



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
2024/25

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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
Mr. Chan Cheuk Yu Stephen
Mr. Mok Tsan San (*vacated office on 15 April 2025*)

Independent Non-Executive Directors:

Ms. Mak Yun Chu
Mr. Poon Yiu Cheung Newman
Mr. Hung Hing Man

COMPANY SECRETARY

Mr. Chu Yi Chit

INDEPENDENT AUDITOR

RSM Hong Kong
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with
the Accounting and Financial Reporting Council Ordinance

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

13th Floor, Guangdong Finance Building
88 Connaught Road West
Sheung Wan
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
Suites 3301-04, 33/F
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338 King's Road
North Point
Hong Kong

COMPANY WEBSITE

www.hengtai.com.hk

STOCK CODE

00197

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Heng Tai Consumables Group Limited (the "Company" or "Heng Tai"), it is my great privilege to present to our shareholders the Annual Report for the Company and its subsidiaries (together the "Group") for the financial year ended 30 June 2025 ("FY2024/25").

FINANCIAL PERFORMANCE

During the financial year under review, the global economy continued to face a number of challenges, including slow global economic growth coupled with high interest rate environments, the announcement of tariff escalation by the United States triggering high policy risks and dampening global trade, as well as the negative spillovers from the wars in Ukraine and the Middle East. In China, the economic growth has been dragged down by the real estate and debt crisis over past few years after the coronavirus disease 2019 (COVID-19) (the "pandemic"). The retail sales remained weak with growth in a range between 2.1% and 6.4% compared to the last financial year, despite the launches of the different government measures to boost consumption, reflecting the fact that Chinese consumers were still cautious with their discretionary spending due to economic downturn and uncertainty. Worse still, the competition from domestic products has been intensifying in spite of the weak market demand. The domestic brands were price competitive and employed advertising activities to increase market share, there had been a growing preference among Chinese consumers for domestic goods, leading to unfavourable market conditions for the imported goods under the FMCG Trading Business. In light of the above fierce market competition, the Group has been carrying on a continuous review to trim down its operations for imported goods to minimize the operation costs and overheads and the Group has been sourcing domestic products to counteract the challenging macroenvironment faced by the import goods under the FMCG Trading Business. In view of the great improvement in the quality of Chinese products in recent years, the Group will closely follow the market trends to streamline and scale down its trading business for unprofitable imported goods and contemplate exporting different variety of new products from China to Asian and European markets.

Revenues decreased by approximately 3.2% to approximately HK\$428.0 million in FY2024/25, primarily attributable to the decrease in the revenues of the FMCG Trading Business, but partly offset by the increase in the revenues of the Agri-Products Business. The net loss for FY2024/25 was approximately HK\$205.1 million, compared to the net loss of approximately HK\$196.4 million for the preceding financial year ("FY2023/24"). The increase in the net loss was mainly attributable to a combination of approximately 3.2% decrease in turnover, approximately 18.9% increase in selling and distribution expenses, approximately 3.7% increase in administrative expenses, approximately HK\$1.5 million decrease in other gains and income, approximately HK\$4.3 million increase in impairment losses on non-financial assets, and approximately HK\$0.6 million increase in other operating expenses, but partly offset by approximately HK\$9.6 million decrease in changes in fair value due to biological transformation, and approximately HK\$1.5 million decrease in net impairment losses on trade receivables, loan receivables and deposits and other receivables.

BUSINESS REVIEW

During the financial year under review, the global economy has been affected by the tariff policies imposed by the United States as well as other uncertainties such as the geographic wars in Ukraine and the Middle East and real estate crisis in China. The FMCG Trading Business also faced various difficulties, especially the weak market demand and the fierce competition from domestic brands which continuously used low prices to grab market share on top of their tremendous advertising activities amidst a sluggish economy, the Group had to reduce selling prices for certain products and even trimmed down its operations for some imported goods to stay competitive. As a result, the revenue of the FMCG Trading Business decreased by approximately 6.7% compared to FY2023/24. 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 scale down its trading business for unprofitable imported goods and contemplate exporting different variety of new products from China to Asian and European markets.

During FY2024/25, the Agri-Products Business recorded an increase in its revenue, primarily attributable to the increase in the revenues of the Agri-Products Trading Business. Similar to the FMCG Trading Business, the Agri-Products Trading Business was also affected by the weak market demand and the keen competition from domestic products, but the Group still managed to increase selling prices for certain agricultural products by virtue of their upgraded quality thanks to the improved procurement network. Additionally, the Dongguan processing centre continued to facilitate the Agri-Products Trading Business with more efficient operations, coupled with some contribution from the trading business for fertilizers, thus increasing the revenue and the gross profit margin of the Agri-Products Trading Business.

CHAIRMAN'S STATEMENT

On the other hand, the revenue of the Upstream Farming Business was fairly stable compared to the last financial year. The product quality and variety of the Group's self-grown agricultural products have enhanced as the Group had been continuously deploying its resources into research and development to improve its agricultural skills over past few years. However, the weak market demand, the inclement weather and rising cultivation costs continue to pose a threat to the operations. Therefore, the Group was cautious on the new developments of the Upstream Farming Business including new arable land development, fruit processing centre and agri-tourism business in Jiangxi, and lowered its expectations for future business performance and prospects, resulting in impairment losses on the relevant assets and investments of the Upstream Farming Business.

DIVIDENDS

The Board does not recommend the payment of the final dividend in respect of the year ended 30 June 2025. In view of the unpredictable global, China and Hong Kong economic conditions and future capital requirement, the Board decided to maintain adequate cash reserves to prepare for the ongoing commitments to reinforce existing businesses and investment portfolio, and any unforeseen expenditure that might come up.

LOOKING AHEAD

The global economic outlook continued to be uncertain in light of the unpredictable tariff policies of the United States and unresolved geographical tensions. China's economy has still been affected by sprawling real estate crisis, which is weighing on Chinese consumers' sentiment. The more intense competition from domestic brands further worsened the overall operating environment and cast a gloomy outlook over the Group's businesses.

Against the backdrop of the abovementioned uncertainties, the Group will focus on its core businesses and take prudent stance on future development. For the existing traditional trading business, including the FMCG Trading Business and the Agri-Products Trading Business, the Group will continue to reinforce and expand procurement network in order to source more suitable and niche products from both international and domestic suppliers. As aforesaid, the Group will continue to explore different variety of new product options for export from China to Asian and European markets by virtue of the price and quality competitiveness of Chinese products. On the other hand, the Group will also strengthen its operations of the processing centre in Dongguan to further expand its operations in the People's Republic of China (the "PRC").

For the Upstream Farming Business, the Group will carefully invest in this business unit, and enhance our agricultural skills by reinforcing research and development. The Group will take a conservative stance on its new developments to minimise all kinds of expenditure and capital commitment.

The Group will keep working hard to improve financial performance by continuously implementing cost-saving initiatives to reduce operating costs and closely review each business unit for its development plan. The Group will exert every effort to ensure a strong and healthy financial position to weather any unforeseeable headwinds.

CORPORATE SUSTAINABILITY

The Group believes that the business model providing one-stop services from trading, distributing to marketing and selling in the fast moving consumable goods and agri-products in China, supplemented by the upstream cultivations, can provide a high degree of sustainability in its operations. With the support of our healthy financial position, the Group will make continuous efforts to reinforce the sustainability of the operations so as to achieve long-term business growth and objectives.

APPRECIATION

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

LAM Kwok Hing

Chairman

Hong Kong, 26 September 2025

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

During FY2024/25, 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 arising from the securities brokerage and margin financing business (the “Other 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.

During FY2024/25, the global economy continued to face a number of challenges, including slow global economic growth coupled with high interest rate environments, the announcement of tariff escalation by the United States triggering high policy risks and dampening global trade, as well as the negative spillovers from the wars in Ukraine and the Middle East. In China, the economic growth has been dragged down by the real estate and debt crisis over past few years after the coronavirus disease 2019 (COVID-19) (the “pandemic”). Although the Chinese GDP growth has slightly improved in the second half of FY2024/25, the growth was unbalanced and primarily driven by its industrial growth. The retail sales remained weak with growth in a range between 2.1% and 6.4% compared to the last financial year. It lost its momentum in June 2025 and grew the least in four months at 4.8%, despite the launches of the different government measures to boost consumption, reflecting the fact that Chinese consumers were still cautious with their discretionary spending due to economic downturn and uncertainty. Simultaneously, the competition from domestic products has been intensifying in spite of the weak market demand. The domestic brands were price competitive and employed advertising activities to increase market share, there had been a growing preference among Chinese consumers for domestic goods, leading to unfavourable market conditions for the imported goods under the FMCG Trading Business. In light of the above fierce market competition, the Group has been carrying on a continuous review to trim down its operations for imported goods to minimize the operation costs and overheads and the Group has been sourcing domestic products to counteract the challenging macroenvironment faced by the import goods under the FMCG Trading Business. Additionally, the Group carefully developed the trading business for other ancillary products like fertilizer, together with more flexible pricing strategies to stay competitive. The overall revenues recorded a fall of 3.2% from approximately HK\$442.0 million to approximately HK\$428.0 million compared to FY2023/24, amid lingering slow economic growth. The gross profit margin remained stable for FY2024/25, primarily attributable to the improvement in the gross profit margin of the Agri-Products Business but offset by the decline in the gross profit margin of the FMCG Trading Business. During FY2024/25, the sourcing costs of the FMCG Trading Business have kept rising but the Group could not pass on the increased costs to customers, and even had to reduce selling prices for certain kinds of products due to keen competition. On the other hand, the Group managed to increase the selling prices for certain imported and self-grown agricultural products to reflect their improving quality, which in turn improved the gross profit margin of the Agri-Products Business.

The overall operating environment is still fraught with uncertainties, especially the lack of growth momentum and the ongoing unpredictable trade policies imposed by different major nations. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

During the financial year under review, the Group generated total revenue of approximately HK\$428.0 million as compared to approximately HK\$442.0 million for FY2023/24, representing a fall of approximately 3.2%. The decrease in revenues was mainly attributable to the decrease in the revenues of the FMCG Trading Business, but partly offset by the increase in the revenues of the Agri-Products Business. During the financial year under review, the revenues of the FMCG 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, reducing product categories facing fierce competition like beverage to reduce different kinds of operating expenses like marketing expenses, which also decreased the revenue of the FMCG Trading Business. On the other hand, the Group managed to increase selling prices for certain imported and self-grown agricultural products by virtue of their upgraded quality thanks to the improved procurement network and cultivation skills. Additionally, some revenues for the fertilizer trading business were recognised during FY2024/25, thus increasing the revenues of the Agri-Products Business compared to the last financial year, which partially counteracted the decline in the revenue of the FMCG Trading Business. During FY2024/25, the revenue of the securities brokerage and margin financing business declined because the Group continued to shrink its scale of operations.

Gross profit margin remained fairly stable at approximately 8.0% compared to approximately 8.3% of FY2023/24, which was a combination of the increase in the gross profit margin of the Agri-Products Business but offset by the decrease in the gross profit margin of the FMCG Trading Business. During FY2024/25, the Group continued to expand its procurement network in order to source more agricultural products with distinctive market differentiations, which enabled the Group to increase selling prices to reflect their upgraded and high quality, and thus improving the gross profit margin of the Agri-Products Business. On the other hand, although the Group did not participate in price war for the FMCG Trading Business, the Group had to reduce selling prices for certain products to stay competitive, let alone passed on the rising sourcing costs to customers, which suppressed the overall gross profit margin and offset the improvement contributed by the Agri-Products Business.

Changes in fair value due to biological transformation decreased from approximately HK\$19.7 million to approximately HK\$10.2 million. The decrease was mainly attributable to lower depreciation as certain assets and investments of the Upstream Farming Business were impaired and fully depreciated in FY2023/24.

Other gains and income decreased to approximately HK\$10.7 million compared to approximately HK\$12.3 million in FY2023/24. Other gains and income mainly represented interest income of approximately HK\$4.9 million derived from the investments in the bonds issued by China Healthwise Holdings Limited ("China Healthwise"), an interest income from bank deposits of approximately HK\$1.2 million, a fair value gain and a redemption gain on the convertible bonds issued by China Healthwise of approximately HK\$7.2 million, and other miscellaneous income of approximately HK\$0.8 million, and partly offset by a fair value loss on the investments in Global Mastermind Holdings Limited of approximately HK\$3.4 million.

Selling and distribution expenses increased by approximately 18.9% from approximately HK\$43.6 million to approximately HK\$51.9 million compared to FY2023/24, representing approximately 12.1% of total revenue (FY2023/24: 9.9%). The increase in the selling and distribution expenses as a percentage of turnover was mainly attributable to the trading business for fertilizers and the increase in freight and transportation, logistics handling costs in distribution hubs and amortisation amount for distribution rights during the financial year under review. Selling and distribution expenses included, among others, promotion campaigns for the development of sales and marketing channels, outlays on brand building, marketing, freight and transportation, depreciation amount for right-of-use assets, commission as well as sales force, logistics handling and distribution expenses all together spent in support of the Group's sales activities.

Administrative expenses increased by approximately 3.7% from approximately HK\$62.4 million to approximately HK\$64.7 million compared to FY2023/24. The increase in administrative expenses was primarily attributable to the increase in business activities and general inflation in the post-pandemic era, but partly offset by the Group's various cost saving initiatives.

Net impairment losses on trade receivables, loan receivables and deposits and other receivables were approximately HK\$4.8 million (FY2023/24: HK\$6.3 million) as the Group has continued to take a cautious approach on the receivables that exposed to a higher risk of collectability given these uncertain economic conditions, partly offset by the reversal of the impairment losses on trade receivables and deposits and other receivables in previous years.

MANAGEMENT DISCUSSION AND ANALYSIS

Impairment losses on non-financial assets of approximately HK\$117.1 million (FY2023/24: HK\$112.8 million) represented impairment losses on the Upstream Farming Business segment assets, of which approximately HK\$62.9 million for fixed assets, approximately HK\$32.0 million for bearer plants, approximately HK\$10.8 million for right-of-use assets, approximately HK\$5.1 million for construction in progress and approximately HK\$6.3 million for prepayments. During the financial year under review, the business environment of the Group remained challenging, especially for new developments like agri-tourism business, new arable land development and fruit processing centre in Jiangxi for the reasons that (i) the economic growth of the PRC continued to be dragged down by the real estate crisis and the weak market demand after the pandemic; (ii) the capital commitment and recurring operating expenses were expected to be significant for the operation commencement; and (iii) the competition was fierce, in particular the agri-tourism business which required well-established sales network and tremendous promotions to attract visitors as well as different formalities required for the operations, absence of reliable business partners who are familiar with tourism industry severely affected the business development plan under the current environment. During FY2024/25, the Group has been negotiating with various travel agencies, but no solid collaboration plan could be finalized. Given these unfavorable circumstances, the Group was more conservative on the abovementioned new developments and the Group will only reactivate the development plan when the market shows signs of recovery and suitable business partners are in place to jointly invest in the abovementioned new developments. As the economic performance of the abovementioned new developments deviated from the original plan, leading to a decline in future free cash flows and thus an impairment loss to its carrying amount compared with its value in use. The management has adopted the income approach consistently as in the previous financial year as the valuation method, with a pre-tax discount rate of 9.67% for the current year (FY2023/24: 10.45%). The income approach is an appropriate method that can reflect the value of cash flow generated by the continuous operation of the assets, which is consistent with the requirements under HKAS 36 in determining the value in use of cash generating units.

Other operating expenses increased from approximately HK\$0.5 million to approximately HK\$1.1 million. Other operating expenses for FY2024/25 mainly represented an one time restructuring cost related to the Upstream Farming Business of approximately HK\$1.0 million and other miscellaneous expenses of approximately HK\$0.1 million.

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

Net loss for the year ended 30 June 2025 was approximately HK\$205.1 million (FY2023/24: HK\$196.4 million). The increase in the net loss was mainly attributable to a combination of approximately 3.2% decrease in turnover, approximately 18.9% increase in selling and distribution expenses, approximately 3.7% increase in administrative expenses, approximately HK\$1.5 million decrease in other gains and income, approximately HK\$4.3 million increase in impairment losses on non-financial assets, and approximately HK\$0.6 million increase in other operating expenses, but partly offset by approximately HK\$9.6 million decrease in changes in fair value due to biological transformation, and approximately HK\$1.5 million decrease in net impairment losses on trade receivables, loan receivables and deposits and other receivables.

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\$248.7 million in revenues to the Group for FY2024/25, decreased by approximately 6.7% from that contributed in FY2023/24. 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 weak and 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 its operations for some imported goods to stay competitive, which inevitably affected its revenue and gross profit margin for FY2024/25. 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 scale down its trading business for unprofitable imported goods and contemplate exporting different variety of new products from China to Asian and European markets.

MANAGEMENT DISCUSSION AND ANALYSIS

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. During FY2024/25, the contribution percentage of packaged foods further increased compared to that of the last financial year, primarily due to the drop of the contribution from beverages in light of keen competition.

Agri-Products Business

The Agri-Products Business contains trading fresh produce imported from countries like Australasia and South East Asia as well as upstream cultivations in China. This business unit generated approximately HK\$178.2 million for the FY2024/25, increased by approximately 3.3% as compared to approximately HK\$172.5 million generated in FY2023/24, primarily attributable to the increase in the revenue of the Agri-Products Trading Business. The Upstream Farming Business was fairly stable in revenue compared to the last financial year.

Agri-Products Trading Business

Similar to the FMCG Trading Business, this business segment was also affected by the weak market demand and the keen competition from domestic products, but the Group managed to increase selling prices for certain agricultural products by virtue of their upgraded quality thanks to the improved procurement network. Additionally, the Dongguan processing centre continued to facilitate the Agri-Products Trading Business with more efficient operations, coupled with some contribution from the trading business for fertilizers, thus increasing the revenue and the gross profit margin of the Agri-Products Trading Business. The processing centre is a vital hub for the domestic fresh produce trading business and has been sustaining a steady growth in demand and revenue after the pandemic. During FY2024/25, it served and provided pre-processed, processed and ready-to-cook fresh produce products to a number of established fast-food chain brands and school dining halls.

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 FY2024/25, 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, providing more room for the Group to adjust selling prices for certain products, notwithstanding the sluggish economy and market demand.

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. In view of the weak macroeconomic environment and keen competition, the Group decelerated its pace in the development of these new businesses, especially the agri-tourism business which requires further capital commitment and well-established network for its operation commencement and also on-going working capital commitment for daily operations. During FY2024/25, the Group had been negotiating with various travel agencies in order to facilitate its development, however no solid collaboration plan could be finalized. In view of the weak market demand, the Group also deferred the development of new arable lands as well as the fruit processing centre in Jiangxi which was planned to serve third party products. Given many unfavorable factors, the Group was more conservative on these new developments and has lowered its expectations for future business performance and prospects, resulting in impairment losses on the relevant assets and investments of the Upstream Farming Business because its value in use is lower than the carrying amount of the relevant segment assets.

MANAGEMENT DISCUSSION AND ANALYSIS

Other Business

The Other Business contains providing securities trading, margin financing and IPO subscription brokerage services through Sino Wealth Securities Limited. The revenue of the securities brokerage and margin financing business, primarily brokerage commission, decreased by approximately 63.1% compared to the last financial year. The decrease in the revenue was primarily attributable to the Group's continuous shrinkage of its operations during FY2024/25.

PRINCIPAL RISKS AND UNCERTAINTIES

A number of factors are crucial for the results and business operations of the Group, some of which are inherent to FMCG Trading Business, Agri-Products Business and Other 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 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 on the Group's products and revenues. 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, which may severely affect the operations of the securities brokerage and margin financing business.

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 and the Group cannot assure to maintain existing client base.

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.

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.

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.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 FY2024/25, there was no material and significant dispute between the Group and its employees, suppliers and customers.

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 FY2024/25, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

SIGNIFICANT INVESTMENT HELD AND ITS PERFORMANCE

At 30 June 2025, the Group held convertible bonds and straight bonds issued by China Healthwise.

China Healthwise is a listed company in the main board of the Stock Exchange 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").

MANAGEMENT DISCUSSION AND ANALYSIS

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 2025, 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\$20.8 million, hence recorded a fair value gain on investment of approximately HK\$4.0 million.

The straight bonds bear interest at a rate of 8% per annum. As at 30 June 2025, 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\$48.2 million.

The maturity dates of the Bonds shall be two years from the date of issue 31 December 2024. The aggregate fair value of the Bonds at 30 June 2025 was approximately HK\$69.0 million, representing approximately 10.5% of the Group's total assets, and the Group recorded an aggregate of interest income of approximately HK\$4.9 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 and potential capital gain in view of the uncertain global trading market.

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 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. The aggregate nominal value of the placing shares was HK\$210,000. The market price of the shares on 19 July 2024, being the date of the placing agreement, was HK\$0.241 per share. The gross proceeds of the placing was approximately HK\$4.9 million. The net proceeds of the placing was approximately HK\$4.6 million, representing a net issue price (i.e. placing price less expenses incurred in the placing) of approximately HK\$0.22 per placing share, was fully utilised as general working capital of the Group as intended.

At 30 June 2025, the Group did not have any interest-bearing borrowings (30 June 2024: HK\$0.1 million), hence no gearing ratio was presented (30 June 2024: 0.02%). The gearing ratio was expressed as a ratio of total bank borrowings to total assets. As at 30 June 2025, 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 (30 June 2024: corporate guarantees provided by the Company and certain subsidiaries of the Company, charge over investments of a subsidiary in carrying amount of approximately HK\$3.5 million and pledged bank deposits of certain subsidiaries in carrying amount of approximately HK\$2.0 million).

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. At 30 June 2025, the Group did not have any significant hedging instrument outstanding.

At 30 June 2025, the Group's current assets amounted to approximately HK\$421.6 million (30 June 2024: HK\$514.4 million) and the Group's current liabilities amounted to approximately HK\$66.2 million (30 June 2024: HK\$65.8 million). The Group's current ratio maintained at a level of approximately 6.4 at 30 June 2025 (30 June 2024: 7.8). At 30 June 2025, the Group had total assets of approximately HK\$658.5 million (30 June 2024: HK\$869.6 million) and total liabilities of approximately HK\$81.6 million (30 June 2024: HK\$82.7 million).

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF PROCEEDS FROM RIGHTS ISSUE 2017

On 11 January 2017, the Company raised from a rights issue the net proceeds of approximately HK\$207.3 million (the "Rights Issue 2017").

Set out below are the details of the use of the net proceeds of approximately HK\$207.3 million from the Rights Issue 2017.

Approximate HK\$ million	Planned use of proceeds as disclosed in the announcement of the Company dated 10 March 2021	Remaining proceeds as at 30 June 2024	Change of use of proceeds as disclosed in the announcement of the Company dated 27 September 2024	Utilised during the year ended 30 June 2025	Utilised as at 30 June 2025	Remaining proceeds as at 30 June 2025	Expected timeline for the intended use
(i) Securities brokerage business for compliance with its financial resources and for future expansion purpose	80.0	-	-	-	80.0	-	-
(ii) Upgrade of cold storage and logistics facilities in Shanghai	12.0	-	-	-	12.0	-	by 31 December 2021
(iii) Renovation and equipping of fruit processing centre in Jiangxi	14.0	-	-	-	14.0	-	by 30 June 2022
(iv) Installation of cold storage and logistics facilities in Jiangxi	17.0	-	-	-	17.0	-	by 31 October 2022
(v) Set up of new processing agri-product centre in Dongguan	34.0	-	-	-	34.0	-	by 31 December 2022
(vi) Research and development expenses in upstream farming	4.0	-	-	-	4.0	-	by 31 March 2022
(vii) Set up of an agricultural research and test-lab centre in Jiangxi	6.0	-	-	-	6.0	-	by 30 June 2024
(viii) Promotion and marketing activities	10.0	2.8	(2.8)	-	7.2	-	by 30 June 2024
(ix) Set up of an agri-tourism park with various facilities in Jiangxi	27.0	-	-	-	27.0	-	by 30 June 2024
(x) Working capital and general corporate purposes	3.3	-	2.8	2.8	6.1	-	by 30 June 2025
Total	207.3	2.8	-	2.8	207.3	-	

MANAGEMENT DISCUSSION AND ANALYSIS

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.

		Planned use of proceeds as disclosed in the prospectus of the Company dated 30 April 2024	Remaining proceeds as at 30 June 2024	Utilised during the year ended 30 June 2025	Utilised as at 30 June 2025	Remaining proceeds as at 30 June 2025	Expected timeline for the intended use
Approximate HK\$ million							
(i)	Development of the fertilizers trading business under the Agri-Products Business	13.9	13.5	6.3	6.7	7.2	by 30 September 2025
(ii)	General working capital of the Group	3.5	3.5	3.5	3.5	–	by 30 June 2025
Total		17.4	17.0	9.8	10.2	7.2	

USE OF PROCEEDS FROM PLACING 2024

On 12 August 2024, the Company raised from a placing the net proceeds of approximately HK\$4.6 million (the "Placing 2024").

Set out below are the details of the use of the net proceeds of approximately HK\$4.6 million from the Placing 2024.

Approximate HK\$ million	Planned use of proceeds as disclosed in the announcement of the Company dated 12 August 2024	Utilised during the year ended 30 June 2025	Utilised as at 30 June 2025	Remaining proceeds as at 30 June 2025
General working capital of the Group	4.6	4.6	4.6	-
Total	4.6	4.6	4.6	-

MANAGEMENT DISCUSSION AND ANALYSIS

NUMBER AND REMUNERATION OF EMPLOYEES

At 30 June 2025, the Group had 243 employees for its operations in China, 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 2025, 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.

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 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 share option scheme at 30 June 2025 (30 June 2024: Nil). The number of options available for grant under the share option scheme mandate at 1 July 2024, 30 June 2025 and the date of this report was 9,363,480, which represented approximately 5.2% of the issued shares of the Company at the date of this report.

DEVELOPMENT AND PROSPECTS

During FY2024/25, the global economic outlook continued to be extremely volatile due to the new tariffs imposed by the United States and unresolved geographical tensions. China's economy has been experiencing sprawling real estate crisis, which is still weighing on Chinese consumers' sentiment. The more intense competition from domestic brands further worsened the overall operating environment and cast a gloomy outlook over the Group's businesses.

Against this backdrop, the Group will focus on its core businesses, including the FMCG Trading Business and the Agri-Products Trading Business. The Group will continue to reinforce and expand procurement network in order to source more suitable and niche products from both international and domestic suppliers. As aforesaid, the Group will continue to explore different variety of new product options for export from China to Asian and European markets by virtue of the price and quality competitiveness of Chinese products. On the other hand, the Group will also strengthen its operations of the processing centre in Dongguan to further expand its operations in the PRC. Additionally, the Group will adopt more flexible pricing strategies to cope with the market fluctuations with an aim of maintaining stable gross profit margins.

For the Upstream Farming Business, although its operations and distribution channels have been improving over past years, the weak market demand, the inclement weather and rising cultivation costs continue to pose a threat to the operations. While the Group will continue to enhance our agricultural skills by engaging different farming experts and putting resources into research and development, the Group will take a very cautious stance and only implement the development plan when the market shows signs of recovery and suitable business partners are in place to jointly participate in the new developments in order to minimize risks.

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Lam Kwok Hing, *Chairman, Managing Director, Executive Director and Chief Executive Officer*

Mr. Lam Kwok Hing, aged 69, 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. Mr. Lam is also a director of Best Global Asia Limited, a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Ms. Lee Choi Lin Joecy, *Executive Director*

Ms. Lee Choi Lin Joecy, aged 65, 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.

Ms. Gao Qin Jian, *Executive Director*

Ms. Gao Qin Jian, aged 65, has been appointed as the Executive Director since January 2012. She also held certain directorships in the subsidiaries of the Company. Ms. Gao received her Bachelor Degree in Business, majoring in business administration from Fudan University in the PRC. She is also a Senior Accountant granted by Shanghai Expertise Qualification Review Committee, Accounting Series. Ms. Gao has over 25 years' experience in accounting and finance, as well as extensive managerial experience in the distribution and logistics industries. Prior to joining the Group in 2004, she was the deputy general manager of one of the renowned retail chain stores in the PRC. Ms. Gao is also the General Manager of the Group overseeing the Group's FMCG Trading Business in northern and eastern regions of the PRC.

Mr. Chan Cheuk Yu Stephen, *Executive Director*

Mr. Chan Cheuk Yu Stephen, aged 48, 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.

DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Mak Yun Chu, *Independent Non-executive Director*

Ms. Mak Yun Chu, aged 67, 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 Kingkey Financial International (Holdings) Limited (former name "UKF (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 71, 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.

Mr. Hung Hing Man, *Independent Non-executive Director*

Mr. Hung Hing Man, aged 55, has been appointed as the Independent Non-executive Director since February 2017. He is also a member of the Audit Committee of the Company. Mr. Hung received his 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 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.

SENIOR MANAGEMENT

Mr. Wong Siu Hong, *Chief Financial Officer*

Mr. Wong Siu Hong, aged 57, joined the Group in March 2003. Mr. Wong holds a Bachelor Degree in Business, majoring in accounting and commercial law in Australia. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and the CPA Australia. Prior to joining the Group, Mr. Wong worked in a multinational accounting firm. He has over 20 years' experience in accounting and auditing. He is responsible for the Group's financial planning and management. He has resigned as the Company Secretary of the Company with effect from 2 January 2025.

Mr. Chu Yi Chit, *Company Secretary and Chief Investment and Corporate Relations Officer*

Mr. Chu Yi Chit, aged 48, joined the Group in May 2012. Mr. Chu holds a Master of Science Degree in Accounting and Finance from the London School of Economics with Distinction and a Bachelor of Business Administration Degree from the Hong Kong University of Science and Technology. He is a member of the CFA Institute and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group, Mr. Chu had worked for several sizable and renowned corporations. He has over 20 years' experience in corporate finance and accounting. He has been appointed as the Company Secretary of the Company with effect from 2 January 2025. He is responsible for performing the company secretarial and corporate governance functions and all external communication with the financial and investor community and overseeing the Group's project investments.

Ms. Hung Sau Yung Rebecca, *General Manager for group administration and accounting*

Ms. Hung Sau Yung Rebecca, aged 59, 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 2025.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 45 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND FINANCIAL POSITION

The results of the Group for the financial year ended 30 June 2025 are set out in the Consolidated Statement of Profit or Loss and Consolidated Statement of Profit or Loss and Other Comprehensive Income on pages 34 and 35.

The state of affairs of the Group as at 30 June 2025 are set out in the Consolidated Statement of Financial Position on pages 36 and 37.

RESERVES

The movements in the reserves of the Group are set out in the Consolidated Statement of Changes in Equity on page 38. The movements in the reserves of the Company are set out in note 37(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 2025 (2024: HK\$Nil).

FIXED ASSETS

Details of the movements in fixed assets 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 35 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 30 June 2025, reserves of the Company available for distribution to the shareholders of the Company were approximately HK\$592,966,000 (2024: HK\$816,445,000). 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\$2,460,350,000 (2024: HK\$2,455,999,000) 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 2025.

Purchases attributable to the Group's five largest suppliers and the Group's largest supplier accounted for approximately 34% and approximately 8% respectively of the Group's total purchases for the year ended 30 June 2025.

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 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

Mr. Chan Cheuk Yu Stephen

Mr. Mok Tsan San (*vacated on 15 April 2025*)

Independent Non-executive Directors

Ms. Mak Yun Chu

Mr. Poon Yiu Cheung Newman

Mr. Hung Hing Man

In accordance with the articles of association of the Company, Mr. Lam Kwok Hing, Ms. Mak Yun Chu and Mr. Poon Yiu Cheung Newman will retire at the forthcoming annual general meeting and, who being eligible, will offer themselves for re-election.

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 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.

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

With effect from 1 April 2025, Mr. Mok Tsan San has resigned as the executive director of CCIAM Future Energy Limited (stock code: 145), a company listed on the Main Board of the Stock Exchange. With effect from 15 April 2025, Mr. Mok Tsan San vacated the office of executive director of the Company. Mr. Mok has not held any directorship in the subsidiaries of the Company.

With effect from 1 August 2024, Mr. Hung Hing Man has resigned as the independent non-executive director of China Information Technology Development Limited (stock code: 8178), a company listed on the GEM of the Stock Exchange.

Details of emoluments of the relevant Directors for the financial year ended 30 June 2025 are set out in note 13 to the consolidated financial statements.

DIRECTORS' SERVICE CONTRACTS

All Directors have entered into service contracts with the Company. Save for Mr. Lam Kwok Hing and Ms. Lee Choi Lin Joecy, all Directors were appointed for a term of 3 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 3 years commencing on 1 July 2001 renewable automatically for successive terms of 1 year after the expiry of each of the then current term until terminated by not less than 3 months' notice in writing served by either party.

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 2025, 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	Interest in controlled corporation and beneficial interest	30,606,157	17.14%
Ms. Lee Choi Lin Joecy ("Ms. Lee")	1	Family interest	30,606,157	17.14%
Mr. Chan Cheuk Yu Stephen ("Mr. Chan")	2	Interest in controlled corporation	15,053,003	8.43%

Notes:

- 30,606,157 shares are comprised of (i) 20,630,918 shares which are held by Best Global Asia Limited ("Best Global"), a company incorporated in the British Virgin Islands (the "BVI") wholly and beneficially owned by Mr. Lam; and (ii) 9,975,239 shares which are held by Mr. Lam as beneficial owner. 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.
- 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 2025, 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 38 to the consolidated financial statements.

DIRECTORS' REPORT

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 30 June 2025, 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	Note	Capacity/nature of interests	Number of ordinary shares in interest	Approximate percentage of the issued shares
Mr. Chow Yin Man		Beneficial owner	25,753,774	14.42%
Best Global	1	Beneficial owner	20,630,918	11.55%
Glazy Target	2	Beneficial owner	15,053,003	8.43%

Notes:

- These shares are in duplicate the interests held by Mr. Lam and Ms. Lee as stated in section "Directors' Interests in Securities".
- These shares are in duplicate the interests held by Mr. Chan as stated in section "Directors' Interests in Securities".

Save as disclosed above, as at 30 June 2025, 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, as at the latest practicable date prior to the issue of this report, the Company maintained a sufficient public float of not less than 25% of the Company's total issued shares held by the public.

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 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 38 to the consolidated financial statements.

DIRECTORS' REPORT

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.

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 2025 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 2025, 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 44 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.

Save for the aforesaid, during the year 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 108.

BUSINESS REVIEW

Details of business review during the financial year are set out in the section titled "Chairman's Statement" on pages 3 to 4 and "Management Discussion and Analysis" on pages 5 to 14 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 22 to 28.

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

RSM Hong Kong, the independent auditor of the Company, shall retire and a resolution will be submitted to re-appoint RSM Hong Kong as auditor at the forthcoming annual general meeting.

By order of the Board

Lam Kwok Hing

Chairman

Hong Kong, 26 September 2025

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 of directors (the “Directors”) (the “Board”) 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 2025, the Company has complied with all the applicable code provisions of the CG Code, except with deviation from code provision C.2.1, detail of such deviation with considered reasons are set out in the following section titled “Chairman and Chief Executive”.

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 2025, except for Mr. Mok Tsan San who vacated the office as an executive director on 15 April 2025.

BOARD OF DIRECTORS

During the year ended 30 June 2025 and up to the date of this report, the Board comprised of the following members:

Executive Directors

Mr. Lam Kwok Hing (*Chairman and Chief Executive Officer*)
 Ms. Lee Choi Lin Joeey
 Ms. Gao Qin Jian
 Mr. Chan Cheuk Yu Stephen
 Mr. Mok Tsan San (*vacated office on 15 April 2025*)

Independent Non-executive Directors

Ms. Mak Yun Chu
 Mr. Poon Yiu Cheung Newman
 Mr. Hung Hing Man

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. During the year ended 30 June 2025, Mr. Chan Cheuk Yu Stephen and Mr. Poon Yiu Cheung Newman have participated in appropriate continuous professional development activities by reading materials relating to the Listing Rules, Companies Ordinance and other regulatory updates or journals. In addition to reading regulatory updates, Mr. Lam Kwok Hing, Ms. Lee Choi Lin Joecy, Ms. Gao Qin Jian, Ms. Mak Yun Chu and Mr. Hung Hing Man have also attended continuous professional development courses or seminars related to directors' profession. The Company will continue to arrange or fund trainings for Directors as a continuous professional training programme.

CHAIRMAN AND CHIEF EXECUTIVE

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-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 were appointed with a specific term of 3 years and 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.

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.

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 2025 is set out below:

Directors	Board	Number of meetings attended/held			General Meeting
		Audit Committee	Remuneration Committee	Nomination Committee	
Executive Directors					
Mr. Lam Kwok Hing	6/6	N/A	1/1	1/1	2/2
Ms. Lee Choi Lin Joecy	6/6	N/A	N/A	N/A	2/2
Ms. Gao Qin Jian	6/6	N/A	N/A	N/A	2/2
Mr. Chan Cheuk Yu Stephen	6/6	N/A	N/A	N/A	2/2
Mr. Mok Tsan San (vacated on 15 April 2025)	6/6	N/A	N/A	N/A	2/2
Independent Non-executive Directors					
Ms. Mak Yun Chu	6/6	2/2	1/1	1/1	2/2
Mr. Poon Yiu Cheung Newman	6/6	2/2	1/1	1/1	2/2
Mr. Hung Hing Man	6/6	2/2	N/A	N/A	2/2

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:

- to develop, review and implement the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct applicable to employees and Directors;
- to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report; and
- 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

The Company Secretary's biography is set out in the "Directors and Senior Management" section of the Annual Report. During the year, the Company Secretary 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

The members of the Audit Committee are:

Ms. Mak Yun Chu, Independent Non-executive Director (*Chairman*)
 Mr. Poon Yiu Cheung Newman, Independent Non-executive Director
 Mr. Hung Hing Man, Independent Non-executive Director

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 2025, the Audit Committee held 2 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 2024 have been reviewed and approved by the Audit Committee.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee in July 2005. The members of the Remuneration Committee are:

Ms. Mak Yun Chu, Independent Non-executive Director (*Chairman*)
 Mr. Poon Yiu Cheung Newman, Independent Non-executive Director
 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 1 meeting with all committee members attended during the financial year ended 30 June 2025, 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 2025 is set out below:

Remuneration Bands (HK\$)	Number of individuals
1,000,001–1,500,000	2
1,500,001–2,000,000	1

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. The members of the Nomination Committee are:

Ms. Mak Yun Chu, Independent Non-executive Director (*Chairman*)
 Mr. Poon Yiu Cheung Newman, Independent Non-executive Director
 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 2025, the Nomination Committee held 1 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.

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. 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 30% of female representation on the Board when considering re-election or succession of Directors. The gender ratio (male:female) in the workforce including senior management was approximately 48:52.

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.

CORPORATE GOVERNANCE REPORT

INTERNAL CONTROL AND RISK MANAGEMENT

The Board believes that a well-designed system of internal control is crucial to safeguard the assets of the Group and to ensure reliability of the financial reporting as well as compliance with the relevant rules and regulations. The Board acknowledges the overall responsibilities for the Group's internal control, financial control and risk management system and monitor the effectiveness regularly as well as the scopes of the internal audit reviews according to risk assessment. Special reviews from internal audit function may also be performed on areas of concern identified by management or the Audit Committee from time to time. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

An ongoing risk management approach is adopted by the Group for identifying and assessing the key inherent risks that affect the achievements of its objectives. The Group established a risk management framework that the Board and management discuss potential risks during board meetings and management meetings regularly. Management from different subsidiaries and departments voluntarily raise any issues that need attention and further discussions. The Board and key management are closely involved in daily operation and monitor the potential risks with their understanding of the industry. When risks arise during business operations, they are assessed at management meetings and risk management actions are taken for significant risks. The Group prioritizes risks identified during management meetings and significant risks are handled at once. Progress on the risks identified at previous meetings is followed up.

The Board has performed an annual review over the effectiveness of the internal control system of the Group including functions of financial, operation, compliance and risk management for the financial year ended 30 June 2025. The review showed a satisfactory result. The Company considered the internal control and risk management systems effective and adequate. The Directors shall, where necessary, initiate appropriate procedures to improve and reinforce the risk management internal control system.

The Company has established and implemented relevant procedures and internal controls for the handling and dissemination of inside information, including restricting employee access to inside information on a need-to-know basis and ensuring that those who need to know understand the obligation of keeping the information confidential. All inside information is disclosed to the public pursuant to the requirements under the Securities and Futures Ordinance and the Listing Rules and kept strictly confidential before disclosure.

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.

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.

INVESTOR RELATIONS

The Company has established an Investor Relations Policy, which describes the general guidelines and defines the responsibilities in relation to the handling of material information and the communication with financial market and shareholders. It is in the interest of the Company to maintain effective communication with the financial community and other stakeholders in order to achieve a fair valuation on the Company’s securities and at the same time, enhance shareholders’ value. The critical element of effective communication process is to provide accurate, complete and transparent information of the Company, along with a timely update on any material changes that occur. The integrity of the capital market is based on full and fair disclosure so that all investors and shareholders have equal access to material information of the Company. The Board was satisfied with the review of the implementation and effectiveness of this policy, which could effectively provide a two-way communication platform by the Company with the investors and shareholders by way of regular meetings and timely update of the Company’s financial results and developments.

CONSTITUTIONAL DOCUMENTS

During the financial year ended 30 June 2025, 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 2025 is as follows:

Services rendered

	2025 HK\$'000	2024 HK\$'000
Audit service	2,385	2,582
Non-audit services	182	–
	<u>2,567</u>	<u>2,582</u>

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 29 to 33.

INDEPENDENT AUDITOR'S REPORT


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**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 and its subsidiaries (the "Group") set out on pages 34 to 107, which comprise the consolidated statement of financial position as at 30 June 2025, 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 2025, 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"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS

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

1. Impairment assessment of agri-products business segment assets
2. Impairment assessment of fast moving consumer goods ("FMCG") trading business segment assets

Key Audit Matter

How our audit addressed the Key Audit Matter

1. Impairment assessment of agri-products business segment assets

Refer to note 9 to the consolidated financial statements.

The Group has assets attributable to the cash-generating units ("CGUs") within the cultivation, sale and trading of agri-products business segment with total carrying amount of approximately HK\$320 million as at 30 June 2025 before recognition of impairment losses during the year.

During the year, the agri-products business incurred a continuous segment loss which increases the risk that its assets within those CGUs may be impaired.

The recoverable amount of the CGUs was based on a calculation of value in use which requires management to make assumptions about the future including budgeted sales, gross profit ratio and growth rates and to determine an appropriate market discount rate. These estimates require significant management judgement.

Impairment losses of approximately HK\$63 million, HK\$11 million, HK\$5 million, HK\$32 million and HK\$6 million were made for fixed assets, right-of-use assets, construction in progress, bearer plants and prepayments during the year to reduce their carrying amounts to their recoverable amounts.

The impairment assessment of agri-products business segment assets is our area of focus given it is subject to significant management judgement and estimation which are subjective.

We obtained an understanding of the management's internal control and assessment process of impairment assessment of agri-products business segment assets, and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors including subjectivity.

We evaluated the key controls in respect of impairment assessment of agri-products business segment assets.

Our procedures in relation to management's impairment assessment included:

- Assessing the integrity of the valuation model;
- Evaluating the historical accuracy of forecast by, for example, comparing the forecast used in prior years model to the actual performance of the CGUs within the agri-products business segment in the current year;
- Assessing the reasonableness of the key assumptions based on the current operating environment and our knowledge of the business;
- Reconciling input data to supporting evidence, including approved budgets and considering the accuracy of previous management budgets; and
- Assessing the appropriateness of the discount rate with the assistance of our external valuation specialists.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter (Continued)

2. Impairment assessment of FMCG trading business segment assets

Refer to note 9 to the consolidated financial statements.

The Group has assets attributable to the FMCG trading business segment which is a CGU, with total carrying amount of approximately HK\$307 million as at 30 June 2025 before recognition of impairment losses during the year.

During the year, the FMCG trading business recorded a decline in revenue and incurred a continuous segment loss which increases the risk that its segment assets may be impaired.

The recoverable amount of the FMCG trading business segment assets was based on a calculation of value in use which requires management to make assumptions about the future including budgeted sales, gross profit ratio and growth rates and to determine an appropriate market discount rate. These estimates require significant management judgement.

Based on the value in use calculation, there is no impairment required to be recognised for current year as the recoverable amount exceeds its carrying amount.

The impairment assessment of FMCG trading business segment assets is our area of focus given it is subject to significant management judgement and estimation which are subjective.

How our audit addressed the Key Audit Matter (Continued)

We obtained an understanding of the management's internal control and assessment process of impairment assessment of FMCG trading business segment assets, and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors including subjectivity.

We evaluated the key controls in respect of impairment assessment of FMCG trading business segment assets.

Our procedures in relation to management's impairment assessment included:

- Assessing the integrity of the valuation model;
- Evaluating the historical accuracy of forecast by, for example, comparing the forecast used in prior years model to the actual performance of FMCG trading business segment in the current year;
- Assessing the reasonableness of the key assumptions based on the current operating environment and our knowledge of the business;
- Reconciling input data to supporting evidence, including approved budgets and considering the accuracy of previous management budgets; and
- Assessing the appropriateness of the discount rate with the assistance of our external valuation specialists.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors 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 HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT

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

- 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.

The engagement partner on the audit resulting in this independent auditor's report is Wong, Wo Cheung (practicing certificate number: P04489).

RSM Hong Kong

Certified Public Accountants

Hong Kong, 26 September 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2025

	Note	2025 HK\$'000	2024 HK\$'000
Revenue	7	427,993	441,951
Cost of sales		<u>(393,622)</u>	<u>(405,318)</u>
Gross profit		34,371	36,633
Changes in fair value due to biological transformation	25	(10,157)	(19,715)
Other gains and income	8	10,735	12,271
Selling and distribution expenses		(51,867)	(43,610)
Administrative expenses		(64,658)	(62,355)
Impairment losses on trade receivables, loan receivables and deposits and other receivables, net		(4,798)	(6,266)
Impairment losses on non-financial assets		(117,121)	(112,840)
Other operating expenses		<u>(1,077)</u>	<u>(480)</u>
Loss from operations		(204,572)	(196,362)
Finance costs	10	<u>(335)</u>	<u>(326)</u>
Loss before tax		(204,907)	(196,688)
Income tax (expense)/credit	11	<u>(176)</u>	<u>240</u>
Loss for the year attributable to owners of the Company	12	<u>(205,083)</u>	<u>(196,448)</u>
Loss per share	15		
Basic		<u>HK\$(1.16)</u>	<u>HK\$(1.74)</u>
Diluted		<u>N/A</u>	<u>N/A</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2025

	2025 HK\$'000	2024 HK\$'000
Loss for the year	(205,083)	(196,448)
Other comprehensive income:		
<i>Items that will not be reclassified to profit or loss:</i>		
Fair value change on revaluation of buildings	(6,176)	(2,973)
Deferred tax liability on revaluation of buildings	1,545	743
	(4,631)	(2,230)
<i>Items that have been or may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	2,489	(1,043)
Exchange differences reclassified to profit or loss on deregistration of subsidiaries	–	(967)
Fair value change of financial assets at fair value through other comprehensive income ("FVTOCI")	(7,262)	–
	(4,773)	(2,010)
Other comprehensive income for the year attributable to owners of the Company, net of tax	(9,404)	(4,240)
Total comprehensive income for the year attributable to owners of the Company	(214,487)	(200,688)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Note	2025 HK\$'000	2024 HK\$'000
ASSETS			
Non-current assets			
Fixed assets	16	107,020	182,034
Right-of-use assets	17	16,178	25,781
Construction in progress	18	2,385	14,971
Bearer plants	19	15,031	50,045
Goodwill	20	–	–
Other intangible assets	21	7,087	3,822
Other assets	22	623	205
Investment in a club membership	23	108	108
Investments	24	69,018	69,035
Deferred tax assets	33	9,260	9,193
Loan receivables	27	10,242	–
		<u>236,952</u>	<u>355,194</u>
Current assets			
Biological assets	25	11,199	12,096
Inventories	26	81,974	97,811
Loan receivables	27	4,370	–
Trade receivables	28	158,414	195,343
Prepayments, deposits and other receivables		107,229	120,651
Investments	24	122	3,669
Pledged bank deposits	29	–	2,000
Client trust bank balances	29	156	265
Bank and cash balances	29	58,109	82,527
		<u>421,573</u>	<u>514,362</u>
TOTAL ASSETS		<u>658,525</u>	<u>869,556</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	35	1,786	1,576
Reserves	37(a)	575,179	785,315
Total equity		<u>576,965</u>	<u>786,891</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Note	2025 HK\$'000	2024 HK\$'000
Non-current liabilities			
Lease liabilities	32	4,678	5,090
Deferred tax liabilities	33	10,680	11,756
		<u>15,358</u>	<u>16,846</u>
Current liabilities			
Trade payables	30	55,585	55,601
Accruals and other payables		8,836	9,311
Borrowings	31	–	147
Lease liabilities	32	1,781	760
		<u>66,202</u>	<u>65,819</u>
Total liabilities		<u>81,560</u>	<u>82,665</u>
TOTAL EQUITY AND LIABILITIES		<u>658,525</u>	<u>869,556</u>
Net current assets		<u>355,371</u>	<u>448,543</u>
Total assets less current liabilities		<u>592,323</u>	<u>803,737</u>

Approved by the Board of Directors on 26 September 2025 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 2025

	Attributable to owners of the Company							Total HK\$'000
	Share capital (note 35) HK\$'000	Share premium account (note 37(c)(i)) HK\$'000	Legal reserve (note 37(c)(ii)) HK\$'000	Foreign currency translation reserve (note 37(c)(iii)) HK\$'000	Property revaluation reserve (note 37(c)(iv)) HK\$'000	FVTOCI reserve (note 37(c)(v)) HK\$'000	Accumulated losses HK\$'000	
At 1 July 2023	210,141	2,390,451	97	85,178	17,750	–	(1,733,547)	970,070
Loss for the year	–	–	–	–	–	–	(196,448)	(196,448)
Other comprehensive income	–	–	–	(2,010)	(2,230)	–	–	(4,240)
Total comprehensive income for the year	–	–	–	(2,010)	(2,230)	–	(196,448)	(200,688)
Capital reduction (note 35(a)(ii))	(209,090)	–	–	–	–	–	209,090	–
Rights issue (note 35(b))	525	16,984	–	–	–	–	–	17,509
	(208,565)	16,984	–	–	–	–	209,090	17,509
At 30 June 2024	1,576	2,407,435	97	83,168	15,520	–	(1,720,905)	786,891
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 income	–	–	–	2,489	(4,631)	(7,262)	–	(9,404)
Total comprehensive income for the year	–	–	–	2,489	(4,631)	(7,262)	(205,083)	(214,487)
Issue of shares upon placing (note 35(c))	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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

	2025 HK\$'000	2024 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(204,907)	(196,688)
Adjustments for:		
Amortisation of other intangible assets	13,515	5,460
Changes in fair value due to biological transformation	10,157	19,715
Depreciation of fixed assets, net of amount capitalised	15,518	20,772
Depreciation of right-of-use assets, net of amount capitalised	16,354	16,396
Finance costs	335	326
Gain on lease modification	(358)	–
Gain on disposal of a subsidiary	–	(10)
Gain on deregistration of subsidiaries, net	–	(911)
Gain on disposal of fixed assets	(2)	(18)
Gain on redemption of financial assets at fair value through profit or loss (“FVTPL”)	(3,265)	–
Interest income	(6,140)	(6,611)
Impairment loss on loan receivables	4,720	–
Impairment loss on trade receivables	6,730	9,860
Reversal of impairment loss on trade receivables	(5,962)	(3,545)
Impairment loss on prepayment	6,321	2,447
Impairment loss on inventories	128	–
Reversal of impairment loss on other receivables	(690)	(49)
Impairment loss on fixed assets	62,900	55,054
Impairment loss on right-of-use assets	10,766	10,621
Impairment loss on construction in progress	5,087	10,297
Impairment loss on bearer plants	32,047	34,421
Fixed assets written off	7	–
Intangible assets written off	–	374
Fair value gain on financial assets at FVTPL, net	(613)	(4,323)
Operating loss before working capital changes	(37,352)	(26,412)
Increase in biological assets	(15,836)	(15,015)
Decrease in inventories	32,010	22,918
(Increase)/decrease in other assets	(418)	468
Decrease in client trust bank balances	109	6,934
Decrease/(increase) in trade and other receivables, prepayments and deposits	19,900	(2,488)
Decrease in trade and other payables	(491)	(8,391)
Cash used in operations	(2,078)	(21,986)
Interest paid	(1)	(48)
Interest on lease liabilities	(334)	(278)
Net cash used in operating activities	(2,413)	(22,312)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

	2025 HK\$'000	2024 HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	4,620	3,359
Repayment of loan receivables	3,419	–
Payments for right-of-use assets	(19,405)	(17,731)
Proceeds from disposal of fixed assets	2	20
Proceeds from disposal of a subsidiary	–	10
Proceeds from sales of financial assets at FVTPL	180	–
Purchases of fixed assets	(303)	(197)
Purchase of other intangible assets	(16,780)	(9,282)
Decrease in pledged bank deposits	2,000	10,183
Decrease/(increase) in time deposits with original maturity over three months	13,390	(12,449)
Additions to construction in progress	–	(8,906)
Net cash used in investing activities	(12,877)	(34,993)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from placing	4,561	–
Net proceeds from rights issue	–	17,509
Repayment of bank loans	–	(15,000)
Drawdown of bank loans	–	5,000
Decrease in import loans	(147)	(313)
Principal elements of lease payments	(999)	(1,299)
Net cash generated from financing activities	3,415	5,897
NET DECREASE IN CASH AND CASH EQUIVALENTS	(11,875)	(51,408)
Effect of foreign exchange rate changes	847	(344)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	69,137	120,889
CASH AND CASH EQUIVALENTS AT END OF YEAR	58,109	69,137
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	58,109	82,527
Less: Time deposits with original maturity over three months	–	(13,390)
	58,109	69,137

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

1. GENERAL INFORMATION

Heng Tai Consumables Group Limited (the “Company”) was incorporated in the Cayman Islands with limited liability. 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 has been changed to 13th Floor, Guangdong Finance Building, 88 Connaught Road West, Sheung Wan, Hong Kong with effect from 9 December 2024. 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. The principal activities of its principal subsidiaries are set out in note 45 to the consolidated financial statements.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable 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 provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and with the disclosure requirements of 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 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.

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, which are mandatorily effective for the annual period beginning on or after 1 July 2024 for the preparation of the consolidated financial statements:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Hong Kong Interpretation 5 (“HK Int 5”) (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Adoption of Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current” and Amendments to HKAS 1 “Non-current Liabilities with Covenants” (collectively the “HKAS 1 Amendments”)

As a result of the adoption of the HKAS 1 Amendments, the Group changed its accounting policy for the classification of borrowings as below:

“Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.”

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification.”

This new policy did not result in a change in the classification of the Group’s borrowings. The Group did not make retrospective adjustments as a result of adopting HKAS 1 Amendments.

Except for the above, other amendments and interpretation listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

(b) New and revised 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 2025 and which have not been adopted in these 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
Amendments to HKAS 21 and HKFRS 1 — Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7 — Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HK Int 5 — Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027

The directors of the Company are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

(b) New and revised HKFRS Accounting Standards in issue but not yet effective (Continued)

Amendments to HKFRS 9 and HKFRS 7 — Amendments to the Classification and Measurement of Financial Instruments

The HKICPA issued targeted amendments to HKFRS 9 and HKFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at FVTOCI.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Amendments to HKAS 21 “Lack of Exchangeability”

The amendments specify when a currency is exchangeable into another currency and when it is not and how an entity estimates the spot exchange rate when a currency is not exchangeable. In addition, the amendments require disclosure of information that enables users of its financial statements to evaluate how a currency’s lack of exchangeability affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. buildings, and certain financial instruments that are measured at fair value).

The preparation of financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

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 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 2025

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 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(e) Fixed assets

Fixed assets 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). Fixed assets 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 fixed assets 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 fixed assets 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 2025

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 fixed assets, 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 2025

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 2025

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). 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 2025

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.
- 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 2025

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) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

(r) 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.

(s) Revenue and other income

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

The Group engages in selling of consumer products and agri-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.

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.

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(t) 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 2025 and 2024, 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 at 30 June 2025 and 2024 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.

(u) Borrowing costs

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(v) Taxation

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 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(w) 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.

(x) 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, pledged bank deposits 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 arising from trading and cash client receivables arising from dealing in securities. 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.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(x) Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

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 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(x) 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 more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(x) 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 12-month 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.

(y) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

In applying the Group's accounting policies, which are described in note 4, 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).

(a) *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".

(b) *Significant increase in credit risk*

As explained in note 4(x), ECL are measured as an allowance equal to 12-month 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 CGU and agri-products business CGUs at the end of the reporting period were approximately HK\$30,405,000 (2024: HK\$31,323,000) and HK\$99,222,000 (2024: HK\$235,177,000) respectively after impairment losses. Impairment loss of approximately HK\$117,121,000 (2024: HK\$112,840,000) was recognised to the non-financial assets within agri-products business CGUs during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONTINUED)

Key sources of estimation uncertainty (Continued)

(b) Fixed assets and depreciation

The Group determines the estimated useful lives and related depreciation charges for the Group's fixed assets. This estimate is based on the historical experience of the actual useful lives of fixed assets 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 fixed assets as at 30 June 2025 was approximately HK\$107,020,000 (2024: HK\$182,034,000).

(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 of approximately HK\$176,000 was charged (2024: HK\$240,000 was credited) to profit or loss based on the estimated profit.

(d) Deferred taxes

As at 30 June 2025, a deferred tax asset of approximately HK\$5,086,000 (2024: HK\$5,063,000) in relation to unused tax losses for an operating subsidiary has been recognised in the consolidated statement of financial position. No deferred tax asset has been recognised on the tax losses of approximately HK\$117,600,000 (2024: HK\$115,298,000) for certain subsidiaries due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future, which is a key source of estimation uncertainty. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

(e) Impairment of trade receivables, loan receivables and deposits and other receivables

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).

As at 30 June 2025, the carrying amounts of trade receivables, loan receivables and deposits and other receivables were approximately HK\$158,414,000, HK\$14,612,000 and HK\$97,048,000 respectively, net of accumulated impairment losses of approximately HK\$12,823,000, HK\$4,720,000 and HK\$7,679,000 respectively (2024: HK\$195,343,000, HK\$Nil and HK\$101,180,000 respectively, net of accumulated impairment losses of approximately HK\$31,671,000, HK\$Nil and HK\$11,754,000 respectively).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONTINUED)

Key sources of estimation uncertainty (Continued)

(f) *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\$128,000 was made for the year ended 30 June 2025 (2024: HK\$Nil).

(g) *Fair value of buildings*

The Group appointed an independent professional valuer 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 2025 was approximately HK\$74,094,000 (2024: HK\$81,283,000).

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

The Group appointed an independent professional valuer 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 2025 were approximately HK\$20,780,000 (2024: HK\$69,035,000) and HK\$48,238,000 (2024: HK\$Nil) respectively.

(i) *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 2025 was approximately HK\$15,031,000 (2024: HK\$50,045,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments at 30 June

	2025 HK\$'000	2024 HK\$'000
Financial assets:		
Financial assets at FVTPL:		
Mandatorily measured at FVTPL-held for trading		
— Listed equity securities	122	3,669
— Unlisted debt investments	20,780	69,035
Financial assets measured at amortised cost	328,339	381,315
Financial assets measured at FVTOCI:		
— Unlisted debt investments	48,238	—
Financial liabilities:		
Financial liabilities at amortised cost	63,928	64,639

(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:

	2025 HK\$'000	2024 HK\$'000
Assets		
RMB	22,337	22,749
USD	37,544	31,107
Liabilities		
RMB	649	634
USD	52,900	53,431

Monetary assets and monetary liabilities denominated in USD have no material foreign currency risk exposure as HK\$ is pegged with USD. At 30 June 2025, if HK\$ had weakened/strengthened 3% (2024: 1%) against RMB with all other variables held constant, consolidated loss after tax for the year ended 30 June 2025 would have been approximately HK\$651,000 (2024: HK\$221,000) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(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 (2024: HK\$367,000) as a result of changes in fair value of investments.

(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. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

Trade receivables arising from trading and cash client receivables arising from dealing in securities

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 (2024: 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).

The Group has concentration of credit risk as 6% (2024: 5%) and 26% (2024: 22%) 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 (2024: FMCG trading business segment and agri-products 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iii) Credit risk (Continued)

Trade receivables arising from trading and cash client receivables arising from dealing in securities
(Continued)

The following table provides information about the Group's exposure to credit risk and ECL for trade receivables arising from trading and cash client receivables arising from dealing in securities as at 30 June:

	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
Securities dealing segment						
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)
Other segments						
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)
Total		159,141	(727)	12,096	(12,096)	(12,823)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iii) Credit risk (Continued)

Trade receivables arising from trading and cash client receivables arising from dealing in securities
(Continued)

		2024				
	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
Securities dealing segment						
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%	-	-	5,850	(5,850)	(5,850)
		-	-	5,850	(5,850)	(5,850)
Other segments						
Current (not past due)	1%	174,316	(903)	795	(795)	(1,698)
1-30 days past due	4%	2,736	(120)	1,492	(1,492)	(1,612)
31-60 days past due	4%	918	(41)	-	-	(41)
61-90 days past due	8%	496	(42)	-	-	(42)
More than 90 days past due	33%	1,139	(381)	2,926	(2,926)	(3,307)
		179,605	(1,487)	5,213	(5,213)	(6,700)
Total		179,605	(1,487)	11,063	(11,063)	(12,550)

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iii) Credit risk (Continued)

Margin client receivables arising from margin financing (Continued)

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.

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.

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

	12-month ECL HK\$'000	Lifetime ECL Not credit- impaired HK\$'000	Credit- impaired HK\$'000	Total HK\$'000
At 1 July 2023	–	–	15,312	15,312
Impairment loss recognised for the year	–	–	3,809	3,809
At 30 June 2024 and 1 July 2024	–	–	19,121	19,121
Impairment loss recognised for the year	–	–	4	4
Amounts written off during the year	–	–	(14,404)	(14,404)
Reversal for the year	–	–	(4,721)	(4,721)
At 30 June 2025	–	–	–	–
Gross carrying amount:				
Trade receivables as at 30 June 2025	–	–	–	–
Trade receivables as at 30 June 2024	–	–	36,346	36,346

At 30 June 2024, the Group had pledged securities as collateral amounted to approximately HK\$17,225,000 in respect of the credit-impaired trade receivables from margin clients.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iii) Credit risk (Continued)

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

	2025 HK\$'000	2024 HK\$'000
At 1 July	31,671	25,881
Impairment loss recognised for the year (note 12)	6,730	9,860
Amounts written off during the year	(19,616)	(525)
Reversal for the year (note 12)	(5,962)	(3,545)
	<u>12,823</u>	<u>31,671</u>
At 30 June		

The following significant changes in the gross carrying amounts of trade receivables contributed to the decrease in the loss allowance during the year:

- origination of new trade receivables net of those settled resulted in an increase in loss allowance of approximately HK\$6,730,000;
- write-off of trade receivables with a gross carrying amount of HK\$Nil resulted in a decrease in loss allowance of approximately HK\$19,616,000; and
- decrease in credit-impaired trade receivables contributed to decrease in loss allowance of approximately HK\$5,962,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iii) Credit risk (Continued)

Financial assets at FVTOCI and amortised cost

All of the Group's investments at FVTOCI and financial assets at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12-month expected losses. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Financial assets at amortised cost include loan receivables, deposits and other receivables.

Movement in the loss allowance for loan receivables, deposits and other receivables during the year is as follows:

	Loan receivables HK\$'000	Deposits and other receivables HK\$'000	Total HK\$'000
At 1 July 2023	–	23,790	23,790
Reversal for the year (note 12)	–	(49)	(49)
Amounts written off during the year	–	(486)	(486)
Amounts written off in deregistration of subsidiaries	–	(11,544)	(11,544)
Exchange differences	–	43	43
At 30 June 2024 and 1 July 2024	–	11,754	11,754
Impairment loss recognised for the year (note 12)	4,720	–	4,720
Reversal for the year (note 12)	–	(690)	(690)
Amounts written off during the year	–	(3,433)	(3,433)
Exchange differences	–	48	48
At 30 June 2025	4,720	7,679	12,399

Financial assets at FVTOCI includes unlisted debt investments. The loss allowance for debt investments at FVTOCI is recognised in profit or loss and reduces the fair value loss otherwise recognised in other comprehensive income.

The Group is also exposed to credit risk in relation to unlisted debt investments that are measured at FVTPL. The maximum exposure at the end of the reporting period is the carrying amount of these investments of approximately HK\$20,780,000 (2024: HK\$69,035,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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.

	Less than 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	1,914	1,109	498	5,253	8,774
	<u>65,842</u>	<u>1,109</u>	<u>498</u>	<u>5,253</u>	<u>72,702</u>

	On demand HK\$'000	Less than 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 2024						
Trade payables	-	55,601	-	-	-	55,601
Accruals and other payables	-	8,891	-	-	-	8,891
Borrowings subject to a repayment on demand clause	147	-	-	-	-	147
Lease liabilities	-	893	934	1,479	5,134	8,440
	<u>147</u>	<u>65,385</u>	<u>934</u>	<u>1,479</u>	<u>5,134</u>	<u>73,079</u>

The table that follows summarises the maturity analysis of borrowings with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. Taking into account the Group's financial position, the directors do not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. The directors believe that such borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

	Less than 1 year HK\$'000
At 30 June 2025	-
At 30 June 2024	<u>147</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(v) Interest rate risk

The Group's exposure to interest rate risk arises from its margin client receivables, loan receivables, bank deposits, pledged bank deposits and borrowings. These margin client receivables, deposits and borrowings 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 margin client receivables, deposits and borrowings.

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 2025 would be decreased/increased by approximately HK\$5,000 (2024: HK\$190,000), arising mainly as a result of higher interest income on deposits (2024: margin client receivables).

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 2025

6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(vii) Fair value measurements (Continued)

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

Description	Fair value measurements using:			Total 2025 HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
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
Buildings				
Commercial and industrial				
— the PRC	—	—	74,094	74,094
Total recurring fair value measurements	122	—	143,112	143,234
Fair value measurements using:				
Description	Level 1	Level 2	Level 3	Total
	HK\$'000	HK\$'000	HK\$'000	2024 HK\$'000
Recurring fair value measurements:				
Financial assets at FVTPL				
— Listed equity securities in Hong Kong	3,669	—	—	3,669
— Unlisted debt investments in Hong Kong	—	—	69,035	69,035
Buildings				
Commercial and industrial				
— the PRC	—	—	81,283	81,283
Total recurring fair value measurements	3,669	—	150,318	153,987

There are no transfers into and transfers out of any of the three levels during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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	Buildings Commercial and industrial – 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	<u>20,780</u>	<u>48,238</u>	<u>74,094</u>	<u>143,112</u>
Include gains or losses for assets held at end of reporting period	<u>3,980</u>	<u>–</u>	<u>(2,769)</u>	<u>1,211</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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 equity securities outside Hong Kong HK\$'000	Financial assets at FVTPL — Unlisted debt investments in Hong Kong HK\$'000	Buildings Commercial and industrial — the PRC HK\$'000	Total HK\$'000
At 1 July 2023	351	63,153	87,810	151,314
Total gains or losses recognised in profit or loss				
— Fair value gain/(loss) on financial assets at FVTPL	(351)	5,882	—	5,531
— Depreciation	—	—	(2,890)	(2,890)
Total gains or losses recognised in other comprehensive income				
— Fair value change on revaluation of buildings	—	—	(2,973)	(2,973)
— Exchange differences on translating foreign operations	—	—	(664)	(664)
At 30 June 2024	—	69,035	81,283	150,318
Include gains or losses for assets held at end of reporting period	(351)	5,882	(2,890)	2,641

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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 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.

Level 3 fair value measurements

Description	Valuation technique	Key unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value	
					2025 HK\$'000	2024 HK\$'000
Buildings Commercial and industrial – the PRC	Depreciated replacement cost	Discount rate	41.28% (2024: 39.22%)	Decrease	74,094	81,283
		Replacement cost (per s.q.m)	RMB2,672 to RMB7,665 (2024: RMB2,753 to RMB7,900)	Increase		
Unlisted debt investments in Hong Kong classified as financial assets at FVTPL	Binomial Option Pricing Model	Expected volatilities	136.407% (2024: 169.345%)	Increase	20,780	69,035
		Discount rate	19.173% (2024: 26.596%)	Decrease		
Unlisted debt investments in Hong Kong classified as financial assets at FVTOCI	Discounted cash flow	Discount rate	19.173% (2024: N/A)	Decrease	48,238	–

During the two years, there were no changes in the valuation techniques used.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

7. REVENUE

Disaggregation of revenue

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

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
— Sales of consumer goods	248,670	266,463
— Sales of agri-products	178,220	172,500
— Commission and brokerage income on securities dealings	34	607
	426,924	439,570
Revenue from other sources		
— Interest income from margin financing	1,069	2,381
	427,993	441,951

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

	For the year ended 30 June 2025			
	Consumer goods HK\$'000	Agri-products HK\$'000	Securities dealing services HK\$'000	Total HK\$'000
Primary geographical markets				
Hong Kong	—	54,178	34	54,212
PRC except Hong Kong	248,670	124,042	—	372,712
Revenue from external customers	248,670	178,220	34	426,924
Timing of revenue recognition				
Products and services transferred at a point in time	248,670	178,220	34	426,924

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

7. REVENUE (CONTINUED)

Disaggregation of revenue (Continued)

	For the year ended 30 June 2024			
	Consumer goods HK\$'000	Agri-products HK\$'000	Securities dealing services HK\$'000	Total HK\$'000
Primary geographical markets				
Hong Kong	–	50,860	607	51,467
PRC except Hong Kong	266,463	121,640	–	388,103
Revenue from external customers	<u>266,463</u>	<u>172,500</u>	<u>607</u>	<u>439,570</u>
Timing of revenue recognition				
Products and services transferred at a point in time	<u>266,463</u>	<u>172,500</u>	<u>607</u>	<u>439,570</u>

8. OTHER GAINS AND INCOME

	2025 HK\$'000	2024 HK\$'000
Dividend income from listed equity securities	5	6
Exchange gains, net	44	–
Fair value gain on financial assets at FVTPL, net	613	4,323
Gain on deregistration of subsidiaries	–	911
Gain on disposal of a subsidiary	–	10
Gain on disposal of fixed assets	2	18
Gain on lease modification	358	–
Gain on redemption of financial assets at FVTPL	3,265	–
Interest income on bank deposits	1,169	2,273
Interest income on financial assets at FVTOCI	2,204	–
Interest income on financial assets at FVTPL	2,687	4,338
Interest income on loan receivables	80	–
Sundry income	<u>308</u>	<u>392</u>
	<u>10,735</u>	<u>12,271</u>

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:

- (i) The sale and trading of FMCG including packaged foods, beverages and household consumable products ("FMCG Trading Business"); and
- (ii) The cultivation, sale and trading of fresh and processed fruits and vegetables ("Agri-Products Business").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

9. SEGMENT INFORMATION (CONTINUED)

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.

The Group's other operating segments include the provision of securities dealing and margin financing services. 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.

The accounting policies of the reporting segments are the same as those described in note 4 to the consolidated financial statements. Segment loss does not include gain from investments, certain other gains and income, certain finance costs, gain on deregistration of subsidiaries, gain on disposal of a subsidiary and unallocated corporate expenses. Segment assets do not include investments, certain prepayments, deposits and other receivables, pledged bank deposits and certain bank and cash balances. Segment non-current assets do not include investments, investment in a club membership, certain fixed assets 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.

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

	FMCG Trading Business HK\$'000	Agri- Products Business HK\$'000	All other segments HK\$'000	Total HK\$'000
Year ended 30 June 2025				
Revenue from external customers	248,670	178,220	1,103	427,993
Segment loss	(25,199)	(167,466)	(15)	(192,680)
Depreciation and amortisation	12,412	30,571	1	42,984
Income tax expense/(credit)	61	61	(67)	55
Other material non-cash items:				
Changes in fair value due to biological transformation	–	10,157	–	10,157
Impairment losses/(reversal of impairment losses) on trade receivables, loan receivables and deposits and other receivables, net	4,938	(71)	(69)	4,798
Impairment loss on fixed assets	–	62,900	–	62,900
Impairment loss on right-of-use assets	–	10,766	–	10,766
Impairment loss on construction in progress	–	5,087	–	5,087
Impairment loss on bearer plants	–	32,047	–	32,047
Impairment loss on prepayments	–	6,321	–	6,321
Impairment loss on inventories	128	–	–	128
Additions to segment non-current assets	12,812	24,328	219	37,359
At 30 June 2025				
Segment assets	307,073	202,696	25,018	534,787
Segment liabilities	37,386	32,399	1,998	71,783

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

9. SEGMENT INFORMATION (CONTINUED)

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

	FMCG Trading Business HK\$'000	Agri- Products Business HK\$'000	All other segments HK\$'000	Total HK\$'000
Year ended 30 June 2024				
Revenue from external customers	266,463	172,500	2,988	441,951
Segment loss	(14,137)	(169,072)	(3,113)	(186,322)
Depreciation and amortisation	7,291	32,768	6	40,065
Income tax expense/(credit)	55	55	(460)	(350)
Other material non-cash items:				
Changes in fair value due to biological transformation	–	19,715	–	19,715
Impairment losses/(reversal of impairment losses) on trade receivables and deposits and other receivables, net	3,261	(1,339)	4,344	6,266
Impairment loss on fixed assets	–	55,054	–	55,054
Impairment loss on right-of-use assets	–	10,621	–	10,621
Impairment loss on construction in progress	–	10,297	–	10,297
Impairment loss on bearer plants	–	34,421	–	34,421
Impairment loss on prepayments	–	2,447	–	2,447
Additions to segment non-current assets	9,746	26,358	–	36,104
At 30 June 2024				
Segment assets	348,243	350,018	27,232	725,493
Segment liabilities	35,200	36,154	1,640	72,994

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

9. SEGMENT INFORMATION (CONTINUED)

Reconciliations of reportable segment loss, assets and liabilities:

	2025 HK\$'000	2024 HK\$'000
Loss		
Total loss of reportable segments	(192,680)	(186,322)
Fair value gain on financial assets at FVTPL, net	613	4,323
Gain on disposal of a subsidiary	–	10
Gain on deregistration of subsidiaries, net	–	911
Gain on redemption of financial assets at FVTPL	3,265	–
Unallocated amounts:		
Other corporate expenses	(16,281)	(15,370)
Consolidated loss for the year	<u>(205,083)</u>	<u>(196,448)</u>
Assets		
Total assets of reportable segments	534,787	725,493
Unallocated amounts:		
Investments	69,140	72,704
Other corporate assets	54,598	71,359
Consolidated total assets	<u>658,525</u>	<u>869,556</u>
Liabilities		
Total liabilities of reportable segments	71,783	72,994
Unallocated amounts:		
Other corporate liabilities	9,777	9,671
Consolidated total liabilities	<u>81,560</u>	<u>82,665</u>

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	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	55,281	53,848	2,234	1,212
PRC except Hong Kong	372,712	388,103	143,202	272,709
Others	–	–	2,840	2,840
Consolidated total	<u>427,993</u>	<u>441,951</u>	<u>148,276</u>	<u>276,761</u>

Revenue from major customer:

For the years ended 30 June 2025 and 2024, 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 2025

10. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on borrowings	1	48
Interest expenses on lease liabilities	334	278
	<u>335</u>	<u>326</u>

11. INCOME TAX EXPENSE/(CREDIT)

	2025 HK\$'000	2024 HK\$'000
Deferred tax (note 33)	<u>176</u>	<u>(240)</u>

No provision for Hong Kong Profits Tax has been made in the financial statements since the Group has sufficient tax losses brought forward to set off against current year's assessable profit.

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.

The Company's subsidiaries operating in Macau were subject to Macau Profit Tax at the rate of 12% (2024: 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%.

The provision for income tax of subsidiaries operating in the PRC have been calculated at the rate of 25% (2024: 25%), based on existing legislation, interpretation and practices in respect thereof.

The domestic statutory tax rate of Australia is 30% of the estimated assessable profits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

11. INCOME TAX EXPENSE/(CREDIT) (CONTINUED)

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

	2025				2024				
	Macau HK\$'000	Hong Kong HK\$'000	PRC HK\$'000	Total HK\$'000	Macau HK\$'000	Hong Kong HK\$'000	PRC HK\$'000	Australia HK\$'000	Total HK\$'000
Loss before tax	(16,440)	(9,174)	(179,293)	(204,907)	(6,692)	(10,101)	(179,865)	(30)	(196,688)
Applicable income tax rate	12%	16.5%	25%		12%	16.5%	25%	30%	
Tax at the applicable income tax rate	(1,973)	(1,514)	(44,823)	(48,310)	(803)	(1,667)	(44,966)	(9)	(47,445)
Tax effect of income not taxable	(12)	(1,225)	(4,021)	(5,258)	–	(1,120)	(4,110)	–	(5,230)
Tax effect of loss and expenses not deductible	2,115	2,291	47,128	51,534	1,183	2,179	47,316	9	50,687
Tax effect of unused tax losses not recognised	–	433	1,757	2,190	–	252	1,802	–	2,054
Tax effect of utilisation of tax losses not previously recognised	–	(70)	–	(70)	–	(187)	–	–	(187)
Tax effect of unrecognised temporary difference	(130)	18	202	90	(380)	83	178	–	(119)
Income tax expenses/(credit)	–	(67)	243	176	–	(460)	220	–	(240)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

12. LOSS FOR THE YEAR

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

	2025 HK\$'000	2024 HK\$'000
Amortisation of other intangible assets (note 21)		
Auditors' remuneration	13,515	5,460
Audit services	2,385	2,582
Non-audit services	182	—
	2,567	2,582
Cost of inventories sold	386,693	399,070
Depreciation on fixed assets, net of amount capitalised (note 16)	15,518	20,772
Depreciation on right-of-use assets, net of amount capitalised (note 17)	16,354	16,396
Exchange (gains)/losses, net	(44)	106
Fair value gain on financial assets at FVTPL, net	(613)	(4,323)
Gain on deregistration of subsidiaries, net	—	(911)
Gain on disposal of fixed assets, net	(2)	(18)
Gain on redemption of financial assets at FVTPL	(3,265)	—
Impairment loss on inventories	128	—
Impairment losses on non-financial assets		
Impairment loss on fixed assets (note 16)	62,900	55,054
Impairment loss on right-of-use assets (note 17)	10,766	10,621
Impairment loss on construction in progress (note 18)	5,087	10,297
Impairment loss on bearer plants (note 19)	32,047	34,421
Impairment loss on prepayments	6,321	2,447
	117,121	112,840
Impairment loss on trade receivables (note 6(b))	6,730	9,860
Reversal of impairment loss on trade receivables (note 6(b))	(5,962)	(3,545)
Reversal of impairment loss on other receivables (note 6(b))	(690)	(49)
Impairment loss on loan receivables (note 6(b))	4,720	—
Fixed assets written off	7	—
Intangible assets written off	—	374
Rental income [#]	(970)	(977)
Staff costs (excluding directors' emoluments — note 13)		
Staff salaries, bonus and allowances	20,298	20,285
Retirement benefits scheme contributions	488	453
	20,786	20,738

[#] Included in sales of agri-products in note 7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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:

	2025 HK\$'000	2024 HK\$'000
Fees	450	450
Other emoluments:		
Salaries, allowances and benefits in kind	5,063	5,067
Discretionary bonus	151	302
Retirement benefits scheme contributions	25	35
	<u>5,689</u>	<u>5,854</u>

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:

	2025 HK\$'000	2024 HK\$'000
Fees		
Mr. Poon Yiu Cheung Newman	150	150
Ms. Mak Yun Chu	150	150
Mr. Hung Hing Man	150	150
	<u>450</u>	<u>450</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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
2025					
Mr. Lam Kwok Hing (note 1)	–	2,836	118	–	2,954
Ms. Lee Choi Lin Joeey	–	795	33	7	835
Ms. Gao Qin Jian	–	952	–	–	952
Mr. Chan Cheuk Yu Stephen	–	480	–	18	498
Mr. Mok Tsan San (note 2)	–	–	–	–	–
	<u>–</u>	<u>5,063</u>	<u>151</u>	<u>25</u>	<u>5,239</u>
2024					
Mr. Lam Kwok Hing (note 1)	–	2,836	236	–	3,072
Ms. Lee Choi Lin Joeey	–	795	66	17	878
Ms. Gao Qin Jian	–	956	–	–	956
Mr. Chan Cheuk Yu Stephen	–	480	–	18	498
Mr. Mok Tsan San (note 2)	–	–	–	–	–
	<u>–</u>	<u>5,067</u>	<u>302</u>	<u>35</u>	<u>5,404</u>

Notes:

- 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.
- Mr. Mok Tsan San has vacated office as the Executive Director of the Company on 15 April 2025. He has agreed to waive his director's emolument of HK\$98,710 as being the executive director of the Company during the year ended 30 June 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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 (2024: HK\$98,710).

The five highest paid individuals in the Group during the year included one (2024: two) director whose emoluments are reflected in the analysis presented above. The emoluments of the remaining four (2024: three) individuals are set out below:

	2025 HK\$'000	2024 HK\$'000
Salaries, allowances and benefits in kind	5,070	4,138
Discretionary bonus	171	341
Retirement benefits scheme contributions	72	54
	<u>5,313</u>	<u>4,533</u>

The emoluments fell within the following bands:

	Number of individuals	
	2025	2024
HK\$Nil to HK\$1,000,000	1	–
HK\$1,000,001 to HK\$1,500,000	2	1
HK\$1,500,001 to HK\$2,000,000	1	2
	<u>1</u>	<u>3</u>

During the year, 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 (2024: HK\$Nil).

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

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.

14. DIVIDENDS

The Board does not recommend the payment of a final dividend in respect of the year ended 30 June 2025 (2024: HK\$Nil).

15. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK\$205,083,000 (2024: HK\$196,448,000) and the weighted average number of ordinary shares of 176,189,015 (2024: 112,809,468) in issue during the year.

Diluted loss per share

No diluted loss per share is presented as the Company did not have any potentially dilutive ordinary shares for both years ended 30 June 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

16. FIXED ASSETS

	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 2023	87,810	464,249	29,584	130,192	29,372	741,207
Additions	–	–	–	9	188	197
Disposals	–	–	–	(27)	(192)	(219)
Disposal of a subsidiary	–	–	–	–	(1)	(1)
Transfer from construction in progress	–	53,937	–	–	–	53,937
Adjustment on revaluation	(5,863)	–	–	–	–	(5,863)
Exchange differences	(664)	–	(146)	(188)	(87)	(1,085)
At 30 June 2024 and 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 differences	1,756	–	207	478	238	2,679
At 30 June 2025	74,094	530,842	29,747	130,450	29,315	794,448
Accumulated depreciation and impairment						
At 1 July 2023	–	371,569	26,944	107,577	27,632	533,722
Depreciation charge for the year	2,890	11,521	610	5,335	438	20,794
Disposals	–	–	–	(25)	(192)	(217)
Disposal of a subsidiary	–	–	–	–	(1)	(1)
Impairment loss (note 12)	–	55,054	–	–	–	55,054
Adjustment on revaluation	(2,890)	–	–	–	–	(2,890)
Exchange differences	–	–	(64)	(173)	(86)	(323)
At 30 June 2024 and 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 differences	–	–	171	466	234	871
At 30 June 2025	–	512,570	28,130	118,499	28,229	687,428
Carrying amount						
At 30 June 2025	74,094	18,272	1,617	11,951	1,086	107,020
At 30 June 2024	81,283	80,042	1,948	17,272	1,489	182,034

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

16. FIXED ASSETS (CONTINUED)

The analysis of the cost or valuation of fixed assets 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 2025						
At cost	-	530,842	29,747	130,450	29,315	720,354
At valuation	74,094	-	-	-	-	74,094
	<u>74,094</u>	<u>530,842</u>	<u>29,747</u>	<u>130,450</u>	<u>29,315</u>	<u>794,448</u>
At 30 June 2024						
At cost	-	518,186	29,438	129,986	29,280	706,890
At valuation	81,283	-	-	-	-	81,283
	<u>81,283</u>	<u>518,186</u>	<u>29,438</u>	<u>129,986</u>	<u>29,280</u>	<u>788,173</u>

The Group's buildings included above are held under medium term leases in the PRC.

Depreciation charge for the year is analysed as follows:

	2025 HK\$'000	2024 HK\$'000
Charged to profit or loss (note 12)	15,518	20,772
Capitalised as biological assets	23	22
	<u>15,541</u>	<u>20,794</u>

The Group's buildings were revalued as at 30 June 2025 by using the depreciated replacement cost basis by Hong Kong Appraisal Advisory Limited, a firm of independent professional valuers.

At 30 June 2025, the carrying amount of the Group's buildings would have been approximately HK\$60,812,000 (2024: HK\$61,669,000) had they been stated at cost less accumulated depreciation.

The Group incurred segment losses in Agri-Products Business segment due to the bleak global economic outlook, subdued market demand and the inclement weather condition inflicting on the upstream farming business in Jiangxi. Impairment losses were recognised against the non-financial assets included in the CGUs of Agri-Products Business segment, including fixed assets, right-of-use assets, construction in progress, bearer plants, and prepayments amounted to HK\$62,900,000 (2024: HK\$55,054,000), HK\$10,766,000 (2024: HK\$10,621,000), HK\$5,087,000 (2024: HK\$10,297,000), HK\$32,047,000 (2024: HK\$34,421,000) and HK\$6,321,000 (2024: HK\$2,447,000) respectively. The recoverable amounts of the CGUs were 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 9.67% (2024: 10.45%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

17. RIGHT-OF-USE ASSETS

	Leasehold lands HK\$'000	Leased properties HK\$'000	Total HK\$'000
At 1 July 2023	34,739	6,343	41,082
Additions	7,446	10,285	17,731
Depreciation	(13,297)	(8,984)	(22,281)
Impairment loss (note 12)	(10,621)	–	(10,621)
Exchange differences	–	(130)	(130)
At 30 June 2024 and 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 differences	–	55	55
At 30 June 2025	8,175	8,003	16,178

Lease liabilities of approximately HK\$6,459,000 (2024: HK\$5,850,000) are recognised with related right-of-use assets of approximately HK\$3,143,000 (2024: HK\$7,631,000) as at 30 June 2025. 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.

	2025 HK\$'000	2024 HK\$'000
Depreciation expenses on right-of-use assets (charged to profit or loss) (note 12)	16,354	16,396
Depreciation expenses on right-of-use assets (capitalised as biological assets) (note 25)	3,785	5,885
Interest expense on lease liabilities (included in cost of sales and finance costs)	411	391
Expenses relating to short-term leases (included in selling and distribution expenses and administrative expenses)	1,392	1,616

Details of total cash outflow for leases is set out in note 39(c).

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

17. RIGHT-OF-USE ASSETS (CONTINUED)

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)	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Warehouse — PRC	<u>—</u>	<u>—</u>	<u>5,358</u>	<u>—</u>

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 year ended 30 June 2025, there has been no such triggering event.

For the details of impairment loss recognised during the year, refer to note 16.

18. CONSTRUCTION IN PROGRESS

	HK\$'000
At 1 July 2023	70,299
Additions	8,906
Transfer to fixed assets	(53,937)
Impairment loss (note 12)	<u>(10,297)</u>
At 30 June 2024 and 1 July 2024	14,971
Transfer to fixed assets	(7,499)
Impairment loss (note 12)	<u>(5,087)</u>
At 30 June 2025	<u>2,385</u>

For the details of impairment loss recognised during the year, refer to note 16.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

19. BEARER PLANTS

	Fruit trees HK\$'000
Mature trees	
Cost	
At 1 July 2023, 30 June 2024, 1 July 2024 and 30 June 2025	130,160
Accumulated depreciation and impairment	
At 1 July 2023	40,687
Charge for the year	5,007
Impairment loss (note 12)	34,421
At 30 June 2024 and 1 July 2024	80,115
Charge for the year	2,967
Impairment loss (note 12)	32,047
At 30 June 2025	115,129
Total carrying amount	
At 30 June 2025	15,031
At 30 June 2024	50,045
The quantity of fruit trees owned by the Group at the end of the reporting period is shown below:	
	2025 2024
Mature trees	286,600 286,600

For the details of impairment loss recognised during the year, refer to note 16.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

20. GOODWILL

	HK\$'000
Cost	
At 1 July 2023	85,941
Written off	(19,083)
	<u>66,858</u>
At 30 June 2024, 1 July 2024 and 30 June 2025	<u>66,858</u>
Accumulated impairment	
At 1 July 2023	85,941
Written off	(19,083)
	<u>66,858</u>
At 30 June 2024, 1 July 2024 and 30 June 2025	<u>66,858</u>
Carrying amount	
At 30 June 2025	<u><u>-</u></u>
At 30 June 2024	<u><u>-</u></u>

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:

	Allocated goodwill HK\$'000	2025 Accumulated impairment HK\$'000	Net carrying amount HK\$'000
Provision of securities dealing services ("Securities Dealing CGU")	1,493	(1,493)	-
Cultivation and distribution of agri-products business ("Agri CGU")	65,365	(65,365)	-
	<u>66,858</u>	<u>(66,858)</u>	<u>-</u>
	Allocated goodwill HK\$'000	2024 Accumulated impairment HK\$'000	Net carrying amount HK\$'000
Securities Dealing CGU	1,493	(1,493)	-
Agri CGU	65,365	(65,365)	-
	<u>66,858</u>	<u>(66,858)</u>	<u>-</u>

During the year ended 30 June 2024, management of the Group wrote off the cost of goodwill of approximately HK\$19,083,000 with accumulated impairment loss of approximately HK\$19,083,000 included in tourist retailing of jewellery products business by considering the Group had ceased this business's operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

21. OTHER INTANGIBLE ASSETS

	The Stock Exchange trading right HK\$'000	Money lender license HK\$'000	Distribution rights HK\$'000	Total HK\$'000
Cost				
At 1 July 2023	8,300	374	69,664	78,338
Additions	–	–	9,282	9,282
Expiration	–	–	(9,750)	(9,750)
Written off	–	(374)	–	(374)
At 30 June 2024 and 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	8,300	–	21,148	29,448
Accumulated amortisation and impairment				
At 1 July 2023	8,300	–	69,664	77,964
Amortisation for the year (note 12)	–	–	5,460	5,460
Expiration	–	–	(9,750)	(9,750)
At 30 June 2024 and 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	8,300	–	14,061	22,361
Carrying amount				
At 30 June 2025	–	–	7,087	7,087
At 30 June 2024	–	–	3,822	3,822

The Group's money lender license of approximately HK\$374,000 was written off prior to the disposal of a subsidiary during the year ended 30 June 2024.

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 at 30 June 2025 is HK\$7,087,000 (2024: HK\$3,822,000). The average remaining amortisation period of these distribution rights was 0.4 years (2024: 1.2 years). The amortisation for the year ended 30 June 2025 was included in selling and distribution expenses of approximately HK\$13,515,000 (2024: HK\$5,460,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

22. OTHER ASSETS

	2025 HK\$'000	2024 HK\$'000
Prepayment for pack houses facilities	468	—
Other deposits	155	205
	<u>623</u>	<u>205</u>

23. INVESTMENT IN A CLUB MEMBERSHIP

The Group's club membership of HK\$108,000 (2024: HK\$108,000) at 30 June 2025 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

	2025 HK\$'000	2024 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	69,035
	<u>69,018</u>	<u>69,035</u>
	2025 HK\$'000	2024 HK\$'000
Current assets		
Financial assets at FVTPL		
— listed equity securities in Hong Kong	122	3,669

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 BMI Appraisals Limited, a firm of independent professional qualified valuers 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 BMI Appraisals Limited, a firm of independent professional qualified valuers 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 above 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.

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

At 30 June 2025, the financial assets at FVTPL of minimal value (2024: HK\$3,549,000) have been pledged to a bank to secure the banking facilities granted to the Group (note 40).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

25. BIOLOGICAL ASSETS

	HK\$'000
At 1 July 2023	17,878
Increase due to cultivation	29,413
Changes in fair value due to biological transformation (note (a))	(19,715)
Transfer of harvested fresh fruit bunches to inventories	(15,412)
Exchange differences	(68)
At 30 June 2024 and 1 July 2024	12,096
Increase due to 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 differences	176
At 30 June 2025	<u><u>11,199</u></u>

Notes:

- (a) During the year, the Group harvested approximately 8,022,000 (2024: 8,118,000) 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 2025 and 2024.
- (c) The carrying value of biological assets as at 30 June 2025 and 2024 represented cultivation costs incurred including fertilisers, pesticides, labour, depreciation of right-of-use assets, depreciation of fixed assets, depreciation of bearer plants and sub-contracting raising cost.

Included in increase due to 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\$9,085,000 (2024: HK\$8,468,000), HK\$4,755,000 (2024: HK\$4,569,000), HK\$2,967,000 (2024: HK\$5,007,000), HK\$3,785,000 (2024: HK\$5,885,000) and HK\$2,774,000 (2024: HK\$3,484,000) respectively.

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

	Citrus trees (Chinese Mu)
2025	<u><u>5,000</u></u>
2024	<u><u>5,000</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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:

	2025	2024
Quantity		
Citrus (catty '000)	8,022	8,118
	HK\$'000	HK\$'000
Amount		
Citrus	15,356	15,412

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

	2025	2024
	HK\$'000	HK\$'000
Raw materials	23	19
Packing materials	333	333
Finished goods	81,618	97,459
	81,974	97,811

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For the year ended 30 June 2025

27. LOAN RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Gross loan receivables	19,332	–
Impairment loss on loan receivables (note 6(b))	(4,720)	–
	<u>14,612</u>	<u>–</u>
Analysed as:		
Current assets	4,370	–
Non-current assets	10,242	–
	<u>14,612</u>	<u>–</u>

The Group's loan receivables are denominated in HK\$. The loan receivables are unsecured, interest-bearing at 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:

	2025 HK\$'000	2024 HK\$'000
Within one year	4,370	–
One to two years	5,331	–
Two to five years	4,911	–
	<u>14,612</u>	<u>–</u>

The loan receivables are not yet past due at end of the reporting period.

28. TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables arising from		
Trading (note (a))	165,458	184,818
Dealing in securities and margin financing		
— Cash clients (note (b))	5,779	5,850
— Margin clients (note (c))	–	36,346
	<u>171,237</u>	<u>227,014</u>
Impairment loss on trade receivables	(12,823)	(31,671)
	<u>158,414</u>	<u>195,343</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

28. TRADE RECEIVABLES (CONTINUED)

Notes:

- (a) For trade receivables arising from trading, the Group normally allows credit terms to established customers ranging from 30 to 210 days (2024: 30 to 210 days).

The aging analysis of trade receivables arising from trading, net of impairment loss, based on the date of recognition of the sale, is as follows:

	2025 HK\$'000	2024 HK\$'000
1–30 days	34,818	43,322
31–60 days	29,195	30,177
61–90 days	22,864	29,673
Over 90 days	71,537	74,946
	158,414	178,118

At 30 June 2025, trade receivables arising from trading of approximately HK\$4,881,000 (2024: HK\$4,705,000) were past due but not impaired. The Group does not hold any collateral over these balances. These relate to a number of independent customers for whom there is no recent history of default. The vast majority of the amounts had been settled subsequent to the reporting period. The aging analysis of these trade receivables is as follows:

	2025 HK\$'000	2024 HK\$'000
Up to 90 days	4,856	3,947
Over 90 days	25	758
	4,881	4,705

As at 30 June 2025, trade receivables arising from trading are unsecured and interest-free.

- (b) At 30 June 2025, cash client receivables of approximately HK\$5,779,000 (2024: HK\$5,850,000) were past due. Approximately HK\$5,779,000 (2024: HK\$5,850,000) was impaired for which net impairment loss of approximately HK\$71,000 was reversed (2024: HK\$536,000 was recognised) during the year. No aging analysis is disclosed as, in the opinion of the directors, an aging analysis does not give additional value in view of the nature of these cash client receivables arising from dealing in securities.

As at 30 June 2025, cash client receivables from dealing in securities past due are unsecured and bear interest of 9.25% per annum (2024: 9.25% per annum).

- (c) 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 market value of securities accepted by the Group. Margin loans due from margin clients are either current or repayable on demand for those margin clients subject to margin calls. No aging analysis is disclosed as, in the opinion of the directors, aging analysis does not give additional analysis value in view of the nature of these trade receivables from margin clients.

As at 30 June 2024, margin client receivables arising from margin financing were interest-bearing at rates ranging from 6% to 8% per annum.

As at 30 June 2024, the total market value of securities pledged as collateral in respect the margin loans to customers were approximately HK\$17,225,000.

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For the year ended 30 June 2025

29. PLEDGED BANK DEPOSITS, CLIENT TRUST BANK BALANCES AND BANK AND CASH BALANCES

The Group's pledged bank deposits at 30 June 2024 represented deposits pledged to a bank to secure banking facilities granted to the Group (note 40). These deposits are subject to regulatory restrictions and are therefore not available for general use by the Group.

At 30 June 2025, the bank and cash balances of the Group denominated in RMB and kept in the PRC amounted to approximately HK\$28,894,000 (2024: HK\$33,904,000). 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.

The Group maintains trust and segregated accounts with authorised financial institutions to hold clients' monies arising from normal courses of dealing in securities business. The Group is not allowed to use clients' monies to settle its own obligations.

At 30 June 2025, the Group did not have time deposits with original maturity over three months (2024: HK\$13,390,000), which are not included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

30. TRADE PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables arising from		
Trading	55,429	55,336
Dealing in securities — Cash clients	156	265
	<u>55,585</u>	<u>55,601</u>

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.

The aging analysis of trade payables arising from trading, based on the date of receipt of goods purchased, is as follows:

	2025 HK\$'000	2024 HK\$'000
1–30 days	30,849	17,730
31–60 days	18,583	18,243
61–90 days	5,335	9,538
Over 90 days	662	9,825
	<u>55,429</u>	<u>55,336</u>

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 (2024: HK\$265,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

31. BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Bank loans, secured (note 40)	<u>—</u>	<u>147</u>

At 30 June 2024, the borrowings were repayable on demand or within one year.

The carrying amounts of the Group's borrowings were denominated in HK\$ at 30 June 2024.

The range of effective interest rates at 30 June was as follows:

	2025	2024
Bank loans	<u>N/A</u>	<u>6.45% per annum</u>

The bank loans are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

32. LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payments	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Within one year	1,914	893	1,781	760
More than one year, but not exceeding two years	1,109	934	1,061	842
More than two years, but not more than five years	498	1,479	490	1,420
More than five years	5,253	5,134	3,127	2,828
	<u>8,774</u>	<u>8,440</u>	<u>6,459</u>	<u>5,850</u>
Less: Future finance charges	<u>(2,315)</u>	<u>(2,590)</u>	<u>N/A</u>	<u>N/A</u>
Present value of lease obligations	<u>6,459</u>	<u>5,850</u>	<u>6,459</u>	<u>5,850</u>
Less: Amount due for settlement within 12 months (shown under current liabilities)			<u>(1,781)</u>	<u>(760)</u>
Amount due for settlement after 12 months			<u>4,678</u>	<u>5,090</u>

The weighted average incremental borrowing rates applied to lease liabilities range from 5.03% to 8.09% (2024: from 5.03% to 8.09%).

The carrying amounts of the Group's lease liabilities are denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
HK\$	1,264	—
RMB	<u>5,195</u>	<u>5,850</u>
	<u>6,459</u>	<u>5,850</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

33. 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 2023	11,080	1,287	12,367
Charge to profit or loss for the year (note 11)	220	–	220
Credit to other comprehensive income for the year	(743)	–	(743)
Exchange differences	(88)	–	(88)
At 30 June 2024 and 1 July 2024	10,469	1,287	11,756
Charge to profit or loss for the year (note 11)	243	–	243
Credit to other comprehensive income for the year	(1,545)	–	(1,545)
Exchange differences	226	–	226
At 30 June 2025	9,393	1,287	10,680

Deferred tax assets

	Doubtful debts HK\$'000	Tax losses HK\$'000	Total HK\$'000
At 1 July 2023	3,493	5,240	8,733
Credit/(charge) to profit or loss for the year (note 11)	637	(177)	460
At 30 June 2024 and 1 July 2024	4,130	5,063	9,193
Credit to profit or loss for the year (note 11)	44	23	67
At 30 June 2025	4,174	5,086	9,260

At the end of the reporting period, the following deductible temporary differences have not been recognised as deferred tax asset:

	2025 HK\$'000	2024 HK\$'000
Right-of-use assets	23,202	22,674
Decelerated tax depreciation	3,203	3,750
Unused tax losses	117,600	115,298
	144,005	141,722

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\$35,291,000 (2024: HK\$32,652,000) that will expire in five years. Other tax losses may be carried forward indefinitely.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

34. 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 2025 and 2024 with respect to Hong Kong employees that participate in MPF Scheme.

35. SHARE CAPITAL

	Note	Nominal value per ordinary share	Number of ordinary shares	Amount HK\$'000
Authorised:				
At 1 July 2023		HK\$0.1	10,000,000,000	1,000,000
Share consolidation	(a)		(9,500,000,000)	–
		HK\$2	500,000,000	1,000,000
Share sub-division	(a)		99,500,000,000	–
At 30 June 2024, 1 July 2024 and 30 June 2025		HK\$0.01	100,000,000,000	1,000,000
Issued and fully paid:				
At 1 July 2023			2,101,407,182	210,141
Share consolidation	(a)		(1,996,336,823)	–
Capital reduction	(a)		(57)	(209,090)
Rights issue	(b)		52,535,151	525
At 30 June 2024 and 1 July 2024			157,605,453	1,576
Issue of shares upon placing	(c)		21,000,000	210
At 30 June 2025			178,605,453	1,786

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

35. SHARE CAPITAL (CONTINUED)

Notes:

- (a) On 6 March 2024, the Company completed a capital reorganisation (the “Capital Reorganisation”) involving the share consolidation (the “Share Consolidation”), the capital reduction (the “Capital Reduction”) and the share sub-division (the “Share Sub-division”). The Capital Reorganisation was approved at the extraordinary general meeting held on 22 December 2023. Details of which are as follows:
- (i) **Share Consolidation**
Every twenty issued and unissued shares of HK\$0.10 each were consolidated into one consolidated share of HK\$2 each (“Consolidated Shares”) with effective on 28 December 2023.
 - (ii) **Capital Reduction**
After the Share Consolidation became effective, the fractional Consolidated Shares in the issued share capital of the Company resulting from the Share Consolidation were cancelled. The par value of each issued Consolidated Share was reduced from HK\$2 to HK\$0.01 by cancelling the paid-up capital of the Company to the extent of HK\$1.99 on each issued Consolidated Share and the credit resulting from Capital Reduction of approximately HK\$209,090,000 was offset against the accumulated losses of the Company on 6 March 2024.
 - (iii) **Share Sub-division**
Immediately upon the Capital Reduction became effective, every unissued Consolidated Share of HK\$2 each in the authorised share capital of the Company was sub-divided into two hundred new shares of HK\$0.01 each on 6 March 2024.
- (b) On 24 May 2024, 52,535,151 ordinary shares of HK\$0.01 each of the Company were issued at HK\$0.35 per share by way of rights issue. The gross proceeds of approximately HK\$18,387,000 are intended for the Group’s business development. The excess of the consideration received over the nominal value of the share issued, net of expenses, amounting to approximately HK\$16,984,000, was credited to the share premium account.
- (c) 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.

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 2025 and 2024.

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 2025, over 25% (2024: over 25%) of the shares were in public hands.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 HK\$'000	2024 HK\$'000
ASSETS		
Non-current assets		
Fixed assets	—	—
Investments in subsidiaries	534,540	728,940
	<u>534,540</u>	<u>728,940</u>
Current assets		
Prepayments	685	179
Due from a subsidiary	58,161	72,958
Bank and cash balances	2,618	17,422
	<u>61,464</u>	<u>90,559</u>
TOTAL ASSETS	<u>596,004</u>	<u>819,499</u>
EQUITY AND LIABILITIES		
Share capital	1,786	1,576
Reserves	592,966	816,445
Total equity	<u>594,752</u>	<u>818,021</u>
Current liabilities		
Accruals and other payables	1,252	1,478
TOTAL EQUITY AND LIABILITIES	<u>596,004</u>	<u>819,499</u>

Approved by the Board of Directors on 26 September 2025 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 2025

37. 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 2023	2,439,015	(1,624,076)	814,939
Loss for the year	–	(224,568)	(224,568)
Capital reduction	–	209,090	209,090
Rights issue	16,984	–	16,984
At 30 June 2024	2,455,999	(1,639,554)	816,445
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

(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 2025

38. 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 3 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 2024, 30 June 2025 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 5.2% 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 2025 and 2024, 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 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the consideration for the subscription of unlisted debt investments classified as financial assets at FVTPL with a principal amount of HK\$16,800,000 and unlisted debt investments classified as financial assets at FVTOCI with a principal amount of HK\$55,500,000 was set off against the outstanding principal amount of HK\$72,300,000 for unlisted debt investments classified as financial assets at FVTPL that matured on 10 October 2024.

(b) 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 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
Borrowings (note 31)	147	–	–	(148)	1	–
Lease liabilities (note 32)	5,850	1,484	124	(1,333)	334	6,459
	<u>5,997</u>	<u>1,484</u>	<u>124</u>	<u>(1,481)</u>	<u>335</u>	<u>6,459</u>

	1 July 2023 HK\$'000	Foreign exchange translation HK\$'000	Cash flows HK\$'000	Interest expenses HK\$'000	30 June 2024 HK\$'000
Borrowings (note 31)	10,460	–	(10,361)	48	147
Lease liabilities (note 32)	7,309	(160)	(1,577)	278	5,850
	<u>17,769</u>	<u>(160)</u>	<u>(11,938)</u>	<u>326</u>	<u>5,997</u>

(c) Total cash outflow for leases

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

	2025 HK\$'000	2024 HK\$'000
Within operating cash flows	1,803	2,007
Within investing cash flows	19,405	17,731
Within financing cash flows	999	1,299
	<u>22,207</u>	<u>21,037</u>

These amounts relate to the following:

	2025 HK\$'000	2024 HK\$'000
Lease rental paid	2,802	3,306
Payments for right-of-use assets	19,405	17,731
	<u>22,207</u>	<u>21,037</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

40. BANKING FACILITIES

At 30 June 2025 and 2024, the Group's banking facilities in respect of term loans and other trade finance facilities were secured by pledged bank deposits (note 29), 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).

41. CONTINGENT LIABILITIES

At 30 June 2025, the Group did not have any significant contingent liabilities (2024: HK\$Nil).

42. COMMITMENTS

At 30 June 2025, the Group did not have any significant capital commitments (2024: HK\$Nil).

43. 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 2025, 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.

The Group as lessor

Minimum lease payments receivable on leases are as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	164	160

44. RELATED PARTY TRANSACTIONS

Key management personnel remuneration

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

	2025 HK\$'000	2024 HK\$'000
Short-term benefits	9,945	10,298
Post-employment benefits	79	89
	10,024	10,387

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

45. PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries as at 30 June 2025 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	Macau	MOP100,000	100%	Sourcing and distribution of fresh produce products
Golden Sector Agro-Development Limited	Hong Kong	Ordinary HK\$10,000	100%	Trading of fresh produce products
Heng Tai Finance Limited	Hong Kong	Ordinary HK\$10,000	100%	Investment holding and provision of treasury services
Heng Yui (Macao) Commercial Offshore Limited	Macau	MOP100,000	100%	Distribution of packaged food, beverages and household consumable products
New Sino International Ltd.	British Virgin Islands ("BVI")	Ordinary USD10,000	100%	Operator of overseas packing houses and PRC distribution depots
Simming Light Investment Ltd.	BVI	Ordinary USD10,000	100%	Investment holding in agri-business
Sino Wealth Securities Limited	Hong Kong	Ordinary HK\$100,000,000	100%	Provision of securities brokerage and margin financing services
Step First Ltd.	BVI	Ordinary USD1	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%	Provision of administrative services
上海士豐實業有限公司*	PRC	USD10,100,000	100%	Owner and operator of Shanghai logistics centre
中滔(九江)農業發展有限公司*	PRC	HK\$5,000,000	100%	Cultivation of agricultural products and livestock breeding
東莞市金農貿易發展有限公司*	PRC	HK\$7,500,000	100%	Operator of Dongguan food processing centre for agri-products

* Foreign wholly-owned enterprise.

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.

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				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Loss attributable to:					
Owners of the Company	(205,083)	(196,448)	(125,596)	(216,128)	(247,213)
Non-controlling interests	—	—	—	6,972	(7)
Loss for the year	<u>(205,083)</u>	<u>(196,448)</u>	<u>(125,596)</u>	<u>(209,156)</u>	<u>(247,220)</u>

ASSETS, LIABILITIES AND EQUITY

	At 30 June				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Total assets	658,525	869,556	1,073,509	1,224,556	1,407,545
Total liabilities	(81,560)	(82,665)	(103,439)	(116,207)	(121,681)
Total non-controlling interests	—	—	—	41	15,895
Total equity attributable to owners of the Company	<u>576,965</u>	<u>786,891</u>	<u>970,070</u>	<u>1,108,390</u>	<u>1,301,759</u>

Note: The results of the Group for the four years ended 30 June 2021, 2022, 2023 and 2024 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 and restated as appropriate. The results of the Group for the year ended 30 June 2025 and the assets, liabilities and equity of the Group as at 30 June 2025 are those set out in page 34 and pages 36 to 37 of the consolidated financial statements respectively.