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China Ecotourism Group Limited

中國生態旅遊集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1371)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 30 JUNE 2025

FINANCIAL RESULTS

The board of directors (the “Board” or the “Directors”) of China Ecotourism Group Limited (the “Company”) hereby presents the consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 30 June 2025, together with the comparative audited figures for the year ended 30 June 2024, as follows:-

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2025

		2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
	<i>Notes</i>		
Revenue	3	111,895	67,319
Costs of sales and services		<u>(70,928)</u>	<u>(39,883)</u>
Gross profit		40,967	27,436
Other income		2,958	2,692
Other losses - net		(13,167)	(62,792)
Net reversal of impairment (impairment) losses on financial assets		6,354	(4,155)
Impairment loss of non-financial assets		—	(6,677)
Loss on reconsolidation of a subsidiary		(20,563)	—
Loss on deconsolidation of a subsidiary		—	(54,736)
Loss on derecognition of a property		—	(88,432)
General and administrative expenses		<u>(57,691)</u>	<u>(72,820)</u>
Operating loss	5	(41,142)	(259,484)
Finance costs	6	<u>(31,297)</u>	<u>(21,372)</u>
Loss before income tax		(72,439)	(280,856)
Income tax expense/(credit)	7	<u>(648)</u>	<u>6,246</u>
Loss for the year		<u>(73,087)</u>	<u>(274,610)</u>
Loss attributable to:			
Owners of the Company		(72,363)	(271,967)
Non-controlling interests		<u>(724)</u>	<u>(2,643)</u>
		<u>(73,087)</u>	<u>(274,610)</u>
Loss per share attributable to owners of the Company			
— basic (HK\$ per Share)	8	<u>(0.47)</u>	<u>(1.76)</u>
— diluted (HK\$ per Share)	8	<u>(0.47)</u>	<u>(1.76)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2025

	2025 HK\$'000	2024 HK\$'000
Loss for the year	(73,087)	(274,610)
Other comprehensive expense:		
<i>Items that will not be reclassified to profit or loss</i>		
Gain (loss) on revaluation of properties held for own use	675	(625)
	<u>675</u>	<u>(625)</u>
<i>Items that may be reclassified to profit or loss</i>		
Currency translation differences arising on translation of financial statements of subsidiaries outside Hong Kong	1,305	(7,486)
	<u>1,305</u>	<u>(7,486)</u>
Total of other comprehensive income (expenses) for the year	<u>1,980</u>	<u>(8,111)</u>
Total comprehensive expense for the year	<u>(71,107)</u>	<u>(282,721)</u>
Attributable to:		
Owners of the Company	(70,375)	(280,081)
Non-controlling interests	<u>(732)</u>	<u>(2,640)</u>
Total comprehensive expense for the year	<u>(71,107)</u>	<u>(282,721)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment		4,402	4,133
Right-of-use assets		3,050	209
Intangible assets		7,274	9,965
Interests in associates		189	189
Investment in a joint venture		—	—
Financial assets at fair value through profit or loss ("FVTPL")		49	48
		<u>14,964</u>	<u>14,544</u>
Current assets			
Equity investment at FVTPL		—	—
Inventories		34,196	27,132
Accounts receivable	9	16,317	5,036
Prepayments, deposits and other receivables		13,519	19,837
Restricted bank deposits		19,385	20,380
Cash and bank balances		59,176	27,671
		<u>142,593</u>	<u>100,056</u>
Total assets		<u>157,557</u>	<u>114,600</u>
Current liabilities			
Accounts payable	10	5,919	2,485
Accruals and other payables		184,513	71,463
Contract liabilities		77,368	47,911
Amount due to a former subsidiary		—	54,591
Amount due to a joint venture		—	11,456
Amount due to a shareholder		—	37,324
Amounts due to key management personnel		14,886	19,551
Tax payable		1,044	1,026
Bank and other borrowings		140,725	7,690
Lease liabilities		2,547	1,755
Derivative financial liabilities at FVTPL		—	252,767
Unlisted bonds		194,699	—
		<u>621,701</u>	<u>508,019</u>
Net current liabilities		<u>(479,108)</u>	<u>(407,963)</u>
Total assets less current liabilities		<u>(464,144)</u>	<u>(393,419)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

At 30 June 2025

		2025	2024
	Notes	HK\$'000	HK\$'000
Non-current liabilities			
Deferred tax liabilities		22,793	23,014
Lease liabilities		4,478	3,875
		<u>27,271</u>	<u>26,889</u>
Net liabilities		<u>(491,415)</u>	<u>(420,308)</u>
Equity attributable to owners of the Company			
Share capital	11	77,211	77,211
Accumulated losses		(2,351,043)	(2,277,586)
Statutory reserve		25,609	24,515
Other reserves		1,525,036	1,523,048
		<u>(723,187)</u>	<u>(652,812)</u>
Non-controlling interests		<u>231,772</u>	<u>232,504</u>
Total deficit		<u>(491,415)</u>	<u>(420,308)</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

China Ecotourism Group Limited was incorporated in Bermuda on 13 September 2000 as an exempted company with limited liability under the Companies Act of Bermuda.

The Company and its subsidiaries (collectively referred to as the “Group”) engage in the (i) provision of technology and operation services for lottery systems, terminal equipment and gaming products in the China’s lottery market, which covers various lottery products ranging from computer generated ticket games and KENO-type lottery to new media lottery; (ii) research and development, processing, production and sales of natural and health food; and (iii) project development and operation of ecotourism.

The Company’s shares are currently listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standard, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKAS”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared on the historical cost basis, except for owned properties and related leasehold land, equity investment at fair value through profit or loss and certain financial assets and liabilities (including derivative instruments) that are measured at revalued amount or fair value.

Going concern

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group incurred a net loss of approximately HK\$73,087,000 for the year ended 30 June 2025 and, as of that date, the Group’s current liabilities exceeded its current assets and total liabilities exceeded its total assets by approximately HK\$479,108,000 and HK\$491,415,000 respectively. As at that date, the Group’s total liabilities amounted to approximately HK\$648,972,000. Since October 2023, the Group defaulted in repayment of mortgage loans and convertible bonds resulting in appointments of receivers (the “Receiver(s)”) by the bank in respect of the mortgaged property and the trustee of convertible bonds in respect of the charged shares. Moreover, the Company previously received a winding-up petition filed by a trustee of convertible bonds and on 13 November 2024, the petition was finally withdrawn. On 11 March 2025, the Company received another winding-up petition (the “Petition”), which was filed against the Company on 11 March 2025 at the Hong Kong High Court by the Hong Kong branch of a creditor bank in the PRC (the “Petitioner”) for the winding up of the Company. The Petition is relating to the outstanding indebtedness amount of HK\$78,542,936.71 (inclusive the accrued interest) as at the date of the Petition. Following the joint application by way of consent summons, the Hong Kong High Court ordered that, among others, the hearing of the Petition be adjourned to 1 December 2025. Currently, the Group might not be able to meet its liabilities in full unless it is able to generate sufficient cash flows from future operations and/or other sources, since as at 30 June 2025, the Group only had cash and bank balances of approximately HK\$59,176,000 and restricted bank deposits of approximately HK\$19,385,000. These events or conditions indicate the existence of material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern.

In this regard, the management of the Company have identified various initiatives to address the Group's liquidity needs, which include the following:

- (a) the Company was in the course of formulating a debt restructuring involving a scheme of arrangement to be entered into between the Company and the creditors (the "Creditors Scheme") under Part 13 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) with the assistance of its restructuring adviser, Acclime Corporate Advisory (Hong Kong) Limited;
- (b) the management of the Company has been working closely with its advisers and having ongoing discussions with the creditors of the Company to formulate a restructuring plan;
- (c) on 24 July 2025, the Hong Kong High Court ordered that, among others, the Company be at liberty to convene a meeting of the creditors of the Company for the Creditors Scheme. Such creditors' meeting was adjourned to and held on 25 September 2025 whereas the Creditors Scheme was approved by the requisite statutory majorities of creditors with voting claims. The Company will now seek the approval and sanction of the Hong Kong High Court for the Creditors Scheme. The court hearing for sanctioning the Creditors Scheme is scheduled to be held on 15 October 2025;
- (d) since 18 December 2024, the new investor of the Company provided the working capital facility to China LotSynergy Group Limited (a direct wholly-owned subsidiary of the Company) in the amount of up to HK\$15 million for the purpose of financing the general working capital requirements of the Group and the availability period of such facility is ending on 30 June 2025 or such later date as the parties may agree in writing;
- (e) the Group will continue to implement measures to speed up the collection of outstanding accounts and other receivables; and
- (f) the Group will continue to take active measures to control administrative costs and maintain containment of capital expenditures.

Based on the cash flow forecast of the Group prepared by the management and assuming success of the above measures, the directors of the Company are of the opinion that the Group would have effectively dealt with its liabilities. Accordingly, the directors of the Company consider it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in these consolidated financial statements.

Application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) and changes in other accounting policies

In the current year, the Group has applied the following amendments to HKFRSs Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual period for the preparation of the consolidated financial statements :

Amendments to HKFRS 16	Lease liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Hong Kong Interpretation 5 (“HK Int 5”) (Revised)	Presentation of Financial Statement – Classification by the Borrower of a Term Loan that Contains Repayment on Demand Clause

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

3. REVENUE

An analysis of the Group's revenue for the year is as follows:

	2025 HK\$'000	2024 HK\$'000
Sales of lottery terminals and related equipment	71,550	22,715
Sales of natural and health food	30	2,464
Provision of technical and maintenance services	37,656	39,432
Provision of operation and management service for ecotourism services	2,659	2,708
	<hr/>	<hr/>
Revenue from contracts with customers (within the scope of HKFRS 15)	111,895	67,319
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4. SEGMENT INFORMATION

Information reported to the Board, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on revenue analysis by products.

Specifically, the Group's reportable segments are as follows:

1. Lottery systems, terminal equipment and related products – Provision of technology and operation service for lottery systems, terminal equipment and gaming products, and sales of lottery terminals and related equipment;
2. Natural and health food – Research and development, processing, production and sales of natural and health food; and
3. Ecotourism – project development and operation of ecotourism.

Segment revenue and results

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

For the year ended 30 June 2025	Lottery systems, terminal equipment and related products <i>HK\$'000</i>	Natural and health food <i>HK\$'000</i>	Ecotourism <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:				
Revenue from contracts with customers (within the scope of HKFRS 15)	<u>109,206</u>	<u>30</u>	<u>2,659</u>	<u>111,895</u>
Segment profit/ (loss)	<u>13,544</u>	<u>(133)</u>	<u>785</u>	<u>14,196</u>
Interest income				428
Fair value loss on financial assets at FVTPL				1
Net reversal of impairment losses on financial assets				6,354
Loss on reconsolidation of a subsidiary				(20,563)
Finance costs				(31,297)
Unallocated expenses				<u>(41,558)</u>
Loss before income tax				<u>(72,439)</u>
For the year ended 30 June 2024	Lottery systems, terminal equipment and related products <i>HK\$'000</i>	Natural and health food <i>HK\$'000</i>	Ecotourism <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:				
Revenue from contracts with customers (within the scope of HKFRS 15)	<u>62,147</u>	<u>2,464</u>	<u>2,708</u>	<u>67,319</u>
Segment loss	<u>(14,308)</u>	<u>(81)</u>	<u>(9,322)</u>	<u>(23,711)</u>
Interest income				418
Fair value loss on financial assets at FVTPL				(506)
Fair value loss on equity investment at FVTPL				(2,698)
Net impairment losses on financial assets				(4,155)
Loss on deconsolidation of a subsidiary				(54,736)
Loss on derecognition of a property				(88,432)
Finance costs				(21,372)
Unallocated expenses				<u>(85,664)</u>
Loss before income tax				<u>(280,856)</u>

Segment assets and liabilities

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

Segment assets

	At 30 June	
	2025	2024
	HK\$'000	HK\$'000
Lottery systems, terminal equipment and related products	94,102	63,308
Natural and health food	808	911
Ecotourism	2,220	1,849
Total segment assets	97,130	66,068
Interests in associates	189	189
Financial assets at FVTPL	49	48
Unallocated	60,189	48,295
Consolidated assets	157,557	114,600

Segment liabilities

	At 30 June	
	2025	2024
	HK\$'000	HK\$'000
Lottery systems, terminal equipment and related products	132,219	73,277
Natural and health food	11,833	11,152
Ecotourism	6,162	5,464
Total segment liabilities	150,214	89,893
Derivative financial liabilities at FVTPL	—	252,767
Unallocated	498,758	192,248
Consolidated liabilities	648,972	534,908

5. OPERATING LOSS

The Group's operating loss is arrived at after charging:

	For the year ended	
	30 June	
	2025	2024
	HK\$'000	HK\$'000
Costs of sales and services		
— Amortisation of intangible assets	3,325	3,325
— Business tax	264	254
— Cost of inventories recognised as expense	56,695	24,690
— Repairs and maintenance	2,525	3
— Staff costs	7,204	7,372
— Others	3,041	4,239
— Reversal of provision for allowance for inventories	(2,126)	—
	70,928	39,883
Legal and professional fees	4,039	5,307
Auditors' remuneration	828	1,000
Depreciation of other items of property, plant and equipment recognised as general and administrative expenses	853	2,076
Depreciation of right-of-use assets	761	7,283
Write off of inventories	—	6,443
Impairment loss of non-financial assets		
- property, plant and equipment	—	1,433
- right-of-use assets	—	5,244
	—	6,677
Research and development expenditure	3,149	6,169

6. FINANCE COSTS

	For the year ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Interest expenses on bank and other borrowings	6,997	9,417
Interest expenses on lease liabilities	476	543
Interest expenses on amount due to a shareholder	1,313	3,669
Interest expenses on amounts due to key management personnel of the Group (including the directors of the Company)	1,422	2,285
Interest expense on others	2,832	—
Effective interest expense on unlisted bonds	18,257	5,458
	<u>31,297</u>	<u>21,372</u>

7. INCOME TAX EXPENSE / (CREDIT)

Hong Kong Profits Tax is calculated at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the year. No provision for Hong Kong Profits Tax has been made for the year ended 30 June 2025 and the year ended 30 June 2024 as the Group had no assessable profits arising in or derived from Hong Kong for both years.

The applicable enterprise income tax rate for PRC subsidiaries is 25% (2024: 25%) except for subsidiaries which are qualified as High and New Technology Enterprises and would be entitled to enjoy a beneficial tax rate of 15% (2024: 15%).

	For the year ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Current tax		
— PRC Enterprise Income Tax	<u>1,170</u>	<u>80</u>
Deferred tax		
— Reversal of temporary differences	<u>(522)</u>	<u>(6,326)</u>
Income tax expense/(credit)	<u>648</u>	<u>(6,246)</u>

8. LOSS PER SHARE

Basic and diluted loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of 154,422,109 (2024: 154,422,109) ordinary shares in issue during the reporting period.

No diluted loss per share is presented for both years as there was no potential dilutive ordinary share outstanding.

9. ACCOUNTS RECEIVABLE

	At 30 June	
	2025	2024
	HK\$'000	HK\$'000
Lease receivables	-	924
Trade receivables – goods and services	<u>19,797</u>	<u>16,761</u>
	19,797	17,685
Less: Loss allowance	<u>(3,480)</u>	<u>(12,649)</u>
	<u>16,317</u>	<u>5,036</u>

Lease income from lottery terminals and systems is billed on a monthly basis and is due 15 to 30 days after month-end. Revenue from sales of goods is billed upon the delivery of products and with credit periods ranging from 30 to 180 days. Revenue from the provision of technical and maintenance services is billed on a half-yearly or yearly basis and is due 30 days after the invoice date. The ageing analysis of the accounts receivable net of loss allowance at the end of the reporting period, based on invoice date, is as follows:

	At 30 June	
	2025	2024
	HK\$'000	HK\$'000
Less than three months	15,167	3,176
Over three months but less than one year	<u>1,150</u>	<u>1,860</u>
	<u>16,317</u>	<u>5,036</u>

10. ACCOUNTS PAYABLE

The ageing analysis of the accounts payable at the end of the reporting period, based on invoice date, is as follows:

	At 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Less than three months	4,567	971
Over three months but less than one year	—	247
Over one year	1,352	1,267
	5,919	2,485

11. SHARE CAPITAL

	Authorised ordinary shares	
	<i>Number of shares</i>	<i>HK\$'000</i>
At 1 July 2023, 30 June 2024, 31 December 2024, and 30 June 2025		
Balance of authorised ordinary shares of HK\$0.50 each	250,000,000	125,000
	Issued and fully paid ordinary shares	
	<i>Number of shares</i>	<i>HK\$'000</i>
At 1 July 2023, 30 June 2024, 31 December 2024, and 30 June 2025		
Balance of issued ordinary shares of HK\$0.50 each	154,422,109	77,211

DIVIDEND

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

MANAGEMENT DISCUSSION AND ANALYSIS

China's Lottery Market

During the reporting period (second half of 2024 to first half of 2025), China's lottery market demonstrated robust development. Particularly in the first half of 2025, national lottery sales revenue reached approximately RMB317.9 billion, setting a new historical record for the same period. The strong performance of the lottery market reflects sustained high consumer enthusiasm for lottery purchases. As an important source of government non-tax revenue, the growth in lottery public welfare funds will directly benefit various public welfare sectors, including social welfare and sports development.

According to data released by the Ministry of Finance, from July 2024 to June 2025, national lottery sales reached RMB632.862 billion, representing an increase of RMB18.587 billion year-on-year, up by 3.0%. Specifically, welfare lottery organizations recorded sales of RMB210.047 billion, a year-on-year increase of RMB403 million, or 0.2% growth. While sports lottery organizations achieved sales of RMB422.815 billion, an increase of RMB18.185 billion year-on-year, or 4.5% growth. Regarding various lottery product types, from July 2024 to June 2025, Lotto ("Lotto") sales reached RMB178.132 billion, a year-on-year decrease of 2.4%. Paper-based Scratch Card ("PSC") sales reached RMB120.430 billion, a year-on-year decrease of 8.5%. Single Match Games ("SMG") sales reached RMB293.145 billion, a year-on-year increase of 13.4%. KENO type Lottery ("KENO") sales reached RMB41.154 billion, a year-on-year decrease of 1.4%. The sales of Lotto, SMG, PSC and KENO accounted for 28.1%, 46.3%, 19.0%, and 6.5% of total lottery sales, respectively.

China's Ecotourism Market

Since 2025, China's tourism industry has maintained steady growth in market size, yet with notable divergence in growth rates and structural trends.

Scale and Growth Rate in 2025: Total market size is expected to exceed RMB7.3 trillion (2024: RMB5.75 trillion), representing a year-on-year increase of approximately 8.7%. Number of tourists: Expected to reach 6.07 billion (2024: 5.615 billion), reflecting an 8.1% year-on-year growth. **Consumption Characteristics:** Per-capita consumption growth slowed to 5%-6% (first half of 2025: RMB960), indicating a trend toward rationalized spending behavior.

Regional and Structural Opportunities: Regional growth shows divergence, with eastern regions focusing on quality upgrades: Fujian and Shanghai are prioritizing high-value-added sectors (immersive experiences, international hubs), targeting RMB750 billion in cultural and tourism value-added output. Central and western regions are expanding capacity: Sichuan plans to achieve RMB2 trillion in tourism spending by 2027, while Xinjiang aims to exceed RMB1 trillion in cultural, tourism, and sports revenue by 2030. Niche destinations include Hainan's marine tourism (targeting RMB40 billion by 2027) and Guiyang's summer resort and residency programs (targeting 350,000 visitors by 2027). **Inbound Tourism Recovery:** Inbound tourism is recovering, with a projected 156 million inbound tourists in 2025. **Challenges Amid Opportunities:** Rationalized consumption patterns are compressing profit margins: per-capita spending growth (15.2%) lags behind visitor growth (20.6%), while scenic spots' reliance on ticket-based revenue remains unresolved.

Overall, the tourism market will demonstrate characteristics of "aggregate growth with structural divergence": total scale will exceed RMB8 trillion, but the growth momentum will shift from "volume expansion" to "value deepening". Enterprises must focus on three strategic directions: (1) Deepening high-end customization and county-level cost-effective markets, aligning with the demands of elderly and Generation Z; (2) Technological efficiency enhancement: Increasing the proportion of digital investment through AI+ to resolve operational bottlenecks (Smart tourism represents a critical future development direction for the industry. Enterprises should amplify investments in AI-guided tours, VR scenic experiences, and intelligent itinerary planning to promote digital transformation and intelligent upgrading); and (3) Policy alignment: Capitalizing on green finance, land-use innovation, and inbound visa-free policies (Starting this year, the Ministry of Commerce will take the lead in implementing actions to improve the quality of service consumption and benefit the people, and propose a series of practical measures around key areas of cultural and tourism service consumption).

BUSINESS REVIEW AND OUTLOOK

Lottery Business

Computer-generated ticket games (“CTG”)

CTG sales through lottery sites and dedicated betting terminals remain to be the primary lottery type in China’s lottery industry. The Group has maintained steady development in business areas such as lottery terminal equipment and technical systems, focusing on core lottery business and deepening its presence in key regions and critical sectors.

The Group's subsidiaries, Guangzhou Lottnal Terminal Company Limited, Guangzhou Three Rings Yongxin Technology Company Limited and Beijing Bestinfo Cyber Technology Co., Ltd., are all renowned enterprises in the lottery industry, specializing in providing lottery organizations with core products and services such as central transaction systems for computer generated tickets, integrated information management systems, lottery betting terminals, lottery scanners, and readers. Guangzhou Lottnal Terminal Company Limited and Guangzhou Three Rings Yongxin Technology Company Limited maintain robust business operations and possess comprehensive qualifications. Their lottery terminals have received recognition from both welfare lottery and sports lottery organizations. These products are known for their high performance, reliability, low power consumption, rapid processing, and wide printing format, have consistently secured bids for terminal procurement projects by provincial lottery organizations. Currently deployed across 19 provinces nationwide, they have become industry benchmark products. Beijing Bestinfo Cyber Technology Co., Ltd. has been serving in lottery system development for over two decades, providing ongoing software R&D services for welfare lottery organizations such as in Guangdong. It has witnessed the continuous breakthrough of Guangdong Welfare Lottery's annual sales from RMB1 billion to RMB10 billion and then to RMB20 billion, making it the largest and highest-selling provincial-level success story in the domestic welfare lottery industry.

During the reporting period, the Group’s CTG lottery business continued to develop in both the welfare lottery and sports lottery markets. The Guangdong Provincial Welfare Lottery, served by the Group, achieved sales of RMB24.16 billion, representing a year-on-year growth of 7.2%, maintaining its position as the highest-selling provincial welfare lottery in China. Concurrently, the Chongqing Welfare Lottery, which the Group serves, achieved sales of RMB4.59 billion. In the sports lottery sector, the Group has consistently maintained its industry leadership, having successfully secured bidding projects for sports lottery terminal equipment procurement in multiple provinces including Guizhou, Guangxi, Shaanxi, Inner Mongolia, Henan, Sichuan, Guangdong, Shanxi, and Zhejiang, while concurrently providing comprehensive terminal maintenance services. Regarding system software services, the Group has again won the bid for the maintenance and development project for Guangdong Welfare Lottery's computer lottery sales management system in June 2025. This contract encompasses the operational maintenance of both Guangdong Province’s computer-based welfare lottery sales management system and the official Guangdong Welfare Lottery website, along with technical development services for new features and new businesses.

Overseas Business

Following a period of stable yet unremarkable growth, the global economy exhibited complex and uneven dynamics between the second half of 2024 and the first half of 2025. Factors including geopolitical conflicts, trade tensions, and the increased frequency of extreme climate events have collectively heightened global economic uncertainty.

Fortunately, Southeast Asia's economies have maintained sustained growth. The International Monetary Fund (IMF) has predicted a 5.5% economic growth rate for the Philippines in 2025. The Philippine government's active promotion of a series of economic reform plans has, to some extent, stimulated economic development. In the consumer sector, the Philippines benefits from a large and youthful demographic structure, endowing its domestic consumer market with robust vitality that serves as a crucial factor supporting economic growth.

The Group has established a strong presence in the Philippine market, developing two game products based on locally popular number-based games with nearly a century of heritage. These products have successfully passed testing and verification by designated professional organizations. Due to the impact of the Philippine government's mid-term elections in 2025, the project launch has been rescheduled to September 2025. During this extended preparation period, the Group has conducted further product enhancements to align with contemporary consumption preferences of young people through more fashionable positioning. Concurrently, the product launch will leverage comprehensive partnerships with two of the largest local payment platforms in the Philippines to enable rapid and efficient market promotion. The Group is confident that the product's competitive advantages, including low cost, high winning probability, and youth-oriented features, will drive strong financial performance post-launch.

Smart Retail

In recent years, the lottery industry has witnessed growing demand for digitalization and intelligentization in retail operations, driving transformative development through channel restructuring and innovative expansion. Lottery organizations have consistently intensified efforts in infrastructure development and standardized management of distribution channels.

The Group has pioneered the concept of "New Lottery Retail" within the industry, comprehensively applying innovative technologies such as smart hardware, the Internet of Things, big data, blockchain, and artificial intelligence to the operations, management, and marketing of lottery sales channels. A full suite of smart retail solutions has been developed, encompassing various smart terminal products alongside systems for intelligent store management, smart payments, AI-driven marketing, and big data services. These advancements are designed to comprehensively serve lottery organizations and sales outlets.

Video Lottery

Dongguan Tianyi Electronics Company Limited ("DGTY"), a subsidiary of the Group, was the exclusive equipment provider for the China Welfare Lottery Video Lottery ("Welfare VLT"), an instant electronic video lottery issued by China Welfare Lottery which was suspended in July 2020.

DGTY and Beijing China Lottery Online Technology Company Limited ("CLO") entered into a ten-year cooperative contract in 2005, pursuant to which DGTY would supply Welfare VLT terminal equipment to CLO and received commensurate remuneration for use. After the expiry of the mutual contract in 2015, CLO continued to conduct sales using the terminals of DGTY and generate ongoing revenue, but did not make any payment of remuneration for use to DGTY.

DGTY filed a civil lawsuit with the People's High Court of Beijing in 2016, demanding the payment of remuneration for use by CLO for its continued use of DGTY terminals after the expiry of the contract. In view of the fact that CLO continued to conduct lottery sales and generate revenue by using terminals owned by DGTY during a period of more than five years after the expiry of the contract and provisions under pertinent laws and regulations, the Group might take further legal action to protect its legal rights and interests.

China's Ecotourism Business

Project of Jiyuan Wangwu Shan and Wulongkou Scenic Area Project

During the reporting period, the team delegated by the Group maintained close collaboration with Jiyuan Cultural Tourism Group with full commitment and diligence. Significant advancements were made in enhancing scenic area management, service transformation, and marketing innovation, which have yielded notable results. As the cooperation agreement between both parties has been satisfactorily fulfilled, the services provided by the Group to Jiyuan Cultural Tourism Group were completed on 30 June 2025.

Natural and Health Food Business

In 2024, China's medicated food industry (food-grade herbal products) surpassed RMB265 billion in market size, establishing itself as one of the world's largest natural health food markets. This growth reflects Chinese consumers' return to traditional health concepts and their appreciation for “dietary therapy”. The Group continues to adapt its products and operations in response to market demands and development trends.

During the reporting period, the natural health food business maintained stable operations. Regarding product development, we will continue to deepen our focus on addressing core customer needs within the medicated food industry. Currently, Yongzhentang's premium first-harvest wolfberries and selectively sourced astragalus have received strong customer acclaim. The bar-packed wheat protein powder has also been well-received in the market. In the green tea beverage category, we are actively developing products incorporating Pu'er tea, Tieguanyin, and white tea.

In terms of operation, we have adopted a dual-track approach integrating online and offline channels. Online, we conduct promotion and sales through Forest Food flagship stores on Jingdong and Tmall, as well as via the official Forest Food mini-program platform. Offline, we collaborate with residential communities to capture private domain traffic, thereby expanding our consumer base.

In 2025, while the natural health food market continues to expand rapidly, it faces multiple structural challenges: False advertising and a crisis of trust - Cases of false advertising for health products have shown an average annual increase over the past three years; Standardization Gaps and Efficacy Disputes - Some products contain only half of the advertised active ingredients. Although more young consumers are willing to pay for wellness, most herbal beverages lack clinical validation, for example claims such as “alleviating eye fatigue” are not supported by scientific data; Homogeneous Competition and Innovation Bottlenecks, Supply Chain and Raw Material Risks and etc..

The market is transitioning from “high-end niche” to “mass health consumption”, with the natural health food industry poised to enter a “diamond era”. This evolution is driving the market toward a new phase of professionalization and scientific development. Future industry competition will no longer be confined to products alone but will expand to a comprehensive contest encompassing R&D capabilities, scenario innovation, and consumer experience. As cross-sector integration accelerates, scientific research deepens, and standardization systems improve, the natural health food market will evolve from “high-end niche” to “precision mass consumption”. We will leverage forest food certification combined with blockchain traceability to establish health brand labels, build consumer trust, and enhance public brand recognition and value. Simultaneously, we will provide global consumers with health solutions that are more scientifically grounded and better aligned with modern lifestyles. In terms of promotion channels, we will continue to expand collaborations with additional private domain communities, distribution group leaders, and Xiaohongshu influencers. This approach aims to attract precisely targeted consumer groups through private channels, establishing a streamlined pathway from the company to group leaders and then to community consumers. This strategy is designed to increase our sales volume, expand operating revenue, and generate greater profits for the Company and its shareholders.

FUTURE OUTLOOK

In 2025, a subtle shift in global capital allocation is underway. The weakening US dollar and other uncertainties are driving capital flows from US markets to undervalued regions. China, leveraging its economic resilience and industrial dividends, has emerged as one of the primary destinations for increased foreign investment.

Domestic policies are actively exerting a dual-driven impact on capital markets. Under the sustained influence of “more proactive and assertive macroeconomic policies”, China’s economy achieved a GDP growth rate of 5.3% in the first half of 2025, demonstrating resilience beyond expectations despite external pressures. Meanwhile, the central bank has maintained reasonably ample liquidity by means of cutting reserve requirement ratio and reducing interest rate. New industrial drivers are rapidly gaining momentum, with AI hardware and large-scale models, robotics, and innovative pharmaceuticals which are representing new high-quality productive forces and growth, becoming new magnets for foreign investment.

Amid this round of value reassessment driven by “policy support + technological breakthroughs”, foreign capital’s attitude towards Chinese assets is shifting from “tradable” to “investable”. The northbound capital net inflow exceeding RMB80 billion in the first half of the year reflects international capital’s long-term confidence in China’s economic transformation and upgrading.

According to Bloomberg, following the GDP growth rate in the second quarter of 2025 exceeding market expectations, at least nine foreign investment banks have raised their full-year economic growth forecasts for China in 2025 to a range of 4.8% to 5.1%.

In recent years, China’s lottery industry has undergone a high-quality development transformation, shifting from “pursuing quantity” to “enhancing quality”, which has generated new momentum for the industry’s growth. Lottery sales have consistently increased. In 2024, national lottery sales reached RMB623.486 billion, a year-on-year increase of 7.6%, setting a historical record. In the first half of 2025, national lottery sales amounted to RMB317.854 billion, a year-on-year growth of 3%, again achieving a record high for the same period.

Benefiting from the healthy development of China’s lottery industry, as well as its technological advantages and service expertise in the sector, the Group’s lottery business has maintained stable growth. Moving forward, the Group will continue to focus on its core lottery operations, further deepen its presence in key regions and critical segments, and pursue additional market opportunities to sustain its industry leadership. Simultaneously, the Group will expand its overseas lottery business by providing innovative lottery products and services to emerging economic markets abroad.

The Group will continue to integrate resources to advance the development of its ecotourism and natural health food businesses in China, cultivating new growth drivers and striving to deliver greater investment returns for shareholders.

FINANCIAL REVIEW

The Group recorded a turnover of approximately HK\$111.9 million (2024: HK\$67.3 million) for the year ended 30 June 2025, representing an increase of approximately 66% over the last year. Loss attributable to owners of the Company for the year ended 30 June 2025 amounted to approximately HK\$73.1 million (2024: HK\$272 million).

Liquidity, Financial Resources, Gearing Ratio and Capital Structure

Due to the reclassification, the Group had outstanding bank and other borrowings as at 30 June 2025 of approximately HK\$140.7 million (2024: HK\$7.7 million). As at 30 June 2025, the Group has outstanding liabilities from financial guarantee at FVTPL arising from bank and other borrowings of nil (2024: HK\$84 million).

On 7 April 2017, the Company had 7.5% convertible bonds due 2019 in the aggregate outstanding principal amount of HK\$175,950,000 (the “New Option 1 Bonds”) constituted by a trust deed. The trust deed was later as supplemented and amended by a supplemental trust deed dated 28 March 2019, a second supplemental trust deed dated 4 November 2019, a third supplemental trust deed dated 28 April 2020, a fourth supplemental trust deed dated 3 May 2021, a fifth supplemental trust deed dated 3 November 2021 and a sixth supplemental trust deed dated 5 May 2022 (the “6th Supplemental Trust Deed”). On 5 May 2022, the Company and the holders of New Option 1 Bonds entered into the 6th Supplemental Trust Deed to further extend the maturity date from 7 November 2022 to 7 November 2023 and the principal amount outstanding of the New Option 1 Bonds was increased from HK\$113.6 million to HK\$154.2 million (including accrued interest up to (but excluding) 7 May 2022. 100% of New Option 1 Bonds was repayable in one lump sum on 7 November 2023 and bore interest at 7.0% per annum with effective from 5 May 2022.

The outstanding principal and accrued interest due and payable of New Option 1 Bonds on 7 November 2023 (the “Maturity Date”) was HK\$154,162,000 and HK\$5,440,376.98 respectively. The Company had not made any payment of the principal and interest on the New Option 1 Bonds within three business days after the Maturity Date, therefore on 10 November 2023 an event of default occurred. On 8 December 2023, the Company received statutory demand from the trustee of New Option 1 Bonds demanding payment amount of HK\$160,780,174.66. On 8 July 2024, the Company received a winding-up petition in relating to the outstanding principal of the New Option 1 Bonds in an aggregate amount of HK\$154,162,000 and the accrued interest of HK\$14,562,142.52. The winding up petition had been adjourned and finally was withdrawn on 13 November 2024. At 30 June 2025, the carrying amount of unlisted bonds was approximately 194.7 million (2024: Derivative financial liabilities at FVTPL of approximately HK\$168.8 million).

Reference is made to the announcements of the Company dated 13 June 2025 and 9 July 2025 in relation to the exchange proposal (the “Exchange Proposal”) for the exchange of the entire aggregate outstanding principal amount of the New Option 1 Bonds and the interest accrued thereon for the new bonds (the “New Bonds”). Upon the settlement of the Exchange Proposal on 9 July 2025, the New Option 1 Bonds has been cancelled and marked down, and the outstanding principal amount of the New Option 1 Bonds and the interest accrued thereon have been exchanged into the New Bonds.

Immediately prior to the settlement of the Exchange Proposal on 9 July 2025, the New Option 1 Bonds in the outstanding principal amount is approximately HK\$154.2 million with interest accrued thereon amounting to approximately HK\$41.2 million as at 9 July 2025. Upon the settlement of the Exchange Proposal on 9 July 2025, the New Bonds in part of the principal amount of approximately HK\$195.4 million were issued to the holders of the New Bonds, which is subject to adjudication and the final determination by the Scheme Administrators in accordance with the terms of the Creditors Scheme.

The Group's total deficit amounted to approximately HK\$491.4 million at 30 June 2025 (2024: HK\$420.3 million). At 30 June 2025, net current liabilities of the Group amounted to approximately HK\$479.1 million (2024: HK\$408.0 million), including approximately HK\$78.6 million in cash and deposits with banks and financial institutions (2024: HK\$48.10 million).

The gearing ratio (defined as total liabilities over total assets) of the Group at 30 June 2025 was approximately 411.9% (2024: 466.8%).

Exposure to Exchange Rates Fluctuations

All the Group's assets, liabilities and transactions are denominated either in Hong Kong dollar, United States dollar or Renminbi. Foreign exchange risk arising from the normal course of operations is considered to be minimal.

Contingent Liabilities

As at 30 June 2025, the Group did not have any material contingent liabilities (2024: Nil).

Staff

As at 30 June 2025, the Group employed 204 full-time employees (2024: 196). The management believes that the competence of employees is a major contributing factor to the Group's sustained growth and advancement in profitability. Staff remuneration is based on performance and experience. In addition to basic salary, benefits for employees include a performance-related bonus, contributory provident fund, medical insurance and regulated employees' social security program in China. The Group also adopted a share option scheme under which options may be granted to eligible staff based on individual performance. Training programs for staff are provided as and when required.

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

Save as disclosed in this announcement, neither the Company nor any of its subsidiaries purchased, or redeemed any of the Company's listed shares during the year ended 30 June 2025.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The below sections set out an extract of the report by McMillan Wood (Hong Kong) CPA Limited, the auditor of the Company, regarding the consolidated financial statements of the Group for the year ended 30 June 2025:

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

We draw attention to Note 2 in the condensed consolidated financial statements of this announcement, which describes that the Group incurred a net loss of approximately HK\$73,087,000 for the year ended 30 June 2025, and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK\$479,108,000, and its total liabilities exceeded its total assets by approximately HK\$491,915,000. The Group's total liabilities amounted to HK\$648,972,000 as at 30 June 2025. Since October 2023, the Group has defaulted on the repayment of mortgage loans and convertible bonds, resulting in the appointment of receivers (the "Receiver(s)") by the bank in respect of the mortgaged property, and by the trustee of the convertible bonds in respect of the charged shares. Furthermore, the Company previously received a winding-up petition filed by a trustee of convertible bonds, which was finally withdrawn on 13 November 2024. However, on 11 March 2025, the Company received another winding-up petition (the "Petition"), which was filed in the Hong Kong High Court by the Hong Kong branch of a creditor bank in the PRC (the "Petitioner"). The Petition relates to outstanding indebtedness of HK\$78,542,936.71 (including accrued interest) as at the date of the Petition. Following the joint application by way of consent summons, the Hong Kong High Court ordered, among other things, that the hearing of the Petition be adjourned to 1 December 2025. As of 30 June 2025, the Group may not be able to meet its liabilities in full unless it is able to generate sufficient cash flows from future operations and/or other sources, as it only had cash and bank balances of approximately HK\$59,176,000 and restricted bank deposits of approximately HK\$19,385,000. These events and conditions, along with other matters as set forth in Note 2 to the condensed consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

The directors have certain plans and measures to improve the Group's liquidity and financial position, which are set out in Note 2 to the condensed consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent on the outcomes of these plans and measures, which are subject to multiple uncertainties, including (i) whether the Group can be successful to formulate a debt restructuring involving a scheme of arrangement to be entered into between the Company and the creditors under Part 13 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong); (ii) whether the Company is successful in implementing alternative capital raising initiatives to provide additional funds for the Group; and (iii) whether the Group is able to implement its cost control measures to attain positive cash flows from operations of the Group.

As a results of above multiple uncertainties, the potential interactions of these uncertainties, and the possible cumulative effect thereof, we were unable to assess the appropriateness or reasonableness of assumptions adopted in the Group's cash flow forecast in supporting the use of the going concern basis in the preparation of these consolidated financial statements. As a result of these limitations and uncertainties, we were unable to form an opinion as to whether the going concern basis of preparation is appropriate. Should the Group fail to achieve the abovementioned plans and measures, it might not be able to continue as a going concern and to settle its obligations and commitments, and adjustments may have to be made to write down the Group's assets to amounts that can be realised, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effects of these adjustments, which could be both material and pervasive, have not been reflected in these consolidated financial statements.

Audit Committee's View Towards the Disclaimer of Opinion

The Audit Committee has reviewed the Disclaimer of Opinion relating to going concern. The Audit Committee has also discussed with the auditor the financial position of the Group, the measures taken and to be taken by the Company, and considered the auditor's rationale and understood their consideration in arriving the Disclaimer of Opinion. Based on the work and initial performance performed by the management in relation to the debt restructuring and the financial results for the year ended 30 June 2025, the Audit Committee agreed with the management views on going concern and the action plan of the Group as stated in Note 2 to the condensed consolidated financial statements on P.7 of this announcement, and concurs with the Board's view. The Audit Committee agree such action plan can effectively dealt with the Disclaimer of Opinion.

CHANGE OF DIRECTORS

From 1 July 2024 and up to the date of this announcement, these are changes of the Board as follows:

1. Mr. CHAN Ming Fai resigned as an independent non-executive director of the Company, the chairman of each of the Audit Committee and the Remuneration Committee, and the member of the Nomination Committee with effect from 19 July 2024.
2. Dr. MENG Zhijun, an independent non-executive director of the Company, was re-designated as the chairman of the Audit Committee, and was appointed as the chairman of the Remuneration Committee and a member of the Nomination Committee with effect from 19 July 2024. He was re-designated as the chairman of the Nomination Committee with effect from 22 November 2024.
3. Mr. DI Ling, being an Executive Director, resigned as the chairman of the Board (the "Chairman") and the chairman of the Nomination Committee with effect from 4 September 2024.
4. Mr. QIU Peiyuan resigned as an Executive Director with effect from 4 September 2024.
5. Mr. JIA Muyun was appointed as an Executive Director, the Chairman and the chairman of the Nomination Committee on 4 September 2024; and he resigned as an Executive Director, the Chairman and the chairman of the Nomination Committee with effect from 22 November 2024.
6. Ms. ZHU Xinxin, an Executive Director, was appointed as the Chief Executive Officer and a member of the Nomination Committee with effect from 22 November 2024.
7. Mr. WANG Anyuan was appointed as an Independent Non-executive Director and a member of the Audit Committee with effect from 17 October 2024; and he resigned as an Independent Non-executive Director and a member of the Audit Committee with effect from 19 March 2025.
8. Mr. LAU Fai Lawrence was appointed as an Independent Non-executive Director and a member of the Audit Committee with effect from 17 June 2025.

CHANGE OF BERMUDA SHARE REGISTRAR

With effect from 31 December 2024, the Company's Bermuda principal share registrar and transfer agent was changed to Appleby Global Corporate Services (Bermuda) Limited.

CHANGE OF HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

The Company's head office and principal place of business in Hong Kong had changed to Unit 1202, 12/F., Landmark South, 39 Yip Kan Street, Wong Chuk Hang, Hong Kong since 19 May 2025.

CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Corporate Governance Code (the "Code") under Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the year ended 30 June 2025, except for the deviations as disclosed below:

According to Code Provision B.2.2, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. The chairman of the Board (the "Chairman") is not subject to retirement by rotation as the Board considers that the continuity of office of the Chairperson provides the Group a strong and consistent leadership and is of great importance to the smooth operations of the Group. The Board will review the corporate governance structure and practices from time to time and shall make necessary arrangements when the Board considers appropriate.

According to Code provision C.2.1, the roles of Chairman and Chief Executive should be separate and should not be performed by the same individual. On 22 November 2024, Ms. ZHU Xinxin, an Executive Director, was appointed as the Chief Executive Officer of the Company (the "CEO") whom is responsible to oversee the management of day-to-day operations of the Group. Since the resignation of former Chairman on 22 November 2024 and up to date of this report, the Company has not appointed the Chairman. The Board is looking for a suitable candidate to meet the needs of the effective management of the Board. The CEO and/or other executive Directors will take turns to assume the role of Chairman, ensuring that directors receive timely accurate, clear, complete, and reliable information until the appointment of the Chairman. The Board is reviewing the effectiveness of the structure to balance the power and authority of the Board and authority of the Board and the management from time to time.

REQUIRED STANDARD OF DEALING REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings regarding securities transactions by Directors set out in the Model Code as its code of conduct for dealings in securities of the Company by the Directors (the "Code of Conduct"). Having made specific enquiry of all current Directors, the Directors confirmed that they have complied with the Code of Conduct throughout the year ended 30 June 2025.

AUDIT COMMITTEE

The Audit Committee currently comprises the three Independent Non-Executive Directors of the Company, namely Dr. MENG Zhijun, Mr. DUAN Xinxiao and Mr. LAU Fai Lawrence.

The Audit Committee has reviewed and discussed with the management the accounting principles and practices adopted by the Group and auditing, internal controls and financial reporting matters. The consolidated results contained herein have been reviewed by the Audit Committee and approved by the Board.

REVIEW OF ANNUAL RESULTS

The figures in respect of the Company's consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 30 June 2025 as set out in this announcement have been agreed by the Group's auditor, McMillan Woods (Hong Kong) CPA Limited ("McMillan"), to the amounts set out in the Company's audited consolidated financial statements for the year ended 30 June 2025.

The work performed by McMillan 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 opinion or no assurance has been expressed by McMillan on this announcement.

By order of the Board
China Ecotourism Group Limited
ZHU Xinxin
Director and Chief Executive Officer

Hong Kong, 29 September 2025

As at the date of this announcement, the Board comprises Ms. ZHU Xinxin and Mr. DI Ling as Executive Directors; and Dr. MENG Zhijun, Mr. DUAN Xinxiao and Mr. LAU Fai Lawrence as Independent Non-executive Directors.