There is a clear division of responsibilities between the Board and the management. The principal function of the Board is to supervise the overall management of the Company, which includes formulating business strategies, directing and supervising the Company's affairs, approving interim reports and annual reports, announcements of interim and final results and considering dividend policy, major transactions, and other significant operational and financial matters of the Company. The Board has delegated to the management team of day-to-day management, strategies implementation and other administrative and operational matters of the Company and each respective subsidiary. The delegation arrangements of management function are reviewed from time to time to ensure they remain appropriate to the Group's need.

CORPORATE GOVERNANCE REPORT

The Company provided regular financial updates and presentations on the business development of the Group, as well as providing materials and articles explaining on the latest development regarding Listing Rules and other applicable statutory requirements to Directors, including every newly appointed Director, to ensure their contributions to the Board remained informed and relevant.

According to the training records maintained by the Company, the trainings received by the each of the Directors (including Directors' induction training) for the year ended 30 June 2026 and up to the date of this report are summarised as follows:

Name of Directors	Type of trainings
Executive Directors	
Mr. Lam Kwok Hing	A,B
Ms. Lee Choi Lin Joecy	A,B
Ms. Gao Qin Jian *(resigned on 11 March 2026)*	B
Mr. Chan Cheuk Yu Stephen	A,B
Mr. Sun Banggui *(appointed on 11 March 2026)*	B
Independent Non-executive Directors	
Ms. Mak Yun Chu	A,B
Ms. Chan Wai Ying *(appointed on 6 August 2026)*	B
Mr. Hung Hing Man *(resigned on 11 March 2026)*	A,B
Mr. Poon Yiu Cheung Newman	B

A: attending seminars/conferences/forums/training sessions
B: reading newspapers/journals and updates relating to the economy, general business, corporate governance and directors' duties and responsibilities

As first-time directors, Mr. Sun Banggui and Ms. Chan Wai Ying are required to complete the minimum continuous professional development hours within 18 months from the date of appointment as required by Rule 3.09H of the Listing Rules. The Company will continue to arrange and monitor the relevant training.

NON-EXECUTIVE DIRECTORS

The Board currently includes three Independent Non-executive Directors. At least one of the three Independent Non-executive Directors hold appropriate professional qualifications, or accounting or related financial management expertise set out in rule 3.10(2) of the Listing Rules. More than one-third of the members of the Board are Independent Non-executive Directors. The Company has received from each Independent Non-executive Director an annual confirmation of his/her independence pursuant to rule 3.13 of the Listing Rules and the Company considers each of the three Independent Non-executive Director to be independent.

The Board noted that each of Ms. Mak Yun Chu and Mr. Poon Yiu Cheung Newman has served the Board for more than 9 years. Save for the aforesaid, each of them fully satisfied with the factors of independence as set out in rule 3.13 of the Listing Rules and there is no evidence that the tenure has had any impact on his/her independence. Accordingly, the Board considers Ms. Mak Yun Chu and Mr. Poon Yiu Cheung Newman are still independent to serve in the capacity of Independent Non-executive Directors. For the purpose of the CG Code, each of their further appointment as an Independent Non-executive Director shall be subject to a separate resolution to be approved by shareholders in general meeting.

All Independent Non-executive Directors are subject to retirement by rotation and re-election at annual general meetings at least once for every three years in accordance with the articles of association of the Company.

CORPORATE GOVERNANCE REPORT

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The articles of association of the Company provided that at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. In addition, any Director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office only until the first annual general meeting after his/her appointment and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.

Pursuant to Rule 3.09D of the Listing Rules, each of the Directors appointed during the year had obtained legal advice from a firm of solicitors qualified to advise on Hong Kong law regarding the requirements under the Listing Rules that are applicable to appoint as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange before the appointment became effective.

The relevant Directors have confirmed that they understood their obligations as directors of the Company. Details are set out below:

- Mr. Sun Banggui — legal advice obtained on 11 March 2026;
- Ms. Chan Wai Ying — legal advice obtained on 6 August 2026;

Each of the above Directors confirmed that he or she understood his or her obligations as a Director of the Company.

BOARD PERFORMANCE REVIEW

Pursuant to Code Provision B.1.4 of the Code, the Company should conduct a formal evaluation of the Board's performance at least every two years. The Board recognises the importance of periodic evaluation of its performance and effectiveness. During the year ended 30 June 2026, the Company has not conducted the Board performance evaluation (except for the composition and structure of the Board). The Board performance evaluation will be conducted during the year ending 30 June 2027.

Board Skills Matrix

The Directors of the Company possess a comprehensive range of skills and experience and its current composition is adequate and aligned with the Company's business needs and objectives. The table below illustrates the skill matrix of the board and explains how each area of expertise attributes to the Company's strategy , governance and long-term growth.

	Executive leadership & strategy management experience	Professional guidance/ in areas such as accounting, finance, economics & law that may assist the board in decision making	Financial management experience	Industry experience	Risk and compliance management experience	Global Business Experience
Executive Directors						
Mr. Lam Kwok Hing	√	√	√	√	√	√
Ms. Lee Choi Lin Joecy	√	√	√	√	√	√
Mr. Chan Cheuk Yu Stephen	√	√	√	√	√	√
Mr. Sun Banggui	√	√	√	√	√	√
Independent Non-executive Directors						
Ms. Mak Yun Chu	√	√	√	√	√	√
Mr. Poon Yiu Cheung Newman	√	√	√	√	√	√
Ms. Chan Wai Ying	√	√	√	√	√	√

CORPORATE GOVERNANCE REPORT

DIRECTORS' ATTENDANCE IN MEETINGS

The Board meets regularly for reviewing and discussing the Group's business updates and strategies. Additional meetings are held when significant events or important issues are required to be discussed and resolved.

The individual attendance record of each Director at the meetings of the Board, Audit Committee, Remuneration Committee, Nomination Committee and general meeting for the financial year ended 30 June 2026 is set out below:

	Number of meetings attended/held				
Directors	**Board**	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	**General Meeting**
Executive Directors					
Mr. Lam Kwok Hing	6/6	N/A	1/1	1/1	1/1
Ms. Lee Choi Lin Joecy	6/6	N/A	N/A	N/A	1/1
Ms. Gao Qin Jian *(resigned on 11 March 2026)*	5/5	N/A	N/A	N/A	1/1
Mr. Chan Cheuk Yu Stephen	6/6	N/A	N/A	N/A	1/1
Mr. Sun Banggui *(appointed on 11 March 2026)*	1/1	N/A	N/A	N/A	N/A
Independent Non-executive Directors					
Ms. Mak Yun Chu	6/6	2/2	1/1	1/1	1/1
Mr. Poon Yiu Cheung Newman	6/6	2/2	1/1	1/1	1/1
Mr. Hung Hing Man *(resigned on 11 March 2026)*	5/5	2/2	N/A	N/A	1/1
Ms. Chan Wai Ying *(appointed on 6 August 2026)*	N/A	N/A	N/A	N/A	N/A

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibility are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

CORPORATE GOVERNANCE FUNCTION

The Board is collectively responsible for performing the corporate governance duties which include:

(a) to develop, review and implement the Company's policies and practices on corporate governance;
(b) to review and monitor the training and continuous professional development of Directors and senior management;
(c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
(d) to develop, review and monitor the code of conduct applicable to employees and Directors;
(e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report; and
(f) to oversee environmental, social and governance ("ESG") matters, as well as assessing and managing material ESG risks.

The Group has adopted the Whistleblowing Policy and Anti-bribery & Corruption Policy in order to strengthen the corporate governance system of the Group. The Board has also reviewed the adequacy of staff training, any change of the Group's ESG risks, the effectiveness of communication of monitoring results by the management to the Board and the effectiveness of the Group's financial reporting function. No significant control failings have been identified during the said period.

COMPANY SECRETARY

Each of the Joint Company Secretary's biography is set out in the "Directors and Senior Management" section of the Annual Report. During the year, each of the Joint Company Secretaries confirms that he has taken not less than 15 hours of professional training to update his skills and knowledge in compliance with Rule 3.29 of the Listing Rules.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

As at the date of this report, the members of the Audit Committee are as follows:

Ms. Mak Yun Chu, Independent Non-executive Director *(Chairman)*
Mr. Poon Yiu Cheung Newman, Independent Non-executive Director
Ms. Chan Wai Ying, Independent Non-executive Director *(appointed on 6 August 2026)*

The Audit Committee was established with specific written terms of reference. The responsibilities and authorities include but not limited to reviewing the Group's financial reporting system, the internal control procedures and the Group's consolidated financial statements, as well as the independence of external auditor.

During the financial year ended 30 June 2026, the Audit Committee held two meetings with all committee members attended and the external auditor, internal audit function and senior management joined to review and discuss the interim and annual consolidated financial statements of the Group. They have also reviewed and considered the accounting principles and practices being adopted, internal control and financial reporting matters as well as the appointment and independence of external auditor. The unaudited consolidated financial statements of the Group for the six months ended 31 December 2025 have been reviewed and approved by the Audit Committee.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee in July 2005. As at the date of this report, the members of the Remuneration Committee are as follows:

Ms. Mak Yun Chu, Independent Non-executive Director *(Chairman)*
Mr. Poon Yiu Cheung Newman, Independent Non-executive Director
Ms. Chan Wai Ying, Independent Non-executive Director *(appointed on 6 August 2026)*
Mr. Lam Kwok Hing, Executive Director

The Remuneration Committee was established with specific written terms of reference. The responsibilities and authorities include but not limited to making recommendations to the Board on the Company's remuneration policy and structure for all Directors and senior management, reviewing and recommending to the Board the remuneration package of individual Executive Directors and senior management, and reviewing and/or approving matters relating to share schemes under Listing Rules.

The Remuneration Committee held one meeting with all committee members attended during the financial year ended 30 June 2026, for assessing the performance of Executive Directors, reviewing and discussing the present remuneration structure of the Group and has made recommendations to the Board in relation to the salaries, bonuses, allowances, share options, trainings and retirement benefits scheme contributions paid to the Directors and senior management of the Group, taking into account the individual performance, time commitment, duties and responsibilities with the Company and the prevailing market condition. It has also reviewed the terms and conditions of the share option scheme under the requirements of the Listing Rules.

Remuneration of Directors and Senior Management

Pursuant to code provision of the CG Code, the remuneration of the members of the senior management by band for the year ended 30 June 2026 is set out below:

Remuneration Bands (HK$)	Number of individuals
1,000,001–1,500,000	3

Further particulars regarding Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix D2 to the Listing Rules are set out in note 13 to the consolidated financial statements.

CORPORATE GOVERNANCE REPORT

NOMINATION COMMITTEE

The Company established the Nomination Committee in July 2005. As at the date of this report, the members of the Nomination Committee are as follows:

Ms. Mak Yun Chu, Independent Non-executive Director *(Chairman)*
Mr. Poon Yiu Cheung Newman, Independent Non-executive Director
Ms. Chan Wai Ying, Independent Non-executive Director *(appointed on 6 August 2026)*
Mr. Lam Kwok Hing, Executive Director

The Nomination Committee was established with specific written terms of reference. The responsibilities and authorities include but not limited to making recommendations to the Board on the appointment or re-election of Directors and assessing the independence of Independent Non-executive Director.

During the financial year ended 30 June 2026, the Nomination Committee held one meeting with all committee members attended, for reviewing the structure, size and composition including the gender, skills, knowledge and experience of the Board, assessing the independence of the Independent Non-executive Directors, and making recommendations to the Board on the re-election of Directors taking into account the candidates' commitment to their respective roles and functions and a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service according to the Nomination Policy and Board Diversity Policy adopted by the Board in August 2013.

The Nomination Policy of the Company sets out the nomination procedures, the process and criteria adopted by the Nomination Committee to select and recommend candidates for directorship to the Board. According to the Nomination Policy, the Nomination Committee reviews the structure, size and composition of the Board and make recommendation on any proposed changes to the Board to complement the Company's corporate strategy. When it is necessary to fill a casual vacancy or appoint an additional director, the Nomination Committee identifies or selects candidates, or engage independent search firm to help identify potential candidates pursuant to the nomination criteria. If the process yields one or more desirable candidates, the Nomination Committee shall rank them by order of preference based on the interviews with each candidate and make recommendation to the Board for its consideration and approval. The criteria that the Nomination Committee shall give due consideration include but not limited to the candidate's character and integrity, qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy, the candidate's financial, business, family or other relevant relationship with any member of the Board, and the number of listed company directorships of the candidate which may affect the sufficiency of time devotion of the candidate to the Board matters.

DIVERSITY POLICY

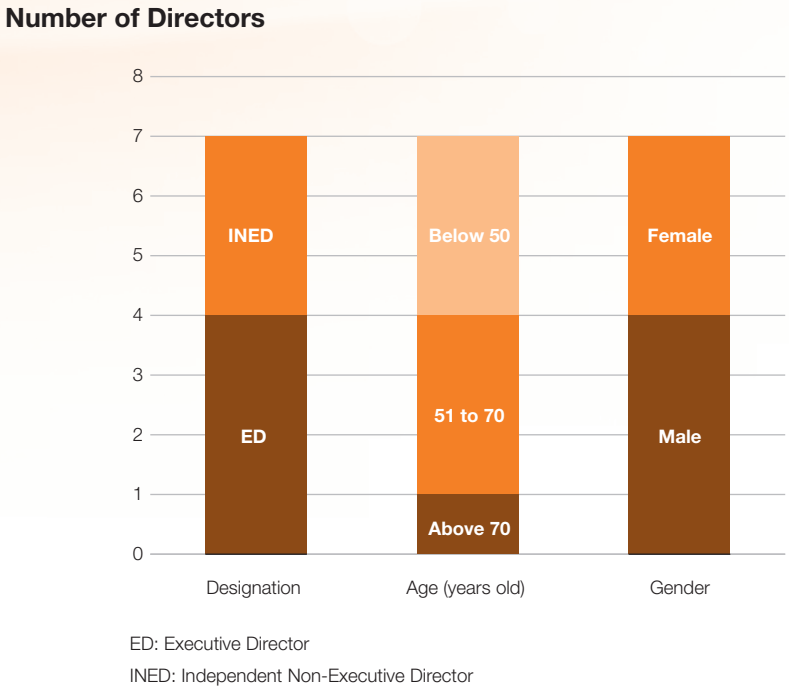
Board Diversity Policy

The Board Diversity Policy, aims at setting out the approach on diversity of the Board, is also one of the factors of consideration during the nomination or re-election of Board members. The Company believes that a diversified perspective can be achieved through implementation of the Board Diversity Policy. In designing the Board's composition or in recommending candidates for appointment to the Board and re-election of Directors the Nomination Committee will consider a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on objective criteria, merit and contribution that the selected candidates will bring to the Board having due regard for the benefits of diversity on the Board. During the year, the Nomination Committee and the Board have reviewed the implementation and effectiveness of the Board Diversity Policy.

CORPORATE GOVERNANCE REPORT

The Board Diversity mix as at 30 June 2026 is shown below.

Board Diversity Mix



ED: Executive Director

INED: Independent Non-Executive Director

As at the date of this report, we had three female Directors and four male Directors on the Board, and the Board considered this a balanced gender parity and targets to maintain a level of around 40% of female representation on the Board when considering re-election or succession of Directors.

The Nomination Committee also reviewed and considered the mechanisms ensuring independent views and input are provided to the Board. Such mechanisms include considering engaging independent search firm to help identify potential candidates for succession planning of Directors, abstaining interested Director from voting for board matters so as to avoid conflicts of interest, and facilitating Directors on making informed board decisions. All Directors are entitled to have access to board papers and related materials, and to make further enquiries with senior management where necessary. They are also entitled to seek advice from independent professional advisers at the Company's expense.

Workforce Diversity Policy

The Group also adhere to the principles of "equal opportunity and merit-based employment", strive to eliminate discrimination based on nationality, race, gender, religious belief and other grounds in recruitment and employment, and strictly prohibit any human rights-violating employment. The Group provides equal employment opportunities, ensures equal pay for equal work regardless of gender.

The gender ratios of the Group's employees as at 30 June 2026 are set out below:

	Male	Female
The workforce	40.3%	59.7%
The workforce (excluding senior management)	39.9%	60.1%
Directors	57.1%	42.9%
Senior management	66.7%	33.3%

As at the date of this report, the Board is of the view that the Group has achieved gender diversity among employees. Nevertheless, the Group will continue to improve gender diversity in the workforce when recruiting and selecting key management and other personnel across the Group's operations.

CORPORATE GOVERNANCE REPORT

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is ultimately responsible for the Group's internal control, financial control and risk management systems, and oversees the implementation and ongoing effectiveness of such systems. We are committed to continually improving these systems to ensure they remain effective and thorough. We have also implemented broad risk management policies across critical areas of our business, including trading, environment and climate, regulation compliance, financial reporting, IT, and investment management.

The senior management is responsible for the overall implementation of risk management and internal control plans and policies determined by the Board and managing the risks in connection with all of our Company's business operations. The senior management identifies, assesses and takes measures against any significant risks that our Company is facing, and reviews the risk assessment report on a annual basis and reports to the Board on a annual basis.

The Audit Committee assists the Board in reviewing internal control matters, whilst the internal audit function carries out independent reviews based on risk-based planning. The scope of internal audit assignments is determined by periodic risk assessments. Targeted special reviews will also be conducted by internal audit for high-risk areas identified by management or the Audit Committee from time to time. These systems are established to manage, rather than eliminate, risks that may hinder the achievement of business objectives. Given the inherent limitations of any internal control system, the systems can only provide reasonable, and not absolute, assurance against material misstatement or loss.

Risk Management

The Group operates a structured and iterative risk management process to identify, assess, classify and monitor key inherent risks arising from its consumer goods trading and supply chain businesses, including market risk, credit risk, supply chain disruption risk, operational risk, compliance risk and liquidity risk. For the new business lines launched and scaled up during the year ended 30 June 2026, risk assessments were performed prior to roll-out. In respect of the new business initiatives proposed for launch in 2027, the Group has commenced preliminary risk mapping at the planning stage. Potential risks associated with such proposed businesses will be continually evaluated, and relevant control frameworks will be developed and embedded before formal commencement, so that emerging risks from business expansion can be proactively managed.

Management teams from subsidiaries and business departments escalate risk matters to senior management for deliberation at regular management review meetings, and material risk issues are reported to the Board for discussion. The Board and senior management keep track of market, industry and regulatory changes to keep risk exposures under supervision. When risks emerge in the ordinary course of business, they are assessed and graded. Action plans are formulated and executed promptly for all significant risks. Management maintains a follow-up mechanism to monitor the implementation status and remediation progress of risk mitigation actions raised in prior review cycles.

Internal control

The Group establishes and maintains internal control systems designed to safeguard the Group's assets, ensure the reliability of financial reporting, and secure compliance with applicable laws, regulations and the Listing Rules.

The internal control framework covers financial controls, operational controls, compliance controls, ESG and data security controls. The internal audit function operates independently under the oversight of the Audit Committee. The scope of internal audit reviews is determined based on risk-based planning and periodic risk assessments. The internal audit team conducts regular reviews and may carry out ad-hoc special reviews for high-risk areas flagged by management or the Audit Committee.

Formal policies and procedures for handling inside information are in place. Access to inside information is restricted on a strict need-to-know basis. Relevant personnel are regularly reminded of their statutory confidentiality obligations. All inside information is kept confidential before disclosure and disclosed to the public in a timely and accurate manner in compliance with the Securities and Futures Ordinance and the Listing Rules. The Group reviews these procedures periodically to cater for information flow changes arising from business expansion. All internal control systems are built to manage rather than eliminate risks, and are subject to inherent limitations. Accordingly, such systems can only provide reasonable, and not absolute, assurance against material misstatement or loss.

CORPORATE GOVERNANCE REPORT

Effectiveness of Risk Management and Internal Control Assessment

The Audit Committee, acting on behalf of the Board, undertakes ongoing review of the Group's risk management and internal control systems.

Its review work includes meetings with management and external auditors, examination of relevant working papers, key performance indicator reports, internal audit deliverables and the external auditors' assessment of internal controls, as well as discussions with senior management on material risk matters.

The Board is satisfied that the Group's risk management and internal control systems remained effective and adequate throughout the reporting period. The Board is also of the view that the accounting and financial reporting functions are staffed by suitably qualified and experienced personnel who receive appropriate and sufficient training and development. Likewise, the internal audit and financial reporting functions are supported by adequate resources and budget; the relevant staff possess appropriate qualifications and experience and are provided with adequate training and development opportunities.

Management has confirmed to the Board and the Audit Committee the effectiveness of the risk management and internal control systems for the reporting period. Supported by the Audit Committee's oversight, management submissions and internal audit findings, the Board reviewed the Group's risk management and internal control frameworks covering financial, operational and compliance controls and concluded that such systems are effective and adequate.

This annual review also assessed the sufficiency of resources, staff qualifications and experience, training programmes and budget for the accounting, financial reporting and internal audit functions, together with those supporting the Group's ESG performance and reporting processes. Confidential reporting arrangements are in place to enable employees to raise concerns in confidence regarding suspected irregularities relating to financial reporting, internal controls or other matters within the Group.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "Dividend Policy") in January 2019. According to the Dividend Policy, the Board shall, before proposing and declaring dividends, consider a number of factors such as the Group's financial performance, liquidity position, working capital requirements, future expansion plan and general economic conditions that may have an impact on the business or financial performance and position of the Group. The declaration and payment of dividends by the Company is also subject to any restrictions under the laws of the Cayman Islands, the memorandum and articles of association of the Company and any applicable laws, rules and regulations. The Company does not have any pre-determined dividend distribution ratio.

The Board did not recommend the payment of a final dividend for the year ended 30 June 2026 depending on the financial conditions of the Company and the conditions and factors as set out in the Company's dividend policy. The Company will give full consideration to the interests of Shareholders and make the implementation of a reasonable dividend policy according to business situation of the Company and market condition.

COMMUNICATION WITH SHAREHOLDERS AND SHAREHOLDERS' RIGHTS

The Company recognises the importance of good communication with the shareholders. Information in relation to the Group is disseminated to the shareholders in a timely manner through financial reports, announcements and circulars of the Company. Annual and interim reports offer comprehensive information to shareholders on operational and financial performance whereas annual general meetings provide a forum for shareholders to exchange views directly with the Board. The Company regards annual general meetings as important events and all Directors (including Independent Non-executive Directors), senior management and external auditor shall make an effort to attend such meetings to address shareholders' queries. All shareholders are given a minimum of 21 clear days' notice of the date, venue and agenda of annual general meetings. All resolutions put to vote at the Company's general meetings are taken by poll. Poll results are published on the websites of the Company and the Stock Exchange.

In accordance with the articles of association of the Company, one or more shareholders holding, at the date of the deposition of requisition, not less than one-tenth of the paid up capital of the Company having the right to vote at general meetings may request by writing for the attention of the Directors or the Secretary to convene extraordinary general meetings within 21 days of deposit of such requisition and put forward proposals at such meetings. The purposes of the meetings and the businesses to be transacted in the meeting must be specified in the requisition and lodged with the principal place of business of the Company at 13th Floor, Guangdong Finance Building, 88 Connaught Road West, Sheung Wan, Hong Kong.

CORPORATE GOVERNANCE REPORT

As regards proposing a person for election as a Director, please refer to the procedures as set out in (i) the articles of association of the Company available on the websites of the Company and the Stock Exchange; and (ii) the guidelines titled "Procedures for Shareholders to Propose a Person for Election as a Director of the Company" on the Company's website.

Enquiries

Shareholders who intend to put forward their enquiries about the Company to the Board could email their enquiries to ir@hengtai.com.hk.

For share registration related matters, please contact Union Registrars Limited at (852) 2849 3399, the branch share registrar and transfer office of the Company in Hong Kong.

SHAREHOLDER ENGAGEMENT

Channels	Summary
General Meetings	One shareholders' meeting was held during the year. Directors attended the meetings in person or via tele-conference and responded to shareholders' questions. At the general meeting, the Chairman tabled separate resolutions for each substantially distinct matter for shareholders' consideration. The Company arranged for external parties, including the external auditors, to be present at the general meeting to respond to questions in connection with the proposed resolutions.
Investor Relations Activities	The Company maintains a dedicated Investor Relations function. It sustains ongoing dialogue with institutional investors and securities houses, both within Chinese Mainland and Hong Kong, through a broad range of engagement initiatives including investor seminars and capital market outreach, with a view to deepening investors' understanding of, and confidence in, the Company. Shareholders and prospective investors may direct their enquiries to the Company via a dedicated email channel. The Company endeavours to respond to enquiries in a timely manner, maintains efficient and transparent information flows, and escalates reasonable feedback received to the management for follow-up.
Corporate Communications	Corporate communications — comprising the annual report, interim report, ESG report, announcements and circulars — were published on the websites of The Stock Exchange of Hong Kong Limited, and the Company. The Company provides corporate communications to Hong Kong shareholders electronically through the Stock Exchange's website and the Company's own website.
Policies and Guidelines	The Board recognises that continuous and effective communication with all shareholders is fundamental to good corporate governance. Upholding the principles of transparency, proactive investor engagement and delivering stable and sustainable returns to shareholders, the Company has adopted a Shareholders' Communication Policy. The Policy is designed to foster transparency and sustain a multi-channel framework for ongoing dialogue between the Company and its shareholders.

CORPORATE GOVERNANCE REPORT

CONSTITUTIONAL DOCUMENTS

During the financial year ended 30 June 2026, there had been no change in the constitutional documents of the Company. The memorandum and articles of association of the Company are available for viewing on the websites of the Company and the Stock Exchange.

AUDITORS' SERVICES AND REMUNERATION

An analysis of the remuneration payable to the Group's independent auditors to perform audit and non-audit services for the financial year ended 30 June 2026 is as follows:

Services rendered

	2026	2025
	HK$'000	HK$'000
Audit service*	**1,483**	2,385
Non-audit services	**–**	182
	1,483	2,567

* Fees for audit services, including remuneration paid to other auditors, amounted to HK483,000 for the year ended 30 June 2026 (2025: HK$525,000).

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge that it is their responsibility to prepare the accounts for each financial period which give a true and fair view of the state of affairs of the Group and to present a balanced, clear and understandable assessment of the financial results and disclosures of the Group under the Listing Rules and other rules and statutory requirements.

AUDITOR'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The responsibilities of the independent auditor to the shareholders are set out in the Independent Auditor's Report from pages 35 to 39.

INDEPENDENT AUDITOR'S REPORT

Infinity CPA Limited
Room 1501, 15th Floor, Olympia Plaza
255 King's Road, North Point, Hong Kong

TO THE SHAREHOLDERS OF
HENG TAI CONSUMABLES GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Heng Tai Consumables Group Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 40 to 119, which comprise the consolidated statement of financial position as at 30 June 2026, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

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 matters identified in our audit are summarised as follows:

– Impairment assessment of non-financial assets

– Impairment assessment of trade receivables, deposits and other receivables

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of non-financial assets Refer to notes 4(v), 5(a), 16, 17, 19, 21, 25, 29 and 30 to the consolidated financial statements. We identified the impairment assessment of non-financial assets as a key audit matter because determination of the level of impairment, if any, involve a significant degree of management judgement and estimation. The management identified (i) cultivation, sale and trading of fresh and processed fruits and vegetables ("Agri-Products Business") segment and (ii) the trading of packaged foods, beverages and household consumable products ("FMCG Trading Business") segment as two reportable segments of the Group and determined the allocation of non-financial assets to the two group of cash-generating units ("CGUs"). Having considered the continuous loss of these two segments during the year ended 30 June 2026 as impairment indicator, the management engaged an external valuer to assist them in estimating the recoverable amount of those assets allocated to these two segments based on the value-in-use by preparing discounted cash flow forecasts. The management, with the assistance of the valuer, prepared discounted cash flow forecasts to estimate the value in use of those two CGUs. The estimated recoverable amount was compared with the carrying amount of those assets allocated to these two segments to determine whether any impairment loss should be recognised. Based on the assessment, impairment losses recognised during the year ended 30 June 2026 were allocated to the two segments as follows: For the Agri-Products Business segment, total impairment losses of approximately HK$27.6 million were allocated its segment assets, comprising HK$11.3 million to property, plant and equipment, HK$3.2 million to right-of-use assets, HK$1.2 million to other intangible assets, HK$5.4 million to bearer plants, HK$4.3 million to biological assets and HK$2.2 million to prepayments. For the FMCG Trading Business segment, total impairment losses of approximately HK$10.0 million were allocated its segment assets, comprising HK$3.3 million to property, plant and equipment, HK$0.9 million to right-of-use assets, HK$2.5 million to other intangible assets and HK$3.3 million to prepayments.	Our audit procedures in relation to impairment assessment of non-financial assets included: • obtained an understanding of the key controls over identification of CGUs, allocation of assets to identified CGUs and allocation of two group of CGUs to the Agri-Products Business segment and the FMCG Trading Business segment and the asset impairment assessment process; • assessed the reasonableness of management's identification of reportable segments of the Group and the allocation of assets to these two reportable segments identified with reference to our understanding of the Group's businesses and the requirements of the prevailing accounting standards; • evaluated the reasonableness of key assumptions and data used in determining the value in use to estimate the recoverable amount of those assets, and evaluated the appropriateness of the methodology used in the valuer's report with reference to the requirements of the prevailing accounting standards; • tested the mathematical accuracy of the underlying calculations used in the impairment assessment and agreed the calculations to the financial budget and future forecasts. We compared actual results to budgeted results to assess the quality of management's forecast; and • evaluated the independence, competence, objectivity and experience of the valuer engaged by management.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS *(CONTINUED)*

Key Audit Matter *(Continued)*

Impairment assessment of trade receivables, deposits and other receivables

Refer to notes 4(w), 5(d), 6(b)(iii), 28 and 29 to the consolidated financial statements.

We identified the impairment assessment of trade receivables, deposits and other receivables as a key audit matter because determination of the level of impairment, if any, involve a significant degree of management judgement and estimation.

As at 30 June 2026, the net carrying amount of trade receivables, deposits and other receivables amounted to approximately HK$42.4 million and HK$73.1 million, respectively (net of the allowance for expected credit losses ("ECL") of approximately HK$60.3 million and HK$28.9 million, respectively).

Management estimated, with the assistance of an external valuer, the ECL based on simplified approach for trade receivables and general approach for deposits and other receivables by considering factors including the ageing profile, debtors' repayment history and the current and forward-looking information on macroeconomic factors that involve the exercise of management judgement.

How our audit addressed the key audit matter *(Continued)*

Our audit procedures in relation to impairment assessment of trade receivables, deposits and other receivables included:

- obtained an understanding of the key controls over credit assessment procedures performed by management, including the periodic review of aged receivables, identification of events that triggered any significant increase in credit risk of receivables, events of default, and management's estimation of the allowance of ECL for trade receivables, deposits and other receivables;
- evaluated the Group's policy for estimating the ECL with reference to the requirements of the prevailing accounting standard;
- tested the integrity of information used by management to develop the ECL assessment of trade receivables, deposits and other receivables as at year-end by checked invoices/agreements, calculations, ageing profile and historical settlement records on a sample basis;
- examined the estimation on the ECL of individual balances on sample basis and the expected loss rate of each category groups and evaluated the basis and factors used in the determination to the appropriateness of the identification of significant increase in credit risk, defaults and credit-impaired receivables;
- evaluated the independence, competence, objectivity and experience of the valuer engaged by management;
- discussed with the valuer to understand the methodology and estimates used to assess the ECL and evaluated the reasonableness of the methodology and the key data inputs and assumptions used to determine the ECL; and
- tested the mathematical accuracy of the calculation of ECL rates and the calculation of the allowance for ECL.

INDEPENDENT AUDITOR'S REPORT

OTHER MATTER

The consolidated financial statements of the Group for the year ended 30 June 2025 were audited by another auditor who expressed an unmodified opinion on those statements on 26 September 2025.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

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

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

Infinity CPA Limited
Certified Public Accountants
CHAN Kin Ming
Practising Certificate Number P07802
Hong Kong, 2 November 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2026

	Note	**2026 HK$'000**	2025 HK$'000 *(Re-presented)*
Continuing operations			
Revenue	7	**255,512**	426,890
Cost of sales		**(245,204)**	(393,622)
Gross profit		**10,308**	33,268
Changes in fair value due to biological transformation	25	**(8,471)**	(10,157)
Other income, gains and losses, net	8	**2,399**	10,655
Selling and distribution expenses		**(33,276)**	(51,867)
Administrative expenses		**(48,377)**	(63,333)
Impairment losses on financial assets, net		**(74,898)**	(4,867)
Impairment losses on non-financial assets		**(37,621)**	(117,121)
Impairment losses on inventories		**(18,932)**	(128)
Other operating expenses		**(376)**	(949)
Loss from operations		**(209,244)**	(204,499)
Finance costs	10	**(329)**	(326)
Loss before tax		**(209,573)**	(204,825)
Income tax expense	11	**(217)**	(243)
Loss for the year from continuing operations	12	**(209,790)**	(205,068)
Discontinued operation			
Loss for the year from discontinued operation, net of income tax	49	**(22,578)**	(15)
Loss for the year		**(232,368)**	(205,083)
Loss per share (HK cents)	15		
From continuing and discontinued operations			
— Basic		**(116.09)**	(116.40)
— Diluted		**N/A**	N/A
From continuing operations			
— Basic		**(104.81)**	(116.39)
— Diluted		**N/A**	N/A
From discontinued operation			
— Basic		**(11.28)**	(0.01)
— Diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2026

	2026 HK$'000	2025 HK$'000 *(Re-presented)*
Loss for the year	**(232,368)**	(205,083)
Other comprehensive income/(expense):		
Items that will not be reclassified to profit or loss:		
— Fair value change on revaluation of buildings	**(14,541)**	(6,176)
— Deferred tax liability on revaluation of buildings	**3,652**	1,545
	(10,889)	(4,631)
Items that have been or may be reclassified to profit or loss:		
— Exchange differences on translating foreign operations	**5,731**	2,489
— Fair value change of financial assets at fair value through other comprehensive income ("FVTOCI")	**(1,912)**	(7,262)
	3,819	(4,773)
Other comprehensive loss for the year attributable to owners of the Company, net of tax	**(7,070)**	(9,404)
Total comprehensive loss for the year attributable to owners of the Company	**(239,438)**	(214,487)
Loss for the year attributable to owners of the Company:		
— Continuing operations	**(209,790)**	(205,068)
— Discontinued operation	**(22,578)**	(15)
	(232,368)	(205,083)
Total comprehensive loss for the year attributable to owners of the Company:		
— Continuing operations	**(216,860)**	(214,472)
— Discontinued operation	**(22,578)**	(15)
	(239,438)	(214,487)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Note	**2026 HK$'000**	2025 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	16	**83,257**	107,020
Right-of-use assets	17	**7,175**	16,178
Construction in progress	18	**–**	2,385
Bearer plants	19	**8,716**	15,031
Goodwill	20	**–**	–
Other intangible assets	21	**2,973**	7,087
Other deposits and prepayment	22	**155**	623
Investment in a club membership	23	**108**	108
Investments	24	**–**	69,018
Deferred tax assets	35	**–**	9,260
Loan receivables	27	**–**	10,242
		102,384	236,952
Current assets			
Biological assets	25	**6,968**	11,199
Inventories	26	**63,578**	81,974
Loan receivables	27	**773**	4,370
Trade receivables	28	**42,402**	158,414
Prepayments, deposits and other receivables	29	**78,875**	107,229
Investments	24	**60,789**	122
Client trust bank balances	31	**–**	156
Bank and cash balances	31	**41,500**	58,109
		294,885	421,573
TOTAL ASSETS		**397,269**	658,525
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	37	**2,092**	1,786
Reserves	39(a)	**349,675**	575,179
Total equity		**351,767**	576,965

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Note	2026 HK$'000	2025 HK$'000
Non-current liabilities			
Lease liabilities	34	**4,079**	4,678
Deferred tax liabilities	35	**6,356**	10,680
		10,435	15,358
Current liabilities			
Trade payables	32	**20,329**	55,585
Accruals and other payables	33	**13,611**	8,836
Tax payables		**23**	–
Lease liabilities	34	**1,104**	1,781
		35,067	66,202
Total liabilities		**45,502**	81,560
TOTAL EQUITY AND LIABILITIES		**397,269**	658,525
Net current assets		**259,818**	355,371
Total assets less current liabilities		**362,202**	592,323

The consolidated financial statements were approved by the Board of Directors on 2 November 2026 and are signed on its behalf by:

LAM Kwok Hing
Chairman

CHAN Cheuk Yu Stephen
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

	Attributable to owners of the Company							
	Share capital (note 37) HK$'000	Share premium account (note 39(c)(i)) HK$'000	Legal reserve (note 39(c)(ii)) HK$'000	Foreign currency translation reserve (note 39(c)(iii)) HK$'000	Property revaluation reserve (note 39(c)(iv)) HK$'000	FVTOCI reserve (note 39(c)(v)) HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 July 2024	1,576	2,407,435	97	83,168	15,520	–	(1,720,905)	786,891
Loss for the year	–	–	–	–	–	–	(205,083)	(205,083)
Other comprehensive loss	–	–	–	2,489	(4,631)	(7,262)	–	(9,404)
Total comprehensive loss for the year	–	–	–	2,489	(4,631)	(7,262)	(205,083)	(214,487)
Issue of shares upon placing (note 37(a))	210	4,351	–	–	–	–	–	4,561
At 30 June 2025	1,786	2,411,786	97	85,657	10,889	(7,262)	(1,925,988)	576,965
At 1 July 2025	**1,786**	**2,411,786**	**97**	**85,657**	**10,889**	**(7,262)**	**(1,925,988)**	**576,965**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(232,368)**	**(232,368)**
Other comprehensive loss	**–**	**–**	**–**	**5,731**	**(10,889)**	**(1,912)**	**–**	**(7,070)**
Total comprehensive loss for the year	**–**	**–**	**–**	**5,731**	**(10,889)**	**(1,912)**	**(232,368)**	**(239,438)**
Deregistration of subsidiaries	**–**	**–**	**(97)**	**–**	**–**	**–**	**97**	**–**
Issue of shares upon placing (note 37(b))	**306**	**13,934**	**–**	**–**	**–**	**–**	**–**	**14,240**
At 30 June 2026	**2,092**	**2,425,720**	**–**	**91,388**	**–**	**(9,174)**	**(2,158,259)**	**351,767**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	2026 HK$'000	2025 HK$'000 *(Re-presented)*
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax from		
— Continuing operations	**(209,573)**	(204,825)
— Discontinued operation	**(14,605)**	(82)
Loss before tax	**(224,178)**	(204,907)
Adjustments for:		
Amortisation of other intangible assets	**16,408**	13,515
Changes in fair value due to biological transformation	**8,471**	10,157
Depreciation of property, plant and equipment, net of amount capitalised	**10,679**	15,518
Depreciation of right-of-use assets, net of amount capitalised	**9,660**	16,354
Fair value loss/(gain) on financial assets at FVTPL, net	**6,320**	(613)
Finance costs	**334**	335
Loss on revaluation of buildings	**376**	–
Gain on lease modification	**–**	(358)
Gain on disposal of property, plant and equipment	**–**	(2)
Gain on redemption of financial assets at fair value through profit or loss ("FVTPL")	**–**	(3,265)
Interest income	**(5,863)**	(6,140)
Impairment losses on loan receivables	**13,839**	4,720
Impairment losses on trade receivables, net	**59,548**	768
Impairment losses/(reversal of impairment losses) on other receivables and deposits	**15,343**	(690)
Impairment losses on inventories	**18,932**	128
Impairment losses on property, plant and equipment	**14,639**	62,900
Impairment losses on right-of-use assets	**4,079**	10,766
Impairment losses on construction in progress	**–**	5,087
Impairment losses on biological assets	**4,290**	–
Impairment losses on bearer plants	**5,368**	32,047
Impairment losses on intangible assets	**3,727**	–
Impairment losses on prepayments	**5,518**	6,321
Recovery of bad debts previously written off	**1,112**	–
Written off of property, plant and equipment	**–**	7
Operating loss before working capital changes	**(31,398)**	(37,352)
Increase in biological assets	**(15,369)**	(15,836)
Decrease in inventories	**15,340**	32,010
Decrease/(increase) in other assets	**468**	(418)
Decrease in client trust bank balances	**156**	109
Decrease in trade receivables	**61,151**	13,410
Decrease in other receivables, prepayments and deposits	**960**	6,490
Decrease in trade payables	**(35,256)**	(16)
Decrease in accruals and other payables	**(871)**	(475)
Cash used in operations	**(4,819)**	(2,078)
Interest paid	**–**	(1)
Interest on lease liabilities	**(334)**	(334)
Net cash used in operating activities	**(5,153)**	(2,413)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	2026 HK$'000	2025 HK$'000 *(Re-presented)*
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	**4,620**	4,620
Repayment of loan receivables	**–**	3,419
Payments for acquisition of right-of-use assets	**(10,338)**	(19,405)
Proceeds from disposal of property, plant and equipment	**–**	2
Proceeds from sales of financial assets at FVTPL	**119**	180
Purchases of property, plant and equipment	**(10,648)**	(303)
Purchase of other intangible assets	**(16,021)**	(16,780)
Decrease in pledged bank deposits	**–**	2,000
Decrease in time deposits with original maturity over three months	**–**	13,390
Deposit received for disposal of a subsidiary	**5,000**	–
Net cash inflow on acquisition of a subsidiary	**664**	–
Net cash used in investing activities	**(26,604)**	(12,877)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares under placing	**14,568**	4,893
Direct transaction costs	**(328)**	(332)
Decrease in import loans	**–**	(147)
Principal elements of lease payments	**(1,537)**	(999)
Net cash from financing activities	**12,703**	3,415
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(19,054)**	(11,875)
Effect of foreign exchange rate changes	**2,445**	847
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**58,109**	69,137
CASH AND CASH EQUIVALENTS AT END OF YEAR	**41,500**	58,109

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

1. GENERAL INFORMATION

Heng Tai Consumables Group Limited (the "Company") was incorporated in the Cayman Islands with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands. The address of its principal place of business is located at 13th Floor, Guangdong Finance Building, 88 Connaught Road West, Sheung Wan, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company and together with its subsidiaries (collectively, the "Group"). The principal activities of its principal subsidiaries are set out in note 47 to the consolidated financial statements.

In the opinion of the Directors of the Company, the Company has no immediate and ultimate holding company or ultimate controlling party as at 30 June 2026.

The consolidated financial statements are presented in thousands of Hong Kong dollars ("HK$'000"), unless otherwise stated.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Companies Ordinance (Cap. 622).

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 to the consolidated financial statements provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies (e.g. buildings and certain financial instruments that are measured at fair value). The material accounting policy information are disclosed in note 4 to the consolidated financial statements.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management 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.

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 5 to the consolidated financial statements.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

(a) Application of new and revised HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time for the annual reporting period commencing 1 July 2025:

HKAS 21	Lack of Exchangeability (amendments)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS *(CONTINUED)*

(b) New and Amendments to HKFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 30 June 2026 and which have not been adopted in these consolidated financial statements. The Group has not early applied the following which may be relevant to the Group:

		Effective for accounting periods beginning on or after
HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments (amendments)	1 January 2026
Amendments to HKFRS Accounting Standards — Volume 11	Annual Improvements to HKFRS Accounting Standards	1 January 2026
HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity (amendments)	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKAS 21	Translation to Hyperinflationary Presentation Currency (amendments)	1 January 2027
Amendments to HKAS 28	Fair Value Option for investments in Associates and Joint Ventures	1 January 2027
HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)	To be determined

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards are not expected to have any significant impact on the Group's consolidated financial statements.

HKFRS 18 replace HKAS 1 Presentation of financial statements, carrying forward many of the requirements in HKAS 1 unchanged and complementing them with new requirements. HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operation, and to present two new defined subtotals. It also requires disclosures about management defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as HKAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 Statement of Cash Flows, HKAS 33 Earnings Per Share and HKAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs will be effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 30 June. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Separate financial statements

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss. Cost includes direct attributable costs of investments. The result of the subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividends exceed the total comprehensive income of the subsidiaries in the period the dividends are declared or if the carrying amount of the investments in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investees' net assets including goodwill.

(c) Goodwill

Goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs") or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the Company's functional and presentation currency.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) Translation on consolidation

The results and financial position of all foreign operations (none of which has the currency of hyperinflationary economy) that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- all resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

(e) Property, plant and equipment

Property, plant and equipment are held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Buildings comprise mainly trading platform, warehouses and offices. Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, based on valuations by external independent valuers, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such buildings is recognised in other comprehensive income and accumulated in property revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

Depreciation of revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property revaluation reserve is transferred directly to accumulated losses.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost or revalued amounts less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Buildings	The shorter of the lease terms and 50 years
Farmland infrastructure	4–20 years
Leasehold improvements	5–10 years
Plant and machinery	5–20 years
Furniture, office equipment and motor vehicles	5–10 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Construction in progress represents farmland infrastructure under construction, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

(f) Bearer plants

Bearer plants consist of mature trees and infant trees in the Group's plantations in the People's Republic of China (the "PRC"). The role of the mature trees is to supply fruits through the processes of growth in each production cycle. The infant trees are held for transforming into mature trees.

Expenditure that are attributable to the biological growth of infant trees, such as depreciation of property, plant and equipment, depreciation of right-of-use assets, and management fees are recognised as additions to bearer plants until the stage such infant trees start bearing fruits.

Infant trees are undergoing biological transformation leading to them being able to produce fruits. Infant trees are carried at cost less any recognised impairment loss. Once infant trees become mature and productive, they will be transferred to the category of mature trees and depreciation commences. Mature trees are depreciated using straight-line method over their expected useful lives of 12 to 27 years.

Bearer plants are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal of the bearer plants is determined as the difference between the sales proceeds and carrying amount of the bearer plants and is recognised in profit or loss.

(g) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) The Group as a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. Lease payments to be made under reasonably certain extension options are also included in the measurement of the lease liability. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

(g) Leases *(Continued)*

(i) The Group as a lessee (Continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the subsidiaries of the Group, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

(ii) The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

(h) Other intangible assets

Other intangible assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives of 1 to 5 years. Other intangible asset with indefinite useful life is stated at cost less any impairment losses. Impairment is reviewed annually or when there is any indication that the intangible asset has suffered an impairment loss.

(i) Club membership

Club membership with indefinite useful life is stated at cost less any impairment losses. Impairment is reviewed annually or when there is any indication that the club membership has suffered an impairment loss.

(j) Biological assets

Biological assets comprise fresh fruit bunches before harvest in leased farms and are classified as current assets due to short harvesting period.

Biological assets are measured at fair value less costs to sell from initial measurement up to the point of harvest, 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 held at cost less accumulated impairment losses. 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 the consolidated statement of profit or loss.

The infant trees and mature trees are presented and accounted for as bearer plants, see note 4(f) to the consolidated financial statements. However, the fresh fruit bunches growing on the fruit trees is accounted for as biological assets until the point of harvest. Harvested fresh fruit bunches are transferred to inventories at fair value less costs to sell when harvested. Fair value at the point of harvest is based on the selling prices for similar fruits prevailing in the market as at or close to the harvest dates.

Costs to sell include the incremental selling costs, including commission paid to brokers and dealers and estimated costs of transport to the market but exclude finance costs and income taxes.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of purchased inventory are determined after deducting rebates and discounts. 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.

(l) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

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

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

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, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

(m) Financial assets

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 marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt investments

Debt investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.

- Fair value through other comprehensive income ("FVTOCI") — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses ("ECL"), interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

- FVTPL, if the investment does not meet the criteria for being measured at amortised cost or FVTOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to accumulated losses. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income.

(n) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less allowance for credit losses.

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

(p) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRS Accounting Standards. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(q) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(r) Revenue and other income

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.

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

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

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

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

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The Group engages in selling of consumer products, agri-products, packaged drinking water products and electronic products to customers. Sales are recognised when control of the products has been transferred, being when the products are picked up by customers at their designated port after inspection, the customers have full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specific location. Payments are typically due after 30 to 210 days from the acceptance of the products. The Group does not provide any sales-related warranties. There is no right of return by customers under the Group's standard contract terms.

A receivable is recognised when the products are picked up by customers 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

(r) Revenue and other income *(Continued)*

The Group also provides stock-broking and securities dealing services. Such revenue is recognised on a trade date basis when the relevant transactions are executed.

Revenue from package tours is recognised over time, using an output method that measures progress towards complete satisfaction of the performance obligation by reference to tour days elapsed, because the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. Consideration is generally received from customers in advance of the tour services being provided. Amounts received before the related services are rendered are recognised as contract liabilities and are released to revenue as the tour progresses.

Commission income from the travel-related business is recognised at the point in time at which the Group's obligation to arrange for the underlying goods or services to be provided is satisfied. This occurs when the goods are delivered or the services are rendered by the principal supplier. Commission is calculated by reference to the value of the underlying transaction.

Revenue from the provision of information technology maintenance services is recognised over time, because the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVTOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

Dividend income is recognised when the shareholders' rights to receive payment are established.

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and, consequently, are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

(s) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Retirement benefits schemes

The Group contributes to defined contribution retirement plans which are available for eligible employees in the PRC and Hong Kong.

Pursuant to the relevant laws and regulations in the PRC, the Group has joined defined contribution retirement schemes for the employees arranged by local government labour and security authorities (the "PRC Retirement Schemes"). The Group makes contributions to the PRC Retirement Schemes at the applicable rates based on the amounts stipulated by the local government organisations. Upon retirement, the local government labour and security authorities are responsible for the payment of the retirement benefits to the retired employees.

The Group operates a Mandatory Provident Fund scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the laws of Hong Kong) for employees employed under the jurisdiction of Hong Kong Employment Ordinance (Chapter 57 of the laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and the employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000.

The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds. During the years ended 30 June 2026 and 2025, the Group had no forfeited contributions under the PRC Retirement Scheme and MPF Scheme and which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available as at 30 June 2026 and 2025 under the PRC Retirement Scheme and MPF Scheme which may be used by the Group to reduce the contribution payable in future years.

For long service payment ("LSP") obligation, the Group accounts for the employer mandatory provident fund ("MPF") contributions expected to be offset as a deemed employee contribution towards the LSP obligation in term of HKAS 19 paragraph 93(a) and it is measured on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

(t) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(u) Income tax

Income tax represents the sum of the current tax and deferred tax.

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

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends either to settle its current tax assets and liabilities on a net basis, or to realise the asset and settle the liability simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

(v) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount 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. If this is the case, recoverable amount is determined for the CGU to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the CGU.

Value in use is the present value of the estimated future cash flows of the asset/CGU. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/CGU whose impairment is being measured.

Impairment losses for CGUs are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the CGU. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(w) Impairment of financial assets

The Group recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost or at FVTOCI, loan receivables, trade and other receivables, and bank and cash balances. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix 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 as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For trade receivables from margin clients in which arising from margin financing and all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the trade receivables from margin clients and financial instrument have not increased significantly since initial recognition, the Group measures the loss allowance for them at an amount equal to 12-month ECL ("12m ECL").

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group applies the general approach in HKFRS 9 to measure the ECL, which uses a three-stage model to calculate the loss allowances. According to the changes of credit risk of financial instruments since the initial recognition, the Group calculates the ECL by three stages:

Stage 1: A financial instrument of which the credit risk has not significantly increase since initial recognition. The amount equal to 12m ECL is recognised as loss allowance.

Stage 2: A financial instrument with a significant increase in credit risk since initial recognition but is not considered to be credit-impaired. The amount equal to lifetime ECL is recognised as loss allowance.

Stage 3: A financial instrument is considered to be credit-impaired as at the end of the reporting period. The amount equal to lifetime ECL is recognised as loss allowance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

(w) Impairment of financial assets *(Continued)*

Assessment of significant increase in credit risk
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument 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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

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

- 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 for a particular financial instrument;
- 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;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due (except for trade receivables from dealing in securities and margin financing which the Group holds the trading shares as collaterals), unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(i) the financial instrument has a low risk of default,

(ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there is no past due amounts.

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 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

(w) Impairment of financial assets *(Continued)*

Definition of default
The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- probable bankruptcy entered, breach of financial covenants by the counterparty; or
- 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 analysis, the Group considers that default has occurred when a financial asset is at least 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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

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

Write-off policy
The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are long-aged 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. Any recoveries made are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

(w) Impairment of financial assets *(Continued)*

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 as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12m ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the FVTOCI reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

(x) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(y) Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

Where an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

5. CRITICAL JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Group's accounting policies, which are described in note 4 to the consolidated financial statements, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an 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.

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

(i) Operation of agricultural activities

The Group entered into subcontracting and management agreements for establishment and subsequent maintenance of its fruit trees cultivation and plantation. The directors considered that the Group has been engaging into agricultural activities as the Group has exercised its control on the cultivation development and process although the maintenance work is assigned to subcontractors. Therefore, the Group recognised and measured the biological assets in accordance with HKAS 41 "Agriculture".

(ii) Significant increase in credit risk

As explained in note 4(w) to the consolidated financial statements, ECL are measured as an allowance equal to 12m ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Key sources of estimation uncertainty

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

(a) Impairment of non-financial assets

In determining whether a non-financial asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the non-financial asset value; (2) whether the carrying value of a non-financial asset can be supported by the recoverable amount of the CGU to which the non-financial asset has been allocated, in the case of value in use of the CGU, the net present value of future cash flows expected to arise from the CGU which are estimated based upon the continued use of the non-financial asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

The carrying amounts of the non-financial assets within FMCG Trading Business (as defined below) CGU and Agri-Products Business (as defined below) CGU at the end of the reporting period were approximately HK$6,371,000 (2025: HK$30,405,000) and HK$35,822,000 (2025: HK$99,222,000) respectively after impairment losses. Impairment losses of approximately HK$9,998,000 (2025: HK$Nil) and HK$27,623,000 (2025: HK$117,121,000) were recognised to the non-financial assets within FMCG Trading Business CGU and Agri-Products Business CGU during the year ended 30 June 2026, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

5. CRITICAL JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(CONTINUED)*

Key sources of estimation uncertainty *(Continued)*

(b) Property, plant and equipment and depreciation

The Group determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

The carrying amount of property, plant and equipment as at 30 June 2026 was approximately HK$83,257,000 (2025: HK$107,020,000).

(c) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. During the year, income tax from continuing operations of approximately HK$217,000 was charged (2025: HK$243,000) to profit or loss based on the estimated profit.

(d) Impairment losses on financial assets, net

The Group uses practical expedient in estimating ECL on trade receivables except for trade receivables from margin clients using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The management of the Group estimates the amount of impairment loss for ECL on trade receivables from margin clients in which arising from margin financing based on credit quality of clients, the collateral to margin receivables balance ratio, amount of shortfall of margin clients and pledged marketable securities and estimates the amount of impairment loss for ECL on loan receivables and deposits and other receivables based on the duration of receivables, the financial health and collection history of individual debtors and expected future change of credit risks, including the consideration of factors such as general economy measure, changes in macroeconomic indicators etc.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables, loan receivables and deposits and other receivables are disclosed in note 6(b)(iii) to the consolidated financial statements.

As at 30 June 2026, the carrying amounts of trade receivables, loan receivables and deposits and other receivables were approximately HK$42,402,000, HK$773,000 and HK$73,070,000 respectively, net of accumulated impairment losses of approximately HK$60,275,000, HK$18,559,000 and HK$28,937,000 respectively (2025: HK$158,414,000, HK$14,612,000 and HK$97,049,000 respectively, net of accumulated impairment losses of approximately HK$12,823,000, HK$4,720,000 and HK$7,679,000 respectively).

(e) Allowance for slow-moving inventories

Allowance for slow-moving inventories is made based on the aging and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed. Allowance for slow-moving inventories of approximately HK$18,932,000 was made for the year ended 30 June 2026 (2025: HK$128,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

5. CRITICAL JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(CONTINUED)*

Key sources of estimation uncertainty *(Continued)*

(f) Fair value of buildings

The Group appointed an independent professional valuer, Libra Appraisal Limited (2025: Hong Kong Appraisal Advisory Limited), to assess the fair value of buildings. In determining the fair value of buildings, the valuer has utilised a method of valuation which involves certain estimates. The directors have exercised their best estimation and judgements and are satisfied that the method of valuation and inputs used are reflective of its fair value and current market conditions.

The carrying amount of the buildings as at 30 June 2026 was approximately HK$59,910,000 (2025: HK$74,094,000).

(g) Fair values of unlisted debt investments at FVTPL and FVTOCI

The Group appointed an independent professional valuer, Libra Appraisal Limited (2025: BMI Appraisals Limited), to assess the fair values of the unlisted debt investments at FVTPL and FVTOCI. In determining the fair values of the unlisted debt investments at FVTPL and FVTOCI, the valuer has utilised methods of valuation which involve certain estimates. The directors have exercised their best estimation and judgements and are satisfied that the methods of valuation and inputs used are reflective of their fair values and current market conditions.

The carrying amounts of the unlisted debt investments at FVTPL and FVTOCI as at 30 June 2026 were approximately HK$14,463,000 (2025: HK$20,780,000) and HK$46,326,000 (2025: HK$48,238,000) respectively.

(h) Bearer plants and depreciation

The Group determines the estimated point of maturity, useful lives, residual values and related depreciation charges for the Group's bearer plants. This estimate is based on the historical experience of the point of maturity, actual useful lives and residual values of bearer plants of particular species. The Group will revise the depreciation charge where point of maturity, useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

The carrying amount of bearer plants as at 30 June 2026 was approximately HK$8,716,000 (2025: HK$15,031,000).

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments as at 30 June

	2026	2025
	HK$'000	HK$'000
Financial assets:		
Financial assets at FVTPL:		
Mandatorily measured at FVTPL-held for trading		
— Listed equity securities	**–**	122
— Unlisted debt investments	**14,463**	20,780
Financial assets measured at amortised cost	**157,745**	328,340
Financial assets measured at FVTOCI:		
— Unlisted debt investments	**46,326**	48,238
Financial liabilities:		
Financial liabilities at amortised cost	**33,940**	63,928

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

6. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management

The Group's activities expose it to a variety of financial risks: foreign currency risk, price risk, credit risk, liquidity risk, interest rate risk and business risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(i) Foreign currency risk

The Group has certain exposure to foreign currency risk as some of its business transactions, assets and liabilities are principally denominated in currencies other than the functional currency of the principal operating entities of the Group, such as United States dollars ("USD") and Renminbi ("RMB"). The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's major foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets HK$'000	Liabilities HK$'000	Net exposure HK$'000
2026			
RMB	**32,606**	**—**	**32,606**
USD	**27,106**	**(12,289)**	**14,817**
2025			
RMB	22,337	(649)	21,688
USD	37,544	(52,900)	(15,356)

Monetary assets and monetary liabilities denominated in USD have no material foreign currency risk exposure as HK$ is pegged with USD. As at 30 June 2026, if HK$ had weakened/strengthened 3% (2025: 3%) against RMB with all other variables held constant, consolidated loss before tax for the year ended 30 June 2026 would have been approximately HK$978,000 (2025: HK$651,000) lower/higher, arising mainly as a result of the foreign exchange gain/loss on bank balances, trade receivables and deposits and other receivables denominated in RMB.

(ii) Price risk

The Group's equity investments classified as financial assets at FVTPL are measured at fair value at the end of each reporting period. Therefore, the Group is exposed to equity security price risk. The management manages this exposure by maintaining a portfolio of investments with different risk and return profiles.

If the prices of the Group's listed equity securities had been 10% higher/lower with all other variables held constant, consolidated loss after tax for the year ended 30 June 2025 would be decreased/increased by approximately HK$12,000 as a result of changes in fair value of investments.

As at 30 June 2026, the Group did not have any listed equity securities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

6. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management *(Continued)*

(iii) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables, loan receivables and deposits and other receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Bank balances

The Group deposited bank balances (including client trust bank balances) with approved and reputable banks. Bankruptcy or insolvency of banks may cause the Group's right with respect to bank balances held to be delayed or limited. The directors monitor the credit rating of these banks on an ongoing basis, and considered that the Group's exposure to credit risk as at 30 June 2026 and 2025 were minimal.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30–210 days (2025: 30–210 days) from the date of billing (except for cash client receivables arising from dealing in securities). Debtors with balances that are more than 3–6 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers (except for collaterals obtained from customers for Securities Dealing Business (as defined below)).

The Group has concentration of credit risk as 9% (2025: 6%) and 34% (2025: 26%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively within the FMCG trading business segment (2025: FMCG trading business segment). In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

The Group measures loss allowances for trade receivables except for trade receivables from margin clients at an amount equal to lifetime ECL, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

Margin client receivables arising from margin financing

Margin clients are required to pledge securities collateral to the Group in order to obtain credit facilities. The amount of credit facilities granted to the margin clients is determined with reference to the discounted market value of securities accepted by the Group. The pledged securities collateral are mainly listed equity securities in Hong Kong and is monitored on an ongoing basis.

The collateral for covering the credit risk exposure in case of default is subject to mark-to-market monitoring on a daily basis. Default, margin call and forced liquidation procedures are in place for margin clients. To manage the credit risk exposure, when the level of securities collateral in proportion to the outstanding balance ("collateral ratio") due from the margin client has reached alarming level, the Group will demand the margin clients to deposit additional money or securities to maintain their margin accounts, or to sell their securities collateral to reduce the exposure.

For margin client receivables arising from margin financing, the management considered that the probability of default for margin client receivables is highly correlated with the collateral value rather than the past due days.

Such receivables are considered to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that receivables have occurred which include significant financial difficulty of the debtors; collateral ratio of the relevant trade receivables exceeding the Group's tolerable level; significant decrease in the value of the collateral and failure to top up shortfall upon margin call of the Group. Receivables are written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

6. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management *(Continued)*

(iii) Credit risk (Continued)

Margin client receivables arising from margin financing (Continued)
Impairment losses were provided for margin client receivables for which there were significant increase in credit risk since initial recognition and they were mainly due from (i) those margin clients whose collateral ratio reached alarming level or even exceeded the Group's tolerable level; and (ii) those margin clients without any securities collateral after forced liquidation action taken by the Group.

Loan receivables
The directors of the Company estimate the estimated loss rates of loan receivables based on historical credit loss experience of the debtors as well as the fair value of the collateral pledged by the customers to the loan receivables. Based on assessment by the directors of the Company, the loss given default is low in view of the estimated realised amount of ultimate disposal of the collaterals and the amount of impairment made.

The Group applies general approach by grouping the debtors who shared the same credit risk characteristics. The Group classified loan receivables into three categories which reflect the respective credit risk and how the loss provision is determined for each of the category. The determination of ECL on loan receivables involve a number of key parameters and assumptions, including the classification of loss stages, estimation of probability of default, loss given default, adjustments for forward-looking information and other adjusting factors.

Other receivables and deposits
The directors of the Company make periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and quantitative and qualitative information that is reasonable and supportive forward-looking information. For the years ended 30 June 2026 and 2025, the Group provided impairment on other receivables and deposits. Details of the quantitative disclosures are set out below in this note.

Financial assets at FVTOCI
All of the Group's investments at FVTOCI are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12m ECL.

The Group's internal credit risk grading assessment of other financial assets comprises the following categories:

Internal credit rating	Description	Basis for recognising ECL
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL — credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

6. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management *(Continued)*

(iii) Credit risk (Continued)

Financial assets at FVTOCI (Continued)

The tables below detail the credit risk exposures of the Group's gross carrying amounts of financial assets at FVTOCI and amortised cost which are subject to ECL assessment:

	Notes	Internal credit rating	12m ECL or lifetime ECL	2026 HK$'000	2025 HK$'000
Financial assets at FVOCI					
Unlisted debt investments in Hong Kong	24	Low risk	12m ECL	**46,326**	48,238
Financial assets at amortised cost					
Trade receivables	28	N/A	Lifetime ECL	**45,211**	159,141
		N/A	Lifetime ECL (credit-impaired)	**57,466**	12,096
Loan receivables	27	Doubtful	Lifetime ECL (not credit-impaired)	**–**	19,332
		Default	Lifetime ECL (credit-impaired)	**19,332**	–
Other receivables and deposits	29	Low risk	12m ECL	**74,798**	97,851
		Default	Lifetime ECL (credit-impaired)	**27,209**	6,877
Client trust bank balances	31	Low risk	12m ECL	**–**	156
Bank and cash balances	31	Low risk	12m ECL	**41,500**	58,109

The Group applied simplified approach to provide for ECL of trade receivables prescribed by HKFRS 9 and applied general approach to provide for ECL of loan receivables, deposits and other receivables.

Trade receivables

The following table provides information about the Group's exposure to credit risk and ECL for trade receivables, which are assessed based on a provision matrix within lifetime ECL or individuals assessment as at 30 June:

	2026					
	ECL rate %	Gross carrying amount excluding specific trade receivables HK$'000	ECL excluding specific trade receivables HK$'000	Gross carrying amount of specific trade receivables HK$'000	Loss allowance for specific trade receivables HK$'000	Total loss allowance HK$'000
Current (not past due)	**4%**	**42,507**	**(1,886)**	**–**	**–**	**(1,886)**
1–30 days past due	**32%**	**2,270**	**(733)**	**2,382**	**(2,382)**	**(3,115)**
31–60 days past due	**43%**	**338**	**(144)**	**2,974**	**(2,974)**	**(3,118)**
61–90 days past due	**48%**	**96**	**(46)**	**3,432**	**(3,432)**	**(3,478)**
More than 90 days past due	**0%**	**–**	**–**	**48,678**	**(48,678)**	**(48,678)**
Total		**45,211**	**(2,809)**	**57,466**	**(57,466)**	**(60,275)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

6. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management *(Continued)*

(iii) Credit risk (Continued)

Trade receivables (Continued)

	2025					
	ECL rate %	Gross carrying amount excluding specific trade receivables HK$'000	ECL excluding specific trade receivables HK$'000	Gross carrying amount of specific trade receivables HK$'000	Loss allowance for specific trade receivables HK$'000	Total loss allowance HK$'000
Trade receivables except for Securities Dealing Business						
Current (not past due)	1%	154,031	(498)	–	–	(498)
1–30 days past due	4%	4,830	(195)	2,212	(2,212)	(2,407)
31–60 days past due	9%	242	(22)	2,169	(2,169)	(2,191)
61–90 days past due	0%	1	–	1,600	(1,600)	(1,600)
More than 90 days past due	32%	37	(12)	336	(336)	(348)
		159,141	(727)	6,317	(6,317)	(7,044)
Securities Dealing Business*						
Current (not past due)	0%	–	–	–	–	–
1–30 days past due	0%	–	–	–	–	–
31–90 days past due	0%	–	–	–	–	–
91–180 days past due	0%	–	–	–	–	–
More than 180 days past due	0%	–	–	5,779	(5,779)	(5,779)
		–	–	5,779	(5,779)	(5,779)
Total		159,141	(727)	12,096	(12,096)	(12,823)

* The Securities Dealing Business has been ceased during the year ended 30 June 2026.

During the years ended 30 June 2026 and 2025, management identified certain customers for specific ECL assessment and concluded that the related trade receivables had no realistic prospect of recovery. Accordingly, the Group fully impaired these receivables.

Expected loss rates are based on actual loss experience over the past 4 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

6. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management *(Continued)*

(iii) Credit risk (Continued)

Movement in the loss allowance for margin client receivables arising from margin financing during the year is as follows:

		Lifetime ECL		
	12m ECL HK$'000	Not credit-impaired HK$'000	Credit-impaired HK$'000	Total HK$'000
At 1 July 2024	–	–	19,121	19,121
Impairment loss recognised for the year	–	–	4	4
Reversal for the year	–	–	(4,721)	(4,721)
Amounts written off during the year	–	–	(14,404)	(14,404)
At 30 June 2025, 1 July 2025 and 30 June 2026	**–**	**–**	**–**	**–**
Gross carrying amount:				
Trade receivables as at 30 June 2026 and 30 June 2025	**–**	**–**	**–**	**–**

The Securities Dealing Business has been ceased during the year ended 30 June 2026.

Movement in the loss allowance for trade receivables during the year is as follows:

	2026 HK$'000	2025 HK$'000
At 1 July	**12,823**	31,671
Impairment loss recognised for the year (note 12)	**60,969**	6,730
Reversal for the year (note 12)	**(1,421)**	(5,962)
Amounts written off during the year	**(6,317)**	(19,616)
Transfer to other receivables*	**(5,779)**	–
At 30 June	**60,275**	12,823

* This loss allowance relates to the Securities Dealing Business, which ceased during the year ended 30 June 2026, and has been transferred to other receivables (note 29).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

6. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management *(Continued)*

(iii) Credit risk (Continued)

Loan receivables

The following table shows reconciliation of loss allowance that has been recognised for loan receivables.

	Stage 1 12m ECL HK$'000	Stage 2 Lifetime ECL (non-credit-impaired) HK$'000	Stage 3 Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
At 1 July 2024	–	–	–	–
Impairment losses recognised	–	4,720	–	4,720
At 30 June 2025 and 1 July 2025	**–**	**4,720**	**–**	**4,720**
Transfer to credited-impaired	**–**	**(4,720)**	**4,720**	**–**
Impairment losses recognised	**–**	**–**	**13,839**	**13,839**
At 30 June 2026	**–**	**–**	**18,559**	**18,559**

Deposits and other receivables

The following table shows reconciliation of loss allowance that has been recognised for deposits and other receivables.

	Stage 1 12m ECL HK$'000	Stage 2 Lifetime ECL (non-credit-impaired) HK$'000	Stage 3 Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
At 1 July 2024	802	–	10,952	11,754
Impairment losses reversed, net	–	–	(690)	(690)
Amounts written off as uncollectible	–	–	(3,433)	(3,433)
Exchange realignment	–	–	48	48
At 30 June 2025 and 1 July 2025	**802**	**–**	**6,877**	**7,679**
Impairment losses recognised, net	**926**	**–**	**14,417**	**15,343**
Transfer from trade receivables	**–**	**–**	**5,779**	**5,779**
Exchange realignment	**–**	**–**	**136**	**136**
At 30 June 2026	**1,728**	**–**	**27,209**	**28,937**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

6. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management *(Continued)*

(iv) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturity at the end of the reporting period of the Group's non-derivative financial liabilities based on undiscounted cash flows and the earliest dates on which the Group can be required to pay. The table includes both interest and principal cash flows.

Specifically, for borrowings which contain a repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflow based on the earliest period in which the entity can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect.

	Effective interest rate	**On demand or within 1 year HK$'000**	**Between 1 and 2 years HK$'000**	**Between 2 and 5 years HK$'000**	**Over 5 years HK$'000**	**Total undiscounted cash flows HK$'000**
At 30 June 2026						
Trade payables	**–**	**20,329**	**–**	**–**	**–**	**20,329**
Accruals and other payables	**–**	**13,611**	**–**	**–**	**–**	**13,611**
Lease liabilities	**6%**	**1,155**	**525**	**–**	**5,536**	**7,216**
		35,095	**525**	**–**	**5,536**	**41,156**

	Effective interest rate	On demand or within 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000
At 30 June 2025						
Trade payables	–	55,585	–	–	–	55,585
Accruals and other payables	–	8,343	–	–	–	8,343
Lease liabilities	6%	1,914	1,109	498	5,253	8,774
		65,842	1,109	498	5,253	72,702

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

6. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management *(Continued)*

(v) Interest rate risk

The Group's exposure to interest rate risk arises from its loan receivables and bank deposits. These deposits bear interests at fixed interest rates and variable rates varied with the then prevailing market condition.

The Group's fixed deposits and loan receivables bear interests at fixed interest rates and therefore are subject to fair value interest rate risk.

The directors of the Company consider the Group's exposure to interest rate risk on fixed deposits and loan receivables is not significant.

The Group's cash flow interest rate risk primarily relates to variable-rate deposits.

The sensitivity analysis below has been determined based on the exposure to interest rate risk on its variable-rate margin client receivables, deposits and borrowings at the end of the reporting period and prepared assuming the amount of margin client receivables, deposits and borrowings outstanding at the end of each reporting period was outstanding for the whole year.

If interest rate had been 1% higher/lower with all other variables held constant, the consolidated loss after tax for the year ended 30 June 2026 would be decreased/increased by approximately HK$1,000 (2025: HK$5,000), arising mainly as a result of lower balance on deposits (2025: higher interest income on deposits).

The Group currently does not have any interest rate hedging policy in relation to interest rate risk. The directors of the Company monitor the Group's exposure in ongoing basis and will consider hedging interest rate risk should the need arise.

(vi) Business risk

The Group is exposed to risks arising from fluctuations in the prices of agri-products which are determined by constantly changing market forces of supply and demand, and other factors. The other factors include environmental regulations, climate changes, other natural forces and diseases. The Group has little or no control over these conditions and factors.

(vii) Fair value measurements

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

6. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management *(Continued)*

(vii) Fair value measurements (Continued)

(a) Disclosures of level in fair value hierarchy as at 30 June:

Description	Fair value measurements using: Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total 2026 HK$'000
2026				
Recurring fair value measurements:				
Financial assets at FVTPL				
— Unlisted debt investments in Hong Kong	**–**	**–**	**14,463**	**14,463**
Financial assets at FVTOCI				
— Unlisted debt investments in Hong Kong	**–**	**–**	**46,326**	**46,326**
Commercial and industrial buildings in the PRC	**–**	**–**	**59,910**	**59,910**
Total recurring fair value measurements	**–**	**–**	**120,699**	**120,699**
2025				
Recurring fair value measurements:				
Financial assets at FVTPL				
— Listed equity securities in Hong Kong	122	–	–	122
— Unlisted debt investments in Hong Kong	–	–	20,780	20,780
Financial assets at FVTOCI				
— Unlisted debt investments in Hong Kong	–	–	48,238	48,238
Commercial and industrial buildings in the PRC	–	–	74,094	74,094
Total recurring fair value measurements	122	–	143,112	143,234

There are no transfers into and transfers out of any of the three levels during the years ended 30 June 2026 and 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

6. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management *(Continued)*

(vii) Fair value measurements (Continued)

(b) Reconciliation of assets measured at fair value based on Level 3:

Description	Financial assets at FVTPL — Unlisted debt investments in Hong Kong HK$'000	Financial assets at FVTOCI — Unlisted debt investments in Hong Kong HK$'000	Commercial and industrial buildings in the PRC HK$'000	Total HK$'000
At 1 July 2025	**20,780**	**48,238**	**74,094**	**143,112**
Total gains or losses recognised in profit or loss				
— Fair value gain on financial assets at FVTPL	**(6,317)**	**–**	**–**	**(6,317)**
— Depreciation	**–**	**–**	**(2,635)**	**(2,635)**
Total gains or losses recognised in other comprehensive income				
— Fair value change on financial assets at FVTOCI	**–**	**(1,912)**	**–**	**(1,912)**
— Fair value change on revaluation of buildings	**–**	**–**	**(14,541)**	**(14,541)**
— Exchange differences on translating foreign operations	**–**	**–**	**2,992**	**2,992**
At 30 June 2026	**14,463**	**46,326**	**59,910**	**120,699**
Include gains or losses for assets held at end of reporting period	**(6,317)**	**–**	**(2,635)**	**(8,952)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

6. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management *(Continued)*

(vii) Fair value measurements (Continued)

(b) Reconciliation of assets measured at fair value based on Level 3: (Continued)

Description	Financial assets at FVTPL — Unlisted debt investments in Hong Kong HK$'000	Financial assets at FVTOCI — Unlisted debt investments in Hong Kong HK$'000	Commercial and industrial buildings in the PRC HK$'000	Total HK$'000
At 1 July 2024	69,035	–	81,283	150,318
Purchases	16,800	55,500	–	72,300
Redemption	(72,300)	–	–	(72,300)
Total gains or losses recognised in profit or loss				
— Fair value gain on financial assets at FVTPL	3,980	–	–	3,980
— Gain on redemption of financial assets at FVTPL	3,265	–	–	3,265
— Depreciation	–	–	(2,769)	(2,769)
Total gains or losses recognised in other comprehensive income				
— Fair value change on financial assets at FVTOCI	–	(7,262)	–	(7,262)
— Fair value change on revaluation of buildings	–	–	(6,176)	(6,176)
— Exchange differences on translating foreign operations	–	–	1,756	1,756
At 30 June 2025	20,780	48,238	74,094	143,112
Include gains or losses for assets held at end of reporting period	3,980	–	(2,769)	1,211

The total gains or losses recognised in profit or loss including those for assets held at end of reporting period are presented in other income, gains and losses, and administrative expenses in the consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

6. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management *(Continued)*

(vii) Fair value measurements (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements as at 30 June:

The Group's chief financial officer is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including Level 3 fair value measurements. The chief financial officer reports directly to the board of directors (the "Board") for these fair value measurements. Discussions of valuation processes and results are held between the chief financial officer and the Board at least twice a year.

For Level 3 fair value measurements, the Group normally engages independent professional valuers with the recognised professional qualifications and recent experience to perform the valuations.

Financial assets at Level 3 fair value measurements

Description	Valuation technique	Key unobservable inputs	Range of unobservable inputs	Fair value		Sensitivity on estimate	
				2026 HK$'000	2025 HK$'000	Estimate	Increase/ (decrease) of the fair value of the financial assets 2026 HK$'000
Unlisted debt investments in Hong Kong classified as financial assets at FVTPL	Binomial Option Pricing Model	Expected volatilities	85.72% (2025: 136.41%)	**14,463**	20,780	+5%/-5%	9/(9)
		Discount rate	21.84% (2025: 19.17%)			+5%/-5%	(607)/560
Unlisted debt investments in Hong Kong classified as financial assets at FVTOCI	Discounted cash flow	Discount rate	21.84% (2025: 19.17%)	**46,326**	48,238	+5%/-5%	(2,027)/1,868

Non-financial assets at Level 3 fair value measurements

Description	Valuation technique	Key unobservable inputs	Range of unobservable inputs	Fair value		Relationship of unobservable input to fair value
				2026 HK$'000	2025 HK$'000	
Commercial and industrial buildings in the PRC	Depreciated replacement cost	Discount rate	44.77% (2025: 41.28%)	**59,910**	74,094	The higher the discount rate, the lower the fair value
		Replacement cost (per s.q.m)	RMB3,000 to RMB5,000 (2025: RMB2,672 to RMB7,665)			The higher the replacement costs, the higher the fair value

During the two years, there were no changes in the valuation techniques used in the Level 3 fair value measurements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

7. REVENUE

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines for the year is as follows:

	2026 HK$'000	2025 HK$'000 *(Re-presented)*
Continuing operations		
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
— Sales of consumer goods	**117,241**	248,670
— Sales of agri-products	**120,191**	177,243
— Service of travel related business	**16,721**	–
— Sales of packaged drinking water products	**194**	–
— Sales of electronic products and IT maintenance service	**164**	–
	254,511	425,913
Revenue from other sources		
— Rental income	**1,001**	977
	255,512	426,890

The Group derives revenue from the transfer of products and services in the following major product lines and geographical regions:

	For the year ended 30 June 2026			
	Consumer goods HK$'000	Agri-products HK$'000	All other segments HK$'000	Total HK$'000
Continuing operations				
Primary geographical markets				
Chinese Mainland	**117,241**	**70,906**	**–**	**188,147**
Hong Kong	**–**	**49,285**	**17,079**	**66,364**
Revenue from external customers	**117,241**	**120,191**	**17,079**	**254,511**
Timing of revenue recognition				
At a point in time	**117,241**	**120,191**	**14,862**	**252,294**
Transferred over time	**–**	**–**	**2,217**	**2,217**
	117,241	**120,191**	**17,079**	**254,511**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

7. REVENUE *(CONTINUED)*

Disaggregation of revenue *(Continued)*

	For the year ended 30 June 2025		
	Consumer goods HK$'000	Agri-products HK$'000	Total HK$'000
Continuing operations			
Primary geographical markets			
Chinese Mainland	248,670	123,065	371,735
Hong Kong	–	54,178	54,178
Revenue from external customers	248,670	177,243	425,913
Timing of revenue recognition			
Products and services transferred at a point in time	248,670	177,243	425,913

8. OTHER INCOME, GAINS AND LOSSES, NET

	2026 HK$'000	2025 HK$'000 *(Re-presented)*
Continuing operations		
Dividend income from listed equity securities	**4**	5
Exchange gains, net	**253**	44
Fair value (loss)/gain on financial assets at FVTPL, net		
Measured at fair value based on Level 1	**(3)**	(3,367)
Measured at fair value based on Level 3	**(6,317)**	3,980
	(6,320)	613
Gain on redemption of financial assets at FVTPL	**–**	3,265
Gain on disposal of property, plant and equipment	**–**	2
Gain on lease modification	**–**	358
Government grant (note)	**517**	–
Interest income		
Interest income on bank deposits	**370**	1,169
Interest income on financial assets at FVTOCI	**–**	2,204
Interest income on financial assets at FVTPL	**5,448**	2,687
	5,818	6,060
Recovery of bad debts previously written off	**1,112**	–
Written off of property, plant and equipment	**–**	(7)
Sundry income	**1,015**	315
	2,399	10,655

Note: Government grants under Hong Kong's Branding, Upgrading, and Domestic Sales Fund, set up by the Hong Kong Government. The purpose of the funding is to provide essential financial support to help companies grow and expand their presence in Chinese Mainland and other international markets. There are no unfulfilled conditions or contingencies related to the subsidy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

9. SEGMENT INFORMATION

The chief operating decision maker has been identified as the Board. The Board reviews the Group's internal reporting for the purposes of resource allocation and assessment of segment performance which focused on the category of services/products provided to external customers. The Group has identified two reportable segments as follows:

Continuing operations

(i) The sale and trading of fast moving consumer goods including packaged foods, beverages and household consumable products ("FMCG Trading Business");

(ii) The cultivation, sale and trading of fresh and processed fruits and vegetables ("Agri-Products Business"); and

(iii) The Group's other operating segments include (i) travel agency, tour leading and related business, (ii) sales of packaged drinking water products business, (iii) sales of electronic products and information technology ("IT") maintenance service business. None of these segments meets any of the quantitative thresholds for determining reportable segments. The information of these other operating segments is included in the 'All other segments' column.

Discontinued operation

The provision of securities dealing and margin financing services ("Securities Dealing Business") (this segment has been discontinued following the deregistration of the securities license during the year ended 30 June 2026).

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Segment loss does not include gain from investments, certain other income, gains and losses, net, certain finance costs, and unallocated corporate expenses. Segment assets do not include investments, certain prepayments, deposits and other receivables, loan receivables and certain bank and cash balances. Segment non-current assets do not include investments, investment in a club membership, certain property, plant and equipment and certain right-of-use assets. Segment liabilities do not include certain accruals and other payables and certain lease liabilities. Segment non-current liabilities do not include certain lease liabilities and certain deferred tax liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

9. SEGMENT INFORMATION *(CONTINUED)*

Information about reportable segment revenue, results, assets and liabilities:

	Continuing operations					Discontinued operation	
	FMCG Trading Business HK$'000	Agri-Products Business HK$'000	All other segments HK$'000	Unallocation HK$'000	Sub-total HK$'000	Securities Dealing Business HK$'000	Total HK$'000
Year ended 30 June 2026							
Segment revenue and results							
Revenue from external customers	117,241	121,192	17,079	–	255,512	–	255,512
Segment loss	(101,423)	(86,239)	(917)	–	(188,579)	(14,600)	(203,179)
Unallocated expenses					(20,665)	–	(20,665)
Operating loss					(209,244)	(14,600)	(223,844)
Finance cost					(329)	(5)	(334)
Income tax expense					(217)	(7,973)	(8,190)
Loss for the year					(209,790)	(22,578)	(232,368)
Other segment information							
Other material non-cash items:							
Amortisation of other intangible assets	10,948	5,460	–	–	16,408	–	16,408
Depreciation on property, plant and equipment, net of amount capitalised	712	8,281	1,685	–	10,678	1	10,679
Depreciation on right-of-use assets, net of amount capitalised	1,881	6,893	–	777	9,551	109	9,660
Income tax expense	77	77	5	58	217	7,973	8,190
Changes in fair value due to biological transformation	–	8,471	–	–	8,471	–	8,471
Impairment losses/(reversal of impairment losses) on financial assets, net	60,193	13,992	822	(109)	74,898	13,832	88,730
Impairment losses on property, plant and equipment	3,280	11,359	–	–	14,639	–	14,639
Impairment losses on right-of-use assets	859	3,220	–	–	4,079	–	4,079
Impairment losses on other intangible assets	2,543	1,184	–	–	3,727	–	3,727
Impairment losses on biological assets	–	4,290	–	–	4,290	–	4,290
Impairment losses on bearer plants	–	5,368	–	–	5,368	–	5,368
Impairment losses on prepayments	3,316	2,202	–	–	5,518	–	5,518
Impairment losses on inventories	9,602	9,330	–	–	18,932	–	18,932
Loss on revaluation of buildings	94	94	–	188	376	–	376
Additions to segment non-current assets	12,827	24,180	–	–	37,007	–	37,007
At 30 June 2026							
Segment assets and liabilities							
Segment assets	175,867	107,722	5,584	107,013	396,186	1,083	397,269
Segment liabilities	9,455	16,344	5,333	13,694	44,826	676	45,502

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

9. SEGMENT INFORMATION *(CONTINUED)*

Information about reportable segment revenue, results, assets and liabilities: *(Continued)*

	Continuing operations				Discontinued operation	
	FMCG Trading Business HK$'000	Agri-Products Business HK$'000	Unallocation HK$'000	Sub-total HK$'000	Securities Dealing Business HK$'000	Total HK$'000
Year ended 30 June 2025 *(re-presented)*						
Segment revenue and results						
Revenue from external customers	248,670	178,220	–	426,890	1,103	427,993
Segment loss	(25,138)	(167,136)	–	(192,274)	(73)	(192,347)
Unallocated expenses				(12,225)	–	(12,225)
Operating loss				(204,499)	(73)	(204,572)
Finance cost				(326)	(9)	(335)
Income tax expense				(243)	67	(176)
Loss for the year				(205,068)	(15)	(205,083)
Other segment information						
Other material non-cash items:						
Amortisation of other intangible assets	9,810	3,705	–	13,515	–	13,515
Depreciation on property, plant and equipment, net of amount capitalised	745	13,043	1,729	15,517	1	15,518
Depreciation on right-of-use assets, net of amount capitalised	1,857	13,822	584	16,263	91	16,354
Income tax expense/(credit)	61	61	121	243	(67)	176
Changes in fair value due to biological transformation	–	10,157	–	10,157	–	10,157
Impairment losses/(reversal of impairment losses) on financial assets, net	4,938	(71)	–	4,867	(69)	4,798
Impairment loss on property, plant and equipment	–	62,900	–	62,900	–	62,900
Impairment loss on right-of-use assets	–	10,766	–	10,766	–	10,766
Impairment loss on construction in progress	–	5,087	–	5,087	–	5,087
Impairment loss on bearer plants	–	32,047	–	32,047	–	32,047
Impairment loss on prepayments	–	6,321	–	6,321	–	6,321
Impairment loss on inventories	128	–	–	128	–	128
Additions to segment non-current assets	12,812	24,328	898	38,038	219	38,257
At 30 June 2025 *(re-presented)*						
Segment assets and liabilities						
Segment assets	307,073	202,696	123,738	633,507	25,018	658,525
Segment liabilities	37,386	32,399	9,777	79,562	1,998	81,560

Geographical information:

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue		Non-current assets	
	2026 HK$'000	2025 HK$'000	**2026 HK$'000**	2025 HK$'000
Continued operations				
Chinese Mainland	**189,147**	372,712	**99,065**	143,202
Hong Kong	**66,365**	54,178	**1,137**	2,234
Others	**–**	–	**2,009**	2,840
Discontinued operation				
Hong Kong	**–**	1,103	**173**	11,896
Consolidated total	**255,512**	427,993	**102,384**	160,172

Revenue from major customer:

For the years ended 30 June 2026 and 2025, the revenue from the Group's largest customer accounted for less than 10% of the Group's total revenue and accordingly, no major customer information is presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

10. FINANCE COSTS

	2026 HK$'000	2025 HK$'000 (Re-presented)
Continuing operations		
Interest expenses on borrowings	–	1
Interest expenses on lease liabilities	329	325
	329	326

11. INCOME TAX EXPENSE

	2026 HK$'000	2025 HK$'000 (Re-presented)
Continuing operations		
Current tax		
– Hong Kong Profits Tax	5	–
Deferred tax (note 35)	212	243
Income tax expense	217	243
Discontinued operation		
Deferred tax expense/(credit)	7,973	(67)
	8,190	176

Tax charges on profits assessable elsewhere in other jurisdictions have been calculated at the rates of tax prevailing in the relevant jurisdictions in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Hong Kong Profits Tax is calculated at 16.5% on the estimated profit for the year ended 30 June 2026.

The Company's subsidiaries operating in Macau were subject to Macau Profit Tax at the rate of 12% (2025: 12%) in compliance with relevant Macau tax regulations. The first MOP$600,000 of assessable profits of these subsidiaries are tax-free and the remaining assessable profits are taxed at 12%.

Under the Law of the PRC on Corporate Income Tax (the "CIT Law") and Implementation Regulation of the CIT Law, the tax rate of the PRC operation is 25% for the years ended 30 June 2026 and 2025.

No provision for Hong Kong Profits Tax, PRC Corporate Income Tax and Macau Profit Tax Tax has been made for the years ended 30 June 2025 as the Group did not have any assessable profits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

11. INCOME TAX EXPENSE *(CONTINUED)*

The reconciliation of the income tax expenses and the loss before tax multiplied by the statutory tax rate of the countries in which the Company and its subsidiaries are domiciled to the income tax expenses at the effective tax rates are as follows:

	2026				2025 *(Re-presented)*			
	Macau HK$'000	**Hong Kong HK$'000**	**PRC HK$'000**	**Total HK$'000**	Macau HK$'000	Hong Kong HK$'000	PRC HK$'000	Total HK$'000
Loss before tax								
– From continuing operations	**(4,606)**	**(22,471)**	**(182,496)**	**(209,573)**	(16,440)	(9,092)	(179,293)	(204,825)
– From discontinued operation	**–**	**(14,605)**	**–**	**(14,605)**	–	(82)	–	(82)
	(4,606)	**(37,076)**	**(182,496)**	**(224,178)**	(16,440)	(9,174)	(179,293)	(204,907)
Applicable income tax rate	**12%**	**16.5%**	**25%**		12%	16.5%	25%	
Tax at the applicable income tax rate	**(553)**	**(6,122)**	**(45,624)**	**(52,299)**	(1,973)	(1,514)	(44,823)	(48,310)
Tax effect of income not taxable	**(16)**	**(57)**	**(4,246)**	**(4,319)**	(12)	(1,225)	(4,021)	(5,258)
Tax effect of loss and expenses not deductible	**607**	**2,926**	**47,580**	**51,113**	2,115	2,291	47,128	51,534
Derecognition of deferred tax assets previously recognised in respect of discontinued operations (Note 49)	**–**	**9,260**	**–**	**9,260**	–	–	–	–
Derecognition of deferred tax liabilities previously recognised in respect of discontinued operations (Note 49)	**–**	**(1,287)**	**–**	**(1,287)**	–	–	–	–
Tax effect of unused tax losses not recognised	**–**	**3,069**	**1,872**	**4,941**	–	433	1,757	2,190
Tax effect of utilisation of tax losses not previously recognised	**–**	**(30)**	**–**	**(30)**	–	(70)	–	(70)
Tax effect of unrecognised temporary difference	**(38)**	**219**	**630**	**811**	(130)	18	202	90
Income tax expenses	**–**	**7,978**	**212**	**8,190**	–	(67)	243	176

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

12. LOSS FOR THE YEAR FROM CONTINUING OPERATIONS

The Group's loss for the year from continuing operations is stated after charging/(crediting) the following:

	2026 HK$'000	2025 HK$'000 *(Re-presented)*
Continuing operations		
Amortisation of other intangible assets (note 21)	**16,408**	13,515
Auditors' remuneration		
Audit services	**1,483**	2,343
Non-audit services	**–**	182
	1,483	2,525
Cost of inventories sold	**218,434**	386,693
Depreciation on property, plant and equipment, net of amount capitalised (note 16)	**10,678**	15,517
Depreciation on right-of-use assets, net of amount capitalised (note 17)	**9,551**	16,263
Exchange gains, net	**(253)**	(44)
Fair value loss/(gain) on financial assets at FVTPL, net	**6,320**	(613)
Gain on disposal of property, plant and equipment, net	**–**	(2)
Gain on redemption of financial assets at FVTPL	**–**	(3,265)
Impairment losses on inventories	**18,932**	128
Impairment losses on non-financial assets		
Impairment losses on property, plant and equipment (note 16)	**14,639**	62,900
Impairment losses on right-of-use assets (note 17)	**4,079**	10,766
Impairment losses on construction in progress (note 18)	**–**	5,087
Impairment losses on other intangible assets (note 21)	**3,727**	–
Impairment losses on biological assets (note 25)	**4,290**	–
Impairment losses on bearer plants (note 19)	**5,368**	32,047
Impairment losses on prepayments (note 29)	**5,518**	6,321
	37,621	117,121
Impairment losses on financial assets, net		
Impairment losses on trade receivables, net of reversal	**59,548**	5,557
Impairment losses/(reversal of impairment losses) on deposits and other receivables	**15,350**	(690)
	74,898	4,867
Written off of property, plant and equipment	**–**	7
Loss on revaluation of property	**376**	–
Rental income (note 7)	**(1,001)**	(977)
Staff costs (excluding directors' emoluments (note 13)		
Staff salaries, bonus and allowances	**17,661**	20,298
Retirement benefits scheme contributions	**446**	488
	18,107	20,786

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

13. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The emoluments of directors of the Company for the year, disclosed pursuant to the Listing Rules and the Companies Ordinance, were as follows:

	2026	2025
	HK$'000	HK$'000
Fees	**375**	450
Other emoluments:		
Salaries, allowances and benefits in kind	**4,987**	5,063
Discretionary bonus	**193**	151
Retirement benefits scheme contributions	**18**	25
	5,573	5,689

The emoluments of individual director for the year were as follows:

(i) Independent non-executive directors

The fees paid/payable to independent non-executive directors were as follows:

	2026	2025
	HK$'000	HK$'000
Fees		
Mr. Poon Yiu Cheung Newman	**150**	150
Ms. Mak Yun Chu	**150**	150
Mr. Hung Hing Man (note)	**75**	150
	375	450

Note: Mr. Hung Hing Man resigned as independent non-executive director and re-designated as chief financial officer on 11 March 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

13. BENEFITS AND INTERESTS OF DIRECTORS *(CONTINUED)*

(a) Directors' emoluments *(Continued)*

(ii) Executive directors

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Discretionary bonus HK$'000	Retirement benefits scheme contributions HK$'000	Total emoluments HK$'000
2026					
Mr. Lam Kwok Hing (note (a))	**–**	**2,836**	**118**	**–**	**2,954**
Ms. Lee Choi Lin Joecy	**–**	**795**	**33**	**–**	**828**
Ms. Gao Qin Jian (note (c))	**–**	**694**	**42**	**–**	**736**
Mr. Chan Cheuk Yu Stephen	**–**	**480**	**–**	**18**	**498**
Mr. Sun Banggui (note (d))	**–**	**182**	**–**	**–**	**182**
	–	**4,987**	**193**	**18**	**5,198**
2025					
Mr. Lam Kwok Hing (note (a))	–	2,836	118	–	2,954
Ms. Lee Choi Lin Joecy	–	795	33	7	835
Ms. Gao Qin Jian (note (c))	–	952	–	–	952
Mr. Chan Cheuk Yu Stephen	–	480	–	18	498
Mr. Mok Tsan San (note (b))	–	–	–	–	–
	–	5,063	151	25	5,239

Notes:

a. Mr. Lam Kwok Hing is also the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as chief executive.

b. Mr. Mok Tsan San has vacated office as the Executive Director of the Company on 15 April 2025.

c. Ms. Gao Qin Jian was resigned as the Executive Director of the Company on 11 March 2026.

d. Mr. Sun Banggui was appointed as the Executive Director of the Company on 11 March 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

13. BENEFITS AND INTERESTS OF DIRECTORS *(CONTINUED)*

(a) Directors' emoluments *(Continued)*

The above emoluments are covered by respective service contracts of each of the directors. There was no arrangement under which a director waived or agreed to waive any emolument during the year ended 30 June 2026 (2025: HK$Nil).

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Group and the Company. The non-executive directors and the independent non-executive directors' emoluments shown above were for their services as directors of the Company.

The five highest paid individuals in the Group during the year ended 30 June 2026 included two (2025: one) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining three (2025: four) individuals are set out below:

	2026	2025
	HK$'000	HK$'000
Salaries, allowances and benefits in kind	**3,420**	5,070
Discretionary bonus	**173**	171
Retirement benefits scheme contributions	**18**	72
	3,611	5,313

The emoluments fell within the following bands:

	Number of individuals	
	2026	2025
HK$Nil to HK$1,000,000	**–**	1
HK$1,000,001 to HK$1,500,000	**3**	2
HK$1,500,001 to HK$2,000,000	**–**	1

During the year ended 30 June 2026, no emoluments were paid by the Group to any of the directors or the highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office (2025: HK$Nil).

(b) Directors' material interests in transactions, arrangements or contracts

Except for disclosed in note 46 to the consolidated financial statements, No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 30 June 2026 (2025: Nil).

14. DIVIDENDS

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

15. LOSS PER SHARE

The computations of basic and diluted loss per share attributable to owners of the Company, are as follows:

	2026 **HK$'000**	2025 HK$'000 *(Re-presented)*
Loss		
Loss for the year attributable to owners of the Company		
— Continuing operations	**(209,790)**	(205,068)
— Discontinued operation	**(22,578)**	(15)
	(232,368)	(205,083)

	2026	2025
Numbers of shares		
Weighted average number of ordinary shares for the purposes of calculating basic and diluted loss per share	**200,154,727**	176,189,015

No diluted loss per share is presented as the Company did not have any potentially dilutive ordinary shares for both years ended 30 June 2026 and 2025.

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For the year ended 30 June 2026

16. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK$'000	Farmland infrastructure HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, office equipment and motor vehicles HK$'000	Total HK$'000
Cost or valuation						
At 1 July 2024	81,283	518,186	29,438	129,986	29,280	788,173
Additions	–	–	273	–	30	303
Disposals	–	–	–	(14)	–	(14)
Transfer from construction in progress*	–	12,656	–	–	–	12,656
Written off	–	–	(171)	–	(233)	(404)
Adjustment on revaluation	(8,945)	–	–	–	–	(8,945)
Exchange realignment	1,756	–	207	478	238	2,679
At 30 June 2025 and 1 July 2025	74,094	530,842	29,747	130,450	29,315	794,448
Additions	–	–	9,650	998	–	10,648
Transfer from construction in progress*	–	12,612	–	–	–	12,612
Written off	–	–	–	–	(567)	(567)
Adjustment on revaluation	(17,552)	–	–	–	–	(17,552)
Exchange realignment	3,368	–	491	1,129	541	5,529
At 30 June 2026	59,910	543,454	39,888	132,577	29,289	805,118
Accumulated depreciation and impairment						
At 1 July 2024	–	438,144	27,490	112,714	27,791	606,139
Depreciation charge for the year	2,769	6,369	638	5,333	432	15,541
Disposals	–	–	–	(14)	–	(14)
Transfer from construction in progress*	–	5,157	–	–	–	5,157
Impairment loss (note 12)	–	62,900	–	–	–	62,900
Written off	–	–	(169)	–	(228)	(397)
Adjustment on revaluation	(2,769)	–	–	–	–	(2,769)
Exchange realignment	–	–	171	466	234	871
At 30 June 2025 and 1 July 2025	–	512,570	28,130	118,499	28,229	687,428
Depreciation charge for the year	2,635	1,482	740	5,411	415	10,683
Transfer from construction in progress*	–	10,227	–	–	–	10,227
Impairment loss (note 12)	–	7,309	4,354	2,731	245	14,639
Written off	–	–	–	–	(567)	(567)
Adjustment on revaluation	(2,635)	–	–	–	–	(2,635)
Exchange realignment	–	–	438	1,113	535	2,086
At 30 June 2026	–	531,588	33,662	127,754	28,857	721,861
Carrying amount						
At 30 June 2026	**59,910**	**11,866**	**6,226**	**4,823**	**432**	**83,257**
At 30 June 2025	74,094	18,272	1,617	11,951	1,086	107,020

* During the year ended 30 June 2026, construction in progress with a gross carrying amount of approximately HK$12,612,000 (2025: HK$12,656,000) and accumulated impairment losses of approximately HK$10,227,000 (2025: HK$5,157,000) was completed and transferred to property, plant and equipment, with a net carrying amount of approximately HK$2,385,000 (2025: HK$7,499,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

16. PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

The analysis of the cost or valuation of property, plant and equipment is as follows:

	Buildings HK$'000	Farmland infrastructure HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, office equipment and motor vehicles HK$'000	Total HK$'000
At 30 June 2026						
At cost	**–**	**543,454**	**39,888**	**132,577**	**29,289**	**745,208**
At valuation	**59,910**	**–**	**–**	**–**	**–**	**59,910**
	59,910	**543,454**	**39,888**	**132,577**	**29,289**	**805,118**
At 30 June 2025						
At cost	–	530,842	29,747	130,450	29,315	720,354
At valuation	74,094	–	–	–	–	74,094
	74,094	530,842	29,747	130,450	29,315	794,448

Depreciation charge for the year is analysed as follows:

	2026 HK$'000	2025 HK$'000
Charged to profit or loss (note 12)	**10,679**	15,518
Capitalised as biological assets	**4**	23
	10,683	15,541

As at 30 June 2026, the Group's buildings (the "Properties") had a carrying amount of approximately HK$59,910,000 (2025: HK$74,094,000). The Properties are situated on land held under a medium-term lease in the PRC, are located at No. 1–5, Lane 1199, Jidi Road, Minhang District, Shanghai, the People's Republic of China, has a gross floor area of 21,821 square metres and are wholly owned by the Group.

The Properties are revalued as at 30 June 2026 by using the depreciated replacement cost basis by Libra Appraisal Limited (2025: Hong Kong Appraisal Advisory Limited), an independent qualified valuer. During the year ended 30 June 2026, the revaluation of the Properties resulted in a decrease in fair value of approximately HK$14,917,000 (2025: HK$6,176,000), of which approximately HK$14,541,000 (2025: HK$6,176,000) was debited to the property revaluation reserve and the related deferred tax liabilities of approximately HK$3,652,000 (2025: HK$1,545,000) was released and credited to the property revaluation reserve. The net charge to the property revaluation reserve for the year ended 30 June 2026 was therefore approximately HK$10,889,000 (2025: HK$4,631,000), and the reserve was fully utilised and reduced to HK$nil as at 30 June 2026. The excess of approximately HK$376,000 (2025: HK$nil) was recognised in profit or loss.

The reconciliation and disclosure of the fair value measurement of the Properties are disclosed in note 6(b)(vii).

As at 30 June 2026, the carrying amount of the Properties would have been approximately HK$61,669,000 (2025: HK$60,812,000) had they been stated at cost less accumulated depreciation.

As at 30 June 2026, the Group entered into a conditional sale and purchase agreement with Mr. Lam Kwok Hing, the chairman of the Board, an Executive Director, the chief executive officer of the Company, to dispose of Si Wan Limited and its subsidiary, which mainly held the Properties to the consolidated financial statements and the Properties would be leased back to the Group in a major and connected transaction set out in note 50 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

16. PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

On 18 September 2026, the transaction was approved by the shareholders at an extraordinary general meeting and completed on 29 October 2026 at the consideration of HK$54,000,000. The consideration was determined by reference to the unaudited net asset value of the subsidiaries as at 31 May 2026, taking into account the valuation of the Property in the amount of approximately RMB51,969,000 (equivalent to HK$59,393,000) as at 31 May 2026.

The Group incurred segment losses in FMCG Trading Business and Agri-Products Business segments due to the bleak global economic outlook, subdued market demand and the inclement weather condition inflicting on the upstream farming business in PRC.

Details of impairment assessment are set out in note 30 to the consolidated financial statements.

17. RIGHT-OF-USE ASSETS

	Leasehold lands HK$'000	**Leased properties HK$'000**	**Total HK$'000**
At 1 July 2024	18,267	7,514	25,781
Additions	9,071	12,103	21,174
Lease modification	–	73	73
Depreciation	(8,397)	(11,742)	(20,139)
Impairment loss (note 12)	(10,766)	–	(10,766)
Exchange realignment	–	55	55
At 30 June 2025 and 1 July 2025	8,175	8,003	16,178
Additions	7,659	2,679	10,338
Depreciation	(8,125)	(7,219)	(15,344)
Impairment loss (note 12)	(2,938)	(1,141)	(4,079)
Exchange realignment	–	82	82
At 30 June 2026	**4,771**	**2,404**	**7,175**

Lease liabilities of approximately HK$5,183,000 (2025: HK$6,459,000) are recognised with related right-of-use assets of approximately HK$1,534,000 (2025: HK$3,143,000) as at 30 June 2026. The lease agreements do not impose any covenants other than the rental deposits in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

	2026 HK$'000	2025 HK$'000
Depreciation expenses on right-of-use assets (charged to profit or loss) (note 12)	**9,660**	16,354
Depreciation expenses on right-of-use assets (capitalised as biological assets) (note 25)	**5,684**	3,785
Interest expense on lease liabilities (included in cost of sales and finance costs)	**394**	411
Expenses relating to short-term leases (included in selling and distribution expenses and administrative expenses)	**746**	1,392

Details of total cash outflow for leases is set out in note 41(b) to the consolidated financial statements.

For both years, the Group leases offices, warehouses, and farmlands for its operations. Lease contracts are entered into for fixed term of 1 to 20 years, but may have termination options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

17. RIGHT-OF-USE ASSETS *(CONTINUED)*

The Group has termination options in a number of leases for warehouses. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of termination options held are exercisable only by the Group and not by the respective lessors.

The Group assesses at lease commencement date whether it is reasonably certain not to exercise the termination option in a lease for warehouse in Beijing. The potential exposure to the future lease payments for termination option in which the Group is not reasonably certain not to exercise is summarised below:

	Lease liabilities recognised (discounted)		Potential future lease payments not included in lease liabilities (undiscounted)	
	2026	2025	**2026**	2025
	HK$'000	HK$'000	**HK$'000**	HK$'000
Warehouse — PRC	**–**	–	**4,706**	5,358

In addition, the Group reassesses whether it is reasonably certain not to exercise a termination option in a lease for warehouse in Beijing, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the years ended 30 June 2026 and 2025, there has been no such triggering event.

Details of impairment assessment are set out in note 30 to the consolidated financial statements.

18. CONSTRUCTION IN PROGRESS

	HK$'000
At 1 July 2024	14,971
Transfer to property, plant and equipment	(7,499)
Impairment loss (note 12)	(5,087)
At 30 June 2025 and 1 July 2025	2,385
Transfer to property, plant and equipment (note)	(2,385)
At 30 June 2026	**–**

Details of impairment assessment are set out in note 30 to the consolidated financial statements.

Note: During the year ended 30 June 2026, construction in progress with a gross carrying amount of approximately HK$12,612,000 and accumulated impairment losses of approximately HK$10,227,000 was completed and transferred to property, plant and equipment, with a net carrying amount of approximately HK$2,385,000. As at 30 June 2026, the Group had no construction in progress.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

19. BEARER PLANTS

	Fruit trees HK$'000
Cost	
At 1 July 2024, 30 June 2025, 1 July 2025 and 30 June 2026	130,160
Accumulated depreciation and impairment	
At 1 July 2024	80,115
Charge for the year (note)	2,967
Impairment loss (note 12)	32,047
At 30 June 2025 and 1 July 2025	115,129
Charge for the year (note)	947
Impairment loss (note 12)	5,368
At 30 June 2026	121,444
Carrying amount	
At 30 June 2026	**8,716**
At 30 June 2025	15,031

The quantity of fruit trees owned by the Group at the end of the reporting period is shown below:

	2026	2025
Fruit trees	**286,600**	286,600

Details of impairment assessment are set out in note 30 to the consolidated financial statements.

Note: During the year ended 30 June 2026, depreciation of bearer plants of approximately HK$947,000 (2025: HK$2,967,000) was capitalised as biological assets (note 25).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

20. GOODWILL

	HK$'000
Cost	
At 1 July 2024, 30 June 2025 and 1 July 2025	66,858
Written-off (note)	(1,493)
At 30 June 2026	65,365
Accumulated impairment	
At 1 July 2024, 30 June 2025 and 1 July 2025	66,858
Written-off (note)	(1,493)
At 30 June 2026	65,365
Carrying amount	
At 30 June 2026	**–**
At 30 June 2025	–

Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated to the CGUs as follows:

	2026		
	Allocated goodwill HK$'000	**Accumulated impairment HK$'000**	**Carrying amount HK$'000**
Agri-Products Business	**65,365**	**(65,365)**	**–**

	2025		
	Allocated goodwill HK$'000	Accumulated impairment HK$'000	Carrying amount HK$'000
Securities Dealing Business	1,493	(1,493)	–
Agri-Products Business	65,365	(65,365)	–
	66,858	(66,858)	–

Note: The Securities Dealing Business has been ceased during the year ended 30 June 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

21. OTHER INTANGIBLE ASSETS

	The Stock Exchange trading right HK$'000	Distribution rights HK$'000	Total HK$'000
Cost			
At 1 July 2024	8,300	69,196	77,496
Additions	–	16,780	16,780
Expiration	–	(54,864)	(54,864)
Written off	–	(9,964)	(9,964)
At 30 June 2025 and 1 July 2025	8,300	21,148	29,448
Additions	–	16,021	16,021
Written off	(8,300)	–	(8,300)
At 30 June 2026	–	37,169	37,169
Accumulated amortisation and impairment			
At 1 July 2024	8,300	65,374	73,674
Amortisation for the year (note 12)	–	13,515	13,515
Expiration	–	(54,864)	(54,864)
Written off	–	(9,964)	(9,964)
At 30 June 2025 and 1 July 2025	8,300	14,061	22,361
Amortisation for the year (note 12)	–	16,408	16,408
Written off	(8,300)	–	(8,300)
Impairment loss (note 12)	–	3,727	3,727
At 30 June 2026	–	34,196	34,196
Carrying amount			
At 30 June 2026	**–**	**2,973**	**2,973**
At 30 June 2025	–	7,087	7,087

The distribution rights included above have finite useful lives, over which the assets are amortised.

The Group acquired rights for distribution of certain packaged food, beverages and fresh fruit products in the PRC. The carrying amount of distribution rights as at 30 June 2026 was approximately HK$2,973,000 (2025: HK$7,087,000). The average remaining amortisation period of these distribution rights was approximately 0.4 years (2025: 0.4 years). The amortisation for the year ended 30 June 2026 was included in selling and distribution expenses of approximately HK$8,204,000 (2025: HK$13,515,000) and in cost of sales of approximately HK$8,204,000 (2025: HK$Nil).

During the year ended 30 June 2026, the Group's stock exchange trading right of approximately HK$8,300,000 was written off due to the ceased operation of Securities Dealing Business.

Details of impairment assessment are set out in note 30 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

22. OTHER DEPOSITS AND PREPAYMENT

	2026 HK$'000	2025 HK$'000
Prepayment for pack houses facilities	–	468
Other deposits	155	155
Total non-current portion	155	623
Total current portion (note 29)	78,875	107,229

23. INVESTMENT IN A CLUB MEMBERSHIP

The Group's club membership of approximately HK$108,000 (2025: HK$108,000) as at 30 June 2026 is assessed as having indefinite useful life because there is no time limit that the Group can enjoy the services provided by that club.

24. INVESTMENTS

	2026 HK$'000	2025 HK$'000
Non-current assets		
Financial assets at FVTOCI		
— unlisted debt investments in Hong Kong	–	48,238
Financial assets at FVTPL		
— unlisted debt investments in Hong Kong	–	20,780
	–	69,018

	2026 HK$'000	2025 HK$'000
Current assets		
Financial assets at FVTOCI		
— unlisted debt investments in Hong Kong	46,326	–
Financial assets at FVTPL		
— listed equity securities in Hong Kong	–	122
— unlisted debt investments in Hong Kong	14,463	–
	60,789	122

The fair values of the listed equity securities are based on quoted closing price at the end of reporting period.

The fair value of the unlisted debt investments classified as financial assets at FVTOCI was referenced to the valuation performed by Libra Appraisal Limited (2025: BMI Appraisals Limited), an independent qualified valuer derived from estimation of the value by using discounted cash flow approach.

The fair value of the unlisted debt investments classified as financial assets at FVTPL was referenced to the valuation performed by Libra Appraisal Limited (2025: BMI Appraisals Limited), an independent qualified valuer derived from estimations of the equity component and debt component value by using Binomial Option Pricing Model in which the credit spread derived from comparable bonds with similar maturities and credit rating by build-up method.

The carrying amounts of the financial assets are mandatorily measured at FVTPL in accordance with HKFRS 9.

None of the debt investments is neither past due nor impaired at the end of reporting period. On 26 August 2026, China Healthwise Holdings Limited, the issuer of the debt investments at FVTPL, has early redeemed the principal amount of convertible bonds with principal amount of approximately HK$16,800,000. The fair value of these bonds was approximately HK$14,463,000 as at 30 June 2026.

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24. INVESTMENTS *(CONTINUED)*

The financial assets at FVTOCI and FVTPL are denominated in HK$.

As at 30 June 2025, the financial assets at FVTPL of minimal value have been pledged to a bank to secure the banking facilities (2026: Nil) granted to the Group (note 42).

25. BIOLOGICAL ASSETS

	HK$'000
At 1 July 2024	12,096
Additions of cultivation	25,385
Changes in fair value due to biological transformation (note (a))	(10,157)
Transfer of harvested fresh fruit bunches to inventories	(16,301)
Exchange realignment	176
At 30 June 2025 and 1 July 2025	11,199
Additions of cultivation	23,981
Changes in fair value due to biological transformation (note (a))	(8,471)
Transfer of harvested fresh fruit bunches to inventories	(15,876)
Impairment losses (note 12)	(4,290)
Exchange realignment	425
At 30 June 2026	**6,968**

Notes:

a. During the year, the Group harvested approximately 8,546,000 (2025: 8,022,000) catties of fruits. The directors measured the fair value less costs to sell of fruits at harvest based on market prices as at or close to the harvest dates.

b. Cultivation costs incurred as addition to the biological assets. All fruits are harvested annually from September to February. After the harvest, plantation works commenced again on the farmland. The directors considered that there was no active market for the fruits before harvest at the end of the reporting period. The present value of expected cash flows was not considered as a reliable measure of their fair value due to the need for, and use of, subjective assumptions including weather condition, natural disaster and effectiveness of agricultural chemicals. As such, the directors considered that the fair value of biological assets at the end of the reporting period could not be measured reliably and no reliable alternative estimates existed to determine fair value. Therefore, biological assets continued to be stated at cost as at 30 June 2026 and 2025.

The carrying value of biological assets as at 30 June 2026 and 2025 represented cultivation costs incurred including fertilisers, pesticides, labour, depreciation of right-of-use assets, depreciation of property, plant and equipment, depreciation of bearer plants and sub-contracting raising cost.

Included in the additions of cultivation to the Group's biological assets are mainly fertilisers, labour, depreciation of bearer plants, depreciation of right-of-use assets and sub-contracting raising cost of approximately HK$8,851,000 (2025: HK$9,085,000), HK$4,745,000 (2025: HK$4,755,000), HK$947,000 (2025: HK$2,967,000), HK$5,684,000 (2025: HK$3,785,000) and HK$1,977,000 (2025: HK$2,774,000) respectively.

Physical measurement of biological assets as at 30 June is approximately as follows:

	Citrus trees (Chinese Mu)
2026	**5,000**
2025	5,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

25. BIOLOGICAL ASSETS *(CONTINUED)*

The quantity and amount of agricultural produce harvested measured at fair value less costs to sell during the year were approximately as follows:

	2026	2025
Quantity		
Citrus (catty '000)	**8,546**	8,022
	HK$'000	HK$'000
Amount		
Citrus	**15,873**	15,356

The Group is exposed to a number of risks related to its citrus tree plantations:

Regulatory and environmental risks

The Group is subject to laws and regulations in the PRC where it operates. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

Supply and demand risk

The Group is exposed to risks arising from fluctuations in the prices and sales volumes of fruits. When possible the Group will manage this risk by aligning its harvest volumes to market supply and demand. Management performs regular industry trend analysis to ensure that the Group's pricing structure will be in line with the market and to ensure that projected harvest volumes will be consistent with the expected demand.

Climate and other risks

The Group's plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular forest health inspections and industry pest and disease surveys.

The fruit plantation business requires a high level of cash flow before fruit can be harvested and sold. The Group actively manages the working capital requirements and has secured sufficient credit facilities to meet the cash flow requirements.

26. INVENTORIES

	2026	2025
	HK$'000	HK$'000
Raw materials	**48**	23
Packing materials	**313**	333
Finished goods	**63,217**	81,618
	63,578	81,974

As at 30 June 2026, the provision for impairment losses on inventories amounted to approximately HK$19,060,000 (2025: HK$128,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

27. LOAN RECEIVABLES

	2026 HK$'000	2025 HK$'000
Loan receivables	**19,332**	19,332
Less: Impairment losses	**(18,559)**	(4,720)
Non-current assets	**773**	14,612
Less: Non-current portion	**–**	(10,242)
Current portion	**773**	4,370

The Group's loan receivables are denominated in HK$. The loan receivables are unsecured, interest-bearing at 6% per annum (2025: 6% per annum) and repayable with fixed terms agreed with the customers.

A maturity profile of the loan receivables as at the end of the reporting period, based on the maturity date, net of impairment loss, is as follows:

	2026 HK$'000	2025 HK$'000
Within one year or on demand	**773**	4,370
One to two years	**–**	5,331
Two to five years	**–**	4,911
	773	14,612

The loan receivables were past due by within one year as at 30 June 2026 and were not yet past due as at 30 June 2025.

Details of impairment assessment of loan receivables are set out in note 6(b)(iii) to the consolidated financial statements.

28. TRADE RECEIVABLES

	2026 HK$'000	2025 HK$'000
Trade receivables except for Securities Dealing Business (note (a))	**102,677**	165,458
Dealing in securities and margin financing		
— Cash clients (note (b))	**–**	5,779
	102,677	171,237
Less: Impairment losses	**(60,275)**	(12,823)
	42,402	158,414

Details of impairment assessment of trade receivables are set out in note 6(b)(iii) to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

28. TRADE RECEIVABLES *(CONTINUED)*

Notes:

a. For trade receivables except for dealing in securities and margin financing, the Group normally allows credit terms to established customers ranging from 30 to 210 days (2025: 30 to 210 days).

The aging analysis of trade receivables except for dealing in securities and margin financing and net of impairment losses, based on the date of recognition of the sale, is as follows:

	2026	2025
	HK$'000	HK$'000
1–30 days	**14,867**	34,818
31–60 days	**8,982**	29,195
61–90 days	**8,327**	22,864
Over 90 days	**10,226**	71,537
	42,402	158,414

As at 30 June 2026 and 2025, trade receivables except for dealing in securities and margin financing are unsecured and interest-free.

b. As at 30 June 2025, cash client receivables of approximately HK$5,779,000 were past due and fully impaired. During the year ended 30 June 2026, the Securities Dealing Business has been discontinued and management assessed that these receivables had no realistic prospect of recovery and were not subject to any enforcement activity and the balances were reclassified to other receivables.

As at 30 June 2025, cash client receivables from dealing in securities past due are unsecured and bear interest of 9.25% per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

29. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2026 HK$'000	2025 HK$'000
Rental and utility deposits	**11,448**	11,628
Other deposits	**28,389**	31,728
Other receivables	**56,391**	61,372
Client receivables from Securities Dealing Business	**5,779**	–
Less: Impairment losses	**(28,937)**	(7,679)
	73,070	97,049
Prepaid expenses	**13,077**	18,723
Less: impairment losses	**(7,117)**	(7,920)
	5,960	10,803
	79,030	107,852
Less: Non-current portion (note 22)	**(155)**	(623)
Current portion	**78,875**	107,229

The carrying amounts of deposits and other receivables approximated their fair values.

Prepayments, deposits and other receivables mainly comprise prepaid operating fees, purchase deposits to suppliers and amount due from third parties occurred in the ordinary course of business.

Client receivables represent amounts due from customers in respect of securities dealing activities. During the year ended 30 June 2026, the Group ceased its Securities Dealing Business. The corresponding client receivables, with a gross carrying amount of approximately HK$5,779,000, were reclassified to other receivables and were fully impaired as at 30 June 2026.

Details of impairment assessment of deposits and other receivables are set out in note 6(b)(iii) to the consolidated financial statements.

30. IMPAIRMENT ASSESSMENT OF THE NON-FINANCIAL ASSETS AND SEGMENT ASSETS

(i) Agri-Products Business segment

During the year ended 30 June 2026, as the agri-products business incurred a continuous segment loss which increases the risk that its assets within those CGUs may be impaired. The management determined the non-current assets of property, plant and equipment, right-of-use assets, construction in progress, other intangible assets, bearer plants, biological assets and prepayments to the CGU, these assets do not generate independent cash inflows. The recoverable amount of CGUs was determined based on the higher of fair value less cost of disposal and value in use.

As at 30 June 2026, the recoverable amount of the CGUs was approximately HK$35,822,000, determined based on their value in use, assessed using discounted cash flow method. The pre-tax discount rate used in the estimate of value in use of the CGUs was the range from 11.00% to 12.43% (2025: 9.67%). Impairment losses were recognised against the non-financial assets, including property, plant and equipment, right-of-use assets, construction in progress, other intangible assets, bearer plants, biological assets and prepayments amounted to approximately HK$11,359,000 (2025: HK$62,900,000), HK$3,220,000 (2025: HK$10,766,000), HK$Nil (2025: HK$5,087,000), HK$1,184,000 (2025: HK$Nil), HK$5,368,000 (2025: HK$32,047,000), HK$4,290,000 (2025: HK$Nil) and HK$2,202,000 (2025: HK$6,321,000) respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

30. IMPAIRMENT ASSESSMENT ON THE NON-CURRENT ASSETS AND SEGMENT ASSETS *(CONTINUED)*

(ii) FMCG Trading Business segment

During the year ended 30 June 2026, as the FMCG trading business incurred a continuous segment loss which increases the risk that its assets in the CGU may be impaired. The management determined the non-current assets of property, plant and equipment, right-of-use assets, other intangible assets, and prepayments to the CGU, these assets do not generate independent cash inflows. The recoverable amount of the CGU was determined based on the higher of fair value less cost of disposal and value in use.

As at 30 June 2026, the recoverable amount of the CGU was approximately HK$6,371,000, determined based on their value in use, assessed using discounted cash flow method. The pre-tax discount rate used in the estimate of value in use of the CGU was 10.60% (2025: 10.22%). Impairment losses were recognised against the non-financial assets, including property, plant and equipment, right-of-use assets, other intangible assets and prepayments amounted to approximately HK$3,280,000 (2025: HK$Nil), HK$859,000 (2025: HK$Nil), HK$2,543,000 (2025: HK$Nil), and HK$3,316,000 (2025: HK$Nil) respectively.

The Group's only intangible asset with an indefinite useful life is a club membership with a carrying amount of approximately HK$108,000 as at 30 June 2026 (2025: HK$108,000). The club membership is a corporate asset that has been allocated to the Agri-Products Business CGU and the FMCG Trading Business CGU.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

31. BANK AND CASH BALANCES, AND CLIENT TRUST BANK BALANCES

As at 30 June 2026, the bank and cash balances of the Group denominated in RMB and kept in the PRC amounted to approximately HK$31,087,000 (2025: HK$28,894,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

As at 30 June 2025, the Group maintains segregated trust accounts with authorised institutions to hold clients' monies arising from its normal course of business. The Group has classified the clients' monies as "Client trust bank balances".

32. TRADE PAYABLES

	2026	2025
	HK$'000	HK$'000
Trade payables except for Securities Dealing Business (note (a))	**20,329**	55,429
Dealing in securities — Cash clients (note (b))	**–**	156
	20,329	55,585

Notes:

a. The aging analysis of trade payables except for Securities Dealing Business, based on the date of receipt of goods purchased, is as follows:

	2026	2025
	HK$'000	HK$'000
1–30 days	**5,249**	30,849
31–60 days	**1,190**	18,583
61–90 days	**3,304**	5,335
Over 90 days	**10,586**	662
	20,329	55,429

The average credit period granted by trade payables is 30 to 90 days (2025: 30 to 90 days).

b. The trade payables to cash clients arising from dealing in securities are repayable on demand. The Group has a practice to satisfy all the requests for payment within one business day. No aging analysis is disclosed as, in the opinion of the Directors, the aging analysis does not give additional value in view of the nature of the business.

As at 30 June 2025, trade payables to cash clients arising from dealing in securities also include those payables where the corresponding clients' monies are placed in trust and segregated accounts with authorised financial institutions of approximately HK$156,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

33. ACCRUALS AND OTHER PAYABLES

	2026	2025
	HK$'000	HK$'000
Accrued staff costs	**1,171**	1,632
Other accrued operating expenses	**2,818**	3,593
Other payables (note)	**9,622**	3,611
	13,611	8,836

The carrying amounts of accruals and other payables approximated their fair values.

Note: On 30 June 2026, the Group entered into a sale and purchase agreement with Mr. Lam Kwok Hing, the chairman of the Board, an Executive Director, the chief executive officer of the Company, to dispose of its entire equity interests in Si Wan Limited and its subsidiary, a wholly-owned subsidiary of the Group. As at 30 June 2026, the Group had received deposits of HK$5,000,000 in respect of the disposal.

34. LEASE LIABILITIES

	Minimum lease payments		**Present value of minimum lease payments**	
	2026	2025	**2026**	2025
	HK$'000	HK$'000	**HK$'000**	HK$'000
Within one year	**1,155**	1,914	**1,104**	1,781
More than one year, but not exceeding two years	**525**	1,109	**516**	1,061
More than two years, but not more than five years	**–**	498	**–**	490
More than five years	**5,536**	5,253	**3,563**	3,127
	7,216	8,774	**5,183**	6,459
Less: Future finance charges	**(2,033)**	(2,315)	**N/A**	N/A
Present value of lease obligations	**5,183**	6,459	**5,183**	6,459
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(1,104)**	(1,781)
Amount due for settlement after 12 months			**4,079**	4,678

The weighted average incremental borrowing rates applied to lease liabilities range from 5.03% to 8.09% (2025: from 5.03% to 8.09%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

35. DEFERRED TAX

The following are the major deferred tax assets and liabilities recognised by the Group.

Deferred tax liabilities

	Revaluation of buildings and accelerated tax depreciation HK$'000	Fair value difference of other intangible assets HK$'000	Total HK$'000
At 1 July 2024	10,469	1,287	11,756
Charge to profit or loss			
— Continuing operations	243	–	243
Credit to other comprehensive income	(1,545)	–	(1,545)
Exchange realignment	226	–	226
At 30 June 2025 and 1 July 2025	9,393	1,287	10,680
Charge to profit or loss			
— Continuing operations (note 11)	212	–	212
— Discontinued operation (note 49)	–	(1,287)	(1,287)
Credit to other comprehensive income	(3,652)	–	(3,652)
Exchange realignment	403	–	403
At 30 June 2026	**6,356**	**–**	**6,356**

Deferred tax assets

	Impairment losses on financial assets HK$'000	Tax losses HK$'000	Total HK$'000
At 1 July 2024	4,130	5,063	9,193
Credit to profit or loss			
— Discontinued operation (note 49)	44	23	67
At 30 June 2025 and 1 July 2025	4,174	5,086	9,260
Charge to profit or loss			
— Discontinued operation (note 49)	(4,174)	(5,086)	(9,260)
At 30 June 2026	**–**	**–**	**–**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

35. DEFERRED TAX *(CONTINUED)*

Deferred tax assets *(Continued)*

At the end of the reporting period, the Group had unused tax losses of approximately HK$156,523,000 (2025: HK$117,600,000) available for offset against future profits. No deferred tax asset has been recognised in respect of unused tax losses as at 30 June 2026 due to the unpredictability of future taxable profits. As at 30 June 2025, the Group had recognised deferred tax assets of approximately HK$5,086,000 in respect of unused tax losses. Following the cessation of the Group's Securities Dealing Business in Hong Kong in December 2025, it was no longer considered probable that sufficient future taxable profits would be available against which the related unused tax losses could be utilised. Accordingly, the related deferred tax assets were derecognised during the year.

Deferred tax asset has not been recognised in respect of the above deductible temporary differences due to the unpredictability of future profit streams. The tax losses are subject to approval of tax bureau. Included in unrecognised tax losses are losses of approximately HK$42,910,000 (2025: HK$32,652,000) that will expire in five years. Other tax losses may be carried forward indefinitely.

36. RETIREMENT BENEFIT OBLIGATIONS

Obligation to pay LSP under Hong Kong Employment Ordinance (Chapter 57)

Hong Kong employees that have been employed continuously for at least five years are entitled to long service payments in accordance with the Hong Kong Employment Ordinance under certain circumstances. These circumstances include where an employee is dismissed for reasons other than serious misconduct or redundancy, that employee resigns at the age of 65 or above, or the employment contract is of fixed term and expires without renewal. The amount of LSP payable is determined with reference to the employee's final salary (capped at HK$22,500) and the years of service, reduced by the amount of any accrued benefits derived from the Group's contributions to MPF Scheme, with an overall cap of $390,000 per employee. Currently, the Group does not have any separate funding arrangement in place to meet its LSP obligation.

In June 2022, the Government gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance"), which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP (the "Abolition"). The Abolition will officially take effect on the 1 May 2025 (the "Transition Date"). Separately, the Government of the Hong Kong Special Administrative Region is also expected to introduce a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year.

Under the Amendment Ordinance, the Group's mandatory MPF contributions, plus/minus any positive/negative returns, after the Transition Date can continue to be applied to offset the pre-Transition Date LSP obligation but are not eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligation before the Transition Date will be grandfathered and calculated based on the last monthly wages immediately preceding the Transition Date and the years of service up to that date.

The Group has determined that the Amendment Ordinance has no material impact on the Group's LSP liability as at 30 June 2026 and 2025 with respect to Hong Kong employees that participate in MPF Scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

37. SHARE CAPITAL

	Nominal value per ordinary share	Number of ordinary shares	Amount HK$'000
Authorised:			
At 1 July 2024, 30 June 2025, 1 July 2025 and 30 June 2026	HK$0.01	100,000,000,000	1,000,000
Issued and fully paid:			
At 1 July 2024		157,605,453	1,576
Issue of shares upon placing (note (a))		21,000,000	210
At 30 June 2025 and 1 July 2025		178,605,453	1,786
Issue of shares upon placing (note (b))		30,605,000	306
At 30 June 2026		**209,210,453**	**2,092**

Notes:

a. On 12 August 2024, the Company issued 21,000,000 ordinary shares to not less than six independent placees at the placing price of HK$0.233 per share, intended for general working capital for the Group. The aggregate nominal value of the placing shares was HK$210,000. The excess of the proceeds received over the nominal value of the shares issued, net of issuance costs of approximately HK$332,000, amounting to approximately HK$4,351,000, was credited to the share premium account.

b. On 17 October 2025, the Company issued 30,605,000 ordinary shares to not less than six independent placees at the placing price of HK$0.476 per share, intended for general working capital for the Group. The aggregate nominal value of the placing shares was HK$306,050. The excess of the proceeds received over the nominal value of the shares issued, net of issuance costs of approximately HK$328,000, amounting to approximately HK$13,934,000, was credited to the share premium account.

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 30 June 2026 and 2025.

The only externally imposed capital requirement for the Company to maintain its listing status on the Stock Exchange is that it has to have a public float of at least 25% of the shares. The Company receives a report from the share registrars on substantial share interests and it demonstrates continuing compliance with the 25% limit throughout the year. As at 30 June 2026, over 25% (2025: over 25%) of the shares were in public hands.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2026 HK$'000	2025 HK$'000
ASSETS		
Non-current assets		
Property, plant and equipment	**–**	–
Investments in subsidiaries	**195,288**	534,540
	195,288	534,540
Current assets		
Prepayments	**655**	685
Due from a subsidiary	**58,806**	58,161
Bank and cash balances	**5,040**	2,618
	64,501	61,464
TOTAL ASSETS	**259,789**	596,004
EQUITY AND LIABILITIES		
Share capital	**2,092**	1,786
Reserves	**256,859**	592,966
Total equity	**258,951**	594,752
Current liabilities		
Accruals and other payables	**838**	1,252
TOTAL EQUITY AND LIABILITIES	**259,789**	596,004

The statement of financial position of the Company was approved by the Board of Directors on 2 November 2026 and are signed on its behalf by:

LAM Kwok Hing
Chairman

CHAN Cheuk Yu Stephen
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

39. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of changes in equity.

(b) Company

	Share premium account HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 July 2024	2,455,999	(1,639,554)	816,445
Loss for the year	–	(227,830)	(227,830)
Issue of shares upon placing	4,351	–	4,351
At 30 June 2025	2,460,350	(1,867,384)	592,966
At 1 July 2025	**2,460,350**	**(1,867,384)**	**592,966**
Loss for the year	**–**	**(350,041)**	**(350,041)**
Issue of shares upon placing	**13,934**	**–**	**13,934**
At 30 June 2026	**2,474,284**	**(2,217,425)**	**256,859**

(c) Nature and purpose of reserves

(i) Share premium account

The share premium account of the Group includes: (i) the difference between the nominal value of the share capital of the subsidiaries acquired pursuant to the Group Reorganisation on 3 December 2001 over the nominal value of the share capital of the Company issued in exchange; (ii) the premium arising from the capitalisation issue of shares in prior years; and (iii) the premium arising from the issue of new shares in current and prior years.

(ii) Legal reserve

Legal reserve represented reserve retained in accordance with the Article 377 of the Macao Commercial Code for the entities incorporated in Macao.

(iii) Foreign currency translation reserve

Foreign currency translation 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 policy set out in note 4(d) to the consolidated financial statements.

(iv) Property revaluation reserve

Property revaluation reserve has been set up and is dealt with in accordance with the accounting policy adopted for buildings in note 4(e) to the consolidated financial statements.

(v) FVTOCI reserve

The FVTOCI reserve comprises the cumulative net change in the fair value of financial assets at FVTOCI held at the end of the reporting period and is dealt with in accordance with the accounting policy in note 4(m) to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

40. SHARE-BASED PAYMENTS

Equity-settled share option scheme

The Company operates a share option scheme adopted on 21 December 2018 (the "SO Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Unless otherwise cancelled or amended, the SO Scheme will remain in force for 10 years from that date and the remaining life of the SO Scheme was approximately 2 years at the date of this report. Eligible participants of the SO Scheme include the Company's directors (including non-executive and independent non-executive directors), other employees of the Group, consultants or advisers of the Group, suppliers of goods or services to the Group, customers of the Group, and other groups or classes of participants as determined by the directors.

As at 1 July 2025, 30 June 2026 and the date of this report, the total number of shares available for issue under the SO Scheme was 9,363,480 shares, which represented approximately 4.5% of the issued shares of the Company at the date of this report. The maximum number of shares which may be issued upon exercise of all options to be granted under the SO Scheme is equivalent to 10% of the shares of the Company in issue at the date of approval of the SO Scheme, unless a fresh approval is obtained from the shareholders in general meeting. The maximum number of shares issued and to be issued upon exercise of share options to each eligible participant within any 12-month period is limited to 1% of the shares of the Company in issue at the time of grant. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

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

The Board may determine the exercise price of the share options provided that the exercise price so fixed shall be at least the highest of the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant; the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and the nominal value of the shares of the Company. The Board may in its absolute discretion specify such conditions as it thinks fit when granting an option to an eligible participant (including, without limitation, as to any minimum period an option must have been held or the minimum period of service or relationship with any member of the Group to be achieved before an option can be exercised (or any part thereof), to the extent of the option which can be exercised at any material time, or any performance criteria which must be satisfied by the eligible participant, the Company, and its subsidiaries, before an option may be exercised).

The offer of a grant of share options may be accepted within 10 business days from the date of the offer, upon payment by the grantee of a nominal option price as determined by the Board. The exercise period of the share options granted is determined by the directors, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of acceptance of the share options.

During the years ended 30 June 2026 and 2025, no share options were granted or to be granted, exercised, vested, cancelled nor lapsed and the Company had no share options outstanding or unvested under the SO Scheme at 30 June 2026 and 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

41. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 July 2025 HK$'000	**New lease entered/lease modification HK$'000**	**Foreign exchange translation HK$'000**	**Cash flows HK$'000**	**Interest expenses HK$'000**	**30 June 2026 HK$'000**
Lease liabilities (note 34)	**6,459**	**–**	**261**	**(1,871)**	**334**	**5,183**

	1 July 2024 HK$'000	New lease entered/lease modification HK$'000	Foreign exchange translation HK$'000	Cash flows HK$'000	Interest expenses HK$'000	30 June 2025 HK$'000
Lease liabilities (note 34)	5,850	1,484	123	(1,333)	335	6,459

(b) Total cash outflow for leases

Amounts included in the consolidated statement of cash flows for leases comprise the following:

	2026 HK$'000	2025 HK$'000
Within operating cash flows	**1,140**	1,803
Within investing cash flows	**10,338**	19,405
Within financing cash flows	**1,537**	999
	13,015	22,207

These amounts relate to the following:

	2026 HK$'000	2025 HK$'000
Lease rental paid	**1,931**	1,410
Short-term lease payment	**746**	1,392
Payments for right-of-use assets	**10,338**	19,405
	13,015	22,207

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For the year ended 30 June 2026

42. BANKING FACILITIES

As at 30 June 2025, the Group's banking facilities in respect of term loans and other trade finance facilities were secured by pledged bank deposits (note 31), corporate guarantees executed by the Company and certain subsidiaries of the Company and a charge over the Group's financial assets at FVTPL (note 24).

As at 30 June 2026, the Group had no banking facilities, and no corporate guarantees in respect of such facilities remained outstanding.

43. CONTINGENT LIABILITIES

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

44. COMMITMENTS

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

45. OPERATING LEASE ARRANGEMENTS

The Group as lessee

The Group regularly entered into short-term leases for office premises in Hong Kong, Macau and the PRC. As at 30 June 2026, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in note 17 to the consolidated financial statements.

The Group as lessor

Minimum lease payments receivable on leases are as follows:

	2026	2025
	HK$'000	HK$'000
Within one year	**519**	164

46. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in these consolidated financial statements, the Group entered into the following related party transactions.

(a) Key management personnel remuneration

The remuneration of directors and other members of key management during the year was as follows:

	2026	2025
	HK$'000	HK$'000
Short-term benefits	**8,185**	9,945
Post-employment benefits	**33**	79
	8,218	10,024

(b) Transactions and balance with related parties

On 30 June 2026, the Group entered into a sale and purchase agreement with Mr. Lam Kwok Hing, the chairman of the Board, an Executive Director, the chief executive officer of the Company, to dispose of its entire equity interests in Si Wan Limited and its subsidiary, a wholly-owned subsidiary of the Group. The disposal constituted a connected transaction for the Company and was subject to the approval of the independent shareholders. The disposal was completed on 29 October 2026. Further details are set out in note 50 to the consolidated financial statements.

As at 30 June 2026, the Group had received deposits of HK$5,000,000 in respect of the disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

47. PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries as at 30 June 2026 are as follows:

Name	Place of incorporation/ registration and operations	Issued/paid-up capital	Percentage of ownership interest/voting power/profit sharing	Principal activities
Golden Harvest (Macao Commercial Offshore) Limited (note (a))	Macau	MOP100,000	– (2025: 100%)	Sourcing and distribution of fresh produce products
Golden Sector Agro-Development Limited	Hong Kong	Ordinary HK$10,000	100% (2025: 100%)	Trading of fresh produce products
Heng Tai Finance Limited	Hong Kong	Ordinary HK$10,000	100% (2025: 100%)	Investment holding and provision of treasury services
Heng Yui (Macao) Commercial Offshore Limited (note (b))	Macau	MOP100,000	– (2025: 100%)	Distribution of packaged food, beverages and household consumable products
New Sino International Limited	British Virgin Islands ("BVI")	Ordinary USD10,000	100% (2025: 100%)	Operator of overseas packing houses and PRC distribution depots
Simming Light Investment Limited	BVI	Ordinary USD10,000	100% (2025: 100%)	Investment holding in agri-business
Sino Wealth Securities Limited	Hong Kong	Ordinary HK$100,000,000	100% (2025: 100%)	Note (c)
Step First Limited	BVI	Ordinary USD1	100% (2025: 100%)	Sourcing and distribution of fresh produce products and distribution of packaged food, beverages and household consumable products
Sui Tai & Associates Limited	Hong Kong	Ordinary HK$10,000	100% (2025: 100%)	Provision of administrative services
V.Profit International Travel Services Limited (note (d))	Hong Kong	Ordinary HK$500,000	100% (2025: 0%)	Provision for travel agency, tour leading and related business
Si Wan Limited	Hong Kong	Ordinary HK$2	100% (2025: 100%)	Investment holding
Shanghai Sypher Limited*# 上海士豐實業有限公司*	PRC	USD10,100,000	100% (2025: 100%)	Owner and operator of Shanghai logistics centre
Zhongtao (Jiujiang) Agricultural Development Company Limited*# 中滔(九江)農業發展有限公司*	PRC	HK$5,000,000	100% (2025: 100%)	Cultivation of agricultural products and livestock breeding
Dongguan Jinnong Trade Development Company Limited*# 東莞市金農貿易發展有限公司*	PRC	HK$7,500,000	100% (2025: 100%)	Operator of Dongguan food processing centre for agri-products
New Rich World Limited (note (e))	Hong Kong	Ordinary HK$1	100% (2025: 0%)	Sales of packaged drinking water products, sales of electronic products

* The entity is registered as wholly foreign owned enterprises under the PRC law.

\# English name for identification purpose only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

47. PRINCIPAL SUBSIDIARIES *(CONTINUED)*

Notes:

a. Golden Harvest (Macao Commercial Offshore) Limited was deregistered on 28 January 2026.

b. Heng Yui (Macao) Commercial Offshore Limited was deregistered on 11 February 2026.

c. Provision of securities brokerage and margin financing services up to 31 December 2025, the date of cessation of licenses.

d. V.Profit International Travel Services Limited was newly acquired during the year.

e. New Rich World Limited was incorporated in Hong Kong on 18 March 2026.

The above list contains the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

48. ACQUISITION OF A SUBSIDIARY

Acquisition of a subsidiary

On 24 December 2025, Shining Impact Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with an independent third party, Ms. Tong Kim Ngan, to acquire the entire issued share capital of V.Profit International Travel Services Limited ("V.Profit") for a total cash consideration of HK$972,000. V.Profit is incorporated in Hong Kong and is principally engaged in providing comprehensive travel arrangements for tour groups from the PRC to Hong Kong, including accommodation coordination, meal arrangements, sightseeing tours and shopping experiences. The transaction has been accounted for as business combination using the acquisition method. The date of completion of acquisition is 31 January 2026.

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	HK$'000
Cash Consideration	(972)
Cash and bank balances acquired	1,636
Net inflow of bank and cash balances included in cash flows from investing activities	664

Asset acquired and liabilities recognised at the date of acquisition:

	HK$'000
Trade receivables	2,308
Deposits and other receivables	5,971
Bank and cash balances	1,636
Trade payables	(8,925)
Tax payables	(18)
	972

The fair value of acquired trade receivables and deposits and other receivables are approximately HK$8,279,000. The fair value of acquired these receivables approximates the gross contractual amount with no material loss allowance made upon the acquisition.

If the acquisition had occurred on 1 July 2025, consolidated pro-forma revenue and loss of the Group for the year ended 30 June 2026 would have been approximately HK$278,920,000 and HK$232,594,000 respectively.

The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the operations of the Group that actually would have been achieved had the acquisition of V.Profit been completed on 1 July 2025 nor are they intended to be a projection of future results.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

49. DISCONTINUED OPERATION

In December 2025, the Group ceased its Securities Dealing Business in Hong Kong. Accordingly, the financial results of the discontinued business are presented in the consolidated statement of profit or loss and consolidated statement of comprehensive income as discontinued operation. Comparative figures have been restated. The financial performance presented is set out below:

	2026 **HK$'000**	2025 HK$'000
Revenue	**–**	1,103
Cost of sales	**–**	–
Gross profit	**–**	1,103
Other income and gains (note (a))	**46**	80
Administrative expenses	**(814)**	(1,325)
(Impairment losses)/reversal of impairment losses on financial assets, net (note (b))	**(13,832)**	69
Loss from operations	**(14,600)**	(73)
Finance costs	**(5)**	(9)
Loss before tax (note (c))	**(14,605)**	(82)
Income tax (expense)/credit	**(7,973)**	67
Loss and total comprehensive loss for the year	**(22,578)**	(15)

	2026 **HK$'000**	2025 HK$'000
Cash flows from discontinued operation		
Cash flows (used in)/from operating activities	**(470)**	19,816
Cash flows generated from investing activities	**–**	50
Cash flows used in financing activities	**(107)**	(19,429)
Net (decrease)/increase in cash and cash equivalents from discontinued operation	**(577)**	437

Notes:

a. The amounts represented interest income from bank deposits of approximately HK$45,000 (2025:HK$80,000) and exchange gains, net of approximately HK$1,000 (2025: HK$Nil) during the year ended 30 June 2026.

b. The amounts represented impairment losses on loan receivables of approximately HK$13,839,000 (2025: HK$4,720,000), reversal of trade receivables of HK$Nil (2025: HK$4,789,000) and reversal of other receivables of approximately HK$7,000 (2025: HK$Nil) during the year ended 30 June 2026.

c. Details of segment information have been disclosed in note 9 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

50. EVENTS AFTER THE REPORTING PERIOD

Reference is made to the circular of the extraordinary general meeting of the Company dated 31 August 2026, the notice of the extraordinary general meeting dated 31 August 2026, and the announcement of the Company dated 30 June 2026, pursuant to which the Group entered into conditional agreements in respect of (i) a very substantial disposal and connected transaction in relation to the proposed disposal of a subsidiary, Si Wan Limited and its subsidiary, which mainly held the Properties disclosed in note 30 to the consolidated financial statements; and (ii) a major and connected transaction concerning the lease-back of the Properties.

These transactions were put to vote at the extraordinary general meeting of the Company. As at the date of this report, the aforesaid proposed transactions have been duly approved by the independent shareholders at the extraordinary general meeting of the Company held on 18 September 2026 and completed on 29 October 2026.

51. COMPARATIVE FIGURES

Certain comparative figures have been adjusted to conform to the disclosure requirement in respect of the discontinued operation set out in note 49 to the consolidated financial statements. In addition, the comparative figures in the consolidated statement of profits or loss and other comprehensive income have been restated as if the operation discontinued during the current year had been discontinued at the beginning of the prior period.

52. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 2 November 2026.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the consolidated results and of the consolidated assets, liabilities and equity of the Group for the last five financial years is set out below:

RESULTS

	Year ended 30 June				
	2026	2025	2024	2023	2022
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**255,512**	427,993	441,951	440,600	501,218
Loss attributable to:					
Owners of the Company	**(232,368)**	(205,083)	(196,448)	(125,596)	(216,128)
Non-controlling interests	**–**	–	–	–	6,972
Loss for the year	**(232,368)**	(205,083)	(196,448)	(125,596)	(209,156)

ASSETS, LIABILITIES AND EQUITY

	At 30 June				
	2026	2025	2024	2023	2022
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**397,269**	658,525	869,556	1,073,509	1,224,556
Total liabilities	**(45,502)**	(81,560)	(82,665)	(103,439)	(116,207)
Total non-controlling interests	**–**	–	–	–	41
Total equity attributable to owners of the Company	**351,767**	576,965	786,891	970,070	1,108,390

Note: The results of the Group for the four years ended 30 June 2022, 2023, 2024 and 2025 and the assets, liabilities and equity of the Group as at these dates have been extracted from the audited consolidated financial statements of the Company for the respective years. The results of the Group for the year ended 30 June 2026 and the assets, liabilities and equity of the Group as at 30 June 2026 are those set out in page 40 and pages 42 to 43 of the consolidated financial statements respectively.