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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1116)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2025

The board of directors (the “**Board**”) of Huiyuan Cowins Technology Group Limited (the “**Company**”) is pleased to present the consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 30 June 2025 (the “**Year**”), which have been reviewed by the audit committee of the Company (the “**Audit Committee**”), together with the comparative figures for the year ended 30 June 2024 (the “**Year 2024**”) as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For year ended 30 June 2025

		2025	2024
	Notes	RMB'000	RMB'000
			(Re-presented and restated)
Continuing operations			
Revenue	3	760,063	714,408
Cost of sales		<u>(677,461)</u>	<u>(627,021)</u>
Gross profit		82,602	87,387
Other income	4	14,933	20,036
Other gain and loss, net		(6,016)	(5,580)
Distribution costs		(58,460)	(63,680)
Administrative expenses		(53,135)	(45,258)
Share-based payments		(27,536)	–
Other operating expenses		<u>(845)</u>	<u>(712)</u>
Loss from operations		(48,457)	(7,807)
Finance costs	6	(5,290)	(3,592)
Loss on disposal of subsidiaries		(4,548)	–
Loss on deregistration of a subsidiary		<u>–</u>	<u>(69)</u>
Loss before taxation		(58,295)	(11,468)
Income tax expense	7	<u>(1,164)</u>	<u>(3,300)</u>
Loss for the year from continuing operations	8	(59,459)	(14,768)
Discontinued operation			
Profit for the year from discontinued operation	9	<u>–</u>	<u>167,901</u>
(Loss)/profit for the year		<u>(59,459)</u>	<u>153,133</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For year ended 30 June 2025

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
		(Re-presented and restated)
(Loss)/profit for the year	<u>(59,459)</u>	<u>153,133</u>
Other comprehensive income/(expense):		
<i>Item that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	(6,499)	(8,026)
<i>Item that will not be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	<u>14,977</u>	<u>5,230</u>
Other comprehensive income/(expense) for the year, net of tax	<u>8,478</u>	<u>(2,796)</u>
Total comprehensive (expense)/income for the year	<u><u>(50,981)</u></u>	<u><u>150,337</u></u>

		2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented and restated)
	<i>Note</i>		
(Loss)/profit for the year attributable to:			
Owners of the Company			
From continuing operations		(57,683)	(14,629)
From discontinued operation		<u>—</u>	<u>167,901</u>
		<u>(57,683)</u>	<u>153,272</u>
Non-controlling interests from continuing operations			
		<u>(1,776)</u>	<u>(139)</u>
		<u>(59,459)</u>	<u>153,133</u>
Total comprehensive (expense)/income attributable to:			
Owners of the Company		(49,205)	150,476
Non-controlling interests		<u>(1,776)</u>	<u>(139)</u>
		<u>(50,981)</u>	<u>150,337</u>
Total comprehensive (expense)/income			
From continuing operations		(50,981)	(17,564)
From discontinued operation		<u>—</u>	<u>167,901</u>
		<u>(50,981)</u>	<u>150,337</u>
(Loss)/earnings per share from continuing and discontinued operations			
– Basic and diluted (<i>RMB cents</i>)	11	<u>(2.67)</u>	<u>7.10</u>
Loss per share from continuing operations			
– Basic and diluted (<i>RMB cents</i>)	11	<u>(2.67)</u>	<u>(0.68)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As 30 June 2025

		30 June 2025	30 June 2024	1 July 2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
			(Re-presented and restated)	(Re-presented and restated)
Non-current assets				
Property, plant and equipment		87,510	80,747	59,060
Right-of-use assets		6,947	5,053	5,915
Interest in joint ventures		—	—	—
Interest in an associate		—	—	10,718
		94,457	85,800	75,693
Current assets				
Inventories		84,222	79,307	91,819
Trade and other receivables	12	305,721	345,920	304,823
Financial assets at fair value through profit or loss		—	—	—
Cash and cash equivalents		51,649	57,532	46,376
		441,592	482,759	443,018
Current liabilities				
Trade and other payables	13	114,023	171,170	142,159
Current tax payables		7,817	14,912	12,405
Lease liability		1,135	350	627
Borrowings		159,578	100,000	75,000
Promissory notes		—	—	156,586
		282,553	286,432	386,777
Net current assets		159,039	196,327	56,241
Total assets less current liabilities		253,496	282,127	131,934

	30 June 2025 RMB'000	30 June 2024 RMB'000 (Re-presented and restated)	1 July 2023 RMB'000 (Re-presented and restated)
Non-current liability			
Lease liability	<u>1,776</u>	<u>–</u>	<u>344</u>
	<u>1,776</u>	<u>–</u>	<u>344</u>
NET ASSETS	<u>251,720</u>	<u>282,127</u>	<u>131,590</u>
Capital and reserves			
Share capital	391,760	391,760	391,760
Reserves	<u>(198,359)</u>	<u>(176,238)</u>	<u>(326,714)</u>
Equity attributable to owners of the Company	193,401	215,522	65,046
Non-controlling interests	<u>58,319</u>	<u>66,605</u>	<u>66,544</u>
TOTAL EQUITY	<u>251,720</u>	<u>282,127</u>	<u>131,590</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For year ended 30 June 2025

1. GENERAL INFORMATION

Huiyuan Cowins Technology Group Limited (formerly known as Mayer Holdings Limited) (the “**Company**”) is an exempted company with limited liability incorporated in the Cayman Islands and its registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The principal place of business is located at Flat 2106, 21/F, The World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong.

These consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated.

During the year ended 30 June 2024, the Group discontinued its business of urban renewal projects planning and consulting in Zhuhai City of Guangdong Province of the People’s Republic of China (“**PRC**”). Further details of this discontinued operation are set out in note 14 to the consolidated financial statements.

2. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) which are effective for the Group’s financial year beginning on 1 July 2024.

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

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

Amendments to HKFRS Accounting Standards issued but not yet effective

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

HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKAS 21	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2025.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ Effective for annual periods beginning on or after a date to be determined.

The Directors anticipate that, except as described below, the application of the above new and amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of the HKFRS 18 is not expected to have material impact on the financial position of the Group. The directors are in the process of making an assessment of the impact of HKFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.

3. REVENUE

The Group's revenue represents the aggregate of sales value of goods supplied and services provided to customers less goods returned and trade discounts. An analysis of the Group's revenue for the year is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented and restated)
Continuing operations		
Production and sale of steel products, and provision of piped potable water solutions	<u><u>760,063</u></u>	<u><u>714,408</u></u>

Disaggregation of revenue from contracts with customers:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented and restated)
Production and sale of steel products, and provision of piped potable water solutions:		
Indirect export sales	18,264	29,932
Domestic sales	681,875	637,820
Direct export sales	<u>59,924</u>	<u>46,656</u>
Total	<u><u>760,063</u></u>	<u><u>714,408</u></u>

Timing of recognition of revenue from contracts with customers:

At a point in time	<u><u>760,063</u></u>	<u><u>714,408</u></u>
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Production and sale of steel products, and provision of piped potable water solutions

The Group manufactures and sells steel pipes, steel sheets and other steel products and provides piped potable water solutions to its customers. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

Sales to customers are normally made with credit terms of 60 to 180 days. For new customers, deposits or cash on delivery may be required. Deposits received are recognised as a contract liability.

A receivable is recognised when the products are delivered to the 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.

4. OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented and restated)
Continuing operations		
Interest income	975	626
Government subsidy [#]	4,695	7,966
Scrap sales	7,663	8,018
Sundry income	1,600	3,426
	<u>14,933</u>	<u>20,036</u>

[#] *The government subsidy was received from local government authorities for supporting the Group's operation and encouraging innovation of production technology, of which the entitlement was unconditional.*

5. SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the board of directors of the Company, being the Group's chief operating decision maker, for the purposes of resource allocation and performance assessment. The Group has presented the following two reportable segments as continuing operations. No operating segments have been aggregated to form the following reportable segments.

- Steel – PRC: the production and sale of steel pipes, steel sheets and other steel products and provision of piped potable water solutions. These products are manufactured in the Group's manufacturing facilities located in the People's Republic of China ("PRC") ("**Production and Sale of Steel Products, and Provision of Piped Potable Water Solutions**").
- Service – PRC: development and application of energy storage and conservation of PCM technologies, alongside technology integration for facility farming (the "**PCMs and Facility Farming Operations**").

Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief operating decision maker monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible assets and current assets with the exception of corporate assets. Segment liabilities include all liabilities including trade and other payables and borrowings managed directly by the segments with the exception of corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. The accounting policies of the reportable segments are the same as the Group's accounting policies. The measure used for reporting segment profit is "EBIT" i.e. "earnings before interest and taxes".

In addition to receiving segment information concerning EBIT, management is provided with segment information concerning revenue, interest income and expenses from cash balances and borrowings managed directly by the segments, depreciation and amortisation, impairment loss on trade and other receivables, income tax expense and additions to non-current segment assets used by the segments in their operations.

Information regarding the Group's reportable segments as provided to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance for the year ended 30 June 2025 and 2024 is set out below:

Information about reportable segment profit or loss, assets and liabilities:

	Continuing operations		
	PCMs and Facility Farming Operations RMB'000	Production and Sale of Steel Products, and Provision of Piped Potable Water Solutions RMB'000	Total RMB'000
Year ended 30 June 2025:			
Revenue	–	760,063	760,063
Segment (loss)/profit	(14,219)	10,773	(3,446)
Finance costs	(95)	(5,157)	(5,252)
Interest income	1	973	974
Depreciation	(200)	(5,885)	(6,085)
Amortisation	–	(422)	(422)
Income tax expense	–	(1,164)	(1,164)
Other material non-cash items:			
Impairment loss on trade and other receivables	–	(5,707)	(5,707)
Additions to non-current segment assets	6,462	5,769	12,231
At 30 June 2025			
Segment assets	16,655	428,859	445,514
Segment liabilities	2,144	275,059	277,203

	Continuing operations		
	PCMs and Facility Farming Operations <i>RMB'000</i> (Re-presented and restated)	Production and Sale of Steel Products, and Provision of Piped Potable Water Solutions <i>RMB'000</i> (Re-presented and restated)	Total <i>RMB'000</i> (Re-presented and restated)
Year ended 30 June 2024:			
Revenue	–	714,408	714,408
Segment (loss)/profit	(9,156)	21,381	12,225
Finance costs	(1,005)	(2,536)	(3,541)
Interest income	2	624	626
Depreciation	(1)	(4,569)	(4,570)
Amortisation	–	(209)	(209)
Income tax expense	–	(3,300)	(3,300)
Other material non-cash items:			
Impairment loss on trade and other receivables	–	(3,491)	(3,491)
Additions to non-current segment assets	–	13,245	13,245
At 30 June 2024			
Segment assets	16,219	476,475	492,694
Segment liabilities	827	260,457	261,284

Reconciliations of reportable segment revenue, profit or loss from continuing operations, and assets and liabilities:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented and restated)
Profit or loss:		
Total (loss)/profit of reportable segments	(3,446)	12,225
Corporate and unallocated loss	<u>(56,013)</u>	<u>(26,993)</u>
Consolidated loss from continuing operations for the year	<u><u>(59,459)</u></u>	<u><u>(14,768)</u></u>
Assets		
Total assets of reportable segments	445,514	492,694
Corporate and unallocated assets	<u>90,535</u>	<u>75,865</u>
Consolidated total assets	<u><u>536,049</u></u>	<u><u>568,559</u></u>
Liabilities		
Total liabilities of reportable segments	277,203	261,284
Corporate and unallocated liabilities	<u>7,126</u>	<u>25,148</u>
Consolidated total liabilities	<u><u>284,329</u></u>	<u><u>286,432</u></u>

Geographical information:

Since the Group's revenue and assets are derived from customers and operations based in the PRC and accordingly, no further analysis of the Group's geographical information is disclosed.

Revenue from major customers:

No customer individually contributed 10% or more to the Group's revenue for the year ended 30 June 2025 and 2024.

6. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented and restated)
Continuing operations		
Bank interest expenses	5,252	3,540
Interest expense on lease liabilities	38	50
Other finance charges	—	2
	<u>5,290</u>	<u>3,592</u>

7. INCOME TAX EXPENSE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented and restated)
Continuing operations		
Current tax		
PRC enterprise income tax		
— current	—	3,300
— overprovision	(252)	—
Withholding tax	1,416	—
	<u>1,164</u>	<u>3,300</u>

Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profit for the year ended 30 June 2025 and 2024. No provision for Hong Kong Profits Tax has been made for the year ended 30 June 2025 and 2024 as the Group did not generate any assessable profits arising in Hong Kong.

Pursuant to the income tax rules and regulations of the PRC, the subsidiaries in the PRC are liable to PRC enterprise income tax at a rate of 25% (2024: 25%) during the year.

During the year, one of subsidiary of the Company, Guangzhou Mayer Corporation Limited, is accredited as a High and New Tech Enterprise. As being a High and New Tech Enterprise, it was entitled to a reduced corporate income tax rate of 15% for both years.

Additionally, a 10% withholding tax is levied on dividends declared to foreign investors from the PRC effective from 1 January 2008. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and jurisdiction of the foreign investors.

Taxation arising in other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions.

8. LOSS FOR THE YEAR

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented and restated)
Continuing operations		
Auditor's remuneration		
– audit services	927	1,246
– other services	185	290
Cost of inventories sold [#]	677,461	627,021
Depreciation	6,106	4,985
Depreciation of right-of-use assets	997	647
Net exchange loss	309	2,089
Loss on disposal of property, plant and equipment	424	–
Loss on disposal of subsidiaries	4,548	–
Gain on deconsolidation (<i>Note 9(b)</i>)	–	(168,007)
Staff costs including directors' emoluments		
– Salaries, bonus and allowances	34,263	49,253
– Retirement benefits scheme contributions	4,577	5,884
– Share-based payments	27,536	–
	66,376	55,137

[#] *Cost of inventories sold includes the followings which are also included in the amounts disclosed separately above.*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented and restated)
Depreciation	4,032	4,301
Staff costs	17,402	17,745

9. DISCONTINUED OPERATION

During the year ended 30 June 2024, the Group ceased to have control, as defined under HKFRS 10 Consolidated Financial Statements (“**HKFRS 10**”) (“**Control**”), over Zhuhai Mayer HuaFeng Development Co., Limited (“**Zhuhai HuaFeng**”) and its subsidiaries (collectively, the “**Zhuhai HuaFeng Group**”), which are engaged in the urban renewal projects planning and consulting in Zhuhai City of Guangdong Province of the PRC (“**Urban Renewal Business**”). The directors of the Company are of the view that the Urban Renewal Business has been discontinued following the loss of Control over the Zhuhai HuaFeng Group. Details of the deconsolidation are set out in note 14(b).

The profit for the year ended 30 June 2024 from the discontinued operation is set out below:

		2024 RMB'000 (Re-presented and restated)
	Notes	
Loss on discontinued operation	(a)	(106)
Gain on deconsolidation of Zhuhai HuaFeng Group	(b)	<u>168,007</u>
		<u><u>167,901</u></u>

- (a) The results of the discontinued operation for the period from 1 July 2023 to respective date of discontinuation of Urban Renewal Business, which have been included in the consolidated statement of profit or loss, was as follow:

	2024 RMB'000
Administrative expenses	<u>(106)</u>
Loss for the year	<u><u>(106)</u></u>

- (b) An analysis of assets and liabilities over which Zhuhai HuaFeng Group ceased to have Control:

	As at 23 October 2023 (date of deconsolidation) <i>RMB'000</i>
Assets	
Property, plant and equipment	33
Right-of-use assets	180
Interest in an associate	10,718
Cash and cash equivalents	<u>10</u>
	<u>10,941</u>
Liabilities	
Amounts due to shareholders	(39,617)
Trade and other payables	(19,441)
Lease liabilities	<u>(203)</u>
	<u>(59,261)</u>
Net liabilities deconsolidated of	<u><u>(48,320)</u></u>
Gain on deconsolidation of Zhuhai HuaFeng Group	<i>RMB'000</i>
Net liabilities deconsolidated of	48,320
Waiver of amount due to shareholders	(39,617)
Release of promissory note	159,304
Release of financial assets at fair value through profit or loss	<u>–</u>
Gain on deconsolidation	<u><u>168,007</u></u>
Net cash outflow from the deconsolidated Zhuhai HuaFeng Group as follows:	<i>RMB'000</i>
Cash and cash equivalents deconsolidated	<u><u>(10)</u></u>

10. DIVIDENDS

The directors do not recommend or declare the payment of any dividend in respect of the year ended 30 June 2025 and 2024.

11. (LOSS)/EARNINGS PER SHARE

Continuing and discontinued operations

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented and restated)
(Loss)/earnings		
(Loss)/profit for the year attributable to owners of the Company		
From continuing operations	(57,683)	(14,629)
From discontinued operation	—	167,901
	<u>(57,683)</u>	<u>153,272</u>
Number of shares	2025 '000	2024 '000 (Re-presented and restated)
Weighted average number of ordinary shares	<u>2,158,000</u>	<u>2,158,000</u>
	2025	2024 (Re-presented and restated)
(Loss)/earnings per share from continuing and discontinued operations		
– Basic and diluted (<i>RMB cents</i>)	<u>(2.67)</u>	<u>7.10</u>
Loss per share from continuing operations		
– Basic and diluted (<i>RMB cents</i>)	<u>(2.67)</u>	<u>(0.68)</u>

Discontinued operation

Basic and diluted earnings per share from the discontinued operation is RMBNil cents per share (2024: Basic and diluted earnings per share RMB7.78 cents per share), based on profit for the year ended 2025 from the discontinued operation.

The computation of diluted loss per share does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares for the year 2025.

Diluted earnings per share amount was the same as basic earnings per share amount as there were no potential dilutive ordinary shares outstandings for the year 2024.

12. TRADE AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented and restated)
Trade receivables	250,012	271,218
<i>Less: allowance for doubtful debts</i>	<u>(8,143)</u>	<u>(2,436)</u>
	241,869	268,782
Bills receivables	7,053	3,504
Prepayment and other deposit	42,967	56,712
Other receivables	<u>13,832</u>	<u>16,922</u>
	<u><u>305,721</u></u>	<u><u>345,920</u></u>

Trade receivables are due within 60 to 180 days from the date of billing and may be extended to selected customers depending on their trade volumes and settlement with the Group. The Group does not obtain collateral from customers.

The aging analysis of trade receivables, based on invoiced date, and net of allowance, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented and restated)
0 to 30 days	61,748	59,626
31 to 60 days	49,564	59,475
61 to 90 days	45,195	47,126
91 to 180 days	37,985	51,645
Over 180 days	47,377	50,910
	<u>241,869</u>	<u>268,782</u>

13. TRADE AND OTHER PAYABLES

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented and restated)
Trade payables	(a)	62,264	86,049
Other payables		37,404	63,385
Receipt in advance related to energy conservation service		99	367
Dividend payable		586	2,681
Contract liabilities	(b)	13,670	18,688
		<u>114,023</u>	<u>171,170</u>

(a) **Trade payables**

The aging analysis of the trade payables, based on invoice date, is as follows:

	2025 RMB'000	2024 <i>RMB'000</i> (Re-presented and restated)
0 to 30 days	22,109	43,572
31 to 60 days	11,203	3,459
61 to 90 days	13,283	684
91 to 180 days	9,053	4,556
Over 180 days	6,616	33,778
	62,264	86,049

(b) **Contract liabilities**

	As at 30 June 2025 RMB'000	As at 30 June 2024 RMB'000 (Re-presented and restated)	As at 1 July 2023 RMB'000 (Re-presented and restated)
Production and sale of steel products, and provision of piped potable water solutions	13,670	18,688	15,369
	2025 RMB'000	2024 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue recognised in the year that was included in contract liabilities at beginning of year	17,859	12,540	

14. PRIOR YEAR ADJUSTMENTS

(a) Deconsolidation of Shenzhen Hei Jing Photoelectric Technology Co., Limited for the year ended 30 June 2022

On 9 February 2022, a former director of the Company who was also a former director of certain subsidiaries of the Company in the PRC used a suspected forged seal, entered into an agreement with purchaser to dispose of 51% equity interest in Shenzhen Hei Jing Photoelectric Technology Co., Limited (“**Hei Jing**”), a wholly owned subsidiary of the Company, at a total cash consideration of RMB5.3 million (the “**Disposal**”). The consideration was received on 1 February 2022 and 31 March 2022 and the registration of the ownership of the equity interest was changed to the purchaser on 14 February 2022.

After the removal of the former director, the Group initiated legal action to rescind the agreement and to regain ownership of the 51% equity interest in Hei Jing in prior year. The directors of the Company believed that the consideration for the Disposal was too low and unfair, which would result in significant losses for the Group. Despite the uncertainty regarding the outcome of the legal proceedings, the directors of the Company considered that the Group retained control over Hei Jing during the preparation of the Company’s consolidated financial statements for the years ended 30 June 2022, 2023, and 2024.

During the year ended 30 June 2025, the directors of the Company conducted a review of the Disposal and reassessed whether the Group had Control over Hei Jing upon the completion of the Disposal and whether it should be consolidated into the Group’s consolidated financial statements under HKFRS 10.

Based on the review and reassessment, the directors of the Company considered that the Group was unable to effectively exercise its shareholder rights to influence Hei Jing’s relevant activities since 14 February 2022. In the opinion of the directors of the Company, the Group ceased to have Control over Hei Jing on 14 February 2022, and Hei Jing has not been consolidated into the Group’s consolidated financial statements since the completion of the Disposal.

(b) **Deconsolidation of Zhuhai HuaFeng Group for the year ended 30 June 2024, release of promissory note and financial asset at fair value through profit or loss**

On 26 November 2019, the Group acquired 100% of the issued share capital of Happy (Hong Kong) New City Group Limited (a company incorporated in the British Virgin Islands, “**Happy BVI**”) and its subsidiaries (collectively the “**Happy Group**”) at a total consideration of approximately HK\$260,000,000, which was comprised of a cash consideration of HK\$20,000,000, promissory note with principal amount of HK\$158,000,000 and the issuance of 410,000,000 ordinary shares of the Company at HK\$0.2 per share (the “**Acquisition**”). In connection with the Acquisition, the vendor provided guarantee regarding the target profit to be achieved by Happy Group. In addition, should the accumulated net profit of the Happy Group recorded for the three financial years ending 31 December 2019, 2020 and 2021 equals to or less than HK\$130 million, the Group was granted the right to exercise at any time during the option period to sell the entire issued share capital of the Happy (BVI) (the “**Option Shares**”) to the vendor at an agreed purchase price (the “**Put Option**”). The maturity date of the promissory note was intended to be extended to 30 September 2023.

On 23 October 2023, the right to inject RMB14.7 million into the registered capital of the Zhuhai HuaFeng, an indirect subsidiary of Happy (BVI), which represents 49% of the total registered capital, was disposed at nil consideration to an independent third party (the “**Injection Right Disposal**”). The directors of the Company considered the Injection Right Disposal was ineffective as it was not properly authorised or approved by the board of directors. The Group has taken legal action against the former directors and considered that the Group still had the control over Zhuhai HuaFeng Group for the year ended 30 June 2024.

During the year ended 30 June 2025, the directors of the Company conducted a review of the following:

- (i) whether the Group has Control over the Zhuhai HuaFeng Group and whether it should be consolidated into the Group’s consolidated financial statements under HKFRS 10;
- (ii) whether the Group has an obligation relating to the promissory note with a maturity date of 30 September 2023 which yet taken-effect; and
- (iii) whether the Group has an obligation for the consideration shares and the ownership of the Put Option.

In the opinion of the directors of the Company, the Group ceased to have Control over Zhuhai HuaFeng Group as of year ended 30 June 2024 as the Group has been unable to effectively exercise its shareholder right to influence Zhuhai HuaFeng Group’s relevant activities since the date of Injection Right Disposal even though the Group maintains 51% legal ownership in Zhuhai HuaFeng.

Moreover, the profit guarantee related to the Happy Group for the year ended on 30 June 2023 could not be fulfilled due to the cessation of Control over Zhuhai HuaFeng Group and the promissory note matured before 30 September 2023. Consequently, the Group no longer had an obligation for the promissory note, the ownership of the put option, and the contingent consideration receivables and therefore, the corresponding promissory note, put option, and contingent consideration receivables were released in same period.

The above adjustments have been corrected by restating each of the affected financial statement line items for the prior periods which are follows:

Impact on the consolidated statement of financial position as at 1 July 2023 (extract):

	1 July 2023	Increase/ (decrease)	1 July 2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
		<i>(note a)</i>	<i>(Restated)</i>
Property, plant and equipment	62,805	(3,745)	59,060
Inventories	92,956	(1,137)	91,819
Trade and other receivables	315,005	(10,182)	304,823
Cash and cash equivalents	46,388	(12)	46,376
Trade and other payables	147,469	(5,310)	142,159
Reserves	316,948	9,766	326,714

Impact on the consolidated statement of financial position as at 30 June 2024 (extract):

	30 June 2024	Increase/ (decrease)	Increase/ (decrease)	30 June 2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
		<i>(note a)</i>	<i>(note b)</i>	<i>(Restated)</i>
Property, plant and equipment	84,525	(3,745)	(33)	80,747
Right-of-use assets	5,233	—	(180)	5,053
Interest in joint ventures	—	—	—	—
Interest in an associate	10,718	—	(10,718)	—
Inventories	80,444	(1,137)	—	79,307
Trade and other receivables	356,102	(10,182)	—	345,920
Financial assets at fair value through profit or loss	—	—	—	—
Cash and cash equivalents	57,554	(12)	(10)	57,532
Trade and other payables	195,921	(5,310)	(19,441)	171,170
Lease liability	553	—	(203)	350
Promissory notes	159,304	—	(159,304)	—
Reserves	334,479	9,766	(168,007)	176,238

***Impact on the consolidated statement of profit or loss for the year ended 30 June 2024
(extract):***

	2024	Loss decrease/ (increase)	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Re-presented)	(note 9)	(Re-presented and restated)
Discontinued operation			
Profit from discontinued operation	–	167,901	167,901
(Loss)/profit for the year attributable to:			
Owners of the Company	(14,629)	167,901	153,272
Non-controlling interests	(139)	–	(139)
 (Loss)/earnings per share from continuing and discontinued operations			
Basic and diluted (<i>RMB cents</i>)	<u>(0.68)</u>	<u>7.78</u>	<u>7.10</u>

MANAGEMENT DISCUSSION AND ANALYSIS

The Board presents the audited consolidated results of the Group for the Year, which have been reviewed by the Audit Committee, together with the comparative figures and the percentage changes for the Year as follows.

RE-PRESENT AND RESTATEMENT OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2024

The Group has re-presented and restated the consolidated financial statements for the Year 2024.

Unless otherwise stated, all financial references to Year 2024 and 30 June 2024 in this Management Discussion and Analysis section refer to the re-presented and restated consolidated financial statements (respectively, “**Restated 2024**” and “**Restated 30 June 2024**”). For details, please refer to note 14 to the consolidated financial statements, “Prior Year Adjustments”.

REVIEW OF RESULTS

For the Year, the Group recorded consolidated revenue of approximately RMB760,063,000, an increase of 6.4% compared to approximately RMB714,408,000 for Year 2024. The gross profit margin was approximately 10.9% for the Year, compared to 12.2% for Year 2024.

The Group recorded a loss for the Year of approximately RMB59,459,000, compared to a profit of approximately RMB153,133,000 for Year 2024. The loss attributable to owners of the Company was approximately RMB57,683,000 for the Year, compared to a profit attributable to owners of approximately RMB153,272,000 for Year 2024. The loss per share for the Year was approximately RMB2.67 cents, compared to an earnings per share of RMB7.10 cents for Year 2024.

For the Year, the Group’s revenue increase was primarily driven by a rise in domestic sales of steel products. The decline in results, with a loss of approximately RMB59,459,000 for the Year compared to a restated profit of approximately RMB153,133,000 for Year 2024, was primarily attributable to the restatement effect, reflected in Year 2024, of a gain on deconsolidation of Zhuhai Mayer HuaFeng Development Co., Limited (“**Zhuhai HuaFeng**”) and its subsidiaries (collectively, the “**Zhuhai HuaFeng Group**”) of RMB168,007,000, as more detailedly discussed in notes 9 and 14 to the consolidated financial statements.

BUSINESS REVIEW

Coordinated development of multiple businesses, with the energy storage business driving new growth

During the Year, amidst the complex and volatile domestic and international economic environment and industry landscape, each business segment of the Group faced distinct challenges and opportunities. The carbon steel business, impacted by sluggish real estate demand and international trade restrictions, faced intensified competition and pressured profits. While the stainless steel business, impacted by the real estate market collapse and local financial constraints, sought breakthroughs in international market development and in the emerging home improvement market. The direct drinking water business, leveraging policy support and the widespread adoption of health concepts, was showing positive development momentum, but it also faced challenges in industry competition and user awareness conversion. Among its various business segments, the energy storage business, leveraging favorable policies, technological advancements, and broad application prospects, has become the core driver of the Group's development, demonstrating strong growth potential.

(i) Production and Sale of Steel Products, and Provision of Piped Potable Water Solutions

(I) Carbon steel business: A difficult breakthrough amid shrinking demand and intensified competition

During the Year, the carbon steel business faced a challenging operating environment. Domestic steel demand shrank significantly due to negative growth in the real estate industry, leading to increasingly fierce market competition and even vicious competition among peers. This resulted in widespread declines in both revenue and profits for steel processing companies. Furthermore, the US and Western countries implemented trade restrictions on Chinese exports, and the ongoing US tariff war led to a significant drop in orders for companies, putting them in a difficult position.

To address these challenges, the Group proactively implemented measures to strengthen internal management and enhance service quality. On the one hand, it enhanced communication and collaboration with steel mills and customers, gaining a deeper understanding of customer needs and providing personalized product solutions, which helped to secure a core customer base through high-quality services. On the other hand, in response to the imperfect local supply chains faced by some customers after they relocated to Southeast Asia, the Group comprehensively met customer needs and helped resolve supply bottlenecks, striving to maintain business stability in such challenging market environment. However, the current situation of severe overcapacity in steel production and the continued decline in steel prices still pose significant risks of negative growth and negative gross profit margins. However, the carbon steel business is not without opportunities. With the transition from 5G to 6G, data storage demand continues to increase, leading to a surge in demand for computer server chassis, network communication chassis, and their associated power supply chassis, which presents at least 5-10 years of expansion opportunities for the carbon steel business. Furthermore, northern Vietnam and Thailand face significant capacity shortages in processing high-end coated products, necessitating domestic imports, which also provides certain market space for the export of the Group's carbon steel products.

(II) Stainless steel business: Multi-dimensional breakthroughs amidst market shrinkage

During the Year, the stainless steel business also suffered a significant blow. The collapse of the real estate industry led to a significant decline in stainless steel demand. Local financial constraints delayed public construction projects and water supply renovations, further exacerbating the decline in stainless steel demand. In this environment, the excessively large number of stainless steel pipe processing companies led to fierce competition in the low-end market, putting enormous operational pressure on businesses.

Faced with market difficulties, the Group proactively adjusted its business strategy and actively sought new growth points. Regarding pricing strategy, it promptly adjusted product prices based on market demand and actively participated in various bidding processes to secure more project orders. Regarding market development, the Group has been actively expanding into the international market since 2024, and has already achieved a certain level of recognition in Hong Kong, Australia, New Zealand, and other regions, injecting new momentum into business growth. Furthermore, with keen insight into market opportunities, the Group has explored the stainless steel home improvement market during the Year, which has offered the advantages of short payment terms and high profits. Having signed contracts with eight home improvement dealers, the Group is fully committed to furthering business expansion.

From a development perspective, the emergence of new downstream scenarios has driven an upgrade in the demand structure for stainless steel. The gradual release of new demand scenarios, such as data center liquid cooling, medical water supply, and high-end residential water purification, has significantly increased demand for corrosion-resistant, long-life, and environmentally friendly stainless steel pipes, which is expected to become a key driver of a new round of stainless steel pipeline growth. Furthermore, the international market is increasingly trending towards “replacing copper with steel”. Copper pipes were previously prevalent in Europe and the United States, and persistently high copper prices in recent years have enabled stainless steel to partially replace them due to its cost-effectiveness. This has led to increasing acceptance in pipeline projects, creating more favorable conditions for the Group’s global expansion of its stainless steel business.

(III) Direct drinking water business: Steady progress driven by both policy and demand

The direct drinking water business ushered in good development opportunities during the Year, thanks to policy support and the popularization of social health concepts. At the policy level, a new version of the “Standards for Drinking Water Quality” (GB5749-2022) issued by the State Administration for Market Regulation and the National Standards Committee after 2020 and officially implemented in 2023, significantly raised the water quality safety threshold, provided standard support for the high-quality development of the industry, and provided a legal basis for enterprises to implement engineering projects. At the local government level, Nanjing, Jinan, Shenzhen, Chongqing and other provinces and cities have included direct drinking water projects in the focus of people’s livelihood construction, and have successively issued local regulations and technical specifications to actively promote the implementation of direct drinking water systems in key places such as communities, schools, and hospitals.

In terms of the social environment, the concept of health among residents has been deeply rooted in people’s minds, and the attention paid to drinking water safety has continued to increase. Piped drinking water has gradually become the public’s ideal drinking water method because it can effectively solve problems such as secondary pollution, water source fluctuations, and water purifier filter replacement, and the construction scene has taken the lead in achieving breakthroughs. Relying on its own advantages, the Group has established cooperative relationships with many colleges and universities, property management companies, and corporate units, and has also maintained long-term and stable cooperation with high-quality equipment suppliers, construction and installation units, and testing institutions, ensuring the stable operation of the direct drinking water system and the safety of water quality. At present, the direct drinking water business has already operated the direct drinking water system of Yonghe Sub-district Office in Huangpu District. The direct drinking water system of China Tobacco Mauduit (Jiangmen) Paper Industry Co., Ltd., the direct drinking water system of Guangdong Radio and Television Station, and the direct drinking water project of Guangdong Expressway Fokai Branch are under construction.

However, the direct drinking water business also faces several challenges. The industry is still in the early stage of expansion, with low market concentration. A large number of local water companies, environmental protection companies, and equipment manufacturers are participating in the competition, where low technical barriers frequently triggers price wars and low-cost bidding practices, resulting in continued pressure on project profit margins. At the same time, consumers and some institutions maintain ingrained reliance on traditional bottled water and water purifiers. This necessitates an extended period for market education and user cultivation, requiring more time for the cognitive transformation of household terminal scenarios. Overall, with the further popularization of the concept of healthy drinking water and the continuous strengthening of policy support, the direct drinking water business has broad prospects for future development. In addition, the application of intelligent and system integration technologies also provides the Group's direct drinking water business with differentiated competitive advantages. The Group has the ability of independent supply and system integration of stainless steel pipes, which can form a comprehensive solution and increase market premium space.

Unauthorised disposal of a subsidiary's equity investment

On 9 February 2022, a former Director who was also former directors of certain subsidiaries of the Company in the PRC using a suspected forgery seal entered into an agreement with other parties to dispose of a 51% equity interest of the Group in Hei Jing Photoelectric Technology Co., Limited ("**Hei Jing**") at a cash consideration of RMB5.3 million (the "**Hei Jing Disposal**"). The consideration was received on 1 February 2022 and 31 March 2022 and the registration of the ownership of the equity interest was changed to the purchaser on 14 February 2022. After the removal of the former Director, the Board carried out a review of the transaction. The Directors considered that the consideration of the Hei Jing Disposal was too low and unfair and the Group would suffer a significant loss upon the Hei Jing Disposal. In the view of the Directors, the Hei Jing Disposal was unenforceable. Therefore, the Group instigated a legal action to rescind the agreement and resume the ownership of the 51% equity interest in Hei Jing.

On 2 January 2024, the Shenzhen Baoan District People’s Court issued a judgment to dismiss the Group’s claim. In order to protect the interests of the Group and after having sought legal advice, the Directors have decided to appeal against the judgement and filed an appeal with the Shenzhen Intermediate People’s Court in the PRC (the “**Shenzhen Court**”). On 13 November 2024, the Shenzhen Court rejected the Group’s appeal as the Equity Transfer Agreement detailed the reasons and pricing factors for the transfer of the equity interest, and there were also evidences, including the sealed resolutions of the board of directors of Guangzhou Mayer, which made it difficult to determine that the Hei Jing Disposal Consideration was low and the transferee had a malicious intent.

The Group has commenced legal actions against Mr. Xu by and other former directors of Guangzhou Mayer for damaging the interest of Guangzhou Mayer to the Huangpu District People’s Court of Guangzhou City, Guangdong Province in the PRC (the “**Huangpu Court**”) on 14 January 2025. The Huangpu Court has issued a case acceptance notice on 13 March 2025. On 22 May 2025, following a court session, the Huangpu Court suggested that the market value of Hei Jing be ascertained before the Group’s refiling of lawsuit. After seeking legal advice, the directors decided to withdraw the lawsuit for the time being.

Given the above, for accounting purposes and out of prudence, the Group has restated its consolidated financial statements for prior years and deconsolidated Hei Jing as a subsidiary accordingly. For details, please refer to note 14 to consolidated financial statements. The Company will keep the Shareholders and the potential investors informed of any further material developments in connection with the above by way of further announcement(s) as and when appropriate.

(ii) Urban Renewal Projects Planning and Consulting

During the Year, the Group’s urban renewal projects planning and consulting services did not record any revenue (Year 2024: RMBNil).

In recent years, the PRC property sector has faced an adverse operating environment, and the Group’s urban land renewal operations in Zhuhai witnessed stagnant progress and unsatisfactory results, despite the recovery of the COVID-19.

Further, as set out in the Company's announcement dated 6 October 2023, the Group has filed a lawsuit against the Mr. Zhou Shi Hao and Mr. Chen Zhirui in Hong Kong for breach of their respective Directors' duties concerning their management in the redevelopment project located in the PRC. These proceedings remain ongoing.

In November 2023, during a regular check on the Company's subsidiaries, it came to the Board's attention that Happy (Hong Kong) New City Group Limited (a company incorporated in Hong Kong, "**Happy HK**"), a wholly owned subsidiary of Happy (Hong Kong) New City Group Limited (a company incorporated in the BVI; "**Happy BVI**"), had completed the disposal of Zhuhai HuaFeng, being the assignment of the right to inject RMB14.7 million (equivalent to approximately HK\$15.8 million based on an exchange rate of RMB1 to HK\$1.0750) into the registered capital of Zhuhai HuaFeng at nil consideration to the purchaser on 23 October 2023 without authorization and/or approval from the Board (the "**Injection Right Disposal**"). Upon completion of the disposal of Zhuhai HuaFeng, the registered capital of the Zhuhai HuaFeng did not change but the right to inject 49% of the registered share capital of the Zhuhai HuaFeng was transferred to the purchaser. Details of the unauthorized disposal are set out in the Company's announcement dated 15 January 2024.

In light of the above circumstances, the Board considered that it is not commercially reasonable for the Company to continue to invest its time and resources in the PRC urban renewal business. Having considered (i) the poor financial performance of the Happy BVI and its subsidiaries (the "**Target Group**"); (ii) the limited asset value of the Target Group as compared to the Group as a whole; and (iii) the legal costs and management efforts in legal proceedings and the resumption of re-development of Yuetang Village of the Target Group, the Board is of the view that it is of benefit to dispose of the Target Group. Details regarding the disposal of the Target Group by Elate Ample Limited, a wholly-owned subsidiary of the Company (the "**Disposal**"), were disclosed in the Company's announcement dated 5 March 2025.

Upon completion of the Disposal, the Group can utilize its resources to re-focus on its existing steel business, which remains solid and brings a stable stream of revenue to the Group, as well as the development of the applications of nano phase change energy storage material(s) with nano-scale technologies.

Cancellation of the Promissory Note, etc.

References are made to (i) the announcements of the Company dated 11 June 2019, 26 November 2019, 11 March 2022, 29 July 2022, 30 June 2023, 5 March 2025 and 18 March 2025; and (ii) the circular of the Company dated 23 August 2019 (the “**2019 Circular**”) in relation to the acquisition of Happy BVI and its subsidiaries. Capitalized terms used herein shall have the same respective meanings as defined or adopted in the 2019 Circular unless otherwise stated.

Based on the audited consolidated financial statements of Happy BVI, Happy BVI has recorded an accumulated net profit of approximately HK\$14.4 million for the three financial years ended 31 December 2021, which is below the Target Profit Level. Accordingly, pursuant to the Sale and Purchase Agreement, the obligations under the Promissory Note, including but not limited to payment obligations shall cease and the Escrow Agent is not required to release any Consideration Shares to Harbour Prestige (as vendor).

Moreover, the Consideration Shares will be released to the Company in accordance with the Escrow Agreement, and the Company, Elate Ample (as purchaser) or their respective nominees may sell or dispose of the Consideration Shares (in a way which is unilaterally considered appropriate) without notifying Harbour Prestige or obtaining authorization from Harbour Prestige and are entitled to receive the relevant proceeds.

In light of the above, the Company is of the view that Elate Ample has no payment liability under the Promissory Note and is in the course of taking appropriate legal actions to, among other matters, retrieve all the 410,000,000 Consideration Shares which are currently held in escrow, and claim damages against Harbour Prestige and Mr. Zhou (as guarantor) for breaching the terms of the Sale and Purchase Agreement and/or guarantee obligations.

Further announcement(s) in relation to the above matters will be made by the Company as and when appropriate.

The Group has re-presented and restated the consolidated financial statements for Year 2024. For details, please refer to notes 9 and 14 to the consolidated financial statements.

(iii) PCMs and Facility Farming Operations

Among the Group's various business segments, the energy storage business has become the core growth pole for the Group's future development by virtue of its advantages in policies, technology, market and other aspects.

(I) Superior business environment: multiple benefits from policies, technologies and scenarios

1. Strong policy support and sustained release of dividends

The country's vigorous promotion of the "dual carbon" goal has brought long-term policy dividends to the energy storage industry, and central and state-owned enterprises have also provided ample financial support for the industry's development. Policy support is precise and comprehensive across various application scenarios. In the industrial sector, the "14th Five-Year Plan for Energy Conservation and Emission Reduction" requires that, through energy conservation and carbon reduction actions, data centers and other facilities achieve energy efficiency benchmarks exceeding 30%, creating a fertile ground for the application of energy storage technologies such as waste heat recovery. In the agricultural sector, the "National Modern Facility Agriculture Construction Plan (2023-2030)" proposes the promotion of energy-saving and consumption-reducing technologies and equipment to help improve resource utilization in facility agriculture, paving the way for heating solutions that combine phase-change energy storage with waste heat and solar energy. In the commercial building sector, the "Implementation Plan for Carbon Peaking in Urban and Rural Construction" stipulates that all new urban buildings shall comply with green building standards by 2025, encouraging the development of zero-carbon buildings, creating favorable conditions for the application of phase-change energy storage in energy efficiency improvements.

Local governments have also actively responded to national policies, introducing a series of support measures. The Guangzhou Municipal Government issued “Several Measures to Support the High-Quality Development of the New Energy Storage Industry,” which provides incentives of up to RMB5 million for national-level innovation carriers and up to RMB10 million for pilot demonstration projects. This has greatly stimulated corporate innovation and investment in the energy storage sector, providing strong policy support for the development of the Group’s energy storage business in Guangzhou and surrounding areas.

2. *Technological advances and continuous cost reduction*

With the rapid development of science and technology, energy storage technology, especially phase-change energy storage technology, has made significant breakthroughs. The production cost of new phase-change energy storage materials is continuously decreasing, the source materials are becoming more widely available, and the production process is also tending to be simplified, which has significantly enhanced the cost-effectiveness of phase-change energy storage products, making them more competitive in the market. At the same time, the Group actively carried out technical cooperation and innovation, and has reached cooperation agreements with the Ministry of Agriculture and Rural Affairs, scientific research institutes, and well-known universities to rapidly improve product research and development capabilities; by absorbing and introducing advanced foreign technologies and combining them with China’s advanced manufacturing industry, it has achieved localized technological innovation and laid a solid technical foundation for the development of the energy storage business. In addition, the accelerated implementation of technologies such as microcapsule encapsulation and customized integrated systems, as well as the integration of phase-change energy storage with various energy forms such as photovoltaics, heat pumps, and wind energy, have further broadened the application boundaries of the products, enabling energy storage products to be flexibly deployed in multiple temperature control scenarios.

3. Wide application scenarios and robust market demand

By virtue of its broad application scenarios, phase-change energy storage materials can meet the cold and heat storage requirements across industrial, agricultural commercial and domestic sectors, which can significantly enhance energy efficiency and align with the current social demand for energy conservation and carbon emission reduction. In the industrial field, high-energy-consuming scenarios such as data centers and cold chain warehouses have an urgent need to control refrigeration and heating energy consumption. The waste heat recovery solution of phase-change energy storage can effectively reduce energy consumption and improve energy utilization efficiency; in the agricultural field, the temperature control of agricultural greenhouses consumes a lot of energy. Phase change energy storage technology can achieve efficient temperature regulation and contribute to the green development of facility agriculture; in the commercial building field, the promotion of green building standards has led to an increasing demand for the application of phase-change energy storage in improving building energy efficiency. With broad application scenarios, the Group's energy storage business enjoys vast market potential amid persistently strong demand.

(II) Business Performance: Project implementation and cooperation expansion go hand in hand

The Group has actively developed its energy storage business and achieved a series of successes. In terms of project construction, the Group has successfully completed several key projects, including the Energy-saving Renovation Project for a Phalaenopsis Greenhouse in Taiyuan, Shanxi; the Energy-saving Renovation Project for Shunyi Base in Beijing of the Institute of Environment and Sustainable Development in Agriculture of the Chinese Academy of Agricultural Sciences; the First Phase of the Energy-saving Renovation Project for China Tobacco Mauduit (Jiangmen) Paper Industry Co., Ltd.; and the Waste Heat Utilization Project for Huailai Cloud Exchange Data Services Co., Ltd. (懷來雲交換數據服務有限公司). The successful implementation of these projects not only verified the reliability and advancement of the Group's energy storage technology, but also accumulated rich project experience for the Group and enhanced its brand awareness.

The Group is currently steadily advancing several energy storage projects, including the Phase II Energy-saving Renovation Project of China Tobacco Mauduit (Jiangmen) Paper Industry Co., Ltd., Zhongnong Meiya (Huailai) “Carbon Neutral” Digital Agriculture Industrial Park Project, Xiamen Shopping Mall Energy-saving Renovation Project, and Hainan Multifunctional Complementary Ultra-low Energy Consumption Phase-change Smart Greenhouse Project. The Zhongnong Meiya (Huailai) “Carbon Neutral” Digital Agriculture Industrial Park Project will further promote the large-scale application of energy storage technology in agricultural sector, contributing to the green and low-carbon development of agriculture.

Regarding partnership expansion, the Group signed a “Framework Agreement for Dual Carbon Agricultural Demonstration Industrial Park Project” with the Agriculture and Rural Affairs Bureau of Karamay, Xinjiang. The project plans to build a 40,000-square-meter dual-carbon agriculture industrial park in Karamay, including a display greenhouse, greenhouses for production of tomato, strawberry, phalaenopsis, and leafy vegetables, an aquaculture workshop, and supporting facilities. This project is expected to generate significant economic benefits for the Group.

More notably, the Group recently signed a memorandum of understanding with UK-based Environmental Process Systems Limited. The Group will contribute its proprietary technologies and patents related to phase-change energy storage to become a shareholder in Guangzhou Mayer Technology Development Ltd. Both parties will jointly promote the research and development, production, and market expansion of phase-change energy storage products. This collaboration not only provides the Group with advanced technologies and patents, but also generates substantial orders. This company has commissioned the production of 280,000 phase-change energy storage ice plates in the initial phase, with further orders for 340,000 ice plates in the future. This partnership marks a significant step forward in the Group’s energy storage business in terms of technological innovation and market expansion, laying the foundation for its international development.

(III) Potential Risks and Responses: Facing Challenges and Seizing the Initiative in Development

Although the energy storage business has broad development prospects, it also faces potential risks that require the Group to actively respond to.

1. Fierce industry competition

Competition in the energy storage industry is increasingly fierce. Ice storage technology, with its significant cost advantage, has become a major competitor to phase-change energy storage technology. Meanwhile, leading companies such as CATL and HiTHIUM are accelerating their expansion into large-capacity battery cells and long-duration energy storage, further squeezing phase-change energy storage's market share. Faced with intense market competition, the Group will continue to increase its investment in technological research and development, continuously improving the performance and cost-effectiveness of phase-change energy storage technology, and cultivating a differentiated competitive advantage through technological innovation. Furthermore, the Group will strengthen market expansion efforts, expand application scenarios, enhance brand influence, and consolidate and expand its market share.

2. Uncertain policy implementation

Local governments vary in their subsidy details and implementation efficiency for new energy storage projects, potentially impacting the return on investment (ROI) and creating uncertainty for the Group's business development. To address this risk, the Group will strengthen communication and coordination with local governments, stay abreast of policy developments, and actively seek policy support. Furthermore, the Group will optimize project investment decisions, rationally control project costs, enhance project profitability and risk resilience, and mitigate the impact of policy implementation uncertainty on business development.

(IV) Broad development opportunities: Huge potential for future growth driven by multiple factors

1. *With continuously favorable policies, user-side energy storage scenarios are rapidly expanding.*

National policies such as the “Dual Carbon” strategy and the “Guiding Opinions on Accelerating the Development of New Energy Storage” provide clear development guidance for phase-change energy storage. Supporting subsidy policies, electricity pricing mechanisms, and standard systems have been continuously improved, creating a favorable policy environment for industrial development. Local governments are actively piloting and promoting applications in clean heating, industrial and commercial energy conservation, and agricultural greenhouses, driving rapid growth in demand for user-side energy storage. The Group will fully leverage these favorable policies to strengthen its presence in user-side energy storage scenarios, expand its business scope, and increase market penetration.

2. *Energy conservation and carbon reduction drive rigid demand, and high-energy consumption scenarios are yet to be penetrated*

Against the backdrop of energy conservation and carbon reduction, the need to control cooling and heating energy consumption is increasingly urgent in areas such as data centers, cold chain warehouses, agricultural temperature control facilities, hospitals, and public buildings. These high-energy-consuming scenarios present significant potential for energy-saving transformation. Driven by the growing involvement of green finance and tightening energy consumption constraints, phase-change energy storage technology is gaining broader market penetration due to its technical adaptability and quantifiable energy-saving advantages. Global large-scale energy storage capacity is projected to grow by 51% year-on-year by 2025, and the demand for energy-saving technologies in scenarios such as data centers and agricultural greenhouses will surge significantly. The Group’s waste heat recovery solutions for its energy storage business are highly aligned with the “dual carbon” goals and are expected to achieve large-scale application in these high-energy-consuming scenarios.

3. *Growing green consumption awareness aligns with the sustainable development trend*

With growing public awareness of energy conservation, green consumption has become a new consumer trend. The government is actively promoting institutionalized mechanisms such as green procurement, energy-efficient buildings, and contract energy management, opening up a broad market opportunity for phase-change energy storage as a new green and energy-saving solution. Phase-change energy storage products, with eco-friendly, safe, and noiseless characteristics, offer unique application value in specific scenarios. Such products can meet market demand for green and energy-saving solutions, align with sustainable development trends, and offer strong support for the development of the Group's energy storage business.

4. *Demonstration projects play a guiding role in this early-stage industry*

Currently, the energy storage industry is still in its growth phase, with no dominant market players and a still-unsettled market structure. At this stage, the implementation of high-quality projects can quickly establish regional influence and serve as a model for the Group's business expansion. By actively participating in demonstration projects and building robust investment return models, the Group can rapidly establish a first-mover advantage under the dual drivers of policy and market forces, seize market opportunities, and lay a solid foundation for the long-term development of its energy storage business.

FINANCIAL REVIEW

Segment Revenue and Results

(i) Production and Sale of steel products, and Provision of Piped Potable Water Solutions

Revenue of the segment increased by 6.4% from approximately RMB714,408,000 for Year 2024 to approximately RMB760,036,000 for the Year.

For the Year, the segment recorded a profit of approximately RMB10,773,000, compared to RMB21,381,000 for Year 2024, representing a year-on-year decrease of 49.6%.

(ii) Urban Renewal Project Planning and Consulting

During the Year, the Group's segment did not record any revenue (Restated 2024: Nil). For Year 2024, the Group recorded a gain on deconsolidation of Zhuhai HuaFeng Group of approximately RMB168,007,000, primarily due to a restatement reflecting the release of a promissory note balance of approximately RMB159,304,000.

(iii) PCMs and Facility Farming Operations

For the Year, management recognized the PCMs and Facility Farming Operations as a new business segment of the Group, reflecting its growing operational scale. During the Year, the Group's segment did not record any revenue (Restated 2024: Nil), and incurred a segment loss of approximately RMB14,219,000 (Restated 2024: RMB9,156,000).

Consolidated Revenue and Gross Profit

For the Year, the Group recorded consolidated revenue of approximately RMB760,063,000, gross profit of approximately RMB82,602,000, and a gross profit margin of approximately 10.9%, compared to revenue of approximately RMB714,408,000, gross profit of approximately RMB87,387,000, and a gross profit margin of approximately 12.2% for Year 2024. The Group's revenue increase was primarily driven by a rise in domestic sales of steel products. The decrease in gross profit margin was primarily due to a shift in sales mix toward carbon steel products, which generally yield lower margins, and a more competitive operating environment.

Other Income

The Group's other income decreased from approximately RMB20,036,000 for Year 2024 to approximately RMB14,933,000 for the Year. During the Year, the Group received subsidies from PRC local government authorities of approximately RMB4,695,000 (Restated 2024: RMB7,966,000) to support operations and promote innovation in production technology, and recorded scrap sales of approximately RMB7,663,000 (Restated 2024: RMB8,018,000) and sundry income of approximately RMB1,600,000 (Restated 2024: RMB3,426,000).

Other Gain and Loss, Net

For the Year, the Group recorded an other gain and loss, net of approximately RMB6,016,000, compared to approximately RMB5,580,000 for Year 2024. This increase was primarily due to a rise in impairment loss on trade and other receivables from approximately RMB3,491,000 for Year 2024 to approximately RMB5,707,000 for the Year, partially offset by a reduction in exchange loss of RMB1,780,000.

Operating Expenses

For the Year, the Group's total operating expenses amounted to approximately RMB112,440,000 (Restated 2024: RMB109,650,000), comprising distribution costs of approximately RMB58,460,000, administrative expenses of approximately RMB53,135,000, and other operating expenses of approximately RMB845,000, representing approximately 7.7%, 7.0%, and 0.1% of revenue, respectively. For Year 2024, these were approximately RMB63,680,000, RMB45,258,000, and RMB712,000, representing approximately 8.9%, 6.3%, and 0.1% of revenue, respectively. The slight increase in total operating expenses was generally in line with the Group's growing operational scale.

Share-based payments

On 28 May 2025, the Group granted 215,800,000 Share Option to certain grantees and incurred share-based payments of RMB27,536,000 (Restated 2024: Nil). All Shares comprising in the Share Options vested on 28 May 2025 to the Grantees.

Finance Costs

For the Year, the Group incurred finance costs of approximately RMB5,290,000 (Restated 2024: RMB3,592,000), of which bank interest expenses amounted to approximately RMB5,252,000 (Restated 2024: RMB3,540,000). The increase was primarily attributable to a higher average borrowing balance for the Year.

Loss on Disposal of subsidiaries

On 5 March 2025, the Group disposed of Happy BVI and its subsidiaries, resulting in a loss of approximately RMB4,548,000. For details, please refer to the “Urban Renewal Projects Planning and Consulting” subsection under the “Business Review” section.

Income Tax Expense

For the Year, the Group’s income tax expense was approximately RMB1,164,000, a decrease of RMB2,136,000 or approximately 64.7% compared to approximately RMB3,300,000 for Year 2024, primarily attributable to decline in overall profitability.

Discontinued Operation

For Year 2024, the Group recorded a gain on deconsolidation of the Zhuhai HuaFeng Group of approximately RMB168,007,000, primarily due to a restatement reflecting the release of a promissory note balance of approximately RMB159,304,000.

Loss/Profit for the Year and Loss/Profit for the Year Attributable to Owners of the Company

As a result of the foregoing, the Group recorded a loss for the Year of approximately RMB59,459,000 (Restated 2024: profit of approximately RMB153,133,000). The loss for the Year attributable to owners of the Company was approximately RMB57,683,000 for the Year (Restated 2024: profit attributable to owners of the Company of approximately RMB153,272,000).

Property, Plant and Equipment

As at 30 June 2025, the Group's property, plant, and equipment totaled approximately RMB87,510,000, an increase of approximately 8.4% compared to approximately RMB80,743,000 as at 30 June 2024, primarily due to additions to construction in progress and plant and machinery during the Year.

Pledged Assets

As at 30 June 2025, the Group's land and buildings, leasehold improvements, and plant and machinery, with a carrying amount of approximately RMB11,381,000 (Restated 2024: RMB4,992,000), RMB7,637,000 (Restated 2024: RMB7,402,000) and RMB25,690,000 (Restated 2024: RMB24,643,000), respectively, were pledged to secure bank borrowings.

Right-of-Use Assets and Lease Liability

As at 30 June 2025, the Group recognized right-of-use assets and lease liability of approximately RMB6,947,000 and RMB2,911,000, respectively, compared to approximately RMB5,053,000 and RMB350,000, respectively, as at 30 June 2024. The Group leases various land and buildings under agreements typically spanning two years. Right-of-use assets are depreciated on a straight-line basis over the lease term, with depreciation for the Year amounting to approximately RMB997,000 (Restated 2024: RMB647,000).

Interest in an Associate

The Directors are of the view that the urban renewal operation was discontinued in Year 2024. Details of the deconsolidation was set out in notes 9 and 14 to the consolidated financial statements.

Inventories

As at 30 June 2025, the Group's inventories totaled approximately RMB84,222,000 (30 June 2024 restated: RMB79,307,000), reflecting a 6.2% increase, primarily driven by growing operational scale.

Trade and Other Receivables

As at 30 June 2025, the Group's trade and other receivables totaled approximately RMB305,721,000, representing a decrease of 11.6% from approximately RMB345,920,000 as at 30 June 2024. This reduction was primarily attributable to a decline in the balance of trade receivables (net of allowance for doubtful debts) by RMB26,913,000, driven by more efficient collections, as well as a decrease in prepayment and other deposit by RMB13,745,000.

Trade and Other Payables

As at 30 June 2025, the Group's trade and other payables amounted to approximately RMB114,023,000, a decrease of approximately 33.4% compared to approximately RMB171,170,000 as at 30 June 2024. The overall decrease was primarily attributable to a shift towards bank financing.

Borrowings

As at 30 June 2025, the Group's outstanding borrowings totaled approximately RMB159,578,000, compared to approximately RMB100,000,000 as at 30 June 2024. The RMB159,578,000 loan outstanding as at 30 June 2025, denominated in RMB from banks, fixed interest rates ranging from 2.2% to 4.3% per annum and is due to mature within one year (Restated 30 June 2024: RMB100,000,000 loan with interest rates of 3.2% to 3.7% per annum). Land and buildings, leasehold improvements, and plant and machinery with a total carrying amount of approximately RMB44,708,000 were pledged to secure the borrowings as at 30 June 2025 (30 June 2024 restated: RMB37,037,000).

Promissory Notes

The balance was reversed in Year 2024 following the deconsolidation of Zhuhai HuaFeng Group. Details of the deconsolidation was set out in notes 9 and 14 to the consolidated financial statements.

CAPITAL STRUCTURE, FINANCIAL RESOURCES AND TREASURY POLICIES

As at 30 June 2025 and 30 June 2024, the Company's authorised share capital was approximately RMB724,843,000 (HK\$800,000,000), divided into 4,000,000,000 Shares with a par value of HK\$0.2 each, and the issued share capital was approximately RMB391,760,000 (HK\$431,600,000), divided into 2,158,000,000 Shares.

During the Year, the Group financed its operations by (i) cash flow from operating activities; and (ii) borrowings from banks.

The Group continues to adhere to prudent treasury policies. The Group continued to insure against major receivables in order to lower the risks of credit sales and to ensure that funds would be recovered on a timely basis, hence fulfilling the requirements for debt repayments and working capital commitments.

The Group had not used any financial instruments for hedging purposes for the Year and had no plans for material investments or capital assets in the coming Year.

The Group had net current assets of approximately RMB159,039,000 as at 30 June 2025 as compared with RMB196,327,000 as at 30 June 2024 (restated). The current ratio (i.e. current assets divided by current liabilities) was approximately 1.56 times as at 30 June 2025, compared with that of approximately 1.69 times as at 30 June 2024.

As at 30 June 2025, the Group had a balance of RMB159,578,000 borrowings from banks to finance the Group's working capital and capital expenditures (Restated 30 June 2024: RMB100,000,000).

During the Year, the Group recorded a net cash outflow from operating activities of approximately RMB55,614,000. This was primarily driven by a loss before taxation of approximately RMB58,295,000, adjusted for interest income of approximately RMB975,000, a impairment loss on trade receivables of approximately RMB5,708,000, a loss on disposal of subsidiaries of approximately RMB4,548,000, a net loss on disposal of property, plant, and equipment of approximately RMB424,000, finance costs of approximately RMB5,290,000, and depreciation of approximately RMB7,103,000. Working capital changes included an increase in trade and other payables of approximately RMB64,092,000 and an increase in inventories of approximately RMB4,915,000, offset by an increase in trade and other receivables of approximately RMB30,313,000. During the Year, the Group paid income tax of approximately RMB8,259,000.

Net cash outflow of approximately RMB12,345,000 was from investing activities for the Year, mainly caused by the payment for purchase of property, plant and equipment of approximately RMB13,308,000, partly offset by interest received of approximately RMB975,000.

Net cash inflow of approximately RMB53,790,000 from financing activities for the Year mainly resulted from the new borrowing from a bank of RMB159,578,000, partly offset by repayment of borrowings of RMB100,000,000. Bank deposits and cash balances as at 30 June 2025 amounted to RMB51,649,000, which was mainly denominated in Renminbi and HK dollars (Restated 30 June 2024: RMB57,532,000).

The gearing ratio (i.e. total borrowings divided by total equity) as at 30 June 2025 was approximately 63.4% while it was approximately 35.4% as at 30 June 2024. Current portion of borrowings accounted for approximately 29.8% and 17.6% of the total assets of the Group as at 30 June 2025 and 30 June 2024, respectively.

FOREIGN EXCHANGE EXPOSURES

As most of the Group's monetary assets and liabilities are denominated in RMB, US dollars and HK dollars and those currencies remained relatively stable during the Year, the Group was not exposed to any significant foreign exchange risk. In general, it is the Group's policy for each operating entity to borrow in local currencies, where necessary, to minimize currency risk. As the impact from foreign exchange exposure was minimal, the Directors were of the view that no hedging against foreign currency exposure was necessary.

CHARGE ON GROUP ASSETS

As at 30 June 2025, land and buildings, leasehold improvements as well as plant and machinery of the Group with a total carrying value of approximately RMB44,708,000 were pledged to banks for securing financing facilities granted to the Group (Restated 30 June 2024: 37,037,000).

CONTINGENT LIABILITIES

Writs of summons against the Company

On 29 March 2012, writs of summons were issued by Capital Wealth Finance Company Limited and Capital Wealth Corporation Limited against the Company to claim a sum of HK\$15,500,000 plus relevant legal costs incurred/to be incurred. The Company intends to contest the claim. In the Directors' opinion, the ultimate liability, if any, will not have a material impact on the Group's financial position.

Claims against the Company

On 14 April 2021, the Company received two writs of summons under action numbers HCA 548 of 2020 and HCA 213 of 2021 issued in the High Court of Hong Kong (the "**HK High Court**") by the solicitors acting for plaintiffs against the Company (as defendant). The plaintiffs alleged that the Company had been indebted to them pursuant to convertible notes (principal amount of HK\$90,000,000 in aggregate) and a promissory note (principal amount of HK\$300,000,000) issued in May 2011 by the Company (the "**Claims**").

After seeking professional advice from the legal advisor, and to the best of the knowledge, information and belief of the Directors having made all reasonable enquires, the Board believes that the claimants are attempting to cause harm to the interests of the Company through the use of legal proceedings. Accordingly, the Company will strenuously defend the Claims in compliance with applicable laws and regulations, reserve the right to counterclaim against the claimants, and use its best endeavours to safeguard the overall interests of the Shareholders. In the Directors' opinion, the Claims, if any, will not have a material impact on the Group's financial position. Details of the Claims were set out in the announcements of the Company dated 14 April and 6 May 2021, respectively.

LEGAL CASES UPDATE

Complaints Against the Company

In late April 2023, the company received certain complaints from complainant(s) who did not agree to disclose his/her/their identity(ies), alleging certain issues of the Company (the “**Allegations**”). The Company established an independent investigation committee (II Committee) composed of INEDs to investigate the Allegations. The II Committee appointed independent investigators to carry out the independent investigation on the Allegations and the Injection Right Disposal (the “**Investigation**”), and multiple drafts of the investigation report were reviewed between June 2024 and March 2025.

The finalised version of the Investigation Report (the “**Final Investigation Report**”) which contains, amongst others, (i) the scope and major procedures of, and key limitations on, the Independent Investigation; (ii) a summary of the key findings and observations from the Independent Investigation; and (iii) the integrity, character and competence of the Directors and management of Guangzhou Mayer was submitted by Grant Thornton Advisory Services Limited (“**Grant Thornton**”) to the II Committee on 17 March 2025. The results of the Independent Investigation have concluded that, amongst others, there are no (or sufficient) evidences to support each of the Allegations to be true. However, in arriving at the results of the Independent Investigation, Grant Thornton suspected that there had been a potential round-robin fund issue but such matters could not be completely verified as there were insufficient direct evidences to be obtained and reviewed. Given the above circumstance and having taken into account of the results of the Independent Investigation, the Board has taken certain remedial actions.

The Final Investigation Report was submitted by the Company through the Financial Adviser to the Stock Exchange on 25 March 2025. Please refer to the Company’s announcements dated 28 March 2025. The Company will keep the Shareholders and potential investors of the Company informed of the results of the Investigation by Grant Thornton and any further material developments in connection therewith by way of further announcement(s) as and when appropriate.

Other Cases

The Company has reviewed the current status and financial impact of other cases disclosed in its annual report for the Year 2024, including the claim disputes in Shenzhen, suspected breach of fiduciary duties by former directors, setting up of independent investigation committee, directorship and management committee in Guangzhou Mayer, and etc. Following careful assessment of all relevant facts and circumstances, the Board is of the opinion that those cases are now considered immaterial. Accordingly, no further disclosure regarding those cases is considered necessary in this announcement.

Legal Proceedings Against Zhou & Chen

The Company, on 5 October 2023, took legal proceedings against Mr. Zhou and Mr. Chen for breach of duty of care and/or fiduciary duties and/or duties of fidelity/good faith owed to the Company.

Having considered that the legal proceedings are between the Company (as plaintiff) and two of the then Directors Mr. Zhou and Mr. Chen (as defendants) and therefore, the conflict of interest of Mr. Zhou and Mr. Chen arising therefrom, the Board has resolved at the Board meeting held on 6 October 2023 (the “**October Board Meeting**”) to temporarily suspend all administrative and executive duties and powers of each of Mr. Zhou and Mr. Chen as an executive Director with effect from the conclusion of the October Board Meeting until further notice for the purpose of safeguarding the interest of the Company and the Shareholders as a whole.

Requisition By a Shareholder to Remove Directors

On 12 October 2023, the Company received a requisition letter from a requisitionist (pursuant to the instruction of Mr. Cheung Ngan, being (i) the holder of 518,680,000 Shares, representing approximately 24.04% of the total issued share capital of the Company carrying the right of voting at general meetings of the Company as at the date of deposit of the requisition; and (ii) a substantial Shareholder) requesting the Board to call for an EGM in accordance with article 68 of the Articles of Association for the purpose of considering and, if thought fit, passing by the Shareholders the resolutions of removing Mr. Zhou and Mr. Chen as executive Directors as ordinary resolutions of the Company (the “**Proposed Resolutions**”).

In accordance with the relevant provisions of the Articles of Association, the Board had duly convened and held the EGM on 8 November 2023 (the “**2023 EGM**”). The Proposed Resolutions were passed thereat and each of Mr. Zhou and Mr. Chen was removed as an executive Director with immediate effect upon the passing of the Proposed Resolutions.

Please refer to the Company’s announcements dated 15 October and 8 November 2023 and circular dated 20 October 2023.

The Company disputed the validity of the votes of Harbour Prestige, being 410,000,000 votes (the “**Votes**”) against the Proposed Resolutions at the 2023 EGM.

Having sought legal advice on the matter, on 13 November 2023, the Company and Elate Ample as plaintiffs (collectively, the “**Escrow Plaintiffs**”), commenced legal proceedings against Harbour Prestige and Mr. Zhou. Pursuant to the terms of the Escrow Agreement dated 26 November 2019, until the 410,000,000 shares (the “**Escrow Shares**”) are released by the escrow agent to Harbour Prestige, neither Harbour Prestige nor its representatives are permitted to exercise any rights attached to the Escrow Shares, including but not limited to the right to attend, vote and/or appoint proxies to attend at any meetings of the Shareholders. The Escrow Plaintiffs claimed that in breach of the Escrow Agreement, Harbour Prestige authorised Zhou Xi Wen (or in his absence, the chairman of the meeting) to vote, and the chairman of the meeting did vote, on behalf of Harbour Prestige at the 2023 EGM using the Escrow Shares.

Mr. Zhou’s Claims Against the Company

On 21 November 2024, Mr. Zhou issued a Writ of Summons (High Court Action No. 2306/2024) and claim against the Company for a debt of HK20,000,000, together with interest, legal costs and other reliefs as the Court finds fit (the “**Debt Claims**”).

Upon obtaining professional legal advice from the Company’s legal counsel, and to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries in accordance with their fiduciary duties, the Board has determined that Mr. Zhou appears to be engaging in vexatious litigation to cause detriment to the interests of the Company through improper use of judicial processes.

Accordingly, the Company filed its Defence against the Debt Claims and shall vigorously defend and contest the Debt Claims, and use its best endeavours to protect and advance the collective interests of the Shareholders.

In the considered opinion of the Directors, acting in their capacity as officers of the Company, the Debt Claims, should they proceed, will not have a material adverse effect on the Group's financial position as defined under applicable accounting standards.

In the Directors' opinion, the Debt Claims, if any, will not have a material impact on the Group's financial position.

EMPLOYMENT, TRAINING AND DEVELOPMENT

As at 30 June 2025, the Group had a total of 300 employees (30 June 2024: 322), the vast majority of whom were in the PRC and seven Directors. Total staff costs, including Directors' emoluments for the Year were approximately RMB38,840,000 (Year 2024: RMB55,137,000), including retirement benefits cost of approximately RMB4,577,000 (Year 2024: RMB5,884,000). Remuneration packages of the Group are maintained at a competitive level to attract, retain and motivate employees and are reviewed on a periodic basis. The Group always maintains good relation with its employees and is committed to employee training and development on a regular basis to maintain the quality of its products and services.

The Share Option Scheme was approved and adopted by the Shareholders at the annual general meeting of the Company held on 31 May 2019. The Board considers that the Share Option Scheme will incentivise more persons/entities to contribute positively to the Group, and facilitate the retention and the recruitment of high-calibre staff of the Group. In April 2022, 174,800,000 Share Options were granted to Sino Light Investment Advisory Limited. During the Year, 215,800,000 Share Options were granted to ten grantees, with an exercise price of HK\$0.5 per Share. For details, please refer to the Company's announcement dated 28 May 2025.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Except as disclosed herein, the Group did not have any material acquisition and disposal of subsidiaries, associates and joint ventures during the Year and did not have any significant investments held as at 30 June 2025.

CAPITAL COMMITMENTS

The Group had no significant capital commitments outstanding at 30 June 2025 and 30 June 2024.

FINAL DIVIDEND

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

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial conditions, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. Key risks and uncertainties affecting the Group are set out as below:

Global Economic and Macro-Economic Conditions

The impact of economic conditions on market price and customers' confidence would affect the revenues and results of the Group. The economic growth or decline in the Group's geographical markets that affect customers' demand would also affect the Group's business. The Group continues to implement its strategies to develop and explore in different markets, thereby reducing its dependency on specific markets.

Investment Risk

To balance the risk and return across investment types is a key consideration of investment framework. Risk assessment is one of important aspects of the investment decision process. Management would regularly review and monitor the progress of the investments of the Group and submit to the Board for further strategic adjustments.

Customers' Credit Risk

The maximum exposure to credit risk by the Group, which will cause a financial loss due to failure to discharge an obligation by the counterparties, arises from the carrying amounts of the recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the Group has policies in place to determine credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group only extends credit to customers based on careful evaluation of the customers' financial conditions and credit history. Credit sales of products are made to customers with an appropriate credit history. In addition, the Group reviews the recoverable amount of debts at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

Liquidity Risk

In managing the liquidity risk, the Group monitors and maintains sufficient reserves of cash and cash equivalents deemed adequate by management to support the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of borrowings and ensures compliance with the relevant loan covenants.

Financial Risk

The Group's major financial instruments include available-for-sale investments, trade and other receivables, cash and bank balances, trade and other payables and bank borrowings. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. Management manages and monitors these exposures to ensure that appropriate measures are implemented on a timely and effective manner.

Compliance Risk

The Board monitors and ensures that the Group is in compliance with the applicable laws, rules, regulations and codes. The Group engages professionals from time to time to keep abreast of the latest developments in the regulatory environment, including legal, financial, environmental and operational developments. The Group also implements a strict control in prohibiting any unauthorised use or dissemination of confidential or inside information.

OUTLOOK

During the Year, the various business segments of the Group showed different development trends in a complex market environment. The carbon steel business and the stainless steel business faced many challenges, but were also actively seeking breakthroughs; the direct drinking water business showed a steady development trend by virtue of favorable policies and demand advantages; and the energy storage business became the core growth pole of the Group's development by virtue of policy dividends, technological innovation and broad market prospects.

Looking ahead, the Group will continue to optimize resource allocation across its business segments, driving the high-end and differentiated development of its carbon steel and stainless steel businesses, and further expanding its market share in the direct drinking water business. Simultaneously, the Group will focus on its energy storage business, increasing its efforts in technology research and development and market expansion. By fully seizing the policy and market opportunities, the Group will cope with risks such as industry competition and uncertainty in policy implementation, and promote the scale and international development of its energy storage business. We believe that through the coordinated development of its various business segments and the leadership of its energy storage business, the Group will achieve sustained and stable growth in the future market competition and contribute positively to the realization of the “dual carbon” goal and green and sustainable development.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (Year 2024: nil). No dividend was paid during the Year (Year 2024: nil).

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares or other listed securities during the Year.

CORPORATE GOVERNANCE

The Company is committed to the establishment of stringent corporate governance practices and procedures with a view to enhancing investor confidence and the Company's accountability and transparency. The Company strives to maintain a high standard of corporate governance. The Board is of the view that, for the Year, the Company complied with the code provisions on the Corporate Governance Code set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as the code of conduct regarding securities transactions by the Directors. Having been made specific enquiries by the Company, all current Directors have confirmed their compliance with the required standard set out in the Model Code during the Year, except as disclosed below.

The Company has recently identified an incident of non-compliance with the Model Code involving one of its directors, where securities were traded in excess of the approved limit. Prompt remedial action was taken, including reporting to the Stock Exchange, a review of internal control procedures, enhanced training and communication of the Model Code requirements to all directors. The Company has reminded all directors of their obligations and will continue to closely monitor compliance with the Model Code.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events subsequent to 30 June 2025 which would materially affect the Group's operating and financial performance as at the date of this announcement.

REVIEW OF AUDIT COMMITTEE

The Company has set up the Audit Committee with written terms of reference in compliance with the CG Code, which are available on the respective websites of the Company and the Stock Exchange. It is primarily responsible for reviewing the Group's financial reporting, risk management, internal controls and making relevant recommendations to the Board. The Audit Committee currently comprises three INEDs, namely Mr. Lau Kwok Hung (as the chairman of the committee), Mr. Du Ling and Mr. Lu Jianping.

The annual results of the Group for the Year have been reviewed by the Audit Committee.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following is an extract from the independent auditors’ report on the Group’s consolidated financial statements for the year ended 30 June 2025:

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, 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 the HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Qualified Opinion

Comparative information – Gain on deconsolidation of Zhuhai Mayer Huafeng Development Co., Limited and its subsidiaries (“Zhuhai HuaFeng Group”)

As detailed in the notes 15 and 36 of the consolidated financial statements, the directors of the Group (the “**Directors**”) considered that the Group lost control over Zhuhai HuaFeng Group on 23 October 2023 and therefore deconsolidated Zhuhai HuaFeng Group from the Group’s consolidated financial statements on the same day. Based on the latest available financial information of Zhuhai HuaFeng Group that the Directors had, the Directors estimated that a gain on deconsolidation of Zhuhai HuaFeng Group of approximately RMB168,007,000 (“**Gain on Deconsolidation**”) should be recognised in the consolidated statement of profit or loss for the year ended 30 June 2024.

Since 23 October 2023, the Directors have been unable to obtain the accounting books and records of Zhuhai HuaFeng Group. As a result, due to the insufficient supporting documents for the accounting books and records of Zhuhai HuaFeng Group, we were unable to obtain sufficient appropriate audit evidence of Zhuhai HuaFeng Group to satisfy ourselves as to (i) the accuracy, occurrence and completeness of the income and expenditure of Zhuhai HuaFeng Group that were included in the Group’s consolidated profit or loss for the year ended 30 June 2024; and (ii) whether the Gain on Deconsolidation have been accurately recorded and properly accounted for in the Group’s consolidated profit or loss for the year ended 30 June 2024.

Any adjustments that might have been found to be necessary in respect of the above would have consequential effects on the Group's consolidated financial performance and cash flows for the years ended 30 June 2024 and the related disclosures. Our opinion on the current year's consolidated financial statements is modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated results and related notes to the consolidated financial statements for the Year as set out in this announcement have been agreed by the Group's independent auditor, CCTH CPA Limited ("CCTH"). The work performed by CCTH in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by CCTH on this announcement.

MANAGEMENT RESPONSE REGARDING REMOVAL OF QUALIFIED OPINION

As set out in the Auditor's report, the qualified opinion for the Year solely relates to the comparative figures concerning the Group's loss of Control, as defined under HKFRS 10, and the resulting deconsolidation of the Zhuhai HuaFeng Group on 23 October 2023. Since that date, the Group has been unable to obtain the accounting books and records of the Zhuhai HuaFeng Group, and therefore the Auditor was unable to obtain sufficient appropriate audit evidence to verify (i) the accuracy, occurrence, and completeness of the income and expenditure of the Zhuhai HuaFeng Group included in the consolidated financial statements for the Year 2024, and (ii) whether the gain on deconsolidation of approximately RMB168,007,000 had been accurately recorded and properly accounted for.

During the current financial year ended 30 June 2025, the Group has restated the comparative figures in relation to the deconsolidation of the Zhuhai HuaFeng Group based on the best available information and documentation. The disposal of the entire equity interest in Happy Group (including the Zhuhai HuaFeng Group) was completed on 5 March 2025. Following this disposal, the financial results and position of the Zhuhai HuaFeng Group are no longer consolidated into the Group's financial statements.

As the deconsolidation of the Zhuhai HuaFeng Group occurred entirely in the prior year and there are no continuing operations, balances, or impacts in the current year's consolidated financial statements other than the restated comparative figures, the Auditor's qualification for the Year is limited only to the comparability of the prior year information. There is no qualification on the current year's figures.

The Board and Audit Committee are of the view that, with the disposal of the Happy Group and the Zhuhai HuaFeng Group completed, there will be no further limitation of audit scope relating to these entities going forward. Accordingly, the qualified opinion is expected to be fully removed in the financial year ending 30 June 2026, once there are no longer comparative figures impacted by the deconsolidation of the Zhuhai HuaFeng Group.

In light of the above, the Board and Audit Committee believe that the matters giving rise to the qualified opinion have been appropriately addressed and that the steps taken are sufficient to enable the full removal of the qualified opinion in the next financial reporting period.

PUBLICATION OF RESULTS AND REPORT

This results announcement for the Year is available for viewing on the respective websites of the Stock Exchange at www.hkex.com.hk and the Company at www.hctechgp.com. The annual report of the Company for the Year will be dispatched to the Shareholders by the end of October 2025, and will be made available for viewing at the aforesaid websites.

By order of the Board

Huiyuan Cowins Technology Group Limited

Ip Yun Kit

Chairman and Executive Director

Hong Kong, 24 September 2025

As at the date of this announcement, the Board comprises three Executive Directors, namely Dr. Ip Yun Kit (Chairman), Ms. Zhang Yana (Chief Financial Officer) and Professor Cheung Ka Yue; one Non-Executive Director, namely Mr. Shiu Ka Fai BBS, JP; and three Independent Non-Executive Directors, namely Mr. Lau Kwok Hung, Mr. Lu Jianping and Mr. Du Ning.