2025
Annual Report

中闽百汇零售集团有限公司
ZHONGMIN BAIHUI RETAIL GROUP LTD.

目录
Contents

"无锡杯"三人篮球联赛总决赛

Wuxi 3x3 Basketball League

悦尚杯少儿才艺大赛

Yueshang Cup Children's Talent Competition

Lifestyle Corner——露营市集

Lifestyle Corner – Camping Market

情人节浪漫气球雨活动

Romantic Balloon Rain Event for Valentine's Day

焕新季会员沙龙

Renewal Season Membership Salon

啤酒音乐节

Beer & Music Festival

生活配套
Lifestyle Amenities

桌球 Pool and Billiards

星骑乐儿童俱乐部——源自德国的知名儿童平衡车品牌,成立于1949年

Star Ride Kids' Club – A Well-Known German-Sourced Children's Balance Bike Brand Founded in 1949

KTV

土拨鼠俱乐部——沉浸式体验和亲子互动为主题的儿童乐园

Marmot Club – An Immersive & Parent-Child Interactive Themed Children's Playground

轮滑游戏 Skating Games

公司简介
Corporate Profile

Zhongmin Baihui Retail Group Ltd (the "**Company**" or "**ZMBH**", and together with its subsidiaries, the "**Group**") was incorporated in Singapore on 17 September 2004. It was listed on the Catalist Board of the Singapore Exchange ("**SGX**") on 20 January 2011 and subsequently transferred to the SGX Mainboard on 3 September 2013. The Group operates, manages, and owns department stores and supermarkets in Fujian Province in China. Outside of Fujian, entities of the Group manage and operate large malls.

Within the large-mall segment, the Group's portfolio comprises two operational malls and one under development, with a total gross floor area ("**GFA**") of approximately 700,000 sqm. Its first large-scale project, Changsha Sasseur (ZMBH) Outlets in Changsha, Hunan, opened in December 2018 with a GFA of 282,000 sqm. Subsequently, Wuxi Yueshang Outlets in Wuxi, Jiangsu, commenced operations in September 2022, contributing an additional 435,000 sqm of GFA. The Group's third project, located in Lvliang, Shanxi, will span 52,000 sqm and is scheduled to open in 2026.

In Fujian, where the Group established its retail roots more than two decades ago, there are currently fifteen stores, spanning about 200,000 sqm, under the "**Zhongmin Baihui**" brand. Whilst the smaller outlets primarily function as supermarkets, the larger-format stores operate as full-scale retail complexes, integrating department stores, modern supermarkets, dining options, and complementary commercial services to provide a well-rounded shopping experience.

The Group portfolio of retail outlets is positioned to serve China's growing middle-income consumer base, offering a curated mix of popular international and domestic brands, alongside quality products and services that reinforce the Group's reputation for accessible yet differentiated retail experiences.

公司简介
Corporate Profile

中闽百汇零售集团有限公司（以下简称"**公司**"或"**ZMBH**"，以及其子公司，以下简称"**集团**"）于 2004 年 9 月 17 日在新加坡注册成立。它于 2011 年 1 月 20 日在新加坡交易所（"**SGX**"）的凯利板上市，随后于 2013 年 9 月 3 日转移到 SGX 主板。集团在中国福建省经营、管理和拥有百货商店和超市。在福建以外，本集团管理和经营超大型商场。

在大型商场领域，集团的投资项目包括两个运营中的商场和一个正在开发中的商场，总建筑面积（"**GFA**"）约为 700000 平方米。其首个大型项目，位于湖南长沙的长沙砂之船（ZMBH）奥特莱斯于 2018 年 12 月开业，总建筑面积为 28.2 万平方米。随后，位于江苏无锡的悦尚奥特莱斯于 2022 年 9 月开始运营，新增建筑面积 43.5 万平方米。该集团的第三个项目，位于山西吕梁，将占地 52000 平方米，计划于 2026 年开业。

在福建，集团在二十多年前建立了零售根基，目前有 15 家门店，占地约 20 万平方米，采用"**中闽百汇**"品牌。虽然较小的商店主要用作超市，但较大的商店则作为全方位的零售综合体运营，整合了百货商店、现代超市、餐饮选择和互补的商业服务，以提供全面的购物体验。

集团的零售店组合旨在服务于中国不断增长的中等收入消费者群体，提供精选的国际和国内流行品牌组合，以及优质的产品和服务，以强化集团在无障碍但差异化的零售体验方面的声誉。

商场位置分布图
Location of Stores

开业进程
Store Opening Timeline

1999年10月1日，泉州涂门商场开业
Oct 1, 1999, opened Quanzhou Tumen Store

2003年9月30日，泉州泉港商场开业
Sep 30, 2003, opened Quanzhou Quangang Store

2006年9月30日，泉州泉秀商场开业
Sep 30, 2006, opened Quanzhou Quanxiu Store

2009年4月30日
泉州惠兴商场开业
Apr 30, 2009, opened
Quanzhou Huixing Store

2009年12月19日，厦门梧村商场开业
Dec 19, 2009,opened Xiamen Wucun Store

2011年1月20日
新加坡凯利板挂牌上市
Jan 20, 2011,
Singapore Catalist IPO

2013年4月28日，泉州新华商场开业
Apr 28, 2013, opened Quanzhou Xinhua Store

2013年9月3日，新加坡主板上市
Sep 3, 2013, SGX Mainboard listing

2014年9月5日，泉州桥南商场开业
Sep 5, 2014, opened Quanzhou Qiaonan Store

2014年11月28日，泉州城南商场开业
Nov 28, 2014, opened Quanzhou Chengnan Store

2016年9月30日
泉州泉港新店开业
Sep 30, 2016, opened
Quanzhou Quangang Store

2016年11月18日，安溪火车站店开业
Nov 18, 2016, opened Anxi Railway Station Store

2018年12月22日
长沙砂之船（中闽百汇）奥莱开业
Dec 22, 2018, opened Changsha
Sasseur (ZMBH) Outlets

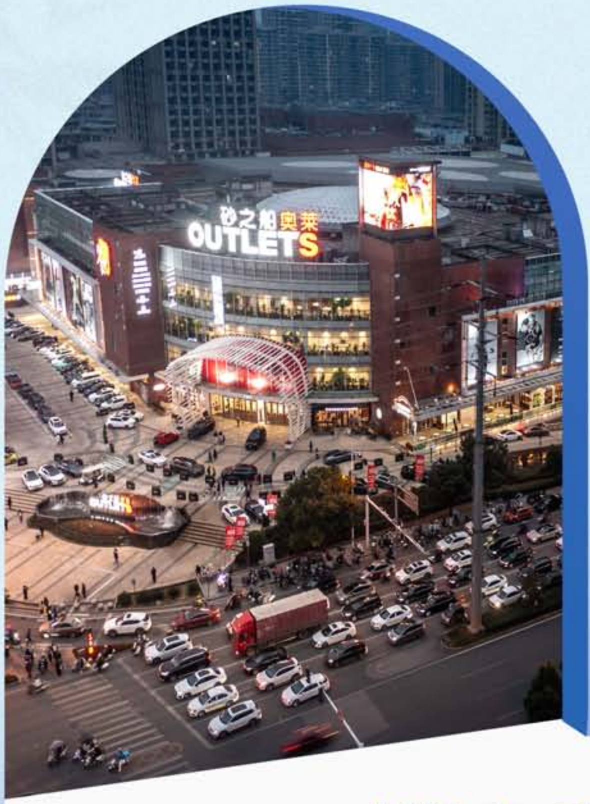
2019年6月28日，泉州永春商场开业
June 28, 2019, opened Quanzhou Yongchun Store

2020年1月1日，泉州安溪官桥商场开业
Jan 1, 2020, opened Quanzhou Anxi Guanqiao Store

2022年9月9日，无锡悦尚奥莱开业
Sep 9, 2022, opened Wuxi Yueshang Outlets

2024年3月29日，厦门海沧店（超市）开业
March 29,2024,opened Xiamen Haicang Store(Supermarket)

吕梁悦尚时光里筹备中
Lvliang Yueshang Intime Under Preparation



长沙市·砂之船(中闽百汇)奥莱

Changsha Sasseur (ZMBH) Outlets

Leasable area, sqm 可出租面积（平方米）	69,510
Site area, sqm 土地面积（平方米）	71,631
Gross floor area, sqm 建筑面积（平方米）	282,272
Contract end date 合同结束日期	Dec 2038（2038 年 12 月）

砂之船（ZMBH）奥特莱斯（“CSO”）是位于湖南省长沙市望城区的一家顶级奥特莱斯购物中心。虽然其核心市场是长沙的 100 万常住人口，但该购物中心也吸引了来自株洲、湘潭、衡阳和岳阳等附近城市的消费者，将其覆盖范围扩大到 2000 多万人口。CSO 提供多样化的购物、餐饮和生活体验，并辅以定期活动，如音乐表演、时装秀、游戏和比赛，以提高消费者的互动和粘性。截至 2025 年 6 月 30 日，该购物中心已经建立了一个拥有 140 多万 VIP 会员的强大社区，拥有 364 名租户。

Changsha Sasseur (ZMBH) Outlets (“CSO”) is located in Wangcheng District, Changsha City, Hunan Province. Its primary catchment area comprises approximately one million residents in Changsha, with an extended market reach of more than 20 million across Zhuzhou, Xiangtan, Hengyang, and Yueyang. As of 30 June 2025, CSO had more than 1.4 million VIP members and 364 tenants. The mall provides a broad mix of retail, dining, and lifestyle offerings, supported by regular events to drive visitor engagement.

Yueshang Outlets

无锡市·悦尚奥莱

Wuxi Yueshang Outlets

Leasable area, sqm 可出租面积（平方米）	130,397
Site area, sqm 土地面积（平方米）	216,642
Gross floor area, sqm 建筑面积（平方米）	435,116
Contract end date 合同结束日期	Sep 2042（2042 年 9 月）

悦尚奥特莱斯（"YSO"）位于江苏省无锡市惠山区惠山大道和北环路的交汇处，半径 5 公里内约 120 万居民提供服务，并受益于无锡 700 多万人口。截至 2025 年 6 月 30 日，YSO 拥有 110 万 VIP 会员和 319 名租户。除了国际和国内服装品牌外，该购物中心还提供各种娱乐设施，包括健身中心、电影院、KTV 休息室、水疗中心、卡丁车、攀岩和儿童公园，并辅以体育比赛、音乐会、时装秀和节日等常规活动。

Yueshang Outlets ("YSO"), situated at the intersection of Huishan Avenue and Beihuan Road in Huishan District, Wuxi City, Jiangsu Province, serves an estimated 1.2 million residents within a 5km radius and benefits from Wuxi's wider population of over 7 million. As of 30 June 2025, YSO had 1.1 million VIP members and 319 tenants. In addition to international and domestic apparel brands, the mall offers diverse recreational facilities, including fitness centres, cinemas, KTV lounges, spas, go-karting, rock climbing, and children's parks, complemented by regular events such as sports competitions, concerts, fashion shows, and festivals.

吕梁市·悦尚时光里

Shanxi Lvliang Yueshang Intime Mall

项目位于山西省吕梁市离石区，规划总建筑面积约 52,000 平方米。该开发项目将包括六层地上和两层地下，为零售、餐饮和休闲活动提供广阔的空间。吕梁市人口 300 多万，2024 年按 GDP 计算为山西省第二大城市。集团拥有商场经营管理实体 51% 的权益，并已与业主签订了自商场开业之日起为期 20 年的合同。

The Intime mall project is located in Lishi District, Lvliang City, Shanxi Province, with a planned gross floor area of approximately 52,000 square metres. The development will consist of six above-ground levels and two basement levels, providing extensive space for retail, dining, and leisure activities. Lvliang City has a population of over 3 million and is ranked as the second-largest city in Shanxi Province by GDP in 2024. The Group holds a 51% interest in the mall' s operating and management entity and has secured a 20-year contract with the property owner.

厦门市海沧港汇邻里中心

Xiamen Haicang Ganghui Neighborhood Center

厦门市海沧港汇邻里中心由港基百汇商业物流（厦门）有限公司建造并拥有。该公司是集团 30% 的子公司，项目有 30,900 平方米 3 层零售楼卖场和两座 668 单位公寓楼可出租。

Xiamen Haicang Ganghui Neighborhood Center is owned by Citi-base Commerce Logistics (Xiamen) Co., an associate of the Group in which it holds a 30% equity interest. The development consists of a three-storey retail block with a gross floor area of 30,900 sqm, complemented by two residential towers offering 668 condominium rental units. Strategically positioned in the vibrant Haicang District of Xiamen City, the complex enjoys high footfall and strong community demand.

厦门市海沧店(超市)

Xiamen Haicang Store (Supermarket)

海沧店位于港汇邻里中心，其毗邻海沧自贸区及科技产业园区，靠近多个住宅区。海沧店提供产品涵盖生鲜、日用、食品、文体玩具等，以满足海沧人民的日常生活所需为目的。商业面积：4,072 平方米。

Haicang Store is located within the Xiamen Ganghui Neighborhood Center, adjacent to the Haicang Free Trade Zone Science and Technology Industrial Park and surrounded by numerous residential communities. With a gross floor area of 4,072 sqm, the store offers a wide range of fresh produce, daily necessities, food, toys, and other household essentials, serving as a convenient one-stop shopping destination for the local community.

厦门市梧村店

Xiamen Wucun Store

梧村店位于厦门市思明区繁华的梧村商圈中心，为福建省最大的地下购物中心之一，设有地下行人通道连接厦门高铁，厦门地铁站，长途汽车站，公交站和 BRT 站点，为厦门市交通枢纽的人流中心地带。商业面积：28,746 平方米。

Located in the heart of Siming District, Xiamen City, Wucun Store, 28,746 sqm GFA, is one of the largest underground retail malls in Fujian Province. Its strategic position provides seamless connectivity to major transport nodes, including Xiamen Railway Station, a Xiamen Metro station, bus terminals, and a BRT station, via walkways and underground pedestrian crossings.

泉州市涂门店

Quanzhou Tumen Store

涂门店是一个综合性零售综合体，包括百货、超市和餐饮。总建筑面积 16,361 平方米，地理位置优越，地处泉州市中心繁华商圈的核心位置，周边毗邻多个知名历史地标。

Tumen Store is an integrated retail complex comprising a full-service department store, supermarket, and a selection of fast-food outlets. With a gross floor area of 16,361 sqm, it is strategically located along a busy shopping belt in downtown Quanzhou City, in proximity to several well-known historic landmarks.

泉州市泉秀店

Quanzhou Quanxiu Store

泉秀店总建筑面积 10,404 平方米，是一家老牌百货公司和超市，服务于人口密集的泉州市中心。

Quanxiu Store, with a gross floor area of 10,404 sqm, is a long-established department store and supermarket serving the densely populated city centre of Quanzhou.

泉州市泉港店

Quanzhou Quangang Store

泉港店总建筑面积 16,884 平方米，是一个大型零售综合体，包括百货、超市和餐饮店。该店坐落于泉港区核心地段，是泉州市重要的石化产业核心区。

Quangang Store, with a gross floor area of 16,884 sqm, is a large-format retail complex comprising a department store, supermarket, and food and beverage outlets. It is strategically located in the downtown area of Quangang District, a key petrochemical hub of Quanzhou City.

泉州市桥南店

Quanzhou Qiaonan Store

桥南店总建筑面积 6,791 平方米，是一家集百货和超市于一体的综合性商场，地理位置优越，靠近晋江区、泉州开发区和江南区的中心。

Qiaonan Store, with a gross floor area of 6,791 sqm, is a combined department store and supermarket strategically located near the city centres of Jinjiang District, Quanzhou Development District, and Jiangnan District.

泉州市新华店

Quanzhou Xinhua Store

新华店位于泉州市的一个老城区里，紧邻几个旅游景点和住宅区。商业面积：8,874 平方米。

Xinhua Store is situated in the historic and tourist district of Quanzhou City. GFA 8,874 sqm.

泉州市惠安城南店

Quanzhou Hui'an Chengnan Store

城南店位于惠安县城南部，紧邻惠安县螺阳镇城区，是综合性商场宏毅百汇广场的主力店。商业面积：25,466 平方米。

Chengnan Store, with a GFA of 25,466 sqm, is located in Hongyi Baihui Centre, an integrated shopping mall adjacent to the Luoyang town area in Hui' an County.

泉州市永春店

Quanzhou Yongchun Store

永春店总建筑面积 23,200 平方米，是一个综合零售综合体，服务于人口稠密地区，靠近文化、体育、政治和科技中心。它业态丰富，含有百货、超市、餐饮等。

Yongchun Store, with a gross floor area of 23,200 sqm, is an integrated retail complex serving a densely populated area near major cultural, sports, government, and science and technology hubs. It features a well-stocked department store and supermarket, complemented by a variety of food and beverage outlets.

主席和总裁致词
Statement from the Chairman and CEO

On behalf of the Board of Directors, we are pleased to present the Annual Report of Zhongmin Baihui Retail Group Ltd. for the financial year from 1 July 2024 to 30 June 2025 ("**FY2025**").

According to the National Bureau of Statistics of China, real GDP in China grew 5.3% in the first half of 2025, compared to 5.0% in the same period of 2024. Retail sales of consumer goods rose 5.0% in the first half of 2025, matching the pace of 2024. These figures reflect the resilience of the Chinese economy despite ongoing domestic and external challenges.

For FY2025, the Group delivered a strong set of results. Profit after tax and earnings per share rose 79.6% to RMB 42.8 million and 22.3 cents, respectively. In recognition of this performance, the Board has proposed a dividend of SGD 1 cent per share. The growth was driven primarily by robust earnings from our outlet malls and the return to profitability of our Zhongmin Baihui stores in Fujian, supported by disciplined cost management.

Our outlet business segment continued to perform well. Changsha Sasseur (ZMBH) Outlets ("**CSO**") contributed profit after tax of RMB 31.4 million to the Group, representing a 9.0% increase from FY2024, making it our largest earnings contributor. With a gross floor area of 282,272 sqm and a fully occupied leasable area of 71,631 sqm, CSO recorded tenant sales of RMB 1.77 billion in FY2025. The Group holds a

主席和总裁致词
Statement from the Chairman and CEO

24% stake in the mall's managing and operating entity, which had signed a contract with the property owner until December 2038. With ongoing asset enhancement initiatives, CSO remains one of our cornerstones of earnings.

Wuxi Yueshang Outlets ("**YSO**"), which commenced operations in September 2022, achieved profitability in FY2025 after its initial ramp-up phase. The mall contributed profit after tax of RMB 4.0 million to the Group, compared with no contribution in FY2024. With 435,116 sqm of gross floor area and 130,397 sqm of leasable area at a 96% occupancy rate, YSO recorded tenant sales of RMB 1.42 billion in FY2025. The Group derives its share of profits from a 50% stake in the managing and operating entity under a 20-year contract till September 2042.

Looking ahead, the Group will further strengthen its large-mall portfolio. A 52,000 sqm mall in Lvliang, Shanxi, is scheduled to open in 2026, which will bring our total managed GFA in large malls to over 700,000 sqm. The Shanxi mall's contract is over 20 years.

Meanwhile, our Zhongmin Baihui stores in Fujian recorded revenue of RMB 951.3 million in FY2025, a 3.3% decline from the previous year, with gross profit down 4.8% to RMB 220.8 million. Nevertheless, profit before tax contribution turned positive, at RMB 16.9 million, compared to a loss of RMB 0.5 million in FY2024. This improvement included RMB 19.7 million in gains from the de-recognition of right-of-use assets and lease liabilities following store closures. The Zhangzhou Port Store was closed during the year, and management continues to review the portfolio for underperforming stores. At the same time, the Group has established a new wholly-owned subsidiary, Fujian Baihui Utalk Co., Ltd., to operate a 1,000 sqm premium supermarket in Fujian as a trial for a further expansion plan.

As we move forward, the Group will continue to pursue selective mall projects across China while driving operational efficiency and profitability in our Fujian stores. The retail landscape remains competitive and dynamic, but we are confident in our ability to adapt, enhance our assets, and deliver sustainable growth.

On behalf of the Board, I would like to express our sincere appreciation to our stakeholders, especially our shareholders, for your continued trust and support.

9 October 2025

主席和总裁致词

Statement from the Chairman and CEO

我们很高兴代表董事会提交中闽百汇零售集团有限公司2024年7月1日至2025年6月30日财政年度("**2025财年**")的年度报告。

根据中国国家统计局的数据，2025 年上半年中国实际国内生产总值增长 5.3%，而 2024 年同期为 5.0%。2025 年上半年，消费品零售额增长 5.0%，与 2024 年持平。这些数字反映了中国经济的韧性，尽管面临持续的国内外挑战。

2025 财年，该集团取得了一系列强劲的业绩。税后利润和每股收益分别增长 79.6%，达到人民币 4280 万元和 22.3 分。为表彰这一业绩，董事会提议每股派发新加坡元一分的股息。这一增长主要得益于我们奥特莱斯购物中心的强劲盈利，以及我们在福建的中闽百汇门店在严格的成本管理支持下恢复盈利。

我们的业务继续表现良好。长沙砂之船（中闽百汇）奥特莱斯（"**CSO**"）为集团贡献了人民币 3140 万元的税后利润，比 2024 财年增长 9.0%，成为我们最大的盈利贡献者。CSO 的总建筑面积为 282272 平方米，可出租面积为 71631 平方米，租用率为 100%，2025 财年的租户销售额为人民币 17.7 亿元。集团持有商场管理和运营实体的联营 24% 的股份，与业主签订了直至 2038 年 12 月的合同。随着持续的资产增值计划，CSO 仍然是我们盈利的大户之一。

主席和总裁致词
Statement from the Chairman and CEO

无锡悦尚奥特莱斯（“**YSO**”）于 2022 年 9 月开始营业，在经历了最初的扩张阶段后，于 2025 财年实现了盈利。该购物中心为集团贡献了人民币 400 万元的税后利润，而 2024 财年没有贡献。YSO 的总建筑面积为 435116 平方米，可出租面积为 130397 平方米，租用率为 96%，2025 财年的租户销售额为人民币 14.2 亿元。集团从管理和运营中享有 50% 利润分成，这个合作项目是 20 年，合约到 2042 年 9 月终止。

展望未来，集团将进一步加强其大型购物中心组合。位于山西吕梁的一座 52000 平方米的购物中心计划于 2026 年开业，这将使我们大型购物中心的总管理建筑面积超过 70 万平方米。山西商城项目也是有 20 年的合同。

与此同时，我们在福建的中闽百汇店在 2025 财年的收入为人民币 9.513 亿元，比上年下降 3.3%，毛利润下降 4.8% 至人民币 2.208 亿元。然而，利润贡献转为正值，为人民币 1690 万元的税前利润，而 2024 财年为亏损人民币 50 万元。这一改善包括因店铺关闭后取消使用权资产和负债而获得的 1970 万元收益。漳州港店于年内关闭，管理层继续关注业绩不佳的门店组合。与此同时，集团成立了一家新的全资子公司福建省百汇优淘零售有限公司，在福建经营 1000 平方米的优选超市作为试验，为下一步扩张进提供支持。

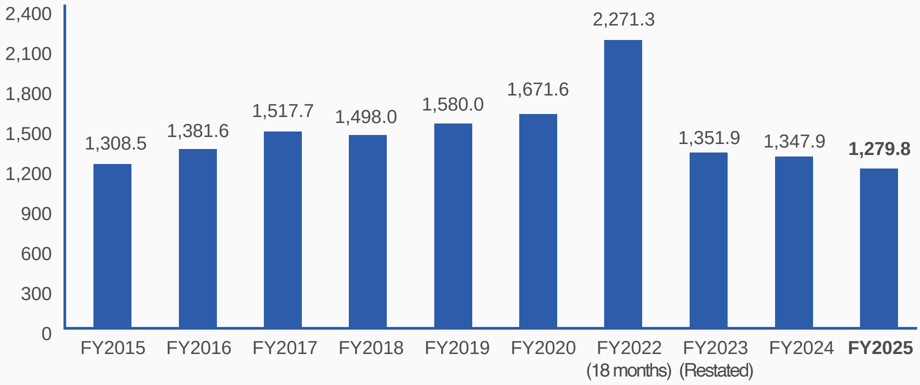
随着我们的发展，集团将继续在中国各地开展有选择性的购物中心项目，同时提高福建门店的运营效率和盈利能力。零售业仍然具有竞争力和活力，但我们相信我们有能力适应、增强资产并实现可持续增长。

我谨代表董事会衷心感谢我们的利益相关者，特别是我们的股东，感谢你们一直以来的信任和支持。

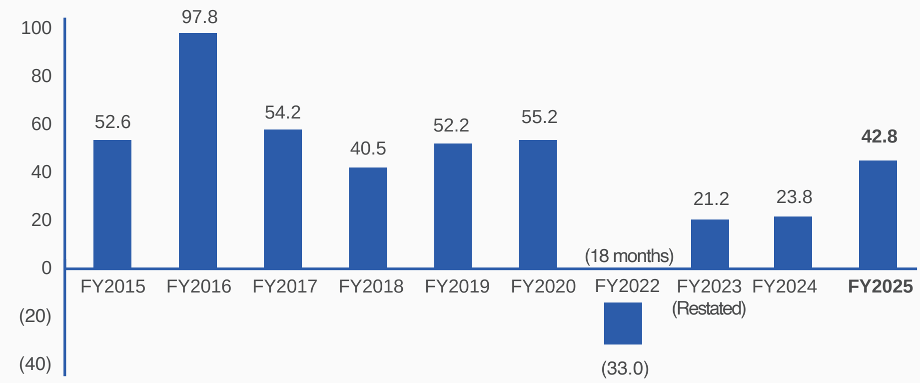
2025 年 10 月 9 日

财务摘要
Financial Highlights

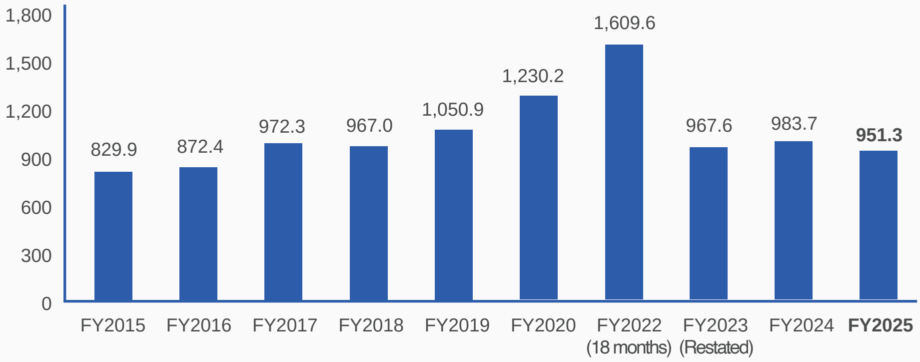
Gross sales proceeds *(RMB'Million)*
销售所得款项总额（人民币百万元）



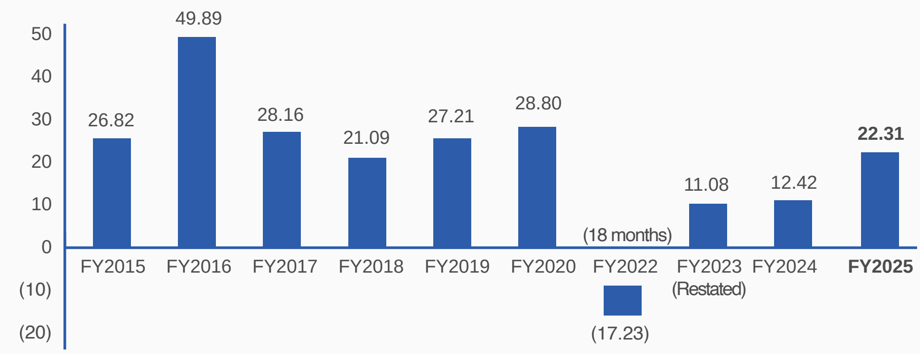
Profit/(loss) for the year *(RMB'Million)*
年内利润/(亏损) （人民币百万元）



Revenue *(RMB'Million)*
收入 （人民币百万元）



Earning/(loss) per share-Basic and diluted *(RMB cents)*
每股盈利/(亏损)－基本和稀释 （人民币一分）



财务摘要
Financial Highlights

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2022 (18 months)	FY2023 (Restated)	FY2024	FY2025
Financial Results (RMB'000) 财务业绩 (人民币'000)										
Gross sales proceeds 销售所得款项总额*	1,308,535	1,381,641	1,517,687	1,498,022	1,580,035	1,671,578	2,271,299	1,351,947	1,347,985	**1,279,830**
Revenue 收入	829,924	872,400	972,340	966,975	1,050,935	1,230,234	1,609,606	967,565	983,737	**951,261**
Profit/(loss) before taxation 税前利润/(亏损)	77,393	149,093	82,132	65,169	77,832	77,924	(268)	18,180	23,923	**50,572**
Profit/(loss) for the year 年内利润/(亏损)	52,644	97,823	54,200	40,458	52,187	55,236	(33,044)	21,249	23,805	**42,756**
Total comprehensive income/(loss) for the year attributable to equity holders of the Company 公司权益所有者应占全面收益/(亏损)总额	53,062	97,201	55,500	40,922	52,622	54,704	(33,861)	18,370	23,786	**41,734**
Financial Position (RMB'000) 财务状况 (人民币'000)										
Non-current assets 非流动资产	118,120	97,752	212,814	200,128	491,932	443,829	607,170	490,570	581,413	**460,860**
Current assets 流动资产	425,917	463,099	361,203	394,368	457,013	648,470	669,635	677,488	696,239	**711,086**
Current liabilities 流动负债	(317,723)	(339,278)	(350,952)	(363,435)	(505,856)	(622,989)	(751,890)	(687,585)	(703,609)	**(715,263)**
Net current assets/(liabilities) 净流动资产/(负债)	108,194	123,821	10,251	30,933	(48,843)	25,481	(82,255)	(10,097)	(7,370)	**(4,177)**
Non-current liabilities 非流动负债	(111,543)	(55,862)	(50,772)	(36,607)	(260,409)	(256,163)	(364,037)	(301,224)	(381,575)	**(232,909)**
Total equity 总权益	114,771	165,711	172,293	194,454	182,680	213,147	160,878	179,248	192,468	**223,774**
Financial Ratios (RMB cents) 财务比率 (人民币-分)										
Earning/(loss) per share 每股盈利/(亏损）										
- Basic and diluted - 基本和稀释	26.82	49.89	28.16	21.09	27.21	28.80	(17.23)	11.08	12.42	**22.31**
Net asset value per share 每股净资产值	58.46	82.37	89.81	101.37	95.23	111.15	83.91	93.48	100.42	**116.77**

* Gross sales proceeds represents the aggregate sum of net amount received and receivable for goods sold by direct sales, gross amount of concessionaire sales, rental income and income from managed rental.

销售所得款项总额指来自自营及联营的销售所得款项，出租及承包的租金收入。

Lee Swee Keng
Executive Director and Chairman

Chen Kaitong
Executive Director and Chief Executive Officer

Mr. Lee Swee Keng was appointed to the Board in September 2004 as Director and Executive Chairman. He oversees the Group's business direction, overall management, strategic planning, and business development. With more than 30 years of entrepreneurial experience in China since 1993 and over 40 years in operations and management within the food industry, Mr. Lee brings deep expertise and leadership to the Group. In recognition of his contributions, he was conferred the Public Service Medal (Pingat Bakti Masyarakat, "**PBM**") in 2014.

Mr Chen Kaitong is a key founder of the Group and was appointed as a Director and Chief Executive Officer of the Group in December 2008. He is also a director of various companies of the Group. Mr Chen is instrumental to the Group's growth, operations and direction. He is responsible for strategic corporate planning, business development and overseeing the key day-to-day operations of the Group. Mr Chen has more than 30 years of experience in the retail industry in China. He was involved in the early stages of setting up and running the first modern department store of the Group in Anxi. He has received many awards for his contributions to the sector. He currently serves as the vice president of the Fujian Federation of Enterprises and Entrepreneurs, the honorary president of the Fujian Modern Commerce, Culture and Tourism Chamber of Commerce, the executive vice president of Quanzhou Enterprises and Entrepreneurs, and the president of the Fujian Chain Operations Association. He also deputies to the 17th National People's Congress and other social organizations.

In 2008, he was named the first moral model of Quanzhou City by the Quanzhou City Spiritual Civilization Construction Steering Committee; in 2009, he was on the "**China Good People**" list which was selected by the Secretariat of the Central Civilization Office and the China Civilization Network; in 2016, he was evaluated by the Talent Office of the Quanzhou Municipal Committee of the Communist Party of China as one of the 20 Leading Talents in Enterprise Management in Quanzhou City and was awarded the Best Management Innovation Award for Cross-border Innovation Leaders in China's Retail Industry by the China Department Store Business Association. In 2018, Chen Kaitong was elected as the Quanzhou Economic Figure of the Year 2018 at the Quanzhou Economic Annual Conference jointly sponsored by the Propaganda Department of the Quanzhou Municipal Committee of the Communist Party of China and other nine units.

董事会
Board of Directors

Yee Chia Hsing
Lead Independent Director

Zou Qige
Independent Director

Kho Kewee
Independent Director

Mr Yee Chia Hsing was appointed as our Independent Director on 24 November 2023. Mr Yee, a First-Class Honours graduate in Accountancy from Nanyang Technological University Singapore, has significant experience in corporate finance, capital markets and management.

Mr Yee has more than 20 years of experience in the banking and finance industry. After his banking career, he went on to head a health supplements division of a SGX listed company, before taking on the Executive Director/CEO role in another SGX listed company with hospitality assets.

Mr Yee is a Member of the Audit Committee of Ren Ci Hospital (non-director role). He also sits on the Boards of Beng Kuang Marine Limited, Hiap Tong Corporation Limited, Union Gas Holdings Limited, Sunpower Group Limited and Yangzijiang Shipbuilding (Holdings) Limited as Independent Director. Mr Yee served as a Member of Parliament of Chua Chu Kang GRC ("**Nanyang division**") from 2015 to 2020.

Mr. Zou Qige was appointed to the Board as an Independent Director of the Company on 24 November 2023. He is a Chinese licensed lawyer and a partner of AllBright Law Offices. He has been working as a lawyer in Shanghai for more than 21 years and has rich experience in various corporate matters, including corporate investment and financing, merger & acquisition, corporate governance and private equity etc. Between year 2007 to 2015, he worked as a partner at Bao Rui Legal, which was in strategic alliance with a well-known Singapore law firm. Before that, Mr. Zou worked as a partner at Hiways Law Firm in Shanghai. He has advised more than ten China based companies and Singapore companies on their initial public offering or dual listing in Singapore or Hong Kong and therefore, is familiar with regulatory requirements of Singapore Exchange Limited. Mr. Zou holds a Bachelor of Art degree in legal English and a Master of Law degree from East China University of Political Science and Law.

Mr Kho Kewee was appointed to the board as Independent Director in July 2021. He is chairman of nominating committee, member of remuneration (ex-chairman) and audit committees. He has over 25 years' work experience across multiple roles in investment banking, private equity, venture capital, corporate finance, entrepreneur, investor, and business management, covering a broad spectrum of industries in the US and Asia-Pacific. Presently, he is focused on investments and corporate advisory.

Mr Kho is also board member at The Private Museum Limited. He was previously board member of Lee Metal Group Limited, Courts Asia Limited, and MS Holdings Limited. He is a fellow of Singapore Institute of Arbitrators, member and senior accredited director of Singapore Institute of Directors. He graduated with a Bachelor of Science from Indiana University, post Graduate Certificate in International Arbitration from National University of Singapore, Law, and Professional Certificate in International Relations and Global Politics from Lee Kuan Yew School of Public Policy.

高级管理层
Key Management

高级管理层
Key Management

Su Jianli
Deputy Chief Executive Officer (Marketing and Operations)

Mr Su Jianli joined the Group in year 2003. His responsibilities include assisting Mr Chen Kaitong, the Chief Executive Officer in running the daily operations of the Group, with an emphasis on strategic corporate planning and development of the Group's operations, implementation of quality management policies, marketing and sales. Mr. Su has over 17 years of management experience in the retail industry. Mr Su served as a Director of the Group from December 2008 to May 2019.

Wang Liyu
Deputy Chief Executive Officer

Ms Wang Liyu joined the Group in year 2010 and is currently holding the position as the Deputy Chief Executive Officer. She is responsible for overseeing the full spectrum of finance matters including employee recruitment, training, relations and welfare for the finance personnel, of the Group's subsidiaries in China. Prior to joining the Group, Ms Wang was an accountant at the Fujian Motor Industry Group Co., Ltd from year 1996 to 2000, and the Financial Controller of Quanzhou Zhongmin Baihui from year 2000 to 2010. Ms Wang holds a Diploma Certificate in Finance and Accounting from Fujian Commercial College and obtains an intermediate professional title.

Hong Yuekui
Deputy Chief Executive Officer

Hong Yuekui joined the Group as the Deputy Chief Executive Officer on 9 January 2023. Under the leadership of Chief Executive Officer, he is put in-charge of the human resource, administration and operation of the Group's subsidiaries in China.

Hong Yuekui graduated with a bachelor's degree from Fujian Fuzhou University fine chemical engineering department in July 1988 and has obtained engineer qualification in 1994. He has more than 30 years of experience in corporate management. He has participated in the executive class of Tsinghua University, the condensed EMBA course of Shanghai Action Education, and the courses of strategic performance management and sales control.

Serine Yeo Ngen Huay
Chief Financial Officer

Ms Serine Yeo joined the Group as the Chief Financial Officer in May 2022. She is responsible for overseeing matters relating to accounting, financial, administration as well as the regulatory compliance and reporting obligations of the Group. Ms Yeo has over 30 years of related work experiences and prior to joining the Group, Ms Yeo held key appointment with various small & medium enterprises, multi-national companies, local and overseas listed companies.

Ms Yeo holds a bachelor's degree in Commerce (major in Accounting & Finance) from The University of Southern Queensland, Australia and possesses diploma in Computer Studies from The National Centre for Information Technology of United Kingdom. She is a Fellow Certified Public Accountant with CPA, Australia. In addition, she is an Accredited Tax Practitioner (Income Tax and Goods & Services Tax) with Singapore Chartered Tax Professionals (formerly known as Singapore Institute of Accredited Tax Professionals).

Andrew Lim Kok-Kin
Director-Investor Relations

Mr Andrew Lim Kok-Kin was appointed to the Board as Non-Executive Director in January 2012 and re-designated as Executive Director in May 2015. In July 2021, Mr Lim ceased his role as Executive Director and was appointed as Director - Investor Relations. He has over 20 years experience in the investment industry, including Director at Azure Capital Pte Ltd, Chief Investment Officer at S.E.A. Asset Management Pte Ltd, Senior Fund Manager at Pheim Asset Management (Asia) Pte Ltd, and Senior Portfolio Manager at MMG Investment (Dubai, UAE). Mr Lim had also taught at the School of Business, Singapore Polytechnic. Mr Lim graduated BSc (Honors), industrial engineering, University of Texas (El Paso) and MBA, University of Texas (Austin). Mr Lim has been a CFA charter holder since 1993.

Zhongmin Baihui Retail Group Ltd. (the **"Company"**), together with its subsidiaries (the "**Group**"), recognises the importance and is committed to maintaining a high standard of corporate governance. Good corporate governance provides the framework for an ethical and accountable corporate environment, which will protect the interests of the Company's shareholders and promote investor confidence. This report outlines the Company's corporate governance practices and structures in the financial year ended 30 June 2025 ("**FY2025**"), with specific reference made to each of the principles of the Code of Corporate Governance 2018 (the "**Code**") issued on 6 August 2018 and accompanying Practice Guidance (updated on 14 December 2023). Deviations from the Code, if any, are explained.

STATEMENT OF COMPLIANCE

The Board of the Company confirmed that for the financial year ended 30 June 2025, the Company has complied with the principles and guidelines of the Code where appropriate.

BOARD MATTERS

Principle 1: The company is headed by an effective Board that is collectively responsible and works with Management for the long-term success of the company.

The Board of Directors ("**Board**") is entrusted with the responsibility for the overall management of the business and corporate affairs of the Group. The constitution of the Company ("**Constitution**")[1] also provides for telephonic meetings.

The Company was transferred from the Catalist Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") to the Mainboard of the SGX-ST on 3 September 2013.

The Directors attend and actively participate in Board and Board Committee meetings and, where the Directors hold multiple board representation, the Nominating Committee will consider and ensure that they have sufficient time and attention for the affairs of each company. As a general rule, the maximum number of listed company board appointments shall not exceed six (6) companies.

The number of Board and Board committee meetings held and attended by each Director of the Company during the financial year under review is as set forth:

	AGM held on 29 October 2024	Board	Board Committees		
			Audit	Nominating	Remuneration
Number of meetings held	**1**	**4**	**4**	**2**	**2**
		Number of meetings attended			
Mr. Lee Swee Keng	1	4	4*	2*	2*
Mr. Chen Kaitong	1	4	4*	2*	2*
Mr. Yee Chia Hsing	1	4	4	2	2
Mr. Zou Qige	1	4	4	2	2
Mr. Kho Kewee	1	4	4	2	2

** By Invitation*

[1] Pursuant to the prevailing Companies Act 1967, the Memorandum and Articles of Association of the Company are deemed by law to be merged to form the Constitution of the Company.

The Board decides on matters that require the Board's approval and clearly communicates this to the management in writing. Matters which specifically require the Board's decision or approval are those involving:

- corporate strategy and business plans;
- investment and divestment proposals;
- funding decisions of the Group;
- nomination of Board and appointment of key personnel;
- half-yearly and full-year results announcements, annual reports and accounts;
- interested person transactions;
- material acquisitions and disposal of assets;
- identification of the key stakeholder groups and recognition that their perceptions affect the Company's reputation;
- setting the Company's values and standards (including ethical standards, tone-from-the-top and organisational culture), and ensuring that obligations to shareholders and other stakeholders are understood and met;
- consideration of sustainability issues (e.g. environmental and social factors) in the formulation of its strategies;
- establishment and maintaining a sound risk management framework; and
- all matters of strategic importance.

Where there are matters in which the Directors face conflicts of interest, the Directors recuse themselves from discussions and decisions involving the issues of conflict.

All other matters are delegated to committees of the Board whose actions are monitored and endorsed by the Board. These committees include the Audit Committee, the Nominating Committee and the Remuneration Committee, all of which operate within clearly defined and written terms of reference and functional procedures, which are reviewed on a regular basis. Each of these committees reports its activities regularly to the Board, and their actions are reviewed by the Board. A summary of each committee's activities is disclosed in this Annual Report.

The Board ensures that any Director with no prior experience as a director of a listed company undergoes training in the roles and responsibilities of a listed company director unless the Nominating Committee is of the view that the Director has other relevant experience. The incoming newly appointed Directors will be given an orientation on the Group's business strategies and operations and governance practices to facilitate the effective discharge of their duties.

The Company is responsible for arranging and funding the training of Directors. Directors have been and will be encouraged to attend seminars and receive training to improve themselves in the discharge of their duties as directors. The Company works closely with professionals to provide its Directors with updates on changes to relevant laws, regulations and accounting standards. Directors are also encouraged to attend relevant and useful seminars to improve their continuing education and skills.

Directors are also provided with an insight into the Group's operational facilities and periodically meet with the management of the Company ("**Management**") to gain a better understanding of the Group's business operations. The Board as a whole is updated on risk management and the key changes in the relevant regulations which have an important bearing on the Company and the Directors' obligations to the Company.

The Company recognises that an organisation's success is not based solely on its business achievements, but also on the positive role it plays in community engagement and environmental sustainability. The Company strongly encourages its staff to be aware of social issues, and to participate in fundraising initiatives, community projects and activities.

Each member of the Board has complete access to such information regarding the Group as may be required for the discharge of his duties and responsibilities. Prior to each Board meeting, the members of the Board are each provided with the relevant documents and information necessary, including background and explanatory statements, financial statements, budgets, forecasts and progress reports of the Group's business operations, for them to comprehensively understand the issues to be deliberated upon and make informed decisions thereon.

As a general rule, notices are sent to the Directors about five (5) days in advance of Board meetings, followed by the Board papers in order for the Directors to be adequately prepared for the meetings. Senior management personnel will attend Board meetings to address queries from the Directors, if required. The Directors also have unrestricted access to senior members of the Management. Requests for the Company's information by the Board are dealt with promptly.

The Directors have separate and independent access to the Company Secretary. The Company Secretary or a representative attends all Board meetings and ensures that the Board procedures and the provisions of applicable laws, the Companies Act 1967, the Constitution and the Listing Manual of the SGX-ST (the "**Listing Manual**") are observed. The Company Secretary also assists with the circulation of Board papers and updates the Directors on changes in laws and regulations relevant to the Group. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

The Board (whether as individual members or as a group) has direct access to independent professional advisers, where so requested by them, at the Company's expense.

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

In FY2025, the Board comprised five (5) members, two (2) of whom hold executive positions and three (3) of whom are Independent Directors.

At the date of this Annual Report, the Board comprises the following members:

Mr. Lee Swee Keng	Executive Director and Chairman
Mr. Chen Kaitong	Executive Director and Chief Executive Officer
Mr. Yee Chia Hsing	Lead Independent Director
Mr. Zou Qige	Independent Director
Mr. Kho Kewee	Independent Director

The Company endeavours to maintain a strong and independent element on the Board. The Company recognises the importance and benefits of having an effective and diverse Board with a mix of skills, experience, gender and age, which generates an appropriate level of diversity of thought and background and fosters constructive debate with a high level of independent thinking. The Board considers an

Corporate Governance Report

企业治理

Independent Director as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

As at the date of this Annual Report, the current Board comprises five members, with three (3) out of five (5) being Independent Directors, who are business leaders and professionals in their respective fields. These Directors are individuals with experience and professional qualifications in the fields of retail, accounting, legal, audit, investments, corporate management and marketing, and have managed big corporations and worked in international firms during their careers. The Board also has Directors of different ages to allow for a more diversified contribution to the Board.

In compliance with the prevailing applicable guideline of the Code, the majority of the Board comprises of Independent Directors since the Executive Chairman, Mr. Lee Swee Keng, is not an Independent Director, and the Board is satisfied that there is a strong and independent element in the Board. This is because all the board committee meetings are chaired by Independent Directors, and the majority of the Board is comprised of Non-Executive Directors who have consistently proven to exercise independent business judgement in the best interests of the Company. No changes were made to the Board composition noting the effectiveness of the present Board as explained below.

Each of the Independent Directors has confirmed that he does not have any relationship with the Company or its related corporations, its officers, or its shareholders with shareholdings of 5% or more in the voting shares of the Company that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement. There are no other Independent Directors who have served on the Board beyond nine (9) years from the date of his first appointment for the purposes of rule 210(5)(iv) of the Mainboard Rules. The Nominating Committee has reviewed and determined that the said Directors are independent. The independence of each Director has been and will be reviewed annually by the Nominating Committee based on the guidelines set forth in the Code.

Taking the above into account, the Board is of the view that the Directors, on the whole, have an appropriate balance and mix of skills, knowledge, experience, age, gender and diversity of thought to foster constructive debate with a high level of independent thinking. Hence, the Board believes that its current composition has the appropriate level of balance and mix to enable it to make discussions in the best interests of the Company, consistent with the intent of Principle 2 of the Code.

The Board has also examined its size and is satisfied that it is an appropriate size for effective decision-making, taking into account the scope and nature of the operations of the Company. The Nominating Committee is of the view that no individual or small group of individuals dominates the Board's decision-making process.

The Nominating Committee is of the view that the current Board comprises persons who as a group provide an appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. Details of the Board members' qualifications and experience are presented in this Annual Report under the heading "Board of Directors".

The Company recognises and embraces the benefits of diversity on the Board and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Company has adopted a formal Board Diversity Policy, setting out the Group's principles and objectives for promoting and maintaining diversity in reviewing the Board composition.

In this regard, the Nominating Committee adopts a deliberate and targeted board renewal process. It assesses the needs for Board composition in a proactive manner and uses them as an objective and target criterion when selecting potential candidates. In reviewing the Board composition and succession planning, the Nominating Committee will consider the relevant qualitative and quantitative objectives for promoting and achieving diversity on the Board and review them against the directors' skills, business experiences, ages, genders, nationalities, cultural, educational and professional industry backgrounds, ethnicities, and other relevant personal attributes and distinguishing qualities that the Board requires to function competently and efficiently. The selection of directors will be based on merit and after giving due regard to the benefits of diversity, the overall balance and Board effectiveness.

The Board recognises the importance of gender diversity and ensures the inclusion of potential female candidates, where possible and available, in the selection plan and process. Further, the Group's senior key female management personnels are invited and included at Board meetings. The Nominating Committee continuously monitors the implementation of its Board Diversity Policy to ensure its effectiveness and constantly endeavours to identify and evaluate suitable candidates to ensure there is diversity on the Board.

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Executive Chairman of the Company is Mr. Lee Swee Keng. The Chief Executive Officer of the Company is Mr. Chen Kaitong. There is a clear division of responsibilities between the Executive Chairman and the Chief Executive Officer to ensure that there is an appropriate balance of power, increased accountability and sufficient capacity of the Board for independent decision-making. The requirement of the Code that the roles of the Chairman and Chief Executive Officer be separate is therefore met in the case of the Company.

The Executive Chairman, Mr. Lee Swee Keng, plays a vital role in charting and steering the corporate direction of the Group and is responsible for the overall management, strategic planning, business development and promoting high standards of corporate governance of the Group.

As the Chief Executive Officer of the Company, Mr. Chen Kaitong is responsible for developing the overall strategic corporate planning and business development of the Group as well as the overall aspects of the Group. He plays an important role in determining the opening and location of the Group's new stores and formulating its business workflow and organisational structure.

The Chief Executive Officer, Mr. Chen Kaitong, is a distant relative of the Executive Chairman, Mr. Lee Swee Keng. The brother of Mr. Lee Swee Keng's grandmother is the father of Mr. Chen Kaitong. Where the Chairman is not independent, Provision 3.3 of the Code recommends that the Company may appoint an independent non-executive director to be the Lead Independent Director of the Company. In view that the Executive Chairman, Mr. Lee Swee Keng, is part of the Management, the Company has appointed Mr. Yee Chia Hsing as the Lead Independent Non-Executive Director of the Company. Mr Yee Chia Hsing is available to shareholders where they have concerns or issues which communication with the Executive Chairman, Chief Executive Officer and/or Chief Financial Officer has failed to resolve. He also takes the lead in ensuring compliance with the Code.

The Board also has full and unrestricted access to all information pertaining to the Company's business and affairs as well as access to the key management personnel. The Independent Directors are free to raise queries with and provide feedback to the Chairman on an ongoing basis. Therefore, the Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent and based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence.

Corporate Governance Report

企业治理

Principle 4: The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.

In FY2025, the members of the Company's Nominating Committee during the financial year under review are Mr. Kho Kewee, Mr. Yee Chia Hsing and Mr. Zou Qige. As at the date of this Annual Report, there are three (3) Independent Directors, all of whom comprise the Nominating Committee. The Nominating Committee meets at least once a year.

The Nominating Committee is responsible for the following:

(a) the review of board succession plans for Directors and key management personnel;

(b) the development, process and criteria for evaluation of the performance of the Board, its board committees and Directors;

(c) the review of training, continuing education and professional development programmes for the Board;

(d) to make recommendations to the Board on all board appointments and re-appointment, having regard to the Director's contribution and performance (for example, attendance, preparedness, participation and candour);

(e) to determine annually whether or not a Director is independent;

(f) in respect of a Director who has multiple board representations on various companies, to decide whether or not such Director is able to and has been adequately carrying out his duties as Director, having regard to the competing time commitments that are faced when serving on multiple boards; and

(g) to assess the performance of the Board and the contribution of each Director to the effectiveness of the Board.

Each member of the Nominating Committee shall abstain from voting on any resolution relating to the assessment of his performance or his re-nomination as a Director.

The Nominating Committee will ensure that there is a formal and transparent process for all appointments to the Board. It has adopted written terms of reference defining its membership, administration and duties which will ensure that new directors are aware of their duties and obligations. The Nominating Committee determines on an annual basis, and as and when circumstances require, whether or not a Director is independent, for the purposes of the Code. With reference to Principle 2 above, the Nominating Committee is of the view that the Independent Directors are independent.

In assessing the performance of each individual Director, the Nominating Committee considers whether he has multiple board representations and other principal commitments, and is able to and has adequately carried out his duties as a Director notwithstanding such commitments. The Nominating Committee is satisfied that sufficient time and attention to the affairs of the Company have been given by those Directors who have multiple board representations.

To address the competing time commitments that are faced when Directors serve on multiple boards, the Nominating Committee has reviewed, and the Board has determined and set that as a general rule, the maximum number of listed company board appointments be not more than six (6) companies. However, any Director may hold more than six (6) listed company board representations should the Nominating Committee be satisfied and is of the view that such Directors are able to devote sufficient time and attention to the affairs of the Company after taking into account their individual circumstances, contributions, responsibilities and other principal commitments. Non-executive Directors may consult the Chairman of the Nominating Committee before accepting any appointments as Directors. Currently, none of the Directors hold more than six (6) directorships in listed companies.

The Nominating Committee ensures that new directors are aware of their duties and obligations by providing terms of reference and reviewing any prior experience such new director had as a director of a company listed on SGX-ST. If the new director does not have such prior experience, the Company will arrange for the new director to attend relevant training programmes by the Singapore Institute of Directors. Existing directors are encouraged to attend relevant training programmes conducted by the relevant institutions and organisations. The cost of all such training will be borne by the Company.

Regulation 104 of the Constitution requires one-third of the Directors to retire from office at least once every three (3) years at an AGM. Regulation 106 of the Constitution provides that the retiring Directors are eligible to offer themselves for re-election.

Regulation 114 of the Constitution provides that the Directors shall have power at any time and from time to time to appoint any other qualified person as a Director either to fill a casual vacancy or as an addition to the Board. However, any Director so appointed shall hold office only until the next AGM of the Company and shall be eligible for re-election.

In assessing potential new directors, the Nominating Committee considers selection criteria including integrity, diversity of competencies, expertise, industry experience and financial literacy. The Nominating Committee seeks potential candidates widely and beyond the recommendations from the Directors and/or the Management and is empowered to engage external parties, such as professional search firms and institutions, to undertake research on or assessment of candidates as it deems necessary.

The Nominating Committee recommended to the Board that Mr. Lee Swee Keng and Mr. Zou Qige be nominated for re-election at the forthcoming AGM. In making the recommendation, the Nominating Committee has considered the Directors' overall contributions and performance.

Mr. Lee Swee Keng will, upon re-election, remain as Executive Director and Chairman of the Board. Mr. Zou Qige will, upon re-election, remain as Independent Director, Chairman of the Remuneration Committee and a member of the Nominating Committee and the Audit Committee.

Corporate Governance Report

企业治理

BOARD OF DIRECTORS

As at the date of this Annual Report, the date of initial appointment and last re-election of each Director, together with their directorships in other listed companies are set out below:

Name	**Age**	**Appointment**	**Date of initial appointment**	**Date of last re-election or re-appointment**	**Directorship in other listed companies**	**Principal Commitments**[2]
LEE SWEE KENG	66	Executive Director and Chairman	17 September 2004	24 November 2023	NIL	1. Singapore Hokkien Huay Kuan 2. Ee Hoe Hean Club 3. Lee Bin Hong Pigs Supplier Pte Ltd
CHEN KAITONG	60	Executive Director and Chief Executive Officer	9 December 2008	29 October 2024	NIL	NIL
YEE CHIA HSING	54	Lead Independent Director	24 November 2023	NIL	1. Beng Kuang Marine Limited 2. Hiap Tong Corporation Limited 3. Union Gas Holdings Limited 4. Sunpower Group Limited 5. Yangzijiang Shipping (Holdings) Limited	1. Ren-Ci Hospital (Audit Committee member, non-director role)
ZOU QIGE	48	Independent Director	24 November 2023	NIL	NIL	1. AllBright Law Offices
KHO KEWEE	55	Independent Director	29 July 2021	29 October 2024	NIL	1. Pillars & Woggs LLP 2. Nautilus Maritime Pte Ltd 3. The Private Museum Limited

2 The term "Principal Commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board committees and individual Directors.

The Nominating Committee had adopted processes for the evaluation of the Board's performance and effectiveness as a whole and the performance of individual Directors, including the Chairman, and each Board committee, based on performance criteria which were recommended by the Nominating Committee and approved by the Board. For the evaluation of the Board performance, the criteria include return on assets, return on equity and the Company's share price performance which allow the Company to make comparisons with its industry peers and are linked to long-term shareholders' value. The Nominating Committee also takes into consideration the feedback from individual Directors on areas relating to the Board's competencies and effectiveness. The results of the overall evaluation of the Board by the Nominating Committee including its recommendation, if any, for improvements are presented to the Board.

The assessment process involves and includes inputs from Board members, applying the performance criteria of the Nominating Committee and approved by the Board. These inputs are collated and reviewed by the Chairman of the Nominating Committee, who presents a summary of the overall assessment to the Nominating Committee for review. Areas where the Board's performance and effectiveness could be enhanced and recommendations for improvements are then submitted to the Board for discussions and, where appropriate, approval for implementation.

The individual performance criteria include qualitative and quantitative factors such as performance of principal functions and fiduciary duties, level of participation at meetings and attendance record.

The annual evaluation process for each individual Director's performance comprises three (3) parts: (a) background information concerning the Directors, including their attendance records at Board and Board Committee meetings; (b) questionnaires for completion by each individual Board member; and (c) the Nominating Committee's evaluation based on certain assessment parameters. The questionnaires and the assessment parameters were recommended by the Nominating Committee and approved by the Board. The completed questionnaires are then reviewed by the Nominating Committee before the Nominating Committee completes its evaluation of the individual Directors. When deliberating on the performance of a particular Director who is also a member of the Nominating Committee, that member abstains from the discussions in order to avoid any conflict of interests.

The Nominating Committee has assessed the current Board's performance to date and is of the view that the performance of the Board as a whole, was satisfactory. Although some of the Board members have multiple board representations, the Nominating Committee is satisfied that sufficient time and attention has been given by the Directors to the Group.

REMUNERATION MATTERS

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

In FY2025 and as at the date of this Annual Report, the members of the Company's Remuneration Committee during the financial year under review are Mr. Zou Qige, Mr. Yee Chia Hsing and Mr. Kho Kewee. The Remuneration Committee is entirely constituted by Independent Directors, and the Chairman of the Remuneration Committee is Mr. Zou Qige.

Corporate Governance Report

企业治理

The Remuneration Committee will review and recommend to the Board a framework of remuneration for the Directors and key management personnel and determine specific remuneration packages for each Director as well as for the key management personnel. The recommendations of the Remuneration Committee should be submitted for endorsement by the Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives, awards, benefits-in-kind shall be covered by the Remuneration Committee to ensure that they are fair. Each member of the Remuneration Committee shall abstain from voting on any resolution in respect of his remuneration package. The Remuneration Committee shall also review the Company's obligations arising in the event of termination of the employment of Directors and key management personnel to ensure that they are fair. The Remuneration Committee may access expert advice regarding executive compensation matters relating to Directors and key management personnel if required. There was no necessity for the engagement of an external remuneration consultant in FY2025.

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

In setting remuneration packages, the Remuneration Committee will ensure that the Directors are adequately but not excessively remunerated as compared to the industry and comparable companies and that the remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.

The remuneration packages for Executive Directors and key management personnel take into account the performance of the Group and the individual. The Director's fees for Non-Executive Directors are based on the effort, time spent and responsibilities of the Non-Executive Directors and are subject to approval at AGMs. The Company has entered into service agreements with Mr. Lee Swee Keng (the Executive Director and Chairman) and Mr. Chen Kaitong (the Executive Director and Chief Executive Officer) commencing from the date of admission of the Company to the Catalist Board. They are valid for an initial period of three (3) years (the "**Initial Term**") each and upon the expiry of the Initial Term, the employment of the respective appointee shall be automatically renewed on a year-to-year basis on such terms and conditions as the parties may agree. The service agreements may be terminated by either the Company or the respective Directors giving to the other party six (6) calendar months' notice in writing or payment of six (6) months' basic salary in lieu of notice. Revisions to the terms of the service agreements will be reviewed by the Remuneration Committee, which, upon taking into consideration the employment conditions within the retail industry and comparable companies, will recommend the same to the Board where such revisions are in order.

The remuneration packages for the Executive Directors and key management personnel include a fixed salary and a variable performance-related bonus which is designed to align their interests with those of the shareholders and other stakeholders and promote the long-term success of the Company.

The Company does not have in place any share-based compensation schemes or any long-term scheme involving the offer of shares.

All revisions to the remuneration packages for the Directors and key management personnel are subject to the review by and approval of the Board on annual basis. Directors' fees are further subject to the approval of shareholders at the AGM. Each member of the Remuneration Committee will abstain from deciding his or her own remuneration and the remuneration packages of persons related to him or her.

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Remuneration Committee recommends to the Board a framework of remuneration for the Board and key management personnel to ensure that the structure is competitive and sufficient to attract, retain and motivate key management personnel to run the Company successfully in order to maximise shareholders' value. The recommendations of the Remuneration Committee on the remuneration of Directors and key management will be submitted for endorsement by the Board. The members of the Remuneration Committee do not participate in any decisions concerning their own remuneration.

The breakdown showing the level and mix of each individual Director's remuneration in the financial year under review is as follows:

Remuneration Band and Name of Director	Base / Fixed salary	Directors' fees	Variable or performance Bonus	Other Benefits	Total
Above S$250,000 and below S$500,000					
Mr. Lee Swee Keng	264,000	–	88,000	9,000	361,000
Below S$250,000					
Mr. Chen Kaitong	165,000	–	18,000	2,000	185,000
Mr. Yee Chia Hsing	–	49,000	–	–	49,000
Mr. Zou Qige	–	46,000	–	–	46,000
Mr. Kho Kewee	–	46,000	–	–	46,000

During the financial year ended on 30 June 2025, there were five (5) management personnel whom the Company considered to be key management personnel (who are not Directors or the Chief Executive Officer). Accordingly, these five (5) key management personnel of the Group during the financial year under review fell within the remuneration band of below S$250,000:

Remuneration Band and Name of key management personnel	Base / Fixed salary	Directors' fees	Variable or performance Bonus	Other Benefits
Mr. Su Jianli	89%	–	8%	3%
Ms. Wang Liyu	88%	–	8%	4%
Mr. Hong Yuekui	88%	–	8%	4%
Ms. Serine Yeo Ngen Huay	80%	–	13%	7%
Mr. Andrew Lim Kok-Kin	77%	–	13%	10%

In considering the disclosure of remuneration of these five (5) key management personnel of the Company, the Company considered the overall quantum received by each individual executive as well as the confidential nature of each key management personnel's remuneration and believes that a full disclosure as recommended by the Code would be prejudicial to the Company's interest. The annual aggregate remuneration paid to these five (5) key management personnel of the Company (who are not Directors or the Chief Executive Officer) for FY2025 is approximately S$622,000.

As the Company operates in a highly competitive industry, the disclosure of the exact details of the remuneration of each key management personnel would adversely impact the Company's operations and business due to the sensitive nature of such information. Accordingly, the Company has not disclosed exact details of the remuneration of each employee due to the sensitive nature of such information.

Corporate Governance Report

企业治理

The Company has also disclosed the level and mix remuneration of the five (5) key management personnel (who are not Directors or the Chief Executive Officer), in percentage terms in a single band of S$250,000 for FY2025. The total remuneration paid to these key management personnel were also disclosed. Taking in consideration of the abovesaid, the Company is of the view that such disclosure provides a balance between detailed disclosure and confidentiality.

Other than a fixed salary component, the Executive Directors and Key Management Personnel are given variable performance related bonus which will take into account the profitability of the Group, contributions from the individuals and the scope of responsibilities assigned to those individuals. The total remuneration given to these individuals aims to attract, retain and motivate them so as to achieve sustainability and business growth.

Accordingly, the Company believes that such disclosures and reviews will provide shareholders with an adequate appreciation of the remuneration packages of the Directors and the top five (5) management personnel and is consistent with the intent of Principle 8 of the Code.

The Company currently does not participate in any employee share schemes or any share-based compensation schemes.

No employee who was an immediate family member of a Director was paid more than S$100,000 during FY2025. “Immediate family member” means the spouse, child, adopted child, step-child, brother, sister, and parent of such person.

Save as disclosed for the Executive Chairman and Chief Executive officer, no employee who is a substantial shareholder of the Company was paid more than S$100,000 during FY2025. Pursuant to Division 4 (Substantial Shareholdings) of Part 4 of the Companies Act 1967, a person is considered as having substantial shareholding in a company if he has an interest in 5% or more of the voting shares of that company.

ACCOUNTABILITY AND AUDIT

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

In line with the continuing disclosure obligations of the Company under the Listing Manual, the Board’s policy is that shareholders shall be informed of all major developments of the Company. Information is presented to shareholders on a timely basis through SGXNet and/or the press. In presenting the annual financial statements and half yearly and full year result announcements to its shareholders, it is the objective of the Board to provide its shareholders with a reasonable understanding of the Group’s financial position, performance and prospects.

The Management provides the Board with management accounts of the Group’s performance, position and prospects on a quarterly basis. The Board will also be updated with Group’s business and operational activities in respect of the key risk control areas and the application of appropriate measures to control and mitigate these risks.

The Group’s internal controls and systems are designed to provide reasonable assurance as to the integrity and reliability of the financial information and to safeguard and maintain accountability of its assets.

Accordingly, to facilitate compliance with Rule 1207(10) of the Listing Manual, the Board has engaged an external consultant to review the adequacy and effectiveness of the Company's internal control system in FY2025 to assist the Board and the Audit Committee in their review of the Group's risk management and internal control systems focusing on financial, operational and compliance controls.

The Executive Chairman and the Chief Financial Officer have provided assurance that as at the end of FY2025 (a) the financial records have been properly maintained, and the financial statements give a true and fair view of the Company's operations and finances; and (b) the Company's risk management and internal control systems are effective.

With the concurrence of the Audit Committee, the Board is of the opinion that the Company has in place a robust and effective system of internal controls addressing financial, operational and compliance risks to safeguard shareholders' interests and the Group's assets. In the absence of any evidence to the contrary, the Board is further of the view that the system of internal controls maintained by the Management provides reasonable assurances against material financial misstatements or losses, safeguarding of assets, maintenance of proper accounting records, reliability of financial information, compliance with legislation regulations and best practices and the identification and management of business risks. The Board recognises that no cost-effective internal control system will preclude all errors and irregularities, as such a system is designed to manage (rather than eliminate the risk of failure) and achieve its business objectives. Such a system can only provide reasonable and not absolute assurance against material misstatement or loss.

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

In FY2025 and as at the date of this Annual Report, the members of the Company's Audit Committee during the financial year under review are Mr. Yee Chia Hsing, Mr. Kho Kewee and Mr. Zou Qige. The Audit Committee is entirely constituted by Independent Directors who do not have any or substantial financial interest in and are not former partners or directors of the Company's Auditor, Foo Kon Tan LLP, and the Chairman of the Audit Committee is Mr. Yee Chia Hsing, also Lead Independent Director. At least two (2) members of the Audit Committee, including the Chairman of the Audit Committee, have recent and relevant accounting or related financial management expertise or experience.

The principal role and functions of the Audit Committee are as follows:

(a) review the significant financial reporting issues and judgements of the financial statements and announcements;

(b) review and report to the Board at least annually the adequacy and effectiveness of the Company's internal financial controls, operational and compliance controls, information technology controls and risk management policies and systems;

(c) review the effectiveness of company's internal audit function;

(d) review with the external auditors and internal auditor their audit plans, evaluation of the system of internal accounting controls, audit reports, management letters and the management's responses;

(e) review the internal control and procedures, co-operation and assistance given by the management to the external auditors and to discuss problems and concerns, if any;

(f) ensure the internal audit function is adequate and appropriate as well as review the scope and results of the internal audit procedures including the effectiveness of the internal audit function;

(g) ensure that a review of the effectiveness of Company's material internal controls is conducted at least annually by the internal and/or external auditors;

(h) review and ensure the integrity of the financial statements before the submission to the Board for approval;

(i) commission, review and discuss with external and internal auditors, if necessary, any suspected fraud or irregularity or suspected failure of internal controls, infringement of any relevant laws, rules or regulations;

(j) review the scope and results of the audit, its cost effectiveness, the independence and objectivity of the external auditors;

(k) review the independence of external auditors and recommendation of their appointment or re-appointment to Board;

(l) approve internal control procedures and arrangements for all Interested Person Transactions;

(m) review the procedures by which employees of the Company may report to the Chairman of the Audit Committee, possible improprieties and ensure there are arrangements in place for independent investigation and follow-up action;

(n) review whistle blowing policy and arrangements by which the staff may raise concerns about possible improprieties and ensure arrangement are in place for the independent investigation;

(o) review and ratify transactions falling within the scope of SGX listing rules in particularly for matters pertaining to Interested Person Transactions, Acquisitions and Realisation as laid down in Chapters 9 and 10;

(p) review and monitor the activities of the Company on a continuing basis for any conflicts of interest;

(q) undertake such other reviews and projects as may be requested or directed by the Board and report to Board its findings from time-to-time on matters arising;

(r) undertake generally such other functions and duties as may be required by statute or SGX listing rules, or by such amendments made thereto from time-to-time; and

(s) review the assurance from the executive officers, including the Chairman, Chief Executive Officer and Chief Financial Officer on the financial records and financial statements.

Apart from the duties listed above, the Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position. Each member of the Audit Committee shall abstain from voting on any resolutions in respect of matters in which he is interested.

The Audit Committee has adopted written terms of reference defining its membership, administration and duties.

The Audit Committee has explicit authority to investigate any matter within its terms of reference and is authorised to obtain independent professional advice. It has full access to and co-operation of the Management and reasonable resources to enable it to discharge its duties properly. It also has full discretion to invite any director or executive officer or any other person to attend its meetings.

The members of the Audit Committee have sufficient financial and/or management expertise, as assessed by the Board in its business judgement, to discharge the Audit Committee's functions.

The Audit Committee met four (4) times during the year under review. Details of members' attendance at the meetings are set out under Principle 1. The Executive Chairman, Chief Executive Officer, Investor Relations Director, Deputy Chief Executive Officer, Chief Financial Officer, Company Secretary, internal auditors and external auditors, as appropriate, are invited to these meetings. Other senior members of the Management are also invited to attend as appropriate to present reports.

The Audit Committee meet with the external auditors and internal auditors in the absence of the Management at least once in every financial year.

The aggregate amount of fees paid to the external auditors have been reviewed by the Audit Committee, such that the Audit Committee is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The fees paid to the external auditors are presented in this Annual Report under "Auditor and Audit Fees" and "Non-Audit Fees" headings in respect of Principle 13.

The Audit Committee met on a quarterly basis and reviewed the half-year and full-year announcements, material announcements and all related disclosures to the shareholders before submission to the Board for approval. In the process, the Audit Committee reviewed the audit plan and audit committee report presented by the external auditors. The external auditors provide regular updates and briefing to the Audit Committee on changes or amendments to accounting standards to enable the members of the Audit Committee to keep abreast of such changes and its corresponding impact on the financial statements, if any.

The Audit Committee also reviewed the annual financial statements and discussed with the Management, and the external auditors the significant accounting policies, judgement and estimate applied by the Management that might affect the integrity of the financial statements and considered the clarity of key disclosures in the financial statements. The Audit Committee reviewed, amongst other matters, the following significant matters identified by the external auditors for FY2025.

Key audit matters	**How the issues were addressed by the Audit Committee**
Gold inventories	The Audit Committee reviewed and discussed with the Management and the external auditors the key internal and financial controls in this area, in particular period and random stock-taking procedures, inventory reconciliations, security and surveillance measures, inventory level control, as well as the cost recognition at net realisable value against market price. No significant issue came to the attention of the Audit Committee in the course of its review.
Impairment assessment of: (i) investment in associates; (ii) property, plant and equipment; and (iii) right-of-use assets	The Audit Committee reviewed and discussed with the Management and the external auditors the approach and methodology being used in this area, in particular the cash flows projections, growth rate and discount rate, based on fair value less costs to sell. No significant issue came to the attention of the Audit Committee in the course of its review.

Following the review and discussions, the Audit Committee then recommended to the Board for approval of the audited annual financial statements.

Corporate Governance Report

企业治理

The Company has put in place a whistle-blowing policy, which provides for the mechanisms by which employees and other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, with the objective of ensuring that arrangements are in place for the independent investigation of such matters for appropriate follow-up action. The Audit Committee exercises the overseeing function over the administration of the whistle-blowing policy. The policy encourages reporting of such matters by ensuring, to extent possible that the identity of whistle-blower will be kept confidential and that the Company will not tolerate the victimization of a whistle-blower who reports in good faith. Whistle-blowing arrangements are publicly disclosed and have been made available to all employees of the Company.

The external auditors provided regular updates and periodic briefings to the Audit Committee on changes or amendments to accounting standards to enable the members of the Audit Committee to keep abreast of such changes and its corresponding impact on the financial statements, if any.

Internal Audit Function

The Board recognises the importance of maintaining a system of internal controls to safeguard the shareholders' investments and the Company's assets.

The objective of the internal audit function is to provide an independent review of the effectiveness of the Group's internal controls and provide reasonable assurance to the Audit Committee and the Management that the Group's risk management, controls and governance processes are adequate and effective.

In order to strengthen further the Group's internal audit function, the Audit Committee has recommended, and the Board has approved the appointment of an external audit professional firm to undertake the internal audit function of the Group. The Company has outsourced its internal audit function to PKF-Cap Risk Consulting Pte Ltd, an established international auditing firm. PKF-Cap Risk Consulting Pte Ltd adopts an internationally recognised framework of internal controls, namely the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") Framework, which provides standardised guidelines for internal audit works and serves as the guiding principle for assessing and benchmarking the Group's internal control standards.

The Engagement Partner from PKF-Cap Risk Consulting Pte Ltd has over 20 years of experience in Governance, Risk, and Compliance across business and technology domains in Singapore, China, Malaysia, Thailand, and Indonesia. He is widely regarded as a trusted advisor by his clients. The internal audit team also comprises members with relevant academic qualifications, professional certifications, and substantial internal audit experience. Based on the internal audits conducted for FY2025, the Audit Committee is satisfied that the outsourced internal audit function is adequately staffed with suitably qualified and experienced professionals.

These audit professionals primarily report to the Audit Committee. The internal audit plan is submitted to the Audit Committee for approval prior to the commencement of the internal audit, and the Audit Committee oversees and monitors the implementation of improvements as required. The internal auditors have unrestricted and direct access to all Company documents, records, properties and personnel, and maintain a direct and primary reporting line to the Audit Committee. PKF-Cap Risk Consulting Pte Ltd is familiar with the Group's policies and business operations, which enables them to add value by better understanding the Group's risk tolerance levels and the operations of its overseas offices, particularly the entities located in the People's Republic of China.

The Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors are also used as a reference and guide by the Group's internal auditors. The Audit Committee reviews at least annually, the adequacy and effectiveness of the internal auditors and is satisfied that the internal auditors are staffed by qualified and experienced personnel.

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

All shareholders are treated fairly and equitably to facilitate their ownership rights. The Board recognises the importance of maintaining transparency and accountability to its shareholders. The Board's policy is that all shareholders should be informed in a comprehensive manner and on a timely basis of all material developments that impact the Group.

All shareholders are entitled to attend and vote at general meetings in person or by proxy. The rules including the voting procedures are set out in the notice of general meetings. The Constitution allows all shareholders to appoint proxy/proxies to attend general meetings and vote on his/her/their behalf. In particular, Relevant Intermediaries, as defined under the Companies Act 1967, may appoint more than two (2) proxies.

In line with the continuing disclosure obligations of the Company under the Listing Manual, shareholders are informed of all major developments of the Company. The information is presented to shareholders on a timely basis through SGXNet and/or the press. In presenting the annual financial statements, half-year and full-year result announcements to its shareholders, it is the objective of the Board to provide its shareholders with a reasonable understanding of the Group's financial position, performance and prospects.

Pertinent information will be disclosed to shareholders in a timely, fair and equitable manner. The Company does not practise selective disclosure. Price sensitive information is first publicly released before the Company meets with any group of investors or analysts.

Pertinent information is communicated to shareholders through:

(1) half-year and full-year results announcements which are published on the SGXNet;

(2) the Group's annual reports that are prepared and published on the SGXNet;

(3) notices of and explanatory memoranda, for AGMs and Extraordinary General Meetings; and

(4) press releases on major developments of the Group.

AGMs are the main forum for communication with shareholders. Notice of AGM, Proxy form and Request form are sent to all shareholders. Printed copies of the Annual Report and Circular for FY2025 will be sent to shareholders upon request. Instead, the Annual Report and Circular for FY2025 have been made available on the Company's website at https://www.zhongminbaihui.com.sg/default.aspx?uc=16 and the SGXNet. The members of the Audit Committee, Nominating Committee and Remuneration Committee will be present at AGMs to answer questions relating to the work of these committees. The external auditors will also be present to assist the Directors in addressing any relevant queries by shareholders. The Board welcomes the views of shareholders on matters affecting the Company, whether at shareholders' meetings or on an ad hoc basis.

Where there are substantial or relevant comments or queries by the shareholders relating to the agenda of the general meeting, the queries or comments of the shareholders and the response from the Directors and Management are recorded in the minutes of the general meetings. The minutes have been made available to shareholders on the Company's corporate website from FY2019 onwards.

Corporate Governance Report

企业治理

The Constitution of the Company allows absentia voting by proxy at general meetings.

Resolutions are as far as possible, structured separately and may be voted upon independently. In line with Rule 730A of the Listing Manual, with effect from 1 August 2015, all resolutions at general meetings will be voted by way of poll.

The Group has specifically entrusted an investor relations team comprising the Executive Chairman, the Chief Executive Officer, Investor Relations Director and the Chief Financial Officer with the responsibility of facilitating communications with shareholders and analysts and attending to their queries or concerns. The investor relations team generally communicates with shareholders and analysts via email, telephone and face-to-face conference. Communication of relevant announcements of the Group is generally made through annual reports, SGXNet announcements and its corporate website.

The Group currently does not have an investor relations policy but considers advices from the board, its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. Notwithstanding the above, any declaration of dividends is clearly communicated to the shareholders via SGXNet.

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company has its materiality assessment process to identify its key stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. The Company engages its key stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its key stakeholders. For more information on the Company's identification and engagement with its key stakeholders and the Company's strategy and key areas of focus in relation to the management of stakeholder relationships in FY2025, please refer to the Company's Sustainability Report which will be published along with this Annual Report.

The Company maintains a corporate website to communicate and engage with its key stakeholders.

DEALINGS IN SECURITIES

The Company has adopted the best practices on dealings in securities set out in Rule 1207(19) of the Listing Manual and made known the best practices to Directors and officers. The Company had pursuant to the share buyback mandate given by the shareholders at the Annual General Meeting on 29 October 2024, made a purchase of 2,700 shares of the Company at S$0.52 by way of market purchase on 25 July 2025. The total number of shares acquired by the Company was not material, thus has no material impact on Company's share price before and after the purchase. The Company has reviewed and updated its policies on dealings in securities that Directors and officers are not allowed to deal in the Company's shares one (1) month before the announcement of the Company's half-year and full-year results, or when they are in possession of unpublished price sensitive information on the Group.

The Group has reminded its Directors and officers that it is an offence under the Securities and Futures Act 2001 for a listed issuer or its key executives to deal in the listed issuer's securities as well as securities of other listed issuers when the officers are in possession of unpublished material price-sensitive information in relation to those securities. Directors and executives are expected and reminded to observe insider-trading laws at all times even when dealing in securities within permitted trading periods. The Group has further reminded its Directors and officers not to deal in the Company's securities on short-term considerations.

AUDITOR AND AUDIT FEES

The amount of audit fees charged by Foo Kon Tan LLP in FY2025 was S$381,300. The Group confirms that it has complied with Rules 712, 715 and 716 of the Listing Manual in relation to its auditing firms.

NON-AUDIT FEES

Non-audit fees of S$57,300 was paid to the Group's Auditor, Foo Kon Tan LLP for FY2025. The Audit Committee, having reviewed such non-audit services, is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

MATERIAL CONTRACTS

Save for the following interested person transactions, there are no material contracts entered into by the Company and its subsidiaries during the FY2025 or still subsisting as at 30 June 2025 which involved the interests of the Chief Executive Officer, any of the Directors or controlling shareholders of the Company.

INTERESTED PERSON TRANSACTIONS

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S$100,000)
Concessionaire income received from a related party: Fujian Hancai Garments Co., Ltd.	RMB814,658	–
Management fees received from a related party: Quanzhou Zhongmin Baihui Shopping Co., Ltd.	RMB4,924,528	–

When a potential conflict of interest arises, the Director concerned does not participate in discussion and refrains from exercising any influence over other members of the Board.

The Company has established internal control policies to ensure that interested person transactions are properly reviewed and approved and are conducted on an arm's length basis.

The Group has not obtained a general mandate from shareholders for interested person transactions.

ZHONGMIN BAIHUI RETAIL GROUP LTD.

SUSTAINABILITY REPORT 2025

Table of Contents

Sustainability Report

可持续发展报告

1. Message to stakeholders

On behalf of the Board of Directors (the "**Board**") of Zhongmin Baihui Retail Group Ltd. ("**ZMBH**" or the "**Company**", together with its subsidiaries, the "**Group**"), we are pleased to present to you the Sustainability Report (the "**Report**") for the financial year ended 30 June 2025 ("**FY2025**").

Sustainability remains a core pillar of the Group's long-term strategy as we strive to create lasting value for all stakeholders. With a nationwide presence across numerous department stores and supermarkets, we are uniquely positioned to shape sustainable urban lifestyles and foster resilient communities.

In response to the ever-changing business landscape, we undertook a comprehensive reassessment of our environmental, social, and governance ("**ESG**") factors. This evaluation considered a range of critical issues, including supply chain disruptions, geopolitical uncertainties, natural disaster risks, and the evolving regulatory landscape. We identified four material ESG pillars that underpin our strategy: **Economic Contribution, Product Quality and Customer Satisfaction, Green Operations, and Employee Development and Welfare**. These themes serve as the foundation of our commitment to sustainable value creation across our operations.

In FY2025, we made meaningful progress by advancing our environmental initiatives, including reducing energy and water consumption and improving waste management practices. We continue to integrate sustainability into every facet of our operations.

In recognition of the significant challenges posed by climate change, we continue to assess its impact on our operations in this year's report. Consistent with the previous year, we present our climate report aligned with the Task Force for Climate-related Financial Disclosures ("**TCFD**") Recommendations. This framework has guided us in integrating climate-related risks and opportunities into our business strategy, objectives, and performance metrics.

This Report provides a concise summary of the Group's ESG performance for the period from 1 July 2024 to 30 June 2025. It reflects our ongoing commitment to building greener, smarter, and more people-focused retail environments, places where communities flourish and sustainable living is made accessible to all.

On behalf of the Board of Directors,

Mr Chen Kaitong
Chief Executive Officer

9 October 2025

2. Corporate Profile

The Group has over 20 years of experience in the retail industry in China. In Fujian, the Group operates integrated department stores and supermarkets under the brand "中闽百汇". Outside of Fujian, the Group manages large outlet malls in Hunan and Jiangsu provinces. ZMBH was incorporated in Singapore on 17 September 2004, listed on the Catalist Board of the Singapore Exchange ("**SGX**") on 20 January 2011, and subsequently transferred to the SGX Mainboard on 3 September 2013 under the stock code 5SR.

As of 30 June 2025, the Group has 12 self-owned stores in Fujian Province, with an aggregate gross floor area ("**GFA**") of over 100,000 m^2 and 3 managed stores. Many large integrated stores feature department stores, modern supermarkets, food and beverage outlets, and other commercial services.

The Group manages two outlet malls with a total GFA of over 600,000 m^2 through an associated company and a joint venture company - Changsha Sasseur (ZMBH) Outlets in Changsha and Yueshang Outlets in Wuxi. A large 52,000 m^2 mall called Intime (悦尚时光里) in Lvliang City, Shanxi Province, is expected to be operational in the first half of 2026.

Our mission is to provide an exceptional shopping experience. We offer a curated selection of quality products and services, consistently delivering great value and satisfaction to our customers. Our core principles of **Unity, Dedication, Faithfulness, and Service** guide every decision we make for our stakeholders.

Through our strong commitment to the Group's mission, the Group was named one of the top 10 brand enterprises in Quanzhou in 2015 and the trendiest business enterprise in Xiamen in 2017 as a testament to the high quality of service and customer satisfaction that the Group provides.

3. About the report

Reporting Scope

This report covers the material sustainability aspects relevant to the Group, with a focus on non-financial performance and the corresponding management approaches. It covers the reporting period from 1 July 2024 to 30 June 2025. The scope includes business activities carried out in operating store areas directly managed by the Group, and excludes leased areas, unless otherwise stated. It encompasses operations of the Group's wholly owned subsidiaries, (i) Xiamen Shi Zhongmin Baihui Commercial Co., Ltd., (ii) Xiamen Haicang Zhongmin Baihui Supermarket Co., Ltd., (iii) Zhangzhou Zhongmin Baihui Supermarket Co., Ltd., (iv) Zhangzhou Zhongmin Baihui Business Service Co., Ltd., and (v) Zhongmin Baihui (China) Retail Group Co., Ltd. For further details on the organisational reporting boundaries, please refer to **Appendix A**.

This report discloses partial data for Zhangzhou Jinfeng Store (ceased operations on 21 August 2024 under Xiamen Shi Zhongmin Baihui Commercial Co., Ltd.), as well as Zhangzhou Port Stores Supermarket and Zhangzhou Port Stores Business Service (ceased operations on 28 January 2025 under Zhangzhou Zhongmin Baihui Supermarket Co., Ltd.), due to their closures. Further details are provided in **Appendix D**.

Reporting Framework

This report is prepared in compliance with the SGX-ST Mainboard Listing Rules 711A and 711B ("**Mainboard Rules**"), guided by the SGX-ST Practice Note 7.6 Sustainability Reporting Guide (the "**SR Guide**").

The report is developed with reference to the Global Reporting Initiative ("**GRI**") Standards, a globally recognised framework for sustainability reporting, following the GRI Principles for defining report content and ensuring report quality, taking into account the Group's activities, their impacts, and the key concerns of our stakeholders. **Appendix B** lists the references to the GRI content index.

This report includes climate-related disclosures aligned with the TCFD recommendations, which will give our stakeholders an overview of the potential financial effects of climate change on the Group's business model, including assets, revenue, operations, capital, and financing. It evaluates how climate-related risks, such as physical and transition risks, may impact the Group and outlines strategies and actions for managing and mitigating these impacts, as well as potential opportunities. Please refer to **Section 7, Green Operations** for the TCFD Report.

Independent Verification

We have engaged third-party internal auditors to perform an internal review of our sustainability reporting process. We have not sought external assurance on this report, but will consider doing so as our reporting process matures over time.

Sustainability Contact

The electronic version of this report can be accessed on the Company's website under the "Investor Relations" section. We welcome your views and feedback on our sustainability practices and reporting at enquiry@zhongminbaihui.com.sg

Restatements

In FY2025, as part of our ongoing review and commitment to continuous improvement, we evaluated our internal processes for collecting ESG metrics to enhance data integrity.

We refined our intensity calculation methodology by applying the weighted average GFA of all stores operated by the Group over the financial year, rather than using the total GFA at the beginning of the year. This approach provides a more representative measure by accounting for new store openings and store closures during the year, resulting in a more accurate reflection of the Group's operational footprint. Consequently, the Company has revised the electricity, water, energy, and GHG intensity figures in this Sustainability Report to reflect these improvements and ensure consistency for comparative purposes.

In addition, our internal data quality review identified a measurement error of water consumption volume in FY2024. The affected figures have been revised and restated accordingly.

Details of the restatements are presented in the table below.

Performance indicators	Unit	FY2024		Remark
		Before Restatement	After Restatement	
Electricity consumption intensity	kWh/m²	234.00	243.82	Intensity calculation methodology refined to apply the weighted average GFA of all stores operated by the Group throughout the financial year.
Water consumption	m³	252,986.00	274,616.00	A measurement conversion error during the data collection process led to an understatement of water consumption at Quanzhou Xinhua Store. The figures for FY2024 have since been reviewed, revised and restated accordingly.
Water consumption intensity	m³/m²	1.61	1.81	Intensity calculation methodology refined to apply the weighted average GFA of all stores operated by the Group throughout the financial year.
Energy consumption intensity	GJ/m²	0.85	0.88	Intensity calculation methodology refined to apply the weighted average GFA of all stores operated by the Group throughout the financial year.
GHG emissions intensity	$kgCO_2e/m^2$	189.00	196.35	Intensity calculation methodology refined to apply the weighted average GFA of all stores operated by the Group throughout the financial year.

4. Our approach to sustainability

Sustainability Organisational Structure

The Group has developed a sustainability organisational structure to guide the implementation of our ESG initiatives. This framework supports the integration of sustainability into our business operations and ensures coordinated efforts across departments. It reflects our commitment to accountable and effective sustainability management.

Board of Directors

The Board of Directors formulates related sustainability strategies and guidelines and monitors the sustainability progress of the Group.

Sustainability Committee

Our CEO, Mr Chen Kaitong, chairs the Sustainability Committee ("**SC**") and is supported by a dedicated team consisting of

- Mr Hong Yuekui (Deputy Chief Executive Officer)
- Mr Andrew Lim Kok-Kin (Director, Investor Relations), and
- Ms Serine Yeo Ngen Huay (Chief Financial Officer).

The CEO reports on the Group's sustainability progress, issues and stakeholder feedback to the Board.

Sustainability Working Group

The Sustainability Working Group supports the Sustainability Committee to implement strategies, monitor and measure performance, and helps organise and coordinate all departments and subsidiaries' Corporate Social Responsibility ("**CSR**") work.

It includes representatives from Human Resources, Marketing, Quality Control, Store Management and the respective heads of operating subsidiaries.

All Staff

Related personnel from various departments are responsible for the organisation and implementation of CSR works.

Sustainability Strategy

Our sustainability strategy is focused on creating integrated values. Through disciplined execution and a strong commitment to responsible business practices, we strive to deliver meaningful outcomes for all our stakeholders in the following ways:

The sustainable strategy is underpinned by the following policies:

- **Goods Acceptance Management (**收货管理) and **Goods Inspection Management (**货物检验管理**)**, which cover aspects of the assessment and evaluation of suppliers, inspection of incoming goods received, in-store testing on the food quality and safety, and handling of goods in the stores.
- **Customers' Feedback and Complaint Management (**客户反馈及投诉管理**)**, which covers aspects of the handling of customers' feedback and complaints, including receiving, recording, monitoring, and resolving the customers' feedback and complaints.
- **Human Resources Management (**人事管理**)**, which covers aspects of the employee handbook, department-specific performance evaluations, rewards, and penalties.

The strategy is also guided by external sources, including the GRI Standards and SR Guide in Practice Note 7.6 of the SGX Listing Rules.

Stakeholder Engagement

We believe that stakeholder engagement is the key to a sustainable business. Furthermore, open and transparent communication with the stakeholders allows us to help stakeholders understand the Group's business strategies and respond quickly and effectively to their concerns.

The aspect boundaries 'within' the organisation are limited to ZMBH and our subsidiaries, whereas the aspect boundaries 'outside' the organisation include employees, customers, suppliers, shareholders, investors and regulatory authorities.

The table outlines the Group's key stakeholders and their key concerns:

Stakeholders	How we listen	Why do we do it	What they've told us
Employees	• Performance appraisal • Employee training and development • Feedback to supervisor	• Improve employee's well-being by managing health and safety • Improve employee capabilities through internal and external training	• Employee safety and health issues • Training and development opportunities • Remunerations and welfare policies • Fair and competitive employment practices
Customers	• Quality management system • Customer feedback channels	• Ensure customer satisfaction is upheld • Ensure service standard	• Optimising customer service • Ensuring product quality and safety issues • Timely response to customer complaints • Data privacy and confidentiality
Suppliers	• Day-to-day communication • Periodic evaluations of suppliers' performance	• Ensure products supplied are of acceptable quality • The safety of products is upheld	• Ability to meet the Company's product quality standards and safety standards • Fair and robust procurement system • Prompt payment cycles
Shareholders and investors	• SGX Announcements • Shareholder meetings • Annual reports • Company's website • Regular updates and communication	• Committed to delivering economic value to our capital providers through strong financial performance and our methods of engagement with them	• Long-term profitability • Sustainability matters • Group's performance against targets • Compliance with all relevant requirements • Business continuity • Timely and transparent reporting
Regulatory authorities	• Timely and transparent reporting • Correspondence through emails and letters	• Adhere to environmental regulations • Active participation in events to increase visibility and transparency	• Compliance with relevant laws and regulations • Safe working environment • Environmentally sustainable business practices

Sustainability Materiality

We remain committed to transparency and accountability in our sustainability efforts. Central to this is our Materiality Assessment Process, which provides a structured approach to identifying, prioritising, validating, and reviewing the most relevant sustainability issues. This ensures our initiatives are aligned with stakeholders' expectations and our strategic business goals. The Group will reassess its material ESG topics as and when necessary, based on evolving business priorities and stakeholders' expectations.

We have taken the following steps to identify and present the relevant material topics in this Report:

IDENTIFICATION

- Our process involves a comprehensive analysis of various data sources, including but not limited to financial performance, environmental impacts, and social initiatives. These data sources are integrated with the insights gained from stakeholder engagement sessions. This combined effort allows us to identify material issues that both affect our business and are influenced by our business activities.

PRIORITISATION

- To systematically prioritise material issues, we utilise a structured approach. Each issue is assigned specific weights based on its significance to our stakeholders and its potential impact on our business operations. This systematic evaluation leads to the creation of a Materiality Matrix, providing a visual representation of the relative importance of each issue.

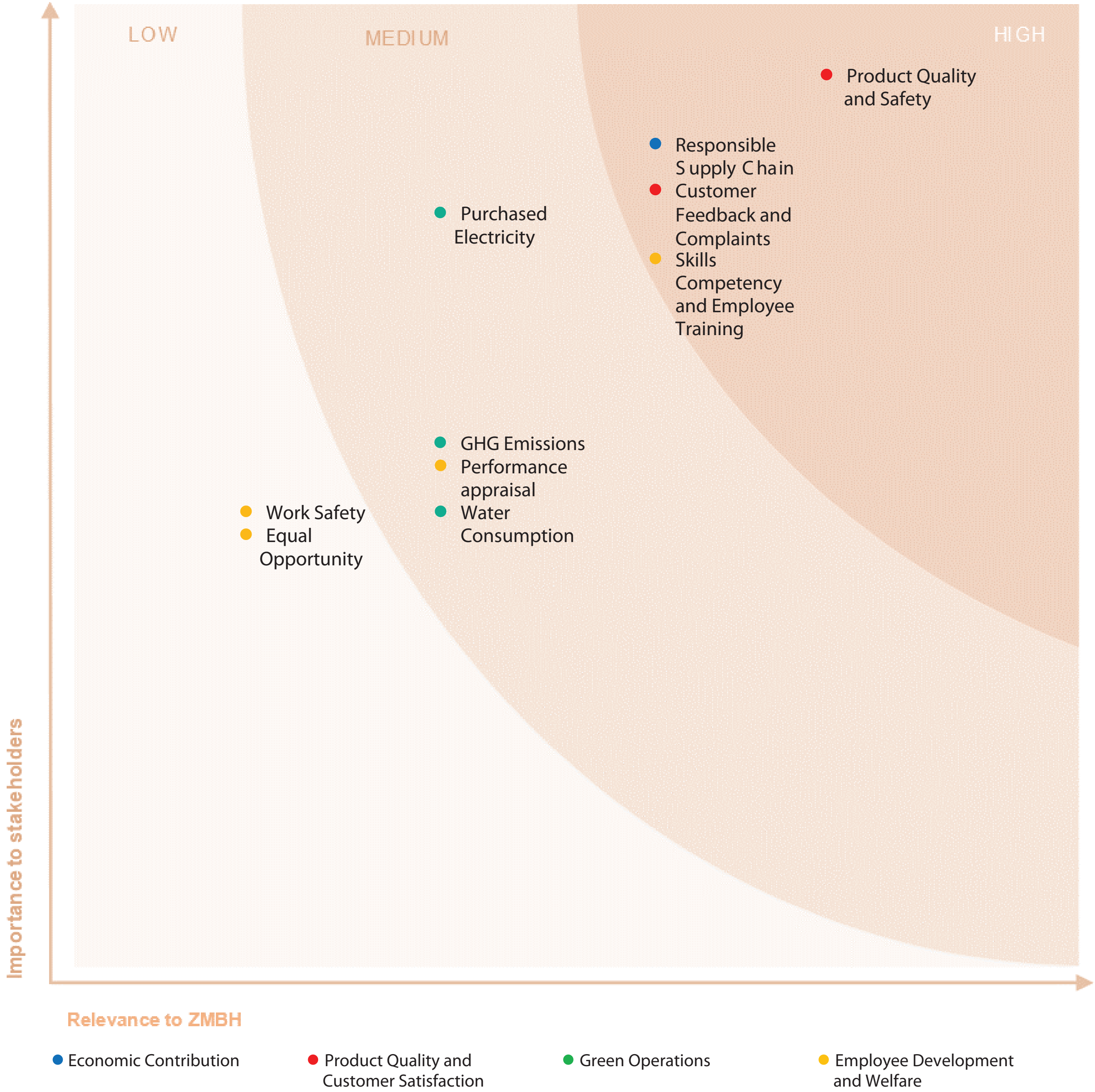
VALIDATION

- Our materiality assessment is conducted in alignment with globally recognised sustainability reporting standards, such as GRI standards. This rigorous alignment ensures that our reporting adheres to the highest industry standards, guaranteeing transparency and reliability in our sustainability disclosures.

REVIEW

- Our commitment to staying current and responsive involves biannual reviews of our materiality assessment. These reviews are essential for accommodating changing stakeholder expectations, adapting to evolving business conditions, and addressing emerging sustainability challenges.

Our sustainability materiality matrix outlines key topics that align with our core business and operational risks. These material topics form the foundation of our sustainability strategy and guide our approach to sustainability reporting, as illustrated in the diagram on the following page.


LOW
MEDIUM
HIGH
Product Quality and Safety
Responsible Supply Chain
Customer Feedback and Complaints
Skills Competency and Employee Training
Purchased Electricity
GHG Emissions
Performance appraisal
Water Consumption
Work Safety
Equal Opportunity
Importance to stakeholders
Relevance to ZMBH
Economic Contribution
Product Quality and Customer Satisfaction
Green Operations
Employee Development and Welfare

Performance Monitoring

Our sustainability strategy is embedded across our business operations, with dedicated teams managing each focus area under the coordination of departmental managers. We track progress through two key methods: performance measurement against defined metrics and evaluation of the advancement of our programs through a series of defined commitments.

For each material topic, we have established clear metrics and targets, which are reviewed annually in collaboration with the Board. This structured assessment, conducted at least annually, reflects our commitment to transparency and accountability. Progress toward each key target is represented using the symbols shown in the table below.

Ⓝ	**New commitment**	◯	**Not started**	◐	**In progress**	◉	**Complete**	⟳	**Ongoing commitment**	⟲	**Target revised**

To track our progress toward targets, please refer to **Section 6 Product Quality and Customer Satisfaction, Section 7 Green Operations, and Section 8 Employee Development and Welfare**.

For comprehensive details on our metrics, please refer to **Appendix C**.

For the methodologies for the measurement of our metrics, please refer to **Appendix D**.

United Nations Development Goals ("UN SDGs")

ZMBH's support for UN SDGs underscores our commitment to addressing global challenges. By aligning with these goals, we actively contribute to sustainable development efforts.

Goals	How we support	Reference material topics
3 GOOD HEALTH AND WELL-BEING	**Ensure the well-being of employees and customers** The Group places utmost importance on producing safe and high-quality products for our customers. By ensuring product safety and reliability, we actively prevent potential health risks and foster consumer trust in our offerings. The Group upholds comprehensive workplace safety guidelines to foster a strong culture of safety and accountability. Employees are encouraged and empowered to report potential hazards, enabling timely corrective and preventive actions. We strive to create an open and safe environment where everyone plays a part in maintaining workplace safety.	• Product Quality and Customer Satisfaction • Employee Development and Welfare
5 GENDER EQUALITY	**Promote equal opportunities and empowerment for women within the Group and the broader community** We are committed to ensuring a workplace that fosters gender equality and diversity. We promote the participation and leadership of women in various roles, including managerial and executive positions.	• Employee Development and Welfare
8 DECENT WORK AND ECONOMIC GROWTH	**Support local economic growth through store expansion** Our store expansion plays a crucial role in supporting the local economy by creating numerous job opportunities in the communities where the Group operates. These new employment opportunities not only contribute to reducing unemployment rates but also support the growth of local businesses and economies.	• Economic Contribution
13 CLIMATE ACTION	**Take action to combat climate change and its impacts** As part of our commitment to sustainability, the Group has implemented comprehensive initiatives to minimise our environmental footprint and mitigate climate change impacts. We are integrating climate resilience into our strategy formulation and decision-making.	• Green Operations
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Minimise disruptions, adapt to change, and deliver quality** Through continuous supplier engagement, the Group strengthens supply chain resilience, minimises the risk of disruptions, and adapts swiftly to evolving market conditions. These efforts not only ensure consistent delivery of high-quality products to our customers but also promote responsible production practices and efficient resource use.	• Economic Contribution

5. Economic Contribution

Economic sustainability is fundamental to the Group's long-term success and value creation. We remain committed to expanding our business and enhancing our brand by consistently delivering an exceptional shopping experience. This is achieved by offering a wide selection of high-quality merchandise and lifestyle products that cater to the needs and preferences of middle-income consumers, providing customer-oriented services tailored to our target market, and upholding a steadfast commitment to excellence across all areas of operation.

Key Performance

951,261 thousand RMB

Total revenue in FY2025

117,972 m^2 GFA

Total GFA for stores in operations as of 30 June 2025

Zero

Confirmed cases of corruption

Expansion of the Network of Stores

As of 30 June 2025, the Group has 12 self-owned stores and 3 managed stores in Fujian Province, with an aggregate GFA of about 100,000 m^2. Many of the larger stores offer food and beverage options and other essential services. Many large integrated stores feature department stores, modern supermarkets, food and beverage outlets, and other commercial services.

We will manage a new mall called Intime (悦尚时光里) in Lishi District, Lvliang City, Shanxi Province, which is expected to open in the first half of 2026 and will cover about 52,000 square metres across six floors above ground and two basement levels. It will offer space for shopping, dining, and leisure. This will be the Group's third mall outside Fujian Province.

We remain focused on strategically expanding our store network to deliver a richer, more distinctive shopping experience for an increasingly diverse customer base.

Sustainability Report

可持续发展报告

Responsible Supply Chain

Effective supply chain management is crucial to our success in the retail industry. To establish a strong and dependable supply chain, we implement rigorous supplier selection procedures. Each potential supplier undergoes a thorough assessment of their background, product quality, pricing, service standards, and delivery performance before any engagement. This ensures we partner with suppliers who align with our quality expectations, supporting a reliable supply chain that underpins our business objectives.

Recognising the importance of local suppliers, we actively support the local economy while working to reduce carbon emissions from transportation. By prioritising locally sourced products, we aim to strengthen the resilience of regional businesses and promote meaningful community engagement. This approach not only helps lower transport costs and environmental impact but also aligns with our broader sustainability goals. It reflects our ongoing commitment to responsible business practices and long-term sustainable growth.

In addition, the Group understands the need to diversify its supply chain. By working with a wide range of suppliers, we reduce the risk of supply problems and are better prepared for changes in the market or unexpected challenges. This strategy helps us continue providing high-quality products to our customers without interruption.

Anti-Corruption and Whistleblowing

We maintain a strict zero-tolerance stance on corruption, supported by clear anti-corruption policies and whistleblowing procedures. These measures reflect our strong commitment to ethical conduct, legal compliance, and the protection of individuals who report whistleblowing. They are central to our efforts to promote transparency, accountability, and a workplace free from corruption. While we encourage whistleblowers to come forward openly, we place the highest importance on keeping their identities confidential. The Audit Committee, working with external experts, is responsible for developing appropriate responses and carrying out thorough investigations based on the information provided

In FY2025, the Group recorded zero confirmed cases of corruption, and we aim to maintain this performance in the future.

6. Product Quality and Customer Satisfaction

The Group is committed to delivering an exceptional shopping experience for its customers. We have strict quality control measures across all areas of our operations. Every product is thoroughly and regularly inspected to ensure it meets our high standards and exceeds customer expectations. We also place great importance on customer feedback, actively collecting and using their insights to improve our services and product range. By listening to our customers, we continue to refine the shopping experience, making it smooth, enjoyable, and tailored to their individual needs and preferences.

Key Performance

99.99% Product Quality Inspection Passing Rate	**100%** Farm Chemical Inspection Passing Rate	**99.64%** Customer Satisfaction Rate
99.87% Product Net Weight Inspection Passing Rate	**100%** Chloramphenicol Inspection Passing Rate	**7.66%** Increase in Customer Complaints compared to FY2024

Product Quality and Safety

Product quality is a top priority of the Group. We have established a comprehensive Goods Acceptance and Goods Inspection Management System to ensure that all products meet our standards and customer expectations. Store teams perform careful checks during the goods acceptance process, and 100% items from approved suppliers are inspected. In FY2025, the pass rate for product quality inspections reached 99.99%, and the pass rate for net weight inspections achieved 99.87%. The net weight inspection passing rate of FY2025 slightly increased by 0.02% compared to FY2024, which reflects the consistency of our quality control efforts and remains above our target.

To maintain the quality of perishable goods such as fruits, vegetables, meats, eggs, and seafood, we conduct daily checks on freshness and shelf life. These include specific tests for pesticide residues in produce and chloramphenicol in seafood, ensuring the highest level of food safety for our customers. In FY2025, the passing rates for farm chemical inspections (fruits and vegetables) and chloramphenicol inspections (aquatic products) remained at 100%, consistent with FY2024, demonstrating our adherence to strict safety protocols. Products that fail to meet our inspection criteria or receive frequent customer complaints are subject to strict review and may be removed from our shelves. This demonstrates our firm commitment to delivering high-quality products and ensuring customer satisfaction.

Looking ahead, we remain committed to prioritising product quality, safeguarding customer health, and ensuring full compliance with applicable laws. These efforts will continue to strengthen our reputation as a trusted and responsible retailer.

Customer Feedback and Complaints

Providing an excellent shopping experience remains central to the Group's commitment to quality. To support this goal, we have introduced clear policies for managing customer feedback and complaints. These policies guide how we handle customer input and ensure that concerns are addressed properly and efficiently.

We take every piece of feedback and complaint seriously and expect our staff to follow the same high standards. Resolving customer issues quickly at the store level is a key part of our daily operations. Whether the concern relates to products, services, or return policies, our dedicated team works to resolve matters promptly. This proactive approach helps us maintain strong levels of customer satisfaction, which is a core value of our organisation.

We carry out quarterly satisfaction surveys to better understand customer experiences. The results are carefully analysed to identify areas for improvement. We also hold discussions across departments to address any issues found, helping us to continuously improve our services.

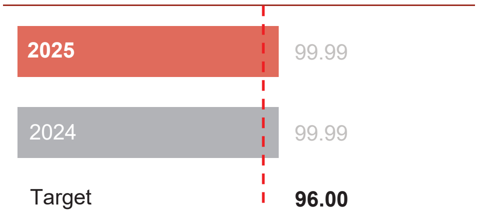
In FY2025, we received 95,745 survey responses, of which 95,399 were positive, resulting in a customer satisfaction rate of 99.64%, a slight improvement over the satisfaction rate of 99.48% recorded in FY2024. The Group has reviewed the feedback and implemented operational changes to better align with customer expectations. Notably, the number of customer complaints was 267 cases in FY2025; common areas of concern included duplicate scanning of items at the checkouts, incorrect barcode inputs when weighing products. Whilst the number of customer complaints in FY2025 increased by 7.66% as compared to 248 cases in FY2024, it remained within our target of keeping complaints below 500 cases. We recognise the impact of these issues on the customer experience and have taken steps to address them through staff training, system checks, and improved service protocols.

As we continue to grow, we remain deeply committed to delivering excellent service, actively listening to our customers, and ensuring their satisfaction through thoughtful and responsible practices.

Commitments

Maintain product quality and safety

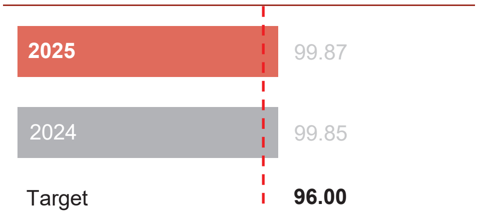
Product Quality Inspection Passing Rate (%)



FY2025 progress

- We achieved our target by maintaining the product quality inspection passing rate at 99.99%, exceeding the target of 96.00%.
- In FY2026, we target to achieve ≥ 96.00**%** for this indicator.

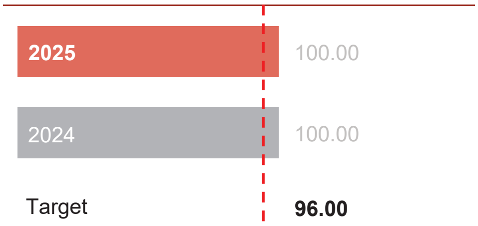
Product Net Weight Inspection Passing Rate (%)



FY2025 progress

- We achieved the target of maintaining the product net weight inspection passing rate at 99.87%, exceeding the target of 96.00%.
- In FY2026, we target to achieve ≥ 96.00% for this indicator.

Farm Chemical inspection passing rate (%)

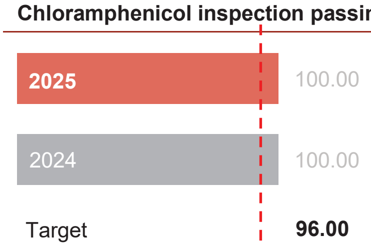


FY2025 progress

- We achieved the target by maintaining the farm chemical inspection passing rate at 100%, exceeding the target of 96.00%.
- In FY2026, we target to achieve ≥ 96.00**%** for this indicator.

Maintain product quality and safety

Chloramphenicol inspection passing rate

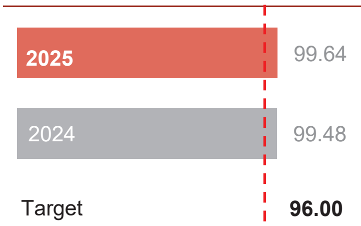


FY2025 progress

- We achieved the target by maintaining the farm chemical inspection passing rate at 100%, exceeding the target of 96.00%.
- In FY2026, we target to achieve ≥ 96.00% for this indicator.

Maintain a high level of customer satisfaction, and monitor the number of customer complaints

Customer satisfaction rate (%)



FY2025 progress

- 99.64% of our customers feel satisfied, a 0.16% increase compared to FY2024, exceeding the target of 96.00%.
- In FY2026, we target to achieve ≥ 96.00% for this indicator.

Number of customer complaints

FY2025 progress

- We reached the target by keeping the number of customer complaints at 267, well below the goal of 500 customer complaints.
- In FY2026, we target to limit the customer complaints to ≤ 500.

7. Green Operations

The Group strongly recognises that environmental conservation is fundamental to long-term sustainability. We are committed to reducing the environmental impact of our operations and promoting sustainable practices across our store network. In support of this commitment, we have implemented a range of initiatives aimed at meaningfully lowering our ecological footprint.

Key Performance

27,542 tCO_2e
Carbon emissions

221.75 $kgCO_2e/m^2$ GFA
0.03 $kgCO_2e$/'000 RMB
Carbon emissions intensity

35,521 MWh
Total Electricity consumption

286.00 kWh/m^2 GFA
37.34 kWh/'000 RMB
Electricity consumption intensity

263,071 m^3
Water consumption

2.12 m^3/m^2 GFA
0.28 m^3/'000 RMB
Water consumption intensity

Zero
Regulatory and compliance incidents relevant to environmental protection

1,145 tons
Total recycled waste

128,656 GJ
Energy consumption

1.04 GJ/m^2 GFA
0.14 GJ/'000 RMB
Energy consumption intensity

Climate Change Resilience

Acknowledging the urgency of climate change, we are steadfastly committed to working with our stakeholders to minimise its effects on the environment and society. Our dedication includes actively managing the risks that climate change poses to our business operations while upholding our commitment to environmentally responsible practices. The TCFD report serves as a concrete expression of our determination to address climate change. The Group's second TCFD report this year details the Group's climate-related risks, opportunities, and management strategies to address the evolving challenges of climate change.

TCFD Report

Climate-related risks and opportunities inevitably impact the financial performance of the Group's operations. Beyond understanding the environmental and societal impacts of the Group's activities, we must also assess how climate change influences our operations, assets, and key stakeholders, including employees, customers, and shareholders.

The Group has begun our climate reporting journey and is committed to enhancing climate-related disclosures through a phased approach. In line with the TCFD Recommendations, the Group has assessed the implications of climate risks and opportunities and identified mitigation strategies to safeguard our operations.

The four core pillars of the TCFD framework provide a clear structure for identifying, disclosing, and managing these risks and opportunities. The table below outlines the Group's key considerations under each element of the framework.

Status: • **Implemented** • **Commenced, in progress** • **Not commenced**

TCFD Thematic Areas	FY2025 Status	Summary and Next Steps
Governance		
a) Describe the board's oversight of climate-related risks and opportunities.	•	The Board has oversight of the Group's sustainability approach and the integration of sustainability-related matters, including climate-related issues, in the formulation of the Group's strategy. The Board monitors and oversees progress on sustainability and climate-related risks and opportunities that meet shareholders' expectations, and reviews significant issues raised. Moving forward, the Board will be updated on the progress of the Group's mitigation and strategy against the identified climate risks and opportunities whenever necessary.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	•	Our specialised SC fosters a sustainability-oriented culture within ZMBH and manages sustainability efforts on behalf of the Board. The SC identifies climate-related risks and opportunities, supports the Board to implement the identified climate-related strategies from the ground up, together with the support of the Sustainability Working Group. The Sustainability Working Group includes representatives from Human Resources, Marketing, Quality Control, Store Management, and the respective heads of operating subsidiaries. They implement various sustainability initiatives across the Group's operations, regularly review the progress within their operational sites to ensure that the strategies continue to be appropriate and are implemented accordingly.
Strategy		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	•	Since FY2024, we have undertaken a comprehensive reassessment of climate-related risks in collaboration with the Sustainability Working Group across our different business units. This assessment includes a rigorous evaluation that examines both the probability and potential impact of climate risks and opportunities on our operations. These risks and opportunities are classified into three specific time frames: Short-term (⩽ 5 years), Medium-term (5 to 10 years), and Long-term (> 10 years). Please refer to the **Climate-related Risks and Opportunities** section for more information.
b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.	•	

TCFD Thematic Areas	FY2025 Status	Summary and Next Steps
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	● (red)	The Group currently does not employ scenario analysis in identifying climate risks and opportunities. However, there are plans to integrate scenario analysis into our assessment of climate risks and opportunities in the future.
Risk Management		
a) Describe the organisation's processes for identifying and assessing climate-related risks.	● (green)	To effectively evaluate climate risks and opportunities, we have implemented a comprehensive enterprise risk management framework. This framework ensures that we identify, assess, and systematically manage climate-related risks. Risks are evaluated based on their likelihood and potential impact. The impact of risks is categorised into 5 tiers: Insignificant, Minor, Moderate, Major, and Very Significant. This categorisation helps us prioritise risks and allocate resources efficiently. The likelihood is assessed from Very Low, Low, Medium, High, and Very High, guiding our strategies to strengthen existing internal controls or implement new measures to mitigate and transfer risks. We also establish monitoring mechanisms to evaluate the effectiveness of these strategies.
b) Describe the organisation's processes for managing climate-related risks	● (green)	The CEO and management assist and engage with the Board in managing and reporting the strategies for the climate-related risks identified.
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	● (green)	Recognising the interconnected nature of climate-related risks with other business risks, we integrate climate considerations into our broader risk management strategy. Our approach applies consistently to both general business risks and climate-related risks, ensuring thorough identification, assessment, and continuous monitoring aligned with our enterprise risk management framework.
Metrics and Targets		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	● (green)	For the Group's energy consumption and emissions performance, please refer to the **Energy Consumption** and **Greenhouse Gas Emissions (GHG)** sections for more information.
b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions, and the related risks.	● (yellow)	We currently disclose our Scope 1 and Scope 2 GHG emissions associated with our operations. Measuring and reporting our Scope 3 emissions remains under consideration for future reports. Please refer to the **Greenhouse Gas Emissions (GHG)** section for more information.
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	● (yellow)	Please refer to the **Greenhouse Gas Emissions (GHG)** section for more information.

Climate-related Risks and Opportunities

In line with the Group's commitment to align with the recommendations, climate-related risks are identified and assessed across two key categories:

- **Transition risks**: include changes to policy and legal obligations, technological innovation, changing market demand for products, and changing stakeholder expectations.

- **Physical risks**: risks relating to the physical impacts of climate change (both acute and chronic).

  - Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods.

  - Chronic physical risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves.

The following table summarises the Group's assessment of the most material climate-related risks affecting its operations.

Policy and Regulatory Changes

Transitional Risk

Category	Risk Rating	Timeline
Policy and Legal	**Low**	**Medium-term**
Description of Risks	**Impact**	**Our Strategy**
The growing concern over climate change is garnering increased attention from governments and international organisations. This heightened focus has resulted in frequent changes to policies and regulations related to climate issues. These changes present risks to companies, impacting their business models, financial stability, and reputations.	**Direct impacts:** • Stricter environmental policies and regulations could increase supermarket costs and alter business models. • Enhanced environmental disclosures, reduced greenhouse gas emissions, and adoption of eco-friendly practices may be required. • New regulations might restrict Group operations and affect the production and sales of certain products, potentially reducing revenue. • Stricter food safety regulations could necessitate higher standards in procurement, storage, sales, traceability, and quality testing. • Governments may introduce eco-friendly incentives and taxes on polluting activities, impacting financial strategies and operations. **Indirect impact:** • Regulatory shifts may influence consumer preferences and necessitate supply chain modifications, increasing operational costs. • Stricter regulations could require more rigorous environmental assessments and supplier audits, elevating management costs and operational risks.	The Sustainability Working Group actively monitors and analyses regulatory developments to ensure compliance and promote sustainable development. To minimise its carbon footprint, the Group uses products with fewer high-carbon components and relies on external partners for transportation, avoiding impacts from new energy vehicle regulations. The Group enforces rigorous quality testing for agricultural and seafood products, regularly checking packaging, compliance with content standards, and testing for pesticide residues and harmful substances. The stores maintain low levels of environmental pollution, adhering to current standards and staying unaffected by regulatory changes.

Transitional Risk

Increasing energy prices

Category	Risk Rating	Timeline
Financial	**Medium**	**Short-term**
Description of Risks	**Impact**	**Our Strategy**
Climate change and its accompanying policies could result in changes in energy prices, affecting both the operational costs and sustainability efforts of supermarkets. This impact is particularly significant in terms of energy consumption and transportation costs throughout the supply chain.	**Direct impact:** • Escalating energy prices will increase operational costs for supermarkets, including electricity, natural gas, and fuel, reducing profitability. • Higher energy prices may raise production and transportation costs across the supply chain, leading to increased product prices and affecting sales and customer buying patterns. **Indirect impact:** • Rising energy costs may reduce operational efficiency and competitiveness for businesses. • Competitors with better cost management could gain an advantage. • Fluctuating energy prices may destabilise supply chain segments, affecting supplier viability and transport logistics, and potentially disrupting operations and product availability.	Electricity consumption in the company's stores mainly goes to lighting, air conditioning, and refrigeration, contributing to operational costs. To optimise energy efficiency and reduce expenses, the Group will prioritise energy-saving features in new store projects. Product transportation relies on external partners rather than the Group's fleet vehicles, which still subjects the Group to potential impacts from rising fuel prices through increased transportation costs from these partners. To mitigate this, the company actively diversifies its transportation partners, prioritising those that utilise electric vehicles (EVs) in the future.

The effect of climate change - rising temperatures, shifting precipitation

Transitional Risk

Category	Risk Rating	Timeline
Operational	**Low**	**Medium-term**
Description of Risks	**Impact**	**Our Strategy**
Climate change has the potential to cause enduring trends such as rising temperatures and shifting precipitation patterns, which could adversely affect supermarket supply chains, inventory management, and sales. For instance, these changes may lead to shifts in harvest seasons and fluctuations in product prices.	**Direct Impact:** • Temperature fluctuations due to climate change can increase demand for cold beverages and reduce interest in winter clothing. • Changes in precipitation patterns can disrupt agricultural production and supply chains, decrease crop yields, and affect inventory and product availability. • Climate change can cause soil degradation and water pollution, risking the quality and safety of supermarket products. **Indirect Impact:** • Unpredictable weather extremes complicate supply chain and inventory management, raising operational costs. • Climate variations can disrupt seasonal demand patterns, affecting sales (e.g., higher temperatures increase demand for summer products but reduce interest in winter items). • Inadequate responses to climate change, such as insufficient supply or compromised product quality, can damage a company's brand image and reputation, as consumers and stakeholders closely monitor corporate responses to climate challenges.	The store's product supply chain encompasses diverse regions and countries, designed to maintain consistent product availability despite regional climate variations. This diversified supply chain structure allows us to adapt flexibly to potential disruptions in supply arising from climate change and natural disasters. We rigorously enforce quality testing and control protocols for agricultural and seafood products. Supplier accountability for product quality is emphasised, supported by comprehensive cooperation agreements and monitoring mechanisms to ensure adherence to standards and prompt resolution of any quality concerns.

Extreme weather event - floods, heatwave and typhoons

Physical Risk

Category	Risk Rating	Timeline
Acute or Chronic	**Low**	**Short-term**
Description of Risks	**Impact**	**Our Strategy**
Extreme weather events, including phenomena like typhoons, heavy rainfall, and floods specifically within Fujian Province, China, have the potential to affect supermarket operations both directly and indirectly.	**Direct Impact:** • Severe typhoons or floods can cause temporary supermarket closures and damages to infrastructure and inventory. • Extreme weather events may disrupt transportation, leading to road closures and supply chain challenges, resulting in delivery delays, inventory shortages, and an inability to meet consumer demand. **Indirect Impact:** • Following extreme weather events, customer visits to supermarkets may decline, reducing sales volume. • Companies may incur additional costs to manage supply chain disruptions, such as procuring emergency supplies or adjusting transportation logistics, increasing operational expenses. • Inadequate management of extreme weather impacts, like closures or unmet customer expectations, risks damaging the Company's reputation and brand image.	We have implemented comprehensive flood prevention measures, such as storing sandbags and equipping professional pumping equipment, to ensure store safety and stability. Regular fire drills and evacuation training enhance employee safety awareness and emergency preparedness, minimizing potential harm and property damage. Our stores have not experienced economic losses from flooding. Future store locations will be selected with careful consideration of flood risks to maintain operational stability and safety.

Greenhouse Gas Emissions (GHG)

At the Group, we take our responsibility to address climate change seriously and are committed to taking practical and responsible steps to reduce carbon emissions from our operations. This commitment reflects our belief that businesses must play an active role in creating a more sustainable future for the communities we serve.

To better understand and manage our environmental impact, we regularly monitor our energy consumption and review performance data across all our operations to measure our total carbon emissions accurately, with reference to the GHG Protocol, a widely recognised international standard developed by the World Resources Institute and the World Business Council for Sustainable Development for measuring and managing greenhouse gas emissions.

The Group's total Scope 1 and Scope 2 GHG emissions in FY2025 was 27,542 tCO_2e. Scope 1 covers direct emissions from diesel or petrol used in company vehicles and staff commuting, Scope 2 includes indirect emissions resulting from purchased electricity consumed across our operations. 99.80% of the GHG emitted in FY2025 arising from purchased electricity from the grid, which amounted to 27,487 tCO_2e.

In FY2025, we began calculating emissions intensity using both GFA and revenue to provide a more comprehensive view of our environmental performance. GFA-based GHG emissions intensity offers a relatively stable baseline for year-over-year comparison, while revenue-based GHG emissions intensity is a widely adopted metric within the industry, allowing for more meaningful benchmarking. By incorporating both measures, we aim to enhance transparency and ensure our emissions reporting reflects both operational scale and economic output.

This year, the GFA-based GHG emissions intensity was 221.75 $kgCO_2e$ per square meter of outlet size ("**$kgCO_2e/m^2$**") and revenue-based GHG emissions intensity was 0.03 $kgCO_2e$ per thousand RMB ("**$kgCO_2e$/'000 RMB**").

While our absolute GHG emissions reduced by 7.34% compared to FY2024[1], the GFA-based GHG emissions intensity increased by 12.94%. This was because the reduction in electricity consumption was proportionately smaller than the reduction in total store area, as certain electricity consumption remained fixed. Please refer to the following section for more information.

The Group will continue enhancing operational efficiency in smaller stores by optimising equipment usage and adopting energy-efficient technologies to better manage GHG emissions intensity.

Please refer to the table below for an overview of the Group's GHG emissions:

GHG Emissions	Unit	FY2024	FY2025
Total GHG Emissions	tCO_2e	29,723	27,542
Scope 1	tCO_2e	41	55
Scope 2	tCO_2e	29,682	27,487
Portion			
Scope 1	%	0.14	0.20
Scope 2	%	99.86	99.80
GHG Emissions Intensity			
GFA-based intensity	$kgCO_2e/m^2$	196.35[1]	221.75
Revenue-based intensity	$kgCO_2e$/'000 RMB	Not tracked	0.03

[1] The GFA-based intensity of FY2024 was revised due to our improvement in the GFA calculation. Please refer to Section 3: About the Report, under Restatement.

Energy Consumption

At the Group, we recognise the critical importance of reducing electricity consumption as part of our broader efforts to minimise environmental impact. Most of our electricity usage arises from core store operations, including elevator systems, central air-conditioning, and refrigeration units essential for maintaining product freshness.

In FY2025, the Group's total electricity consumption amounted to 35,521 MWh, represents a GFA-based electricity consumption intensity of 286.00 kWh per square metre of outlet size ("**kWh/m²**"). Although the electricity consumption of FY2025 decreased by 3.76%, the GFA-based electricity consumption intensity increased by 17.30% compared to FY2024[2], this is mainly due to the reduction of store numbers in FY2025, resulting in reduced total outlet size.

This year, we began calculating electricity consumption intensity by revenue to provide a more comprehensive view of our environmental performance, the revenue-based electricity consumption intensity was 37 kWh per thousand RMB ("**kWh/'000 RMB**"). We continue to closely monitor the electricity consumption intensity using both GFA and revenue to ensure comprehensive and balanced performance evaluation.

In addition to monitoring electricity usage, the Group also tracks fuel consumption to better manage our overall greenhouse gas emissions. Fuel inclusive petrol and diesel are primarily used for staff transportation. In FY2025, we consumed 17,244 litres of petrol and 5,744 litres of diesel.

Total energy consumption from electricity and fuel combined stood at 128,656 Gigajoules ("**GJ**") for FY2025, translating to an energy consumption intensity of 1.04 GJ per square metre of outlet size ("**GJ/m²**") and revenue-based 0.14 GJ per thousand RMB ("**GJ/'000 RMB**").

While the total energy consumption decreased 3.59% compared with FY2024[2], the GFA-based energy consumption intensity increased by 17.25%. The increase in energy intensity was mainly due to the closure of two outlets and the downsizing of certain existing stores, which together reduced total GFA more significantly than total energy consumption. As supermarkets continue to operate fixed-load systems such as refrigeration and air-conditioning, the reduction in energy use was proportionally smaller than the reduction in floor area, leading to higher GFA-based energy consumption intensity.

Energy Consumption	Unit	FY2024	FY2025
Electricity consumption			
Total electricity consumption	MWh	36,909	35,521
GFA-based electricity consumption intensity	kWh/m²	234.35[2]	286.00
Revenue-based electricity consumption intensity	kWh/'000 RMB	Not tracked	37.34
Fuel consumption			
Total petrol consumption	litres	17,544	17,244
Total diesel consumption	litres	Not tracked	5,744
Energy consumption			
Total energy consumption from electricity and petrol	GJ	133,454	128,656
GFA-based energy consumption intensity	GJ/m²	0.88[2]	1.04
Revenue-based energy consumption intensity	GJ/'000 RMB	Not tracked	0.14

2 The GFA-based intensity of FY2024 was restated due to our improvement in the GFA calculation. Please refer to Section 3: About the Report, under Restatement.

To uphold our rigorous electricity-saving policy, we enforce strict compliance among all employees. In support of this initiative, we have implemented several practical measures, including:

- Placing energy-saving reminder labels to prompt employees to switch off lights and equipment when not in use.
- Upgrading to energy-efficient light bulbs throughout our stores.
- Conducting regular preventive maintenance and promptly replacing equipment to ensure the smooth operation of elevators and central air-conditioning systems.
- Promoting environmental protection awareness to all staffs through daily meeting before starting working day.

Given the sustained expansion in our business operations, we have adjusted our energy efficiency targets to reflect a more balanced and realistic approach. While our long-term commitment to reducing electricity consumption remains unchanged, these revised targets acknowledge current market conditions and the need to align environmental goals with operational growth.

Water Consumption

At the Group, we recognise that responsible water management is an essential part of our sustainability efforts. Water is primarily used in our daily store operations, including domestic needs for staff and customers, as well as for routine cleaning and maintenance activities.

To reduce unnecessary water usage and drive efficiency, we have established a comprehensive water-saving policy that applies across all levels of our operations. All employees are expected to observe this policy as part of our broader environmental responsibility. To support this, we have rolled out several targeted initiatives aimed at reducing consumption and improving overall water efficiency. These include:

- Hanging “Saving Water” posters in high-usage areas to encourage mindful practices among staff.
- Conducting regular inspections to rapidly locate and repair leaks, preventing avoidable wastage.
- Upgrading fixtures and equipment to more water-efficient models as part of our ongoing facilities improvement programme.

In FY2025, our total water consumption reached 263,071 m^3 and the GFA-based water consumption intensity was 2.12 cubic metres per square metre of outlet size (“**m^3/m^2**”). While the total water consumption decreased 4.20%, the GFA-based water consumption intensity increased by 16.76% as compared with FY2024[3]. The increase in water intensity was mainly due to the closure of two outlets and the downsizing of certain existing stores, which together reduced total GFA more significantly than total water consumption. As supermarkets continue to operate fixed-load systems such as chiller system, which require substantial water for cooling, the reduction in water use was proportionally smaller than the reduction in floor area, leading to higher GFA-based water consumption intensity.

This year, we began calculating revenue-based water consumption intensity to provide a more comprehensive view of our environmental performance, the intensity was 0.28 cubic metres per thousand RMB (“**m^3/’000 RMB**”).

3 The GFA-based intensity of FY2024 was restated due to our improvement in the GFA calculation. Please refer to Section 3: About the Report, under Restatement.

As our operations scale and customer needs evolve, we have adjusted our water usage goals to better reflect on-the-ground conditions. These updated targets maintain our sustainability focus while supporting the operational needs of an expanding retail network.

Waste Management

In FY2025, we recorded a total of 1,145 tonnes of waste recycled, a 22.79% decrease from 1,483 tonnes in FY2024. This decrease was primarily due to a lower number of operating stores during the year. As waste generation is closely linked to business activities and store operations, the reduction in store count directly impacted the volume of recyclable waste collected. Looking ahead, we intend to introduce further metrics to enhance the monitoring of our waste generation and recycling performance, enabling more informed and accountable progress in the years to come.

Compliant with Environmental Regulations

During the reporting period, we are pleased to report that there were no breaches of environmental compliance regulations. Upholding full compliance remains a fundamental aspect of our sustainability strategy, and we remain firmly committed to meeting all applicable environmental requirements across the jurisdictions in which the Group operates.

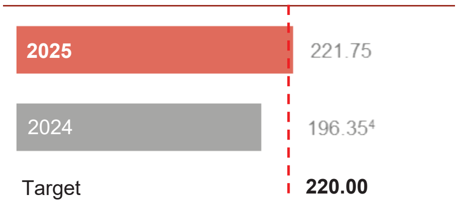
Sustainability Report

可持续发展报告

Commitments

GHG emissions

GHG emissions intensity (kgCO_2e/m^2)

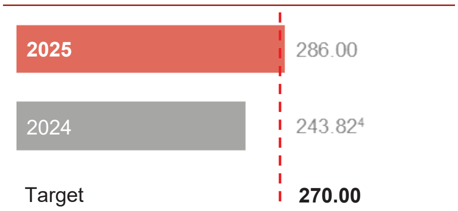


FY2025 progress

- Our performance narrowly missed our target to limit the GHG emissions intensity for FY2025 to ≤ 220 kgCO_2e/m², reflecting the progress of our efforts to date and reinforcing our commitment to intensify these efforts to meet the target in the coming year.
- With business activity projected to strengthen across our retail network, we have proactively set a GFA-based GHG emissions intensity target at no more than 250 kgCO_2e/m² for FY2026.
- We have not set a target for revenue-based GHG emissions intensity, as this is our first year of disclosure and a baseline has not yet been established. Establishing a baseline is essential to ensure any future targets are meaningful and measurable.

Purchased electricity

Electricity consumption intensity (kWh/m^2)

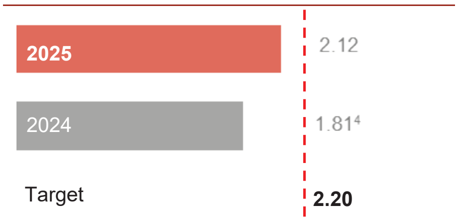


FY2025 progress

- Our performance narrowly missed our target to limit the electricity consumption intensity for FY2025 ≤ 270 kgCO_2e/m², reflecting the progress of our efforts to date and reinforcing our commitment to intensify these efforts to meet the target in the coming year.
- With business activity projected to strengthen across our retail network, we have established a target to cap GFA-based electricity consumption intensity at no more than 300 kWh/m² for FY2026.
- We have not set a target for revenue-based electricity consumption intensity, as this is our first year of disclosure and a baseline has not yet been established. Establishing a baseline is essential to ensure any future targets are meaningful and measurable.

Water consumption

Water consumption intensity (m^3/m^2)



FY2025 progress

- We met the target to limit the water consumption intensity for FY2025 to ≤ 2.20 m^3/m^2. This achievement reflects our ongoing commitment to responsible water management and operational efficiency. Moving forward, we remain dedicated to maintaining rigorous monitoring, implementing water-saving initiatives, and continually improving our practices to ensure sustainable water use across all operations.
- With business activity projected to strengthen across our retail network, we have established a target to limit GFA-based water consumption intensity to no more than 2.50 m^3/m² for FY2026.
- We have not set a target for revenue-based water consumption intensity, as this is our first year of disclosure and a baseline has not yet been established. Establishing a baseline is essential to ensure any future targets are meaningful and measurable.

8. Employee Development and Welfare

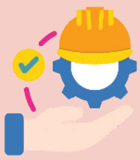
Employees are integral to the Group's success, serving as the foundation of our achievements. We empower our professionally trained workforce to deliver outstanding shopping experiences, supported by equal access to comprehensive training programmes. By cultivating a positive and inclusive work environment, we not only enhance service quality but also contribute meaningfully to local economic vitality. Our steadfast investment in employee development positions us to consistently exceed customer expectations and drive sustained market success.

Key Performance

9,696 hours
Total training hours
6 hours/employee
Average training hours

100%
Employee subject to an annual performance appraisal

79%
of the workforce is female



6 recordable injuries,
with **zero** fatalities, **zero** high-consequence injuries, and **zero** work-related ill health cases

Skills Competency and Employee Training

With a strong commitment to upholding excellence across our workforce, the Group has established a dedicated Training Academy, supported by a team of seasoned full-time and part-time trainers. These professionals bring deep expertise in the retail industry and a thorough understanding of our diverse product offerings. Through their mentorship, employees are continuously equipped with the skills and knowledge required to deliver exceptional customer service and remain agile in a highly competitive market landscape.

The Group's training programmes are structured into the following key categories:

New Hires
1.5 days (~9 hours)

Employee Manual
Business Etiquette
Relevant Law and Regulations
Correct Handling of Customer Action

Existing Employees
6 training sessions

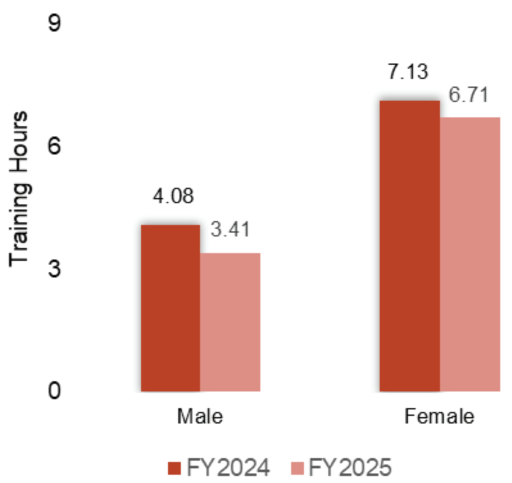
Enterprise Culture
Shopping Guides Skills
Commodity Knowledge
Service Consciousness

Management
1-2 days

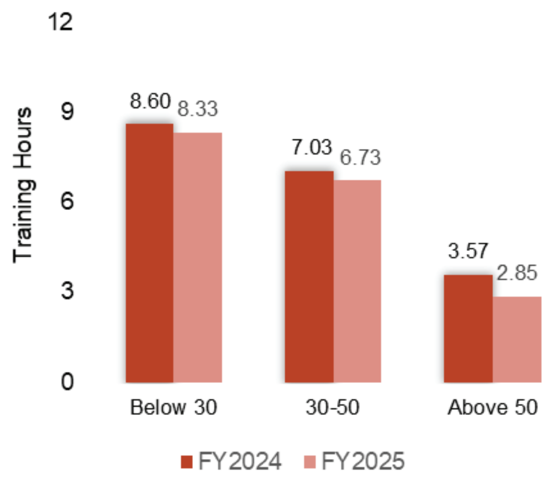
Corporate Culture
Management Knowledge
Case Studies

In FY2025, the Group has provided a total of 9,696 training hours to our employees, with an average of 6 hours per employee, meeting our target for average 6 training hours per employee. Looking ahead to FY2026, we have set a revised target of 4 average training hours per employee, reflecting the continued growth in business activity and rising customer volume across our stores. In response, we have refined our training strategy to prioritise high-quality, practical learning experiences. This approach aims to strengthen employee capabilities and reinforce a culture of continuous improvement and excellence throughout the organisation.

Average Training Hours By Gender



Average Training Hours By Age



The average training hours for female and male employees decreased by respectively 5.89% and 16.42% as compared to FY2024. The decrease in average training hours was mainly due to fewer new hires and minimal requirement for additional training among existing employees.

By age group, employees under 30 averaged 8.33 hours, decreased by 3.14% from 8.60 hours in FY2024. Employees aged 30–50 recorded an average of 6.73 hours, decreased by 4.27% from 7.03 hours in FY2024. The average training hours for employees over 50 fell by 20.17%, from 3.57 hours in FY2024 to 2.85 hours in FY2025. Although training hours differ across age groups, the Company remains committed to advancing the professional development of all employees by providing tailored programmes and resources that accommodate diverse learning needs.

Performance Appraisal

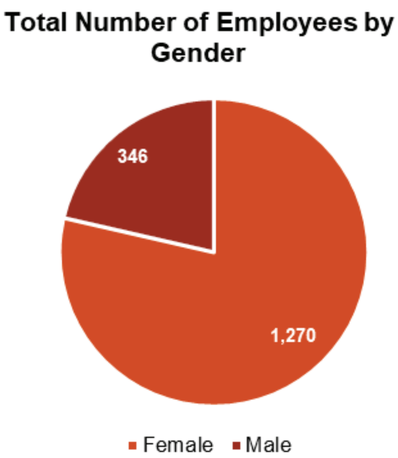
In FY2025, the Company achieved full participation in its annual performance appraisal process, applying robust and measurable criteria to ensure fairness and transparency. In parallel, the Group systematically collected performance data through supervisory assessments and employee feedback mechanisms. To strengthen communication, the Group promotes regular two-way dialogue through structured employee engagement sessions. These interactions offer valuable insights into skill development needs and areas for professional growth. Informed by this feedback, the Group designs targeted training programmes tailored to address specific capability gaps and elevate service standards. This data-driven approach not only empowers employees to progress in their careers but also enhances the Group's capacity to consistently exceed customer expectations.

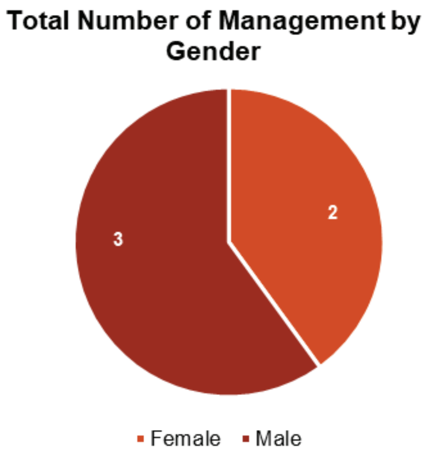
Equal opportunity

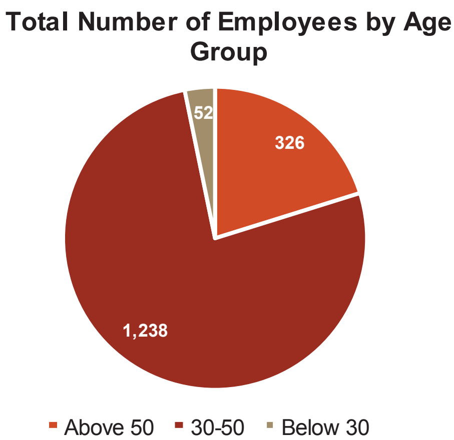
We firmly believe that embracing diversity and promoting equal opportunities is not only a moral responsibility but also a strategic enabler of sustainable growth and long-term success.

As of 30 June 2024, the Group had a total of 1,819 employees. During the current financial year, the Group's overall headcount decreased by 203 employees, primarily due to the closures of two stores, namely Zhangzhou Jinfeng Store and Zhangzhou Port Stores, which resulted in the exclusion of 111 employees from the year-end total employees, along with the termination of 179 employees. The decrease was partially offset by the new hires of 87 employees during FY2025. As a result, the Group had a total of 1,616 employees as of 30 June 2025.

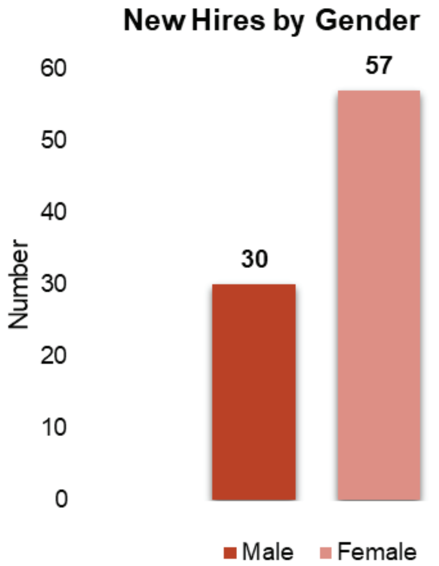
Reflecting the nature of our industry, female employees comprise 78.59% of our workforce, and 76.61% of total employees aged from 30 to 50. While we continue to foster diversity and inclusiveness, we also recognise the importance of maintaining gender balance. Following a detailed workforce analysis in the previous financial year, we have revised our diversity target to maintain at least 75% female representation across our workforce. This balanced approach allows us to preserve our current level of diversity while addressing gender imbalances more effectively.

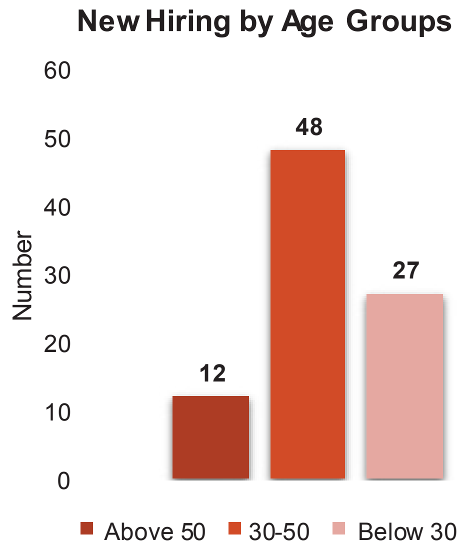




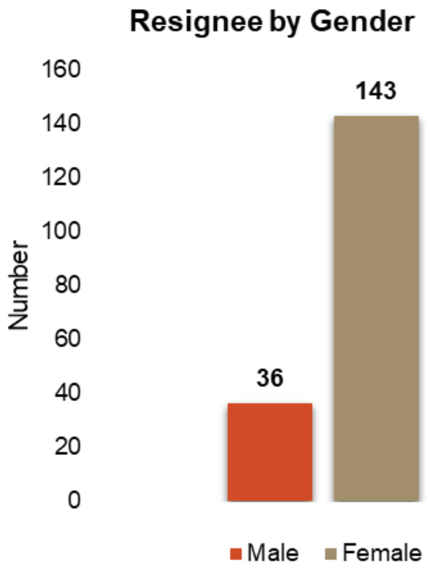


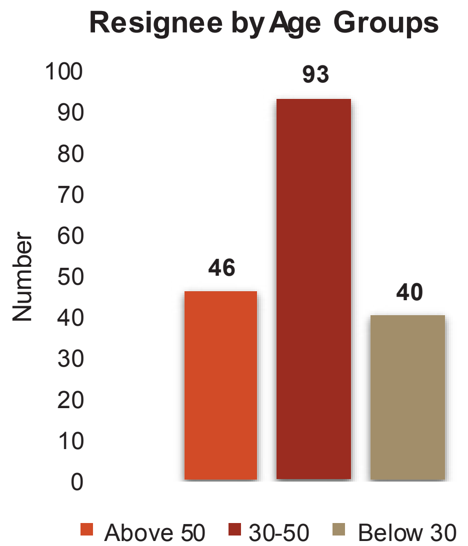
During the current financial year, 87 new employees were hired, resulting in total new hire rate is 5.38%, with a notable female new hire rate of 4.49%. In terms of age distribution, new hire rate of employees aged under 30 years old was 51.92%, it was 3.88% and 3.68% respectively for employees age between 30 to 50 years old and above 50 years old.





During the period, a total of 179 employees left the Company, resulting in total turnover rate is 11.08%, with a notable female turnover rate is 11.26%. In terms of age distribution, turnover rate of employees aged under 30 years old was 76.92%, it was 7.51% and 14.11% respectively for employees age between 30 to 50 years old and above 50 years old.





Work Safety

The Group places utmost importance on maintaining a safe and secure working environment for all employees. To support this, we have developed and implemented a comprehensive Workplace Safety Guideline that serves as the Group-wide standard across all offices and retail premises. Routine safety training is embedded within our ongoing employee training framework, reinforcing key safety practices and protocols necessary to ensure the well-being of our workforce. These sessions play a crucial role in promoting a safety-first culture and ensuring all employees understand their responsibilities in risk prevention and response.

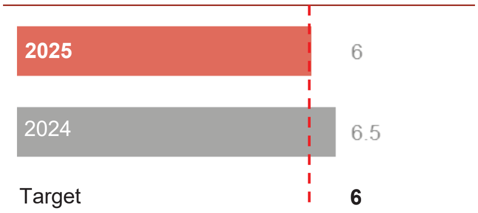
During the reporting period, our safety performance was exemplary. No fatalities, high-consequence injuries, or work-related illnesses were reported. In FY2025, we recorded 6 workplace accidents, primarily caused by slips and falls occurring during goods receiving or maintenance activities. In instances involving recordable injuries, prompt and appropriate medical care was administered, leading to full recovery for the affected individuals.

Our unwavering commitment to workplace safety, coupled with continuous improvement in safety performance, reflects the Group's deep-rooted dedication to the health and welfare of our people. Safety will remain a foundational pillar of our operational culture, ensuring that our employees work with confidence and security.

Commitments:

Skill competency and employee training

Average training hours (hours)



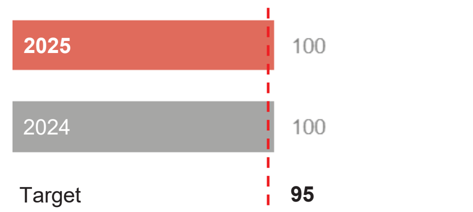
FY2025 progress

- In FY2025, the average training hours were 6 hours/employee, meeting the target set for the year.
- We aim to achieve a minimum of 4 average training hours per employee for FY2026, taking into account the increase in business volume across our stores, which limits the time available for training opportunities.

  We updated our training strategy to focus on maximizing the quality and impact of sessions, offsetting the reduced training hours while ensuring employees still gain essential skills efficiently.

Performance appraisal

Performance appraisal (%)

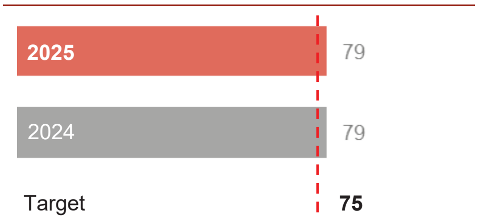


FY2025 progress

- We exceeded the target to achieve performance appraisal rate for FY2025 ≥95%.
- We aim to achieve a performance appraisal completion rate ≥80% for FY2026.

Equal opportunity

Female representation in the workforce (%)

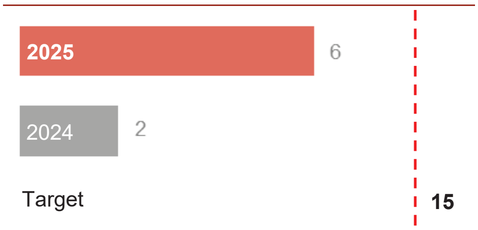


FY2025 progress

- We exceeded the target of 75% female representation this year.
- For FY2026, we aim to maintain a female representation rate of 75% in the workforce.

Maintaining a secure workplace and continuous advancement in safety performance

Recordable injuries in the workplace (Number)



FY2025 progress

- We achieved the target by limiting workplace injuries to six incidents, significantly below the goal of 15.
- We aim to maintain a target of ≤15 recordable workplace injuries for FY2026.

Appendix A: List of entities included in this report

No.	Name of Entity	Store	Total Store Area (m²)	Owned operating area (m²)	Note
1	Zhongmin Baihui (China) Retail Group Co., Ltd	Quanzhou Tumen Store	16,361	15,410	
2	Zhongmin Baihui (China) Retail Group Co., Ltd	Quanzhou Quanxiu Store	10,404	9,506	
3	Zhongmin Baihui (China) Retail Group Co., Ltd	Quanzhou Xinhua Store	8,874	8,092	
4	Zhongmin Baihui (China) Retail Group Co., Ltd	Quanzhou Qiaonan Store	6,791	5,800	
5	Zhongmin Baihui (China) Retail Group Co., Ltd	Quanzhou Quangang Store	16,884	13,790	
6	Zhongmin Baihui (China) Retail Group Co., Ltd	Quanzhou Anxi Railway Station Store	3,700	2,089	
7	Zhongmin Baihui (China) Retail Group Co., Ltd	Quanzhou Guangqiao Store	6,416	6,400	
8	Zhongmin Baihui (China) Retail Group Co., Ltd	Quanzhou Quangang Nanshan Store	1,220	1,220	
9	Zhongmin Baihui (China) Retail Group Co., Ltd	Quanzhou Hui'an Chengnan Store	25,466	19,448	
10	Zhongmin Baihui (China) Retail Group Co., Ltd	Quanzhou Yongchun Store	23,200	14,000	
11	Xiamen Haicang Zhongmin Baihui Supermarket Co., Ltd	Xiamen Haicang Store	4,072	3,983	
12	Xiamen Shi Zhongmin Baihui Commercial Co., Ltd	Xiamen Wucun Store	28,746	18,234	
13	Xiamen Shi Zhongmin Baihui Commercial Co., Ltd	Zhangzhou Jinfeng Store	1,440	1,440	Ceased operation on 21 August 2024
14	Zhangzhou Zhongmin Baihui Supermarket Co., Ltd, and Zhangzhou Zhongmin Baihui Business Service Co., Ltd	Zhangzhou Port Store Supermarket, and Zhangzhou Port Store Business Service	15,152	10,480	Ceased operation on 28 January 2025
	TOTAL		**168,726**	**129,892**	

Appendix B: GRI standards content index

Statement of use	Zhongmin Baihui Retail Group Ltd. has reported the information cited in this GRI content index for the period 1 July 2024 to 30 June 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure		Reference and remarks
GRI 2: General Disclosures 2021	2-1	Organisation details	• SR Corporate Profile
	2-2	Entities included in the organisation's sustainability reporting	• SR Appendix A: List of entities included in this report
	2-3	Reporting period, frequency and contact point	• SR Reporting Scope • SR Sustainability Contact
	2-4	Restatements of information	• SR Restatements
	2-5	External assurance	• SR Independent Verification
	2-6	Activities, value chain and other business relationships	• SR Corporate Profile
	2-7	Employee	• SR Appendix C: Sustainability scorecard
	2-8	Workers who are not an employee	• SR Appendix D: Methodologies and data boundaries
	2-9	Governance structure and composition	• AR Corporate Governance
	2-10	Nomination and selection of the highest governance body	• AR Corporate Governance
	2-11	Chair of the highest governance body	• AR Corporate Governance
	2-12	Role of the highest governance body in overseeing the management of impacts	• AR Corporate Governance
	2-13	Delegation of responsibility for managing impacts	• AR Corporate Governance
	2-14	Role of the highest governance body in sustainability reporting	• SR Sustainability organisational structure
	2-15	Conflicts of interest	• AR Corporate Governance
	2-16	Communication of critical concerns	• SR Stakeholder Engagement
	2-17	The collective knowledge of the highest governance body	• AR Corporate Governance
	2-18	Evaluation of the performance of the highest governance body	• AR Corporate Governance
	2-19	Remuneration policies	• AR Corporate Governance
	2-20	The process to determine the remuneration	• AR Corporate Governance
	2-21	Annual total compensation ratio	• AR Corporate Governance
	2-22	Statement on Sustainable Development Strategy	• SR Sustainability strategy

GRI Standard	Disclosure		Reference and remarks
	2-23	Policy commitments	• SR Sustainability strategy
	2-24	Embedding policy commitments	• SR Sustainability strategy
	2-25	Processes to remediate negative impacts	• SR Performance Monitoring
	2-26	Mechanisms for seeking advice and raising concerns	• SR Stakeholder Engagement
	2-27	Compliance with laws and regulations	• SR Product Quality and Customer Satisfaction • SR Green Operations
	2-28	Membership associations	• Not Applicable
	2-29	Approach to Stakeholder Engagement	• SR Stakeholder Engagement
	2-30	Collective bargaining agreements	• Not Applicable
GRI 3: Material Topics 2021	3-1	The process of determining material topics	• SR Sustainability materiality
	3-2	List of material topics	• SR Sustainability materiality
	3-3	Management of material topics	• SR Sustainability materiality
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	• SR Economic Contribution
GRI 302: Energy 2016	302-1	Energy consumption within the organization	• SR Green Operations
	302-3	Energy intensity	• SR Green Operations
GRI 303: Water and Effluents 2018	303-5	Water consumption	• SR Green Operations
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	• SR Green Operations
	305-2	Energy indirect (Scope 2) GHG emissions	• SR Green Operations
	305-3	Other indirect (Scope 3) GHG emissions	• Not Disclosing
	305-4	GHG emission intensity	• SR Green Operations
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	• SR Employee Development and Welfare • SR Appendix D: Sustainability scorecard
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	• SR Employee Development and Welfare
	403-5	Worker training in occupational health and safety	• SR Employee Development and Welfare
	403-9	Work-related injuries	• SR Employee Development and Welfare
	403-10	Work-related ill health	• SR Employee Development and Welfare

GRI Standard	Disclosure		Reference and remarks
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	• SR Employee Development and Welfare
	404-2	Programs for upgrading employee skills and transition assistance programs	• SR Employee Development and Welfare
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	• SR Employee Development and Welfare
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	• No incidents of discrimination have been reported in FY2025
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	• Child labour is strictly prohibited
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	• Forced and compulsory labour is strictly prohibited.

Appendix C: Sustainability scorecard

Economic Contribution

Performance indicators	Units	FY2024	FY2025
Total revenue	'000 RMB	984,000	951,261
Total GFA of Self-operated Stores at the beginning of FY2025	m^2	157,496	129,892
Weighted Average GFA over the FY2025	m^2	151,376	124,202

Product Quality and Customer Satisfaction

Performance indicators	Units	FY2024	FY2025
Product Quality Inspection Passing Rate	%	99.99	99.99
Product Net Weight Inspection Passing Rate	%	99.85	99.87
Farm Chemical Inspection Passing Rate	%	100.00	100.00
Chloramphenicol Inspection Passing Rate	%	100.00	100.00
Customer Satisfactory Rate	%	99.48	99.64
Customer Complaints	Number	248	267

Green Operations

Performance indicators	Units	FY2024	FY2025
Total carbon emission	tCO_2e	29,723	27,542
GHG emissions intensity (by GFA)	$kgCO_2e/m^2$	196.35[4]	221.75
GHG emissions intensity (by revenue)	$kgCO_2e$/'000 RMB	-[5]	0.03
Electricity consumption	MWh	36,909	35,521
Electricity consumption intensity (by GFA)	kWh/m^2	243.82[4]	286.00
Electricity consumption intensity (by revenue)	kWh/'000 RMB	-[5]	37.34
Energy consumption	GJ	133,454	128,656
Energy consumption intensity (by GFA)	GJ/m^2	0.88[4]	1.04
Energy consumption intensity (by revenue)	GJ/'000 RMB	-[5]	0.14
Water consumption	m^3	274,616[6]	263,071
Water consumption intensity (by GFA)	m^3/m^2	1.81[4]	2.12
Water consumption intensity (by revenue)	m^3/'000 RMB	-[5]	0.28
Recycled waste	ton	1,483	1,145

4 The GFA-based intensity of FY2024 was restated due to our improvement in the GFA calculation. Further details are provided in Section 3 About the Report, under Restatement.

5 The data was not tracked in FY2024.

6 The water consumption of FY2024 was restated due to a data collection error. Further details are provided in Section 3 About the Report, under Restatement.

Employee Development and Welfare

Performance indicators	Units	FY2024	FY2025
Total spending on training	RMB	1,080,000	1,080,000
Total training hours	Hours	11,862	9,696
Average training hours per employee	Hours	6.5	6
Average training hours per male employee	Hours	4	3.41
Average training hours per female employee	Hours	7	6.71
Average training hours by age group:			
• Age below 30	Hours	8.60	8.33
• Age between 30 to 50	Hours	7.02	6.73
• Age above 50	Hours	3.57	2.85
The employee who is subjected to an annual performance appraisal	%	100	100
Female Board members	%	0	0
Female management personnel	%	40	40
Total number of employees	Number	1,819	1,616
Male employee	%	21	21
Female employee	%	79	79
Employee by age group			
• Age below 30	%	4.29	3.22
• Age between 30 to 50	%	79.05	76.61
• Age above 50	%	16.66	20.17
Total number of new hires	Number	188	87
New hires by gender			
• Male new hires	Number (%)	55 (14.55)	30 (8.67)
• Female new hires	Number (%)	133 (9.23)	57 (4.49)
New hires by age group			
• Age below 30	Number (%)	51 (65.38)	27 (51.92)
• Age between 30 to 50	Number (%)	127 (8.83)	48 (3.88)
• Age above 50	Number (%)	10 (3.30)	12 (3.68)
Total number of resigned	Number	379	179
Employee turnover	%	17.24	11.08

Performance indicators	Units	FY2024	FY2025
Turnover by gender			
• Male turnover rate	Number (%)	92 (24.34)	36 (10.40)
• Female turnover rate	Number (%)	287 (19.92)	143 (11.26)
Turnover rate by age group			
• Age below 30	Number (%)	71 (91.03)	40 (76.92)
• Age between 30 to 50	Number (%)	253 (17.59)	93 (7.51)
• Age above 50	Number (%)	55 (18.15)	46 (14.11)
Fatalities in workplace	Number	0	0
High-consequence injuries in the workplace	Number	0	0
Recordable injuries in the workplace	Number	2	6
Recordable work-related ill health cases in the workplace	Number	0	0

Appendix D: Methodologies and data boundaries

This section details key definitions, methodologies and data boundaries applied to ZMBH's Sustainability Report, as we endeavour to elevate transparency and facilitate comparability of our data disclosed. These definitions and methodologies are adapted with reference to the GRI Standards Glossary 2021, Reporting Recommendations and Guidance set out in the respective GRI disclosures and various authoritative intergovernmental instruments.

Carbon Emissions

In the scope of this reporting, scope 1 emissions are emissions generated from the consumption of fuels for our operations. The emission factor used for calculating carbon emission is obtained from the Department for Energy Security and Net Zero of the United Kingdom. Carbon emissions are expressed in tonnes of carbon dioxide equivalent (“**tCO_2e”**).

The scope of this reporting, scope 2 emissions are emissions that result from the generation of purchased or acquired electricity, by the Group. The Grid Emission Factor (**GEF**) used for calculating carbon emissions is obtained from the Ministry of Ecology and Environment of the People's Republic of China. Carbon emissions are expressed in **tCO_2e**.

Carbon Emissions Intensity (by GFA)

This is the ratio of carbon emissions relative to the Weighted Average GFA of the total stores operated by the Group over the FY2025. Carbon emissions intensity (by GFA) is expressed in kilogram of carbon dioxide equivalent per square metre of outlet size (“**$kgCO_2e/m^2$**”).

Carbon Emissions Intensity (by revenue)

This is the ratio of carbon emissions relative to the total revenue of the stores operated by the Group. Carbon emissions intensity (by revenue) is expressed in kilogram of carbon dioxide equivalent per thousand RMB of revenue (“**$kgCO_2e$/‘000 RMB**”).

Electricity Consumption

Energy consumed results from purchased electricity consumed by the operations of the Group.

Electricity consumed is expressed in Megawatt hours (“**MWh”**).

Electricity Consumption Intensity (by GFA)

This is the ratio of energy consumed relative to the Weighted Average GFA of the total stores operated by the Group over the FY2025.

Electricity consumption intensity (by GFA) is expressed in kWh per square metre of outlet size (“**kWh/m^2”**).

Electricity Consumption Intensity (by revenue)

This is the ratio of energy consumed relative to the total revenue of the stores operated by the Group.

Electricity consumption intensity (by revenue) is expressed in kWh per thousand RMB of revenue (“**kWh/’000 RMB”**).

Water Consumption

This is the volume of water consumed by the Group. The sources of the water are supplied by local municipalities. The total amount of water withdrawn is assumed to be the amount consumed as is reflected in utility bills received.

The volume of water consumed is expressed in cubic metre (“**m^3**”).

Water Consumption Intensity (by GFA)

This is the ratio of water consumed relative to the Weighted Average GFA of the total stores operated by the Group over the FY2025.

Water intensity (by GFA) is expressed in cubic metre per square metre of outlet size (“**m^3/m^2**”).

Water Consumption Intensity (by revenue)

This is the ratio of water consumed relative to the total revenue of the stores operated by the Group.

Water intensity (by revenue) is expressed in cubic metre per thousand RMB of revenue (“**m^3/’000 RMB**”).

Energy Consumption

Purchased electricity consumption and fuel consumption are converted to energy in Gigajoules (“**GJ**”), with a conversion rate of 0.0036 GJ per kWh.

Energy Intensity (by GFA)

This is the ratio of energy consumption relative to the Weighted Average GFA of the total stores operated by the Group over the FY2025.

Energy intensity (by GFA) is expressed in Gigajoules per square metre of outlet size (**“GJ/m^2”**).

Energy Intensity (by revenue)

This is the ratio of energy consumption relative to the total revenue of the stores operated by the Group. Energy intensity (by revenue) is expressed in Gigajoules per thousand RMB of revenue (**“GJ/’000 RMB”**).

Data of the ceased operation stores

In FY2025, two stores were closed, namely Zhangzhou Jinfeng Store closed on 21 August 2024 and Zhangzhou Port Store closed on 28 January 2025.

The following data of Zhangzhou Jinfeng Store (July and August 2024) and Zhangzhou Port Store (January 2025) were estimated based on the average consumption from the previous six months:

- Electricity Consumption
- Water Consumption
- Energy Consumption
- Recycled waste

The following data of Zhangzhou Jinfeng Store (July and August 2024) and Zhangzhou Port Store (January 2025) were excluded from this report:

- Product Quality Inspection
- Product net weight inspection
- Farm chemical inspection
- Chloramphenicol Inspection
- Customer complaints
- Total number of customer satisfaction and feedback survey conducted
- Total number of customers feel satisfied
- Total number of customers feel dissatisfied

New hires and turnover

New hires are defined as new employees who have joined the Group during the financial year.

Turnover is defined as all employees who have left the Group voluntarily, or due to dismissal, retirement or death in service during the financial year.

New hire/turnover rate is the total number of new hires/employee turnovers in the financial year, relative to the total number of employees recorded at the financial year-end.

The new hires/turnover rate by gender is the total number of female/(male) employee turnovers for each gender in the financial year, relative to the total number of female/(male) employees recorded at financial year-end.

The turnover rate by age group is the total number of employee turnovers for each age group in the financial year, relative to the number of each age group recorded at financial year-end.

Training hours

Average training hours per employee is the total number of training hours incurred during the financial year provided to employees, relative to the total number of employees recorded as of financial year-end.

Average training hours per female/(male) employee is the total number of training hours provided to female/(male) employees, relative to the total number of female/(male) employees recorded as of financial year-end.

Average training hours by age group is the total number of training hours provided to each age group, relative to the number of each age group recorded as of financial year-end.

Fatalities in workplace

The number of fatalities as a result of work-related injury during the reporting period across the organisation.

High-consequence injuries in the workplace

Number of high-consequence work-related injuries (an injury that results in a fatality from which the worker cannot recover fully to pre-injury health status within 6 months) excluding fatalities during the reporting period.

Recordable injuries

The number of recordable work-related injuries during the reporting period.

Recordable Work-related Ill Health Cases

The number of recordable work-related illnesses or health conditions arising from exposure to hazards at work during the reporting period.

Directors' Statement

The directors are pleased to present their statement to the members together with the audited financial statements of Zhongmin Baihui Retail Group Ltd. (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 30 June 2025.

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date, in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, as disclosed in Note 2.1, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Names of Directors

The directors of the Company in office at the date of this statement:

Lee Swee Keng
Chen Kaitong
Yee Chia Hsing
Zou Qige
Kho Kewee

Arrangements to enable directors to acquire benefits by means of the acquisition of shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed in this statement.

Directors' Statement

Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967, none of the Directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name of director or nominee		Holdings in which a director is deemed to have an interest	
Name of director	As at 1.7.2024	**As at 30.6.2025**	As at 1.7.2024	**As at 30.6.2025**
		Number of ordinary shares		
The Company - Zhongmin Baihui Retail Group Ltd.				
Lee Swee Keng	43,790,700	**43,790,700**	–	**–**
Chen Kaitong	41,400,680	**41,400,680**	–	**–**
Yee Chia Hsing	5,100	**5,100**	–	**–**

There was no change in any of the above-mentioned interest in the Company between the end of the financial year and 21 July 2025.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Share option scheme

There were no options granted during the financial year to subscribe for unissued shares of the Company or of its subsidiaries.

There were no shares issued during the financial year to which this statement relates by virtue of the exercise of the options to take up unissued shares of the Company or any subsidiary.

There were no unissued shares of the Company or any subsidiary under option at the end of the financial year.

Audit Committee

The Audit Committee at the end of the financial year comprises the following members:

Yee Chia Hsing (Chairman)
Zou Qige
Kho Kewee

The Audit Committee ("AC") carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, the SGX Listing Manual and the Code of Corporate Governance.

Audit Committee (Cont'd)

In performing these functions, the Audit Committee has met four times since the last Annual General Meeting and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

(i) overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls;

(ii) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;

(iii) the quarterly financial information and the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 30 June 2025 as well as the auditor's report thereon;

(iv) effectiveness of the Company's internal controls, including financial, operational and compliance controls and information technology controls and risk management systems via reviews carried out by the internal auditors;

(v) the auditors confirmed during the Audit Committee meeting that there was no significant disagreement with management and non-compliance with accounting standards and internal controls during the audit;

(vi) legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

(vii) the cost effectiveness and the independence and objectivity of the external auditor;

(viii) the nature and extent of non-audit services provided by the external auditor;

(ix) recommended to the Board of Directors the external auditor and internal auditors to be nominated, approved the compensation of the external auditor and internal auditors, and reviewed the scope and results of the audits;

(x) reported actions and minutes of the Audit Committee to the Board of Directors with such recommendations as the Audit Committee considered appropriate; and

(xi) interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

Further details regarding the AC are disclosed in the Report on Corporate Governance in the Annual Report of the Company.

In appointing the auditors for the Company, subsidiaries, associates and joint ventures, Rules 712, 715 and 716 of the SGX Listing Manual have been complied.

Directors' Statement

Independent auditor

The independent auditor, Foo Kon Tan LLP, has expressed its willingness to accept re-appointment.

On behalf of the Directors

....
LEE SWEE KENG

....
CHEN KAITONG

Dated: 9 October 2025

Independent Auditor's Report

to the Members of Zhongmin Baihui Retail Group Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Zhongmin Baihui Retail Group Ltd. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Gold inventory

The Group's gold inventory balance as of reporting date is RMB 90,678,513 representing 13% of the Group's total current assets. Additionally, gold inventory is subject to higher inherent risk of theft and pilferage and its price is subject to market volatility. As such we determined this to be a key audit matter.

As part of our audit, we obtained an understanding of the internal controls with respect to physical safeguards over gold inventory. We attended and observed year-end gold inventory counts at all stores and we performed the physical counts on a samplling basis to test the existence and accuracy of the quantity of the gold inventory.

We have also assessed the net realisable value of the gold inventory at year end by comparing the year end gold market prices against the carrying amounts.

Independent Auditor's Report

to the Members of Zhongmin Baihui Retail Group Ltd.

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

Impairment of investment in associates, property, plant and equipment and right-of-use assets

The Group operates several departmental stores in the People's Republic of China ("PRC"). The Group also owns and operates service apartments via investment in associates. In accordance with SFRS(I) 1-36 – Impairment of Assets, an impairment review is performed on non-financial assets when there is an indication of impairment. The Group has certain stores and an associates located in PRC that incurred losses during the financial year ended 30 June 2025 which indicates that these investment in associate, property, plant and equipment and right-of-use assets may be impaired.

As of reporting date, its investment in associates, property, plant and equipment and right-of-use assets amounted to RMB 73,233,383, RMB 95,718,103 and RMB 262,268,818 representing 6%, 8% and 22% of the Group's total assets respectively. For the financial year ended 30 June 2025, the Group has conducted an impairment assessment on the loss-making stores and the loss-making associate. The impairment assessment involves significant judgements and estimates in determining the recoverable amount, particularly those relating to gross margin, growth rates, market rent and overall market and economic conditions of the industry. Due to the material balance of the investment in associate, property, plant and equipment and right-of-use assets and, the judgements and estimates involved in the impairment assessment, we considered this as a key audit matter.

Our audit procedures included, among others, engaging our valuation specialists to assist us in assessing the appropriateness of management's assumptions, such as the discount rate applied in the value-in-use model and market rent applied in the fair value model for property, plant and equipment and right-of-use assets. We also obtained an understanding of management's planned strategy on revenue growth, gross profit margin, and cost initiatives and compared these assumptions against our knowledge of the store operations and historical performance. For investment in an associate, the Group applied the Residual Net Assets Value ("RNAV") method for the unquoted investment. Under the RNAV method, the Group engaged an independent valuer to perform a market valuation of a property that significantly affects the recoverable amount of the investment in the associate. Through our appointed auditor's expert, we noted that the key assumptions applied are generally within the range of market data available as at the reporting date. We have also evaluated the professional competence, qualifications and objectivity of the management expert and obtained an understanding of the work of the management expert. We evaluated whether the auditor's expert has the necessary competency, capacity and objectivity of our group audit purposes. We also considered the adequacy of the disclosures in Notes 5, 6 and 10 of the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

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

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

Report on the Audit of the Financial Statements (Cont'd)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

Independent Auditor's Report

to the Members of Zhongmin Baihui Retail Group Ltd.

Report on the Audit of the Financial Statements (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ong Soo Ann.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 9 October 2025

Statements of financial position

as at 30 June 2025

	Note	The Group 30 June 2025 RMB	The Group 30 June 2024 RMB	The Company 30 June 2025 RMB	The Company 30 June 2024 RMB
ASSETS					
Non-Current Assets					
Property, plant and equipment	5	**95,718,103**	114,896,106	**432,109**	47,015
Right-of-use assets	6(a)	**262,268,818**	350,368,224	**5,043,259**	132,551
Intangible assets	7	**3,809,553**	3,809,553	**–**	–
Investment in subsidiaries	8	**–**	–	**58,988,269**	58,988,269
Investment in joint ventures	9	**5,488,532**	1,484,130	**–**	–
Investment in associates	10	**73,233,383**	85,534,437	**–**	–
Other receivables	14	**9,865,873**	9,822,598	**–**	–
Deferred tax assets	11	**10,151,799**	15,498,015	**–**	–
Other assets	26	**324,108**	–	**–**	–
		460,860,169	581,413,063	**64,463,637**	59,167,835
Current Assets					
Inventories	12	**215,439,994**	194,603,713	–	–
Prepayments	13	**5,301,246**	7,113,385	**66,491**	62,305
Trade and other receivables	14	**27,287,442**	30,937,778	**20,484**	279,288
Amount due from a subsidiary	15	–	–	**30,418,574**	28,147,548
Amount due from associates	16	**52,500,000**	51,900,000	**–**	–
Amount due from a joint venture	17	**214,522,724**	216,522,724	**–**	–
Amount due from related parties	18	**5,374,285**	3,183,508	**–**	–
Cash on hand, bank balances				**–**	–
and fixed deposits	19	**90,660,651**	91,878,173	**7,292,202**	13,410,498
Restricted cash at bank and					
fixed deposits	20	**100,000,000**	100,100,000	**–**	–
		711,086,342	696,239,281	**37,797,751**	41,899,639
Total assets		**1,171,946,511**	1,277,652,344	**102,261,388**	101,067,474
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	21	**67,147,926**	67,147,926	**67,147,926**	67,147,926
Treasury shares	22	**(25,503,907)**	(25,394,592)	**(25,503,907)**	(25,394,592)
Reserves	23	**182,130,015**	150,714,570	**(1,816,136)**	(5,559,531)
Total equity		**223,774,034**	192,467,904	**39,827,883**	36,193,803
Non-Current Liabilities					
Loans and borrowings	24	–	42,635,387	–	42,635,387
Lease liabilities	6(b)	**216,550,469**	318,991,139	–	–
Other liabilities	26	**507,984**	507,984	–	–
Deferred tax liabilities	11	**15,850,788**	19,440,717	**9,921,969**	10,005,831
		232,909,241	381,575,227	**9,921,969**	52,641,218
Current Liabilities					
Loans and borrowings	24	**221,187,382**	175,122,972	**45,270,382**	6,934,972
Trade and other payables	25	**393,363,974**	430,353,780	**3,857,124**	2,307,830
Lease liabilities	6(b)	**57,535,091**	58,510,728	**–**	133,423
Other liabilities	26	**36,152,973**	32,305,306	**3,384,030**	2,856,228
Amount due to related parties	18	**3,388,802**	4,554,065	**–**	–
Income tax payable		**3,635,014**	2,762,362	**–**	–
		715,263,236	703,609,213	**52,511,536**	12,232,453
Total liabilities		**948,172,477**	1,085,184,440	**62,433,505**	64,873,671
Total equity and liabilities		**1,171,946,511**	1,277,652,344	**102,261,388**	101,067,474

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of profit or loss and other comprehensive income

for the financial year ended 30 June 2025

The Group	Note	Year ended 30 June 2025 RMB	Year ended 30 June 2024 RMB
Revenue	4	**951,261,464**	983,737,265
Cost of sales	12	**(730,471,561)**	(751,906,493)
Gross profit		**220,789,903**	231,830,772
Other income	27(a)	**101,166,441**	91,310,330
Interest income	27(b)	**3,759,657**	4,393,217
Selling and distribution expenses	27(c)	**(188,825,042)**	(197,630,113)
Administrative expenses	27(d)	**(101,046,146)**	(110,321,069)
Finance costs	27(e)	**(18,976,525)**	(20,037,180)
Profit/(loss) before taxation and share of results of joint ventures and associates		**16,868,288**	(454,043)
Share of results of joint ventures	9	**4,004,402**	2,692
Share of results of associates	10	**29,699,412**	24,373,855
Profit before taxation	27(f)	**50,572,102**	23,922,504
Taxation	28	**(7,816,462)**	(117,713)
Profit for the year		**42,755,640**	23,804,791
Other comprehensive loss after tax:			
Items that may be reclassified subsequently to profit or loss			
Loss on foreign currency translation		**(1,021,540)**	(19,193)
Other comprehensive loss for the year, net of tax		**(1,021,540)**	(19,193)
Total comprehensive income for the year		**41,734,100**	23,785,598
Earnings per share (cents)			
- Basic and diluted	29	**22.31**	12.42

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of changes in equity

for the financial year ended 30 June 2025

The Group	Share capital [Note 21] RMB	Treasury shares [Note 22] RMB	Revenue reserve RMB	Statutory reserve fund [Note 23(b)] RMB	Foreign currency translation reserve [Note 23(a)] RMB	Total reserves RMB	Total equity RMB
	Attributable to equity holders of the Company						
Balance at 1 July 2023	67,147,926	(25,092,662)	100,194,052	40,983,634	(3,985,123)	137,192,563	179,247,827
Profit for the year	–	–	23,804,791	–	–	23,804,791	23,804,791
Other comprehensive income							
Exchange differences on translating foreign operations	–	–	–	–	(19,193)	(19,193)	(19,193)
Total comprehensive income for the year	–	–	23,804,791	–	(19,193)	23,785,598	23,785,598
Contributions by and distributions to owners							
Purchase of treasury shares	–	(301,930)	–	–	–	–	(301,930)
Dividends (Note 33)	–	–	(10,263,591)	–	–	(10,263,591)	(10,263,591)
Total contributions by and distributions to owners	–	(301,930)	(10,263,591)	–	–	(10,263,591)	(10,565,521)
Balance at 30 June 2024	67,147,926	(25,394,592)	113,735,252	40,983,634	(4,004,316)	150,714,570	192,467,904

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of changes in equity

for the financial year ended 30 June 2025

The Group	Share capital [Note 21] RMB	Treasury shares [Note 22] RMB	Revenue reserve RMB	Statutory reserve fund [Note 23(b)] RMB	Foreign currency translation reserve [Note 23(a)] RMB	Total reserves RMB	Total equity RMB
	Attributable to equity holders of the Company						
Balance at 1 July 2024	**67,147,926**	**(25,394,592)**	**113,735,252**	**40,983,634**	**(4,004,316)**	**150,714,570**	**192,467,904**
Profit for the year	**–**	**–**	**42,755,640**	**–**	**–**	**42,755,640**	**42,755,640**
<u>Other comprehensive income</u>							
Exchange differences on translating foreign operations	**–**	**–**	**–**	**–**	**(1,021,540)**	**(1,021,540)**	**(1,021,540)**
Total comprehensive income for the year	**–**	**–**	**42,755,640**	**–**	**(1,021,540)**	**41,734,100**	**41,734,100**
Contributions by and distributions to owners							
Purchase of treasury shares	**–**	**(109,315)**	**–**	**–**	**–**	**–**	**(109,315)**
Dividends (Note 33)	**–**	**–**	**(10,318,655)**	**–**	**–**	**(10,318,655)**	**(10,318,655)**
Total contributions by and distributions to owners	**–**	**(109,315)**	**(10,318,655)**	**–**	**–**	**(10,318,655)**	**(10,427,970)**
<u>Others</u>							
Transfer to statutory reserve	**–**	**–**	**(4,279,790)**	**4,279,790**	**–**	**–**	**–**
Balance at 30 June 2025	**67,147,926**	**(25,503,907)**	**141,892,447**	**45,263,424**	**(5,025,856)**	**182,130,015**	**223,774,034**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of cash flows

for the financial year ended 30 June 2025

The Group	Note	Year ended 30 June 2025 RMB	Year ended 30 June 2024 RMB
Cash Flows from Operating Activities			
Profit before taxation		**50,572,102**	23,922,504
Adjustments for:			
Depreciation of property, plant and equipment	5	**13,325,874**	14,595,091
Depreciation of right-of-use assets	6	**56,369,220**	55,124,650
Net loss on disposal of property, plant and equipment		**4,630,509**	257,264
Net gain on de-recognition of right-of-use assets and lease liabilities		**(19,687,595)**	(2,190,662)
Net gain on lease modification		**–**	(5,759,949)
(Addition)/amortisation of step rental income		**(324,108)**	45,496
Inventories written off		**223,327**	47,154
Property, plant and equipment written off	5	**2,117,908**	3,175,117
Interest income	27(b)	**(3,759,657)**	(4,393,217)
Finance costs	27(e)	**18,976,525**	20,037,180
Share of results of joint ventures	9	**(4,004,402)**	(2,692)
Share of results of associates	10	**(29,699,412)**	(24,373,855)
Operating profit before working capital changes		**88,740,291**	80,484,081
Change in inventories		**(21,059,608)**	(33,101,606)
Change in prepayments		**2,260,656**	1,817,030
Change in trade and other receivables		**6,891,514**	(5,352,862)
Change in trade and other payables		**(25,841,406)**	(3,913,214)
Cash generated from operations		**50,991,447**	39,933,429
Interest received		**655,962**	4,707,149
Tax paid		**(5,687,682)**	(6,635,893)
Net cash generated from operating activities		**45,959,727**	38,004,685
Cash Flows from Investing Activities			
Dividend received		**42,000,466**	16,058,994
Purchase of property, plant and equipment	5	**(1,354,220)**	(6,636,887)
Additions to rights-of-use assets	6(c)(i)	**(5,139,887)**	–
Repayment of advances/(advances to) from a joint venture		**2,000,000**	(9,000,000)
Advances to associates		**(600,000)**	(13,500,000)
(Advances to)/repayment of advance from related parties (non-trade)		**(1,988,714)**	1,087,729
Proceeds from disposal of property, plant and equipment		**70,000**	39,823
(Placement)/maturity of fixed deposits		**(7,138,956)**	40,300,248
Net cash generated from investing activities		**27,848,689**	28,349,907
Balance carried forward		**73,808,416**	66,354,592

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of cash flows

for the financial year ended 30 June 2025

The Group	Note	**Year ended 30 June 2025 RMB**	Year ended 30 June 2024 RMB
Balance brought forward		**73,808,416**	66,354,592
Cash Flows from Financing Activities			
Dividends paid	33	**(10,318,655)**	(10,263,591)
Interest paid on lease liabilities		**(9,688,314)**	(9,926,120)
Interest paid on loans and bonds		**(5,603,847)**	(5,346,728)
Purchase of treasury shares		**(109,315)**	(301,930)
Proceeds from loans and borrowings		**195,029,000**	177,688,000
Repayment of bank loans		**(194,541,255)**	(140,566,948)
Repayment of lease liabilities		**(56,632,956)**	(59,746,494)
Repayment of loan to related parties		**(1,154,455)**	(17,961,823)
Decrease/(increase) in restricted cash at bank and bank deposit pledged		**100,000**	(60,000,000)
Net cash used in financing activities		**(82,919,797)**	(126,425,634)
Net decrease in cash and cash equivalents		**(9,111,381)**	(60,071,042)
Cash and cash equivalents at beginning of year		**91,878,173**	152,237,249
Effect of exchange rate changes on cash and cash equivalents		**754,903**	(288,034)
Cash and cash equivalents at end of year	19	**83,521,695**	91,878,173

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of cash flows

for the financial year ended 30 June 2025

Note:

A. Major non-cash transactions

During the financial years ended 30 June 2025 and 30 June 2024, the Group has no significant non-cash arrangement.

B. Reconciliation of liabilities arising from financing activities

The following is the disclosures of the reconciliation of items for which cash flows have been, or would be, classified as financing activities, excluding equity items:

			Cash flows		Non-cash changes						
	Note	1 July 2024 RMB	Repayment RMB	Interest RMB	Accretion of interests RMB	Interest payable RMB	Unwinding on discounts of bond RMB	Currency translation RMB	Additions RMB	De-recognition RMB	30 June 2025 RMB
Amount due to related parties	18	**4,470,933**	**(1,154,455)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**3,316,478**
Lease liabilities	6(b)	**377,501,867**	**(56,632,956)**	**(9,688,314)**	**14,043,155**	**5,577,987**	**–**	**5,878**	**5,285,938**	**(62,007,995)**	**274,085,560**
Bank loans	24	**175,712,643**	**(194,541,255)**	**(5,603,847)**	**5,603,847**	**–**	**–**	**335,198**	**195,029,000**	**–**	**176,535,586**
Non-convertible bonds	24	**42,045,716**	**–**	**–**	**3,857,124**	**(3,857,124)**	**486,660**	**2,119,420**	**–**	**–**	**44,651,796**
Restricted cash at bank and bank deposit pledged	20	**(100,100,000)**	**100,000**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(100,000,000)**

			Cash flows		Non-cash changes						
	Note	1 July 2023 RMB	Repayment RMB	Interest RMB	Accretion of interests RMB	Interest payable RMB	Unwinding on discounts of bond RMB	Currency translation RMB	Additions RMB	De-recognition RMB	30 June 2024 RMB
Amount due to related parties	18	22,432,756	(17,961,824)	–	–	–	–	–	–	–	4,470,932
Lease liabilities	6(b)	298,522,469	(59,746,494)	(9,926,120)	3,339,039	7,523,210	–	101	198,983,126	(61,193,464)	377,501,867
Bank loans	24	138,581,587	(140,566,948)	(5,346,728)	5,346,728	–	–	10,004	177,688,000	–	175,712,643
Non-convertible bonds	24	41,563,412	–	–	2,045,864	(2,045,864)	467,740	14,564	–	–	42,045,716
Restricted cash at bank and bank deposit pledged	20	(40,100,000)	–	–	–	–	–	–	(60,000,000)	–	(100,100,000)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Notes to the Financial Statements

for the financial year ended 30 June 2025

1 General information

The consolidated financial statements of the Group and statement of financial position of the Company for the financial year ended 30 June 2025 were authorised for issue by the Board of Directors on the date of the directors' statement.

Zhongmin Baihui Retail Group Ltd. (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is at 81 Ubi Avenue 4, #03-31, UB.One, Singapore 408830.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

2 Material accounting policy information

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS (I)).

As at 30 June 2025, the Group's current liabilities exceeded its current assets by RMB 4,176,894 (2024 - RMB 7,369,932), which included current borrowings of RMB 221,187,382 (2024 - RMB 175,122,972) from financial institutions.

The financial statements have been prepared on a going concern basis as the Group is able to meet its current liabilities obligation for the next twelve months through dividends from associates and raising funds through bank borrowings. As of reporting date, the Group has unutilised bank credit facilities of RMB 84.5 million (2024 - RMB 76.2 million), all of which remain unutilised as of the date of this auditor's report.

The financial statements are presented in Chinese Renminbi (RMB).

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year ended 30 June 2025, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 July 2024. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

2 Material accounting policy information (Cont'd)

2.3 New and revised SFRS(I) in issue but not yet effective

The Group and the Company have not adopted the following standards (which may be early adopted) applicable that have been issued but not yet effective:

Reference	**Description**	**Effective date (Annual periods beginning on or after)**
Amendments to SFRS(I) 1-21	Lack of Exchangeability	1 January 2025
Amendments to SFRS(I) 9 and SFRS(I) 7	Classification and Measurement of Financial Instruments	1 January 2026
Amendments to SFRS(I) 9 and SFRS(I) 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Various	Annual Improvements to SFRS(I)s – Volume 11	1 January 2026
SFRS(I) 18	Presentation and Disclosure in Financial Statements	1 January 2027
SFRS(I) 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to SFRS(I) 10 and SFRS(I) 1-28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Yet to be determined

2.4 Basis of consolidation and business combinations

(a) *Basis of consolidation*

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

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

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

Notes to the Financial Statements

for the financial year ended 30 June 2025

2 Material accounting policy information (Cont'd)

2.4 Basis of consolidation and business combinations (Cont'd)

(a) *Basis of consolidation (Cont'd)*

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

(b) *Business combinations and goodwill*

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

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

If the business combination is achieved in stages, the previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

2 Material accounting policy information (Cont'd)

2.4 Basis of consolidation and business combinations (Cont'd)

(b) *Business combinations and goodwill (Cont'd)*

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after re-assessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at financial year end. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

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

2.5 *Functional and foreign currency*

(a) Functional currency

The management has determined the currency of the primary economic environment in which the Company operates ie. functional currency, to be Singapore dollars (SGD). Cost of investment in subsidiary and major operating expenses are primarily influenced by fluctuation in SGD.

(b) *Presentation currency*

The financial statements have been presented in Renminbi (RMB) as it is the currency that the Directors of the Group use when controlling and monitoring the performance and financial position of the Group. The Group's main operational subsidiary's sales, purchases, receipts, payments are traded primarily in RMB, the Directors are of the opinion that choosing RMB as the presentation currency best reflects the primary economic environment in which the Group operates.

Notes to the Financial Statements

for the financial year ended 30 June 2025

2 Material accounting policy information (Cont'd)

2.5 Functional and foreign currency (Cont'd)

(c) *Consolidated financial statements*

For consolidation purposes, the assets and liabilities of the Company's operations are translated into RMB at the rate of exchange ruling at the end of the reporting period and its profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(d) *Foreign currency transactions*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.6 Property, plant and equipment

All items of property, plant and equipment are initially measured at cost. Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to allocate the depreciable amount of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Electronics	–	3-5 years
Furniture and fittings	–	3-10 years
Computer software	–	3-10 years
Motor vehicles	–	4 years
Leasehold improvements	–	3-20 years (i.e. lease period)
Buildings	–	20 years

2 Material accounting policy information (Cont'd)

2.6 Property, plant and equipment (Cont'd)

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

An item of property, plant and equipment including any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is de-recognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

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

2.7 Government grant

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs for, which it is intended to compensate, are expensed.

2.8 Impairment of non-financial assets

As at each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. If any such indication exists, the asset's recoverable amount is estimated.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2 Material accounting policy information (Cont'd)

2.8 Impairment of non-financial assets (Cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.9 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses.

2.10 Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

2.11 Associates and joint ventures

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group re-assesses whether the type of joint arrangement in which it is involved has changed when facts and circumstances change. The Group does not have any joint arrangement classified as joint operation.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date.

2 Material accounting policy information (Cont'd)

2.11 Associates and joint ventures (Cont'd)

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

When the Group's share of losses in an associate and a joint venture equals or exceeds its interest in the associate and joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate and joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.12 Financial instruments

(a) ***Financial assets***

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under SFRS (I) 15 in accordance with the policies set out for "Revenue recognition" below.

2 Material accounting policy information (Cont'd)

2.12 Financial instruments (Cont'd)

(a) ***Financial assets (Cont'd)***

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

<u>Debt instruments</u>

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is de-recognised, modified or impaired.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2 Material accounting policy information (Cont'd)

2.12 Financial instruments (Cont'd)

(b) ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

Bank borrowings

Borrowings are recognised initially at the fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of the borrowings using the effective interest method.

The covenants that the Group is required to comply with on or before the reporting date are taken into consideration when classifying the loan as current or non-current at the reporting date. The covenants that the Group is required to comply with after the reporting date do not affect the current or non-current classification of the loan at the reporting date.

Gains and losses are recognised in the profit or loss when the liabilities are de-recognised as well as through the amortisation process.

Borrowings which are due to be settled within 12 months after the end of the reporting period are included in current borrowings in the statements of financial position even though the original terms were for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period. Other borrowings due to be settled more than twelve months after the end of the reporting period are included in non-current borrowings in the statements of financial position.

Subsequent measurement

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

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

2 Material accounting policy information (Cont'd)

2.13 Impairment of financial assets

The Group assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other receivables and cash and bank deposits, the general 3-stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations, namely retail.

2 Material accounting policy information (Cont'd)

2.13 Impairment of financial assets (Cont'd)

Financial assets carried at amortised cost (Cont'd)

(i) Significant increase in credit risk (Cont'd)

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

- actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument (e.g. significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost);
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

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

- the financial instrument has a low risk of default,
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

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

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

2 Material accounting policy information (Cont'd)

2.13 Impairment of financial assets (Cont'd)

Financial assets carried at amortised cost (Cont'd)

(ii) Definition of default

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

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

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

(iii) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery (e.g., when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings), or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and short-term deposits (with a period of 3 months or less from the placement date) that are readily convertible to known amount of cash and are held to meet short-term liquidity requirements, ensuring that the Group can fulfil its operational and financial obligations as they fall due and are subject to an insignificant risk of changes in value. These exclude pledged deposits with financial institutions.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of finished goods is determined on a weighted average basis and includes all costs of bringing the inventories to their present location and condition.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

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

2 Material accounting policy information (Cont'd)

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 Employee benefits

(a) *Defined contribution plans*

Singapore

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

People's Republic of China ("PRC")

The subsidiaries incorporated and operating in the PRC are required to provide certain staff pension benefits to their employees under existing PRC regulations. Pension contributions are provided at rates stipulated by PRC regulations and are contributed to a pension fund managed by government agencies, which are responsible for administering these amounts for the subsidiaries' employees. The above contributions are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain managerial personnel are considered key management personnel.

2 Material accounting policy information (Cont'd)

2.18 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) *Right-of-use assets*

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. Subsequent to initial recognition, they are measured at cost less accumulated depreciation, accumulated impairment losses and adjusted for any re-measurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold building	–	over the remaining lease period
Prepaid land lease payments	–	50 years

The right-of-use assets are also subject to impairment as disclosed in policies in Note 2.8 "Impairment of non-financial assets".

(b) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

2 Material accounting policy information (Cont'd)

2.18 Leases (Cont'd)

Group as a lessee (Cont'd)

(b) *Lease liabilities (Cont'd)*

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability shall be re-measured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is modification in the scope or the consideration of the lease that was not part of the original term. In this case, the lease liability is re-measured by discounting the revised lease payments using a revised discount rate at the effective date of the lease modification.

Lease liability is re-measured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(c) *Short-term leases and leases of low-value assets*

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

Group as lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.20(d). Contingent rents are recognised as revenue in the period in which they are earned.

2 Material accounting policy information (Cont'd)

2.19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.20 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Direct sales*

Revenue from direct sale of goods is recognised when the performance obligation is satisfied upon the transfer of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) *Managed rental*

Revenue from managed rental is recognised on a fixed sum on a straight-line basis over the contracted period.

(c) *Concessionaire sales*

Revenue from concessionaire sales is recognised on a net basis based on either a fixed sum or a commission amounting to a certain agreed percentage of tenants' revenue from the sale of their products. Concessionaire sales inclusive of maintenance fees charges to tenants.

(d) *Rental income*

Rental income from operating leases (net of any incentives given to the lessee) from the letting of premises is recognised on a straight-line basis over the lease terms. Rental income are also received from temporary and seasonal leases of spaces in the department store where suppliers lease them for conducting promotional activities. Rental income includes maintenance fees charges to lessees.

(e) *Dividend income*

Dividend income is recognised when the Group's right to receive payment is established.

2 Material accounting policy information (Cont'd)

2.21 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

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

Deferred tax assets and liabilities are recognised on transactions that, on initial recognition, give rise to equal amounts of deductible and taxable temporary differences, arising from leases and decommissioning liabilities.

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

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences at the date of transaction; and

– In respect of temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2 Material accounting policy information (Cont'd)

2.21 Taxes (Cont'd)

(b) *Deferred tax (Cont'd)*

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are recognised on transactions that, on initial recognition, give rise to equal amounts of deductible and taxable temporary differences, arising from leases.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

2.22 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity.

2.23 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2 Material accounting policy information (Cont'd)

2.24 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statements of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.25 Segment reporting

A business segment is a distinguishable component of the Group that is engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of the Group that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

The Group is substantially in one business segment, namely ownership, operation and management of a chain of department stores in China, accordingly, no segment reporting is presented.

2.26 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

2 Material accounting policy information (Cont'd)

2.26 Related parties (cont'd)

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

(viii) the entity, or any member of a group which is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2.27 Current and non-current classification

The Group presents assets and liabilities in the statements of financial position based on current or non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no right to defer the settlement of the liability for at least twelve months after the reporting period.

2 Material accounting policy information (Cont'd)

2.27 Current and non-current classification (Cont'd)

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.28 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its 'highest-and-best use' or by selling it to another market participant that would use the asset in its 'highest-and-best use'.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value-in-use in SFRS(I) 1-36 *Impairment of Assets.*

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are unobservable.

2 Material accounting policy information (Cont'd)

2.29 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares.

2.30 Financial instruments

Financial instruments carried on the statements of financial position include cash and cash equivalents, financial assets and financial liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. These instruments are recognised when contracted for.

Disclosures on financial risk management objectives and policies are provided in Note 32.

3 Significant accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of the revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 *Judgements made in applying accounting policies*

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period except as follows:

<u>Joint ventures [Note 9]</u>

The Group holds 50% ownership interest of its joint ventures recognised in the consolidated accounts using the equity method in accordance with the percentage owned. Management has assessed that the holdings are joint arrangements as there are contractual arrangements with the parties resulting in the Group having joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. As the joint arrangements provide the Group with rights to the net assets of the arrangements, the arrangements are joint ventures to the Group. Further details are disclosed in Note 9 to the financial statements.

3 Significant accounting estimates and judgements (Cont'd)

3.1 *Judgements made in applying accounting policies (Cont'd)*

Associates [Note 10]

The Group assesses that it has significant influence over an investee when the Group has the power to participate in the financial and operating policy decisions of the investee. The Group owns 24% to 48% of the ownership interest and voting rights in the associates as disclosed in Note 10. The management is of the view that the Group has significant influence over these associates as the Group has the right to appoint its representatives for one fourth of the investee's board of directors.

Income tax [Note 28]

The Group has exposures to income taxes in several jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Determination of the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is re-assessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee.

For leases of leasehold properties and plant and equipment, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

3 Significant accounting estimates and judgements (Cont'd)

3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets [Notes 5, 6(a), 8, 9 and 10]

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal ("FVLCD") and its value-in-use ("VIU"). The FVLCD calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The VIU calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for the next three or five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash-generating unit being tested. The key assumptions in deriving the recoverable amount include discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

The FVLCD estimation is affected by the uncertainty caused by more volatile asset prices and currency exchange rates in countries in which the Group operates in. The VIU estimation is based on forecasted cash flows of the underlying business.

The carrying amounts of the Group's and the Company's non-financial assets are disclosed in Notes 5, 6(a), 8, 9 and 10 to the consolidated financial statements. In 2025 and 2024, a decrease of 2% in each of the Group's and the Company's non-financial assets' recoverable amounts will not increase any impairment losses that had been on the Group's and Company's non-financial assets.

Depreciation of property, plant and equipment [Note 5]

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The carrying amounts of the Group's property, plant and equipment as at 30 June 2025 are RMB 95,718,103 (2024 - RMB 114,896,106). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

If the actual useful lives of property, plant and equipment differ by 5% from management's estimates, the carrying amounts of the property, plant and equipment of the Group will be approximately RMB 4,785,905 (2024 - RMB 5,744,805) higher/lower.

3.2 *Key sources of estimation uncertainty (Cont'd)*

Depreciation of right-of-use assets [Note 6(a)]

Right-of-use assets are depreciated on a straight-line basis over their estimated useful lives. The carrying amounts of the Group's right-of-use assets as at 30 June 2025 are RMB 262,268,818 (2024 - RMB 350,368,224). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

If the actual useful lives of right-of-use assets differ by 5% from management's estimates, the carrying amounts of the right-of-use assets of the Group will be approximately RMB 13,113,441 (2024 - RMB 17,518,411) higher/lower.

Deferred tax assets [Note 11]

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilised. This involves judgement regarding future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised. Management has assessed that it is reasonable to recognise deferred tax assets based on probable future taxable income. The carrying amount of the Group's deferred tax assets is disclosed in Note 11.

For the financial year ended 30 June 2025, a decrease of 10% in the probable future taxable income will not affect the amount of deferred tax assets recognised.

Net realisable value of inventories [Note 12]

A review is made on inventory for excess inventory and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. The review requires management to consider the future demand for the products. In any case the realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the reporting year and inherently involves estimates regarding the future expected realisable value.

The usual considerations for determining the amount of allowance or write-down include a technical assessment of inventories concerned, considering future demand, future selling prices, rework cost and fluctuation of gold market prices and ageing analysis of inventories. In general, such an evaluation process requires significant judgement and materially affects the carrying amount of inventories at the end of the reporting year. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories at the end of the reporting period is disclosed in Note 12.

Impairment of financial assets and other assets [Notes 14 to 20 and 26]

The Group assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instrument assets carried at amortised cost. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

3 Significant accounting estimates and judgements (Cont'd)

3.2 Key sources of estimation uncertainty (Cont'd)

Impairment of financial assets [Notes 14 to 20 and 26] (Cont'd)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group measures the loss allowance at an amount equal to the lifetime expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For non-trade receivables, the Group and the Company apply the general approach to determine ECL. ECL is measured as an allowance equal to 12-month ECL for stage-1 (low credit risk) assets, or lifetime ECL for stage-2 (deterioration in credit risk) or stage-3 (credit impaired) assets. An asset moves from stage-1 to stage-2 when its credit risk increases significantly and subsequently to stage-3 as it becomes credit-impaired. In assessing whether credit risk has significantly increased, the Group and the Company consider qualitative and quantitative, reasonable and supportable forward-looking information. Lifetime ECL represents ECL that will result from all possible default events over the expected life of a financial instrument whereas 12-month ECL represents the portion of lifetime ECL expected to result from default events possible within 12 months after the reporting date.

The ECL assessment involves estimation uncertainty, such as a slowdown in payment collections from the customers.

If the expected credit losses increase by 1% from management estimates, this will lead an increase in impairment on financial assets by RMB 5,058,363 (2024 - RMB 5,114,582).

4 Revenue

The Group is substantially in one business segment, namely ownership, operation and management of a chain of department stores in China, accordingly, no segment reporting is presented.

The Group	**Year ended 30 June 2025 RMB**	Year ended 30 June 2024 RMB
Direct sales	**842,803,907**	859,554,077
Commission from concessionaire sales	**66,780,604**	81,157,711
Revenue from contracts with customers	**909,584,511**	940,711,788
Rental income	**32,936,004**	33,339,570
Managed rental	**8,740,949**	9,685,907
Total revenue	**951,261,464**	983,737,265

Revenue from direct sales and commission from concessionaire sales (presented as net) are recognised at a point in time while revenue from rental and managed rental are recognised over time.

For information purpose only, gross sales proceeds are as follows:

The Group	**Year ended 30 June 2025 RMB**	Year ended 30 June 2024 RMB
Direct sales	**842,803,907**	859,554,077
Commission from concessionaire sales	**395,349,102**	445,405,454
Rental income	**32,936,004**	33,339,570
Managed rental	**8,740,949**	9,685,907
Gross sales proceeds*	**1,279,829,962**	1,347,985,008

* Gross sales proceeds represent the aggregate sum of revenue received and receivable for goods sold under direct sales, gross proceeds from concessionaire sales, rental income and income from managed rental.

Judgement and methods used in estimating revenue

In estimating the variable consideration relating to the breakage that arise from the sale of prepaid cards and customer loyalty program, management relies on historical experience from the utilisation of the prepaid cards and the redemption of the loyalty points respectively for last year. Management has exercised judgement in applying the constraint on the estimated variable consideration that can be included in the transaction price.

A portion of the estimated variable consideration is subjected to the constraint based on past experience with the customer as it is highly probable that a significant reversal in the cumulative amount of revenue recognised will occur. Hence, it would not be recognised as revenue.

5 Property, plant and equipment

The Group	Electronics RMB	Furniture and fittings RMB	Computer software RMB	Motor vehicles RMB	Leasehold improvements RMB	Buildings RMB	Total RMB
Cost							
At 1 July 2023	5,531,592	20,989,876	1,459,089	4,769,794	87,815,089	119,968,939	240,534,379
Additions	110,107	336,869	–	1,090,071	5,099,840	–	6,636,887
Disposals	(44,163)	(1,381,243)	–	(430,063)	–	–	(1,855,469)
Written off	–	–	–	–	(3,655,877)	–	(3,655,877)
Currency translation	–	8	10	–	27	–	45
At 30 June 2024	**5,597,536**	**19,945,510**	**1,459,099**	**5,429,802**	**89,259,079**	**119,968,939**	**241,659,965**
Additions	**56,026**	**235,259**	**–**	**1,580**	**1,061,355**	–	**1,354,220**
Disposals	**(153,439)**	**(682,384)**	**–**	**(416,283)**	**(32,389,834)**	–	**(33,641,940)**
Written off	**(144,176)**	**(254,524)**	**–**	**–**	**(4,576,595)**	–	**(4,975,295)**
Currency translation	**5,123**	**1,238**	**1,414**	**–**	**3,786**	–	**11,561**
At 30 June 2025	**5,361,070**	**19,245,099**	**1,460,513**	**5,015,099**	**53,357,791**	**119,968,939**	**204,408,511**
Accumulated depreciation							
At 1 July 2023	5,136,959	18,006,462	1,262,578	2,457,701	43,288,791	35,188,765	105,341,256
Depreciation for the year	114,376	794,681	9,370	551,809	7,366,346	5,758,509	14,595,091
Disposals	(41,691)	(1,086,628)	–	(408,560)	–	–	(1,536,879)
Written off	–	–	–	–	(480,760)	–	(480,760)
Currency translation	(78)	28	66	–	27	–	43
At 30 June 2024	**5,209,566**	**17,714,543**	**1,272,014**	**2,600,950**	**50,174,404**	**40,947,274**	**117,918,751**
Depreciation for the year	**80,236**	**196,088**	**9,776**	**707,984**	**6,573,282**	**5,758,508**	**13,325,874**
Disposals	**(134,923)**	**(308,696)**	**–**	**(123,636)**	**(21,153,768)**	**–**	**(21,721,023)**
Written off	**(136,967)**	**(238,340)**	**–**	**–**	**(2,482,080)**	**–**	**(2,857,387)**
Currency translation	**3,359**	**1,257**	**962**	**–**	**4,117**	**–**	**9,695**
At 30 June 2025	**5,021,271**	**17,364,852**	**1,282,752**	**3,185,298**	**33,115,955**	**46,705,782**	**106,675,910**
Accumulated impairment losses							
At 1 July 2023	132,707	1,398,352	176,942	833,377	6,325,233	–	8,866,611
Disposals	–	–	–	(21,503)	–	–	(21,503)
At 30 June 2024	**132,707**	**1,398,352**	**176,942**	**811,874**	**6,325,233**	**–**	**8,845,108**
Disposals	**(14,226)**	**(335,948)**	**–**	**(292,647)**	**(6,187,789)**	**–**	**(6,830,610)**
At 30 June 2025	**118,481**	**1,062,404**	**176,942**	**519,227**	**137,444**	**–**	**2,014,498**
Net carrying amount							
At 30 June 2025	**221,318**	**817,843**	**819**	**1,310,574**	**20,104,392**	**73,263,157**	**95,718,103**
At 30 June 2024	255,263	832,615	10,143	2,016,978	32,759,442	79,021,665	114,896,106

5 **Property, plant and equipment (Cont'd)**

The Company	Electronics	Furniture and fittings	Computer software	Leasehold improvements	Total
	RMB	RMB	RMB	RMB	RMB
Cost					
At 1 July 2023	67,254	24,582	28,079	75,182	195,097
Additions	34,533	–	–	–	34,533
Currency translation	–	8	10	27	45
At 30 June 2024	**101,787**	**24,590**	**28,089**	**75,209**	**229,675**
Additions	**27,026**	**24,880**	**–**	**414,442**	**466,348**
Written off	**(44,443)**	**(9,165)**	**–**	**(78,995)**	**(132,603)**
Currency translation	**5,123**	**1,238**	**1,414**	**3,786**	**11,561**
At 30 June 2025	**89,493**	**41,543**	**29,503**	**414,442**	**574,981**
Accumulated depreciation					
At 1 July 2023	53,355	24,414	8,510	75,182	161,461
Depreciation for the year	11,638	148	9,370	–	21,156
Currency translation	(78)	28	66	27	43
At 30 June 2024	**64,915**	**24,590**	**17,946**	**75,209**	**182,660**
Depreciation for the year	**15,274**	**3,141**	**9,776**	**54,929**	**83,120**
Written off	**(44,443)**	**(9,165)**	**–**	**(78,995)**	**(132,603)**
Currency translation	**3,359**	**1,257**	**962**	**4,117**	**9,695**
At 30 June 2025	**39,105**	**19,823**	**26,684**	**55,260**	**142,872**
Net carrying amount					
At 30 June 2025	**50,388**	**21,720**	**819**	**359,182**	**432,109**
At 30 June 2024	36,872	–	10,143	–	47,015

Included in accumulated impairment losses is RMB 2,014,498 (2024 - RMB 8,845,108) of accumulated impairment losses, as the stores are incurring continuing losses for the current and previous financial years. During the current financial year, certain stores had ceased operations and the assets had been disposed of. Accordingly, the impairment losses of RMB 6,830,610 had been utilised.

Impairment of non-financial assets

For the financial years ended 30 June 2025 and 30 June 2024, the Group undertook a review to assess the viability of underperforming stores. Based on the result of the review, no additional impairment or reversal of impairment is required for the financial years ended 30 June 2025 and 30 June 2024 as those stores continued to incur losses and the property, plant and equipment located in those stores were fully impaired in prior years.

Notes to the Financial Statements

for the financial year ended 30 June 2025

6(a) Right-of-use assets

The Group leases properties for its operations. As at the reporting date, the Group's property leases have terms ranging from 3 to 20 years. Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	The Group		The Company	
	30 June 2025 RMB	30 June 2024 RMB	**30 June 2025 RMB**	30 June 2024 RMB
As at beginning of year	**350,368,224**	259,752,303	**132,551**	257,060
Additions	**10,425,825**	–	**5,139,887**	162,164
Lease modifications	**–**	198,983,126	**–**	–
Depreciation	**(56,369,220)**	(55,124,650)	**(234,441)**	(286,972)
De-recognition	**(42,161,273)**	(53,242,854)	**–**	–
Currency translation	**5,262**	299	**5,262**	299
As at end of year	**262,268,818**	350,368,224	**5,043,259**	132,551

For the financial years ended 30 June 2025 and 30 June 2024, the Group undertook a review to assess the viability of underperforming stores. Based on the review, no impairment is required.

6(b) Lease liabilities

Set out below are the carrying amounts of liabilities and the movements during the year:

	The Group		The Company	
	30 June 2025 RMB	30 June 2024 RMB	**30 June 2025 RMB**	30 June 2024 RMB
As at beginning of year	**377,501,867**	298,522,469	**133,423**	266,755
Additions	**5,285,938**	198,983,126	**–**	160,590
Accretion of interest	**14,043,155**	3,339,039	**2,328**	7,369
Interest payable	**5,577,987**	7,523,210	**–**	–
Payments	**(66,321,270)**	(69,672,614)	**(141,629)**	(301,392)
De-recognition	**(62,007,995)**	(61,193,464)	**–**	–
Currency translation	**5,878**	101	**5,878**	101
As at end of year	**274,085,560**	377,501,867	**–**	133,423

6(b) Lease liabilities (Cont'd)

Set out below are the carrying amounts of liabilities and the movements during the year (Cont'd):

	The Group		The Company	
	30 June 2025 RMB	30 June 2024 RMB	**30 June 2025 RMB**	30 June 2024 RMB
Undiscounted lease payments due:				
- Financial Year 1	**66,297,022**	66,958,133	**–**	135,654
- Financial Year 2	**56,035,270**	64,049,742	**–**	–
- Financial Year 3	**54,715,462**	62,531,743	**–**	–
- Financial Year 4	**54,831,229**	61,915,700	**–**	–
- Financial Year 5	**51,694,834**	62,283,661	**–**	–
- Financial Year 6 and onwards	**30,064,226**	146,384,504	**–**	–
	313,638,043	464,123,483	**–**	135,654
Less: Future interest cost	**(39,552,483)**	(86,621,616)	**–**	(2,231)
Lease liabilities	**274,085,560**	377,501,867	**–**	133,423
- Current	**57,535,091**	58,510,728	**–**	133,423
- Non-current	**216,550,469**	318,991,139	**–**	–
	274,085,560	377,501,867	**–**	133,423

Total cash outflows for all leases in the year amount to RMB 66,321,270 (2024 - RMB 69,672,614).

The Group does not have short term leases and lease of low-value asset in the current and previous financial periods.

Information about the Group's leasing activities is disclosed in Note 6(c).

Further information about the financial risk management is disclosed in Note 32.

The Group's lease liabilities are secured by the lessors' title to the leased assets.

6(c) Lease arrangements

(i) The Group as lessee

Leasehold properties

During the current financial year, the Group made an upfront cash payment of RMB 5,139,987 for a leasehold property located in Singapore, being classified as right-of-use asset. The Group makes monthly lease payments for the use of several leasehold properties for operational purposes [Note 6(b)]. These leasehold properties are recognised within the Group's right-of-use assets [Note 6(a)]. There are no externally imposed covenants on these property lease arrangements.

6(c) Lease arrangements (Cont'd)

(ii) The Group as lessor

Right-of-use assets

Operating leases, in which the Group is the lessor, relate to right-of-use assets by the Group. The lease terms range from 1 to 14 years (2024 – 3 to 14 years). All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

These leases are classified as operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred. The unguaranteed residual values do not represent a significant risk for the Group, as they relate to properties which are located in locations with constant increase in value over the last 5 years. The Group has not identified any indications that this situation will change.

The Group's revenue from rental income received on the right-of-use assets are disclosed in Note 4.

The future minimum rental receivable under non-cancellable operating leases contracted for at the reporting date are as follows:

The Group	**2025** **RMB'000**	2024 RMB'000
Undiscounted lease payments to be received:		
- Financial Year 1	**21,179**	21,949
- Financial Year 2	**9,498**	10,298
- Financial Year 3	**6,356**	4,947
- Financial Year 4	**4,143**	3,431
- Financial Year 5	**1,753**	2,109
- Financial Year 6 and onwards	**180**	322
	43,109	43,056

7 Intangible assets

The Group	Goodwill RMB
Cost:	
At 1 July 2023, 30 June 2024 and **30 June 2025**	**3,809,553**
Net carrying amount:	
At 30 June 2025	**3,809,553**
At 30 June 2024	3,809,553

On 1 May 2013 (the "acquisition date"), the Group acquired two stores from a related party.

7 Intangible assets (Cont'd)

Goodwill arising from the acquisition

The goodwill of RMB 3,809,553 relates to the acquisition of the two stores located within the long established vicinity of Tumen and Quanxiu stores in China. Goodwill of Tumen and Quanxiu stores amounted to RMB 1,873,000 and RMB 1,936,553 (2024 - RMB 1,873,000 and RMB 1,936,553) respectively. None of the goodwill recognised is expected to be deductible for income tax purposes.

Impairment testing of goodwill

The recoverable amounts of the two stores have been determined based on value-in-use calculations using cash flow projections from financial budgets approved by management covering their remaining lease period. The discount rate applied to the cash flow projections for both stores is 9.9% (2024 - 9.2%) and the forecasted growth rates used to extrapolate the cash flows projections is at 4.8% for the year ended 30 June 2025 and over the remaining lease periods ending between March 2030 to April 2030 (2024 - 6.0% for the year ended 30 June 2024 and over the remaining lease periods ending between March 2030 to April 2030).

Management determined budgeted gross margin based on past performance and its expectations of the market development. The discount rate reflects specific risks relating to the relevant retail industry and derived from its weighted average cost of capital (WACC). The forecasted growth rates are based on published industry research and do not exceed the long-term average growth rates for the relevant retail industry in China.

Sensitivity to changes in assumptions

With regards to the assessment of value-in-use for the goodwill, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the goodwill to exceed its recoverable amount.

8 Investment in subsidiaries

The Company	**2025 RMB**	2024 RMB
Shares, at cost	**104,994,336**	104,994,336
Provision for impairment at beginning and end of year	**(46,006,067)**	(46,006,067)
	58,988,269	58,988,269

Notes to the Financial Statements

for the financial year ended 30 June 2025

8 Investment in subsidiaries (Cont'd)

Details of the subsidiaries at the end of the reporting period are as follows:

Name	Country of incorporation/ principal place of business	Proportion of ownership interests 2025 %	2024 %	Principal activities
Xiamen Shi Zhongmin Baihui Commercial Co., Ltd. (1), (3)	People's Republic of China ("PRC")	**100**	100	Ownership, operation and management of a chain of department stores
Zhongmin Baihui (China) Retail Group Co., Ltd. (1), (3)	PRC	**100**	100	Ownership, operation and management of a chain of department stores
Zhongmin Baihui (Fujian) Shopping Centre Co., Ltd.(3)	PRC	**100**	100	Ownership, operation and management of retail stores
Zhangzhou Zhongmin Baihui Business Service Co., Ltd. (2), (3)	PRC	**100**	100	Ownership and operation of department stores
Zhangzhou Zhongmin Baihui Supermarket Co., Ltd. (2), (3)	PRC	**100**	100	Ownership and operation of department stores
Parkway Utalk Pte. Ltd.(4)	Singapore	**100**	–	Investment holding
Xiamen Haicang Zhongmin Baihui Supermarket Co., Ltd (3)	PRC	**100**	100	Ownership and operation of department stores
Held by Parkway Utalk Pte. Ltd.				
Fujian Baihui Utalk Co., Ltd (3), (4)	PRC	**100**	–	Ownership and operation of department stores
Held by Zhongmin Baihui (China) Retail Group Co., Ltd				
Quanzhou Zhongmin Baihui Lvyue Supply Chain Management Co., Ltd (3), (4)	PRC	**100**	–	Supply chain management services

(1) Audited by Foo Kon Tan LLP for consolidation purposes.
(2) The Company was incorporated during the financial year 2019. As at date of the report, it has commenced operation and no capital has been injected.
(3) No statutory audit requirement.
(4) The Company was incorporated during the financial year. As at date of the report, it has yet to commence operations and no capital had been injected.

During the financial years ended 30 June 2025 and 30 June 2024, the Company assessed the carrying amounts of its investments in subsidiaries for indicators of impairment. Based on assessment, provision for impairment of RMB 46,006,067 (2024 - RMB 46,006,067) was recognised as at reporting date, as the subsidiary continued to incur losses for the current and previous years.

9 Investment in joint ventures

The Group	2025 RMB	2024 RMB
Shares, at cost	**21,900,000**	21,900,000
Share of accumulated losses in joint ventures	**(16,411,468)**	(20,415,870)
	5,488,532	1,484,130

Share of accumulated losses in joint ventures

Opening balance	**(20,415,870)**	(20,418,562)
Profit for the year	**4,004,402**	2,692
Closing balance	**(16,411,468)**	(20,415,870)

Details of the joint ventures at the end of the reporting period are as follows:

Name	Country of incorporation/ principal place of business	Proportion of ownership interests 2025 %	2024 %	Principal activities
Held through subsidiaries:				
Wuxi Shi Yueshang Outlets Co., Ltd. [(1)]	People's Republic of China ("PRC")	**50**	50	Operation and management of retail malls
Zhangzhou Shi Yueshang Outlets Co., Ltd. [(2)]	PRC	**50**	50	Operation and management of retail malls
Shanxi Baihui Yueshang Commercial Management Co.,Ltd. [(3)]	PRC	**51**	–	Operation and management of retail malls

(1) Audited by Foo Kon Tan LLP for consolidation purposes.
(2) The Company has not commenced operations during the year.
(3) The Company was incorporated during the financial year. As at date of the report, it has yet to commence operations and no capital had been injected.

In February 2019, Wuxi Shi Yueshang Outlets Co., Ltd. (50% owned by the Group's wholly-owned subsidiary, Zhongmin Baihui (Fujian) Shopping Centre Co., Ltd.), was incorporated. The Group jointly controls the joint venture with other partner under the contractual agreement that requires unanimous consent for all major decisions over the relevant activities. The Group injected RMB 4,530,000 in 2019 and RMB 9,000,000 in 2020 into the joint venture, while the other shareholder who holds 50% interest in Wuxi Shi Yueshang Outlets Co., Ltd contributed RMB 1,500,000.

9 **Investment in joint ventures (Cont'd)**

In 2022, the Group further injected RMB 6,870,000 into Wuxi Shi Yueshang Outlets Co., Ltd., making a total capital contribution of RMB 20,400,000. In the previous financial year, the other shareholder contributed another RMB 18,900,000, and together with RMB 1,500,000 contributed in prior year, to bring its total contribution to RMB 20,400,000.

In 2022, Zhangzhou Shi Yushang Outlets Co., Ltd. [owned by the Group's wholly-owned subsidiary, Zhongmin Baihui (China) Retail Group Co., Ltd. holding interests of 50% each, respectively], were incorporated. The Group jointly controls the joint ventures with other partners under contractual agreements that require unanimous consent for all major decisions over the relevant activities.

In June 2025, Shanxi Baihui Yueshang Commercial Management Co.,Ltd. [owned by the Group's wholly-owned subsidiary, Zhongmin Baihui (China) Retail Group Co., Ltd. holding interests of 51% respectively], were incorporated. The Group jointly controls the joint ventures with other partners under contractual agreements that require unanimous consent for all major decisions over the relevant activities.

The summarised financial information of the joint ventures, not adjusted for the proportion of ownership interest held by the Group at 30 June 2025 and 30 June 2024, is as follows:

	Wuxi Shi Yueshang Outlets Co., Ltd.		Zhangzhou Shi Yueshang Outlets Co., Ltd.	
	30 June 2025 RMB	30 June 2024 RMB	**30 June 2025 RMB**	30 June 2024 RMB
Summarised statement of financial position				
Non-current assets	**233,980,866**	261,725,578	**–**	–
Current assets	**160,387,580**	168,147,504	**2,969,820**	2,966,712
Total assets	**394,368,446**	429,873,082	**2,969,820**	2,966,712
Non-current liabilities	**52,500,000**	97,500,000	**–**	–
Current liabilities	**333,861,202**	341,337,036	**–**	–
Total liabilities	**386,361,202**	438,837,036	**–**	–
Net assets/(liabilities)	**8,007,244**	(8,963,954)	**2,969,820**	2,966,712
- Includes cash and cash equivalents	**18,625,386**	18,279,559	**–**	2,966,712
- Includes non-current financial liabilities (excluding trade and other payables and provisions)	**52,500,000**	97,500,000	**–**	–
- includes current financial liabilities (excluding trade and other payables and provisions)	**–**	–	**–**	–
Proportion of the Group's ownership	**50%**	50%	**50%**	50%
Group's share of net assets/(liabilities)	**4,003,622**	(4,481,977)	**1,484,910**	1,483,356

9 Investment in joint ventures (Cont'd)

	Wuxi Shi Yueshang Outlets Co., Ltd.		Zhangzhou Shi Yueshang Outlets Co., Ltd.	
	30 June 2025 RMB	30 June 2024 RMB	**30 June 2025 RMB**	30 June 2024 RMB
Revenue	**69,159,924**	74,052,031	**–**	–
Profit after tax, representing total comprehensive income for the year	**16,971,198**[(1)]	13,026,695[(1)]	**3,108**[(1)]	5,385[(1)]
Includes:				
- Depreciation and amortisation	**29,556,435**	29,453,485	**–**	–
- Interest expense	**4,768,017**	7,636,036	**–**	–
- Income tax expense	**–**	535,724	**–**	–

(1) There is no dividend received from the joint ventures during the current and previous financial years.

There is no unrecognised share of losses of joint venture for the year (2024 - RMB Nil), and the cumulative unrecognised share of losses brought forward has been fully offset during the year (2024 - RMB 4,482,751).

10 Investment in associates

The Group	**2025 RMB**	2024 RMB
Shares, at cost	**71,900,000**	71,900,000
Share of accumulated profits	**100,913,671**	71,214,259
Dividends received	**(99,580,288)**	(57,579,822)
At end of year	**73,233,383**	85,534,437

Notes to the Financial Statements

for the financial year ended 30 June 2025

10 Investment in associates (Cont'd)

Details of the associates at the end of the reporting period are as follows:

Name	Country of incorporation/ principal place of business	Proportion of ownership interests		Principal activities
		2025	2024	
		%	%	
Held through subsidiaries:				
Citi-Base Commerce Logistics (Xiamen) Co., Ltd. [(1)]	PRC	**30.0**	30.0	Property leasing
Changsha City Shamin Enterprise Management Co., Ltd. ("CSSM") [(1)]	PRC	**47.5**	47.5	Operation and management of retail malls
Held by Citi-Base Commerce Logistics (Xiamen) Co., Ltd [(1)].:				
Xiamen Citi-Base Commerce Co., Ltd.[(3)]	PRC	**30.0**	30.0	Property operation and management
Held by Changsha City Shamin Enterprise Management Co., Ltd [(1)]:				
Changsha Sasseur Zhongmin Baihui Outlets Commercial Management Co., Ltd. [(2)]	PRC	**24.2**	24.2	Operation and management of retail malls

(1) Management accounts have been used for the preparation of the consolidated financial statements of the Group.
(2) Audited by Zhongrong Consulting Group, China for Group reporting purposes.
(3) Audited by Xiamen Chengzhirui Certified Public Accountants (General Partnership), China for Group reporting purposes.

In accordance with Rule 716 of the Singapore Exchange Securities Trading Limited - Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its associate companies would not compromise the standard and effectiveness of the audit of the Group and of the Company.

Changsha Sasseur Zhongmin Baihui Outlets Commercial Management Co., Ltd is a strategic partner in the operation and management of retail malls in Changsha City, China for the Group and Citi-Base Commerce Logistics (Xiamen) Co., Ltd. acts as a strategic partner in the property leasing and retail businesses in HaiChang City, China.

The summarised financial information in respect of Citi-Base Commerce Logistics (Xiamen) Co., Ltd. and Changsha City Shamin Enterprise Management Co., Ltd. not adjusted for the proportion of ownership interest held by the Group, are as follows:

10 Investment in associates (Cont'd)

Details of the associates at the end of the reporting period are as follows (Cont'd):

Summarised statement of financial position

	Citi-Base Commerce Logistics (Xiamen) Co., Ltd. and its subsidiary		Changsha City Shamin Enterprise Management Co., Ltd. and its subsidiary	
	30 June 2025 RMB	30 June 2024 RMB	**30 June 2025 RMB**	30 June 2024 RMB
Non-current assets	**360,849,536**	369,196,362	**14,023,576**	19,064,706
Current assets	**30,646,390**	30,544,529	**223,298,062**	273,346,104
Total assets	**391,495,926**	399,740,891	**237,321,638**	292,410,810
Non-current liabilities	**31,577,098**	34,604,285	**–**	–
Current liabilities	**212,005,933**	217,502,040	**171,877,359**	200,893,789
Total liabilities	**243,583,031**	252,106,325	**171,877,359**	200,893,789
Net assets	**147,912,895**	147,634,566	**65,444,279**	91,517,021
Less: Merger reserve arising from acquisition under common control	**(7,421,727)**	(7,421,727)	**–**	–
Proportion of the Group's ownership	**30%**	30%	**47.5%**	47.5%
Group's share of net assets	**42,147,350**	42,063,852	**31,086,033**	43,470,585

Summarised statement of comprehensive income

	Citi-Base Commerce Logistics (Xiamen) Co., Ltd. and its subsidiary		Changsha City Shamin Enterprise Management Co., Ltd. and its subsidiary	
	Year ended 30 June 2025 RMB	Year ended 30 June 2024 RMB	**Year ended 30 June 2025 RMB**	Year ended 30 June 2024 RMB
Revenue	**25,766,501**	6,848,298	**245,044,996**	233,702,277
(Loss)/profit after tax, representing total comprehensive (loss)/income for the year	**(5,948,293)**	(15,035,003)	**66,281,895**	60,809,170
Dividend received from associate	**–**	–	**42,000,466**	16,058,994

11 Deferred tax assets/(liabilities)

	The Group				The Company	
	Consolidated statement of financial position		Consolidated statement of profit or loss		Statement of financial position	
			Year ended	Year ended		
	30 June 2025	30 June 2024	**30 June 2025**	30 June 2024	**30 June 2025**	30 June 2024
	RMB	RMB	**RMB**	RMB	**RMB**	RMB
Deferred tax assets:						
Differences due to recognition of lease liabilities	**5,334,379**	11,027,496	**(5,897,919)**	3,558,685	–	–
Accumulated impairment loss on property, plant and equipment	**975,000**	1,190,183	**(215,183)**	–	–	–
Accrued loyalty points	**3,842,420**	3,272,299	**570,121**	789,734	–	–
Others	**–**	8,037	**(8,038)**	36,878	–	–
	10,151,799	15,498,015	**(5,551,019)**	4,385,297	–	–
Deferred tax liabilities:						
Withholding tax from the expected remittance of dividend from subsidiaries	**(9,921,969)**	(10,005,229)	**(736,486)**	1,237,452	(9,921,969)	(10,005,229)
Differences due to recognition of right-of-use assets	**(957,578)**	(4,509,555)	**3,756,179**	(4,509,555)		(602)
Differences in step rental income	**(123,829)**	(600,721)	**476,892**	(2,445)	–	–
Accrued breakage gain from sale of prepaid cards	**(3,194,890)**	(3,433,012)	**238,122**	(110,112)	–	–
Accrued interest income from fixed deposits	**(1,652,522)**	(892,200)	**(760,322)**	120,164	–	–
	(15,850,788)	(19,440,717)	**2,974,385**	(3,264,496)	(9,921,969)	(10,005,831)
Deferred income tax (expenses) / credit			**(2,576,634)**	1,120,801		

	The Group		The Company	
	2025	2024	**2025**	2024
	RMB	RMB	**RMB**	RMB
Deferred tax assets				
To be recovered - After one year	**10,151,799**	15,498,015	**–**	–
Deferred tax liabilities				
To be settled - After one year	**(15,850,788)**	(19,440,717)	**(9,921,969)**	(10,005,831)

11 Deferred tax assets/(liabilities) (Cont'd)

Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group is of the view that the related deferred tax asset is recoverable based on the estimated future taxable income.

Deferred taxation

According to the Applicable Enterprise Income Tax ("EIT") laws and regulations, income such as rental, royalty and profits from the PRC derived by a foreign enterprise which has no establishment in the PRC or has establishment but the income has no relationship with such establishment is subject to a 10% withholding tax, subject to reduction as provided by any applicable double taxation treaty, unless the relevant income is specifically exempted from tax under the Applicable EIT Laws and regulations.

Pursuant to a tax treaty between the PRC and the Republic of Singapore, which became effective on 1 January 2008, a company incorporated in Singapore will be subject to a withholding tax at the rate of 5% on dividends it receives from a company incorporated in the PRC if it holds 25% or more interest in the PRC company, or 10% if it holds less than 25% interests in the PRC company.

Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, there are no unrecognised temporary differences relating to investments in subsidiaries on the undistributed earnings of certain Group's subsidiaries.

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately RMB 88,786,822 (2024 - RMB 111,750,495) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. During the current financial year, RMB 39,000,000 of tax losses had been forfeited. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

Tax consequences of proposed dividends

There are no income tax consequences (2024 - RMB Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in Note 33 of the financial statements.

12 Inventories

The Group	**2025 RMB**	2024 RMB
Statement of financial position:		
Finished goods, at cost	**215,439,994**	194,603,713
Statement of profit or loss:		
Inventories recognised as an expense in cost of sales	**730,471,561**	751,906,493

Included in the inventories is RMB 90,678,513 (2024 - RMB 87,187,105), which relates to gold inventories.

Notes to the Financial Statements

for the financial year ended 30 June 2025

13 Prepayments

	The Group		The Company	
	2025	2024	**2025**	2024
	RMB	RMB	**RMB**	RMB
Current				
Advance payments to suppliers	**5,163,346**	7,038,581	**–**	–
Other prepayments	**137,900**	74,804	**66,491**	62,305
	5,301,246	7,113,385	**66,491**	62,305

14 Trade and other receivables

	The Group		The Company	
	2025	2024	**2025**	2024
	RMB	RMB	**RMB**	RMB
Current:				
Trade receivables	**4,404,819**	4,521,398	**–**	–
Other deposits	**2,626,294**	2,231,684	**1,294**	252,545
Interest receivables (2)	**6,654,955**	3,595,543	**14,252**	26,743
Other receivables (1)	**13,601,374**	20,589,153	**4,938**	–
	27,287,442	30,937,778	**20,484**	279,288
Non-current:				
Interest receivables (2)	**6,003,503**	5,889,586	**–**	–
Rental deposits	**3,862,370**	3,933,012	**–**	–
	9,865,873	9,822,598	**–**	–
Add:				
Amount due from a subsidiary (Note 15)	**–**	–	**30,418,574**	28,147,548
Amount due from associates (Note 16)	**52,500,000**	51,900,000	**–**	–
Amount due from a joint venture (Note 17)	**214,522,724**	216,522,724	**–**	–
Amount due from related parties (Note 18)	**5,374,285**	3,183,508	**–**	–
Cash on hand, bank balances and fixed deposits (Note 19)	**90,660,651**	91,878,173	**7,292,202**	13,410,498
Restricted cash at bank and fixed deposits (Note 20)	**100,000,000**	100,100,000	**–**	–
	463,057,660	463,584,405	**37,710,776**	41,558,046
Total financial assets held at amortised cost	**500,210,975**	504,344,781	**37,731,260**	41,837,334

Trade receivables are non-interest bearing and are generally on 30 to 60 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

14 Trade and other receivables (Cont'd)

The movement in allowance for rental deposits and other receivables are as follow:

	Other receivables	
The Group	**2025**	2024
	RMB	RMB
Movement in allowance for expected credit losses:		
At beginning and at end of year	**4,523,900**	4,523,900

(1) Other receivables mainly relate to recoverable from staff and suppliers and receivables from sales of plant and equipment.

(2) Interest receivables mainly relate to (i) imputed interest from the unwinding of the deposit paid to landlord, (ii) interest receivables from banks.

15 Amount due from a subsidiary

	2025	2024
The Company	**RMB**	RMB
Amount due from a subsidiary (non-trade)	**30,418,574**	28,147,548

Amount due from a subsidiary, representing loan and accrued interest receivables, is unsecured, interest bearing at 3.8% (2024 - 3.8%) per annum and is repayable on demand.

16 Amount due from associates

	The Group		The Company	
	2025	2024	**2025**	2024
	RMB	RMB	**RMB**	RMB
Non-trade	**52,500,000**	51,900,000	**–**	–

Non-trade amount due from associates, representing advances and payments on behalf is unsecured, non-interest bearing and repayable on demand.

17 Amount due from a joint venture

	The Group		The Company	
	2025	2024	**2025**	2024
	RMB	RMB	**RMB**	RMB
Non-trade	**214,522,724**	216,522,724	**–**	–

Amount due from a joint venture, representing advances is unsecured, non-interest bearing and repayable on demand.

18 Amount due from/due to related parties

The Group	2025 RMB	2024 RMB
Amount due from related parties (trade) [(1)]	**300,945**	102,003
Amount due from related parties (non-trade) [(3)]	**5,073,340**	3,081,505
	5,374,285	3,183,508
Amount due to related parties (trade) [(1)]	**72,324**	83,132
Amount due to related parties (non-trade) [(2)]	**3,316,478**	4,470,933
	3,388,802	4,554,065

(1) Trade amounts due from/(to) related parties are unsecured, non-interest bearing and has 30 days credit terms.

(2) Amount due to related parties (non-trade) arose (i) when customers made purchases using the Group's prepaid cards at the managed stores owned by the related parties, and (ii) advances and payments on behalf. The amount is unsecured, interest free and repayable on demand.

(3) Non-trade amounts, representing advances and payments on behalf, due from related parties are unsecured, interest free and repayable on demand.

19 Cash on hand, bank balances and fixed deposits

	The Group		The Company	
	2025 RMB	2024 RMB	**2025 RMB**	2024 RMB
Cash on hand and bank balances	**83,521,695**	80,002,769	**3,353,246**	1,535,094
Fixed deposits maturing within 3 months from the placement date	**–**	11,875,404	**–**	11,875,404
Cash and cash equivalents as shown in the statement of cash flows	**83,521,695**	91,878,173	**3,353,246**	13,410,498
Fixed deposits maturing more than 3 months from the placement date	**7,138,956**	–	**3,938,956**	–
Total cash on hand, bank balances and fixed deposits	**90,660,651**	91,878,173	**7,292,202**	13,410,498

The fixed deposits carry an effective interest rate of 2.13% to 3.10% (2024 - 2.97% to 3.10%) per annum and mature between 30 July 2025 to 17 July 2027 (2024 - 7 July 2024 to 10 July 2026).

19 Cash on hand, bank balances and fixed deposits (Cont'd)

Cash on hand and bank balances denominated in foreign currency as at reporting date is as follows:

	The Group		The Company	
	2025	2024	**2025**	2024
	RMB	RMB	**RMB**	RMB
United States Dollars	**13**	13	**–**	–

RMB is not freely convertible to other currencies. However, under China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. The remittance of funds out of China is subject to exchange restrictions imposed by the PRC government.

20 Restricted cash at bank and fixed deposits

Restricted cash at bank and fixed deposits comprise of fixed deposits of RMB 100,000,000 (2024 – (i) a guarantee deposit of RMB 100,000 (ii) fixed deposits of RMB 100,000,000) pledged to a bank for loans (Note 24). The fixed deposits mature between 10 February 2026 to 10 July 2026 (2024 - 10 February 2026 to 10 July 2026). The weighted average effective interest rates as at 30 June 2025 for the restricted fixed deposits were 3.00% (2024 - 2.97%).

21 Share capital

	Number of ordinary shares		Amount	
The Group and The Company	**2025**	2024	**2025**	2024
			RMB	RMB
Issued and fully paid with no par value:				
Balance at beginning and end of year	**196,320,000**	196,320,000	**67,147,926**	67,147,926

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

Notes to the Financial Statements

for the financial year ended 30 June 2025

22 Treasury shares

The Group and The Company	Number of ordinary shares 2025	2024	Amount 2025 RMB	2024 RMB
Balance at beginning of year	**4,656,300**	4,572,300	**25,394,592**	25,092,662
Additions	**31,600**	84,000	**109,315**	301,930
Balance at end of year	**4,687,900**	4,656,300	**25,503,907**	25,394,592

Treasury shares relate to ordinary shares of the Company that is held by the Company.

In 2025, the Company acquired 31,600 shares for a consideration of RMB 109,315.

23 Reserves

(a) *Foreign currency translation reserve*

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(b) *Revenue reserve*

The revenue reserve represents the accumulated profit and losses for the Group and Company as at reporting date.

(c) *Statutory reserve fund*

In accordance with the Foreign Enterprise Law applicable to subsidiaries in the People's Republic of China ("PRC"), the subsidiaries are required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory after tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiaries' registered capital. Subject to the approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiaries. The SRF is not available for dividend distribution to shareholders.

Notes to the Financial Statements

for the financial year ended 30 June 2025

24 Loans and borrowings

The Group	Interest rate	Maturity	2025 RMB	2024 RMB
Current interest-bearing loans and borrowings				
Lease liabilities [Note 6(b)]	3.55% - 5%	June 2039 (2024 – June 2039)	**57,535,091**	58,510,728
S$ 8,000,000 non-convertible bond [(1)]	3.8%	March 2026 (2024 – March 2026)	**44,651,796**	–
Bank loan [(2), (3)]	2.5% -3.55%	July 2025 to June 2026 (2024 – July 2025 to June 2026)	**176,535,586**	175,122,972
Total current interest-bearing loans and borrowings			**278,722,473**	233,633,700
Non-current interest-bearing loans and borrowings				
Lease liabilities [Note 6(b)]	3.55% - 5%	June 2039 (2024 – June 2039)	**216,550,469**	318,991,139
S$ 8,000,000 non-convertible bond [(1)]	3.8%	March 2026 (2024 – March 2026)	**–**	42,045,716
Bank loan [(2)]	2.5%	July 2025 (2024 – July 2025)	**–**	589,671
Total non-current interest-bearing loans and borrowings			**216,550,469**	361,626,526
Total interest-bearing loans and borrowings			**495,272,942**	595,260,226

Notes to the Financial Statements

for the financial year ended 30 June 2025

24 Loans and borrowings (Cont'd)

The Company	Interest rate	Maturity	**2025 RMB**	2024 RMB
Current interest-bearing loans and borrowings				
Lease liabilities [Note 6(b)]	5%	Nil (2024 – November 2024)	**–**	133,423
S$ 8,000,000 non-convertible bond [(1)]	3.8%	March 2026 (2024 – March 2026)	**44,651,796**	–
S$ 5,000,000 bank loan [(2)]	2.5%	July 2025 (2024 - July 2025)	**618,586**	6,934,972
Total current interest-bearing loans and borrowings			**45,270,382**	7,068,395
Non-current interest-bearing loans and borrowings				
S$ 8,000,000 non-convertible bond [(1)]	3.8%	March 2026 (2024 – March 2026)	**–**	42,045,716
S$ 5,000,000 bank loan [(2)]	2.5%	July 2025 (2024 - July 2025)	**–**	589,671
Total non-current interest-bearing loans and borrowings			**–**	42,635,387
Total interest-bearing loans and borrowings			**45,270,382**	49,703,782

(1) S$ 8,000,000 non-convertible bonds

On 30 March 2023, the Company issued a S$ 8,000,000 non-convertible bond to new bond subscriber with a coupon rate of 3.8% per annum over 3 years. The interest is payable with the principal on the maturity date. The proceeds from the new bond were used to repay the bond issued on 28 May 2020, which was fully redeemed on 28 May 2023.

(2) Bank loan - S$ 5,000,000

On 15 May 2020, the Company obtained and drew down a S$5,000,000 banking facility for 5 years from UOB bank, with an interest rate of 2.5% per annum. The loan is unsecured and is repayable in monthly instalment over 48 months commencing from August 2021 to July 2025. As at 30 June 2025, the outstanding principal is about S$ 0.1 million (2024 - S$ 1.4 million). Subsequent to year end, the outstanding principal is paid.

(3) Bank loan – RMB 175,917,000 (2024 – RMB 168,188,000)

The loan comprises RMB 6,917,000 (2024 – RMB 9,888,000), which is unsecured, and RMB 169,000,000 (2025 – RMB 158,300,000), which is secured over a building with a net book value of approximately RMB 73,200,000 (2024 - RMB 79,000,000), as disclosed in Note 5, and the restricted cash at bank and deposits (Note 20) and a personal guarantee by a director for credit facilities totalling RMB 73,710,000 (2024 - RMB 82,300,000) granted to certain subsidiaries. The interest rate ranges from 2.8% to 3.25% per annum and is repayable over several repayment dates, commencing with the first repayment in July 2025 and ending with the last repayment in June 2026 (2024 – first repayment in July 2024 and ending with the last repayment in July 2025).

25 Trade and other payables

	The Group		The Company	
	2025	2024	**2025**	2024
	RMB	RMB	**RMB**	RMB
Trade payables - External parties	**179,837,039**	219,145,505	**–**	–
Other payables	**213,526,935**	211,208,275	**3,857,124**	2,307,830
	393,363,974	430,353,780	**3,857,124**	2,307,830
Add:				
Accrued operating expenses (Note 26)	**36,152,973**	32,305,306	**3,384,030**	2,856,228
Amount due to related parties (Note 18)	**3,388,802**	4,554,065	**–**	–
Interest-bearing loans and borrowings [Note 6(b), Note 24]	**495,272,942**	595,260,226	**45,270,382**	49,703,782
Less:				
Advances from customers	**(195,456,046)**	(184,455,937)	**–**	–
Total financial liabilities carried at amortised cost	**732,722,645**	878,017,440	**52,511,536**	54,867,840

Trade and other payables are non-interest bearing and are generally on 30 to 60 days' terms.

26 Other assets/(liabilities)

	The Group		The Company	
	2025	2024	**2025**	2024
	RMB	RMB	**RMB**	RMB
Non-current assets:				
Rent-free incentives and step rental income				
Accrued rental income receivables	**324,108**	–	**–**	–
Non-current liabilities:				
Rent-free incentives and step rental income				
Provision	**(507,984)**	(507,984)	**–**	–
Current liabilities:				
Accrued operating expenses (Note 25)	**(36,152,973)**	(32,305,306)	**(3,384,030)**	(2,856,228)

Notes to the Financial Statements

for the financial year ended 30 June 2025

27(a) Other income

The Group	Note	**Year ended 30 June 2025 RMB**	Year ended 30 June 2024 RMB
Other income:			
Advertisement and promotional income		**61,956,149**	66,012,904
Income earned from the early termination of leases by lessee		**1,774,786**	369,734
Leisure facilities fees		**860,749**	1,103,211
Management fees	31(a)	**4,924,528**	4,924,528
Other promotion-related income		**234,243**	69,406
Net gain on de-recognition of right-of-use assets and lease liabilities		**19,687,595**	2,190,662
Net gain on lease modification		**–**	5,759,949
Government grants		**205,614**	1,266,970
Income from the sale of recycled products		**964,593**	1,028,584
Parking fee income		**3,020,646**	2,952,136
Others		**7,537,538**	5,632,246
		101,166,441	91,310,330

27(b) Interest income

The Group	**Year ended 30 June 2025 RMB**	Year ended 30 June 2024 RMB
Interest income:		
Fixed deposits	**3,357,526**	3,870,547
Imputed interest from deposit paid to landlords	**137,591**	140,078
Bank accounts and others	**264,540**	382,592
	3,759,657	4,393,217

27(c) Selling and distribution expenses

The Group	Note	**Year ended 30 June 2025 RMB**	Year ended 30 June 2024 RMB
Selling and distribution expenses:			
Employee benefit expense			
- Defined contribution plans		**12,012,601**	12,000,467
- Salaries, wages, bonuses and other costs		**61,012,827**	67,250,007
Advertisement and promotion fees		**8,242,612**	9,460,038
Business and surcharges		**5,471,697**	7,026,558
Consulting fee		**1,168,208**	1,361,212
Depreciation of right-of-use assets	6(a)	**56,369,220**	55,124,650
Utilities		**23,635,332**	25,349,931
Upkeep and maintenance of properties		**3,483,026**	3,924,167
Freight charges		**4,978,925**	5,029,280
Office supplies		**5,333,754**	5,918,979
Others		**7,116,840**	5,184,824
		188,825,042	197,630,113

Others relate mainly to printing and other miscellaneous expenses.

27(d) Administrative expenses

The Group	Note	**Year ended 30 June 2025 RMB**	Year ended 30 June 2024 RMB
Administrative expenses:			
Employee benefit expenses			
- Defined contribution plans		**8,359,879**	7,913,227
- Salaries, wages, bonuses and other costs		**60,503,427**	65,450,134
Audit fees	27(f)	**2,288,505**	2,465,809
(Addition)/amortisation of step rental income		**(324,108)**	45,496
Bank charges		**253,559**	1,481,394
Directors' fees		**788,672**	755,939
Depreciation of property, plant and equipment	5	**13,325,874**	14,595,091
Net loss on disposal of property, plant and equipment		**4,630,509**	257,264
Property, plant and equipment written off	5	**2,117,908**	3,175,117
Property tax		**743,058**	750,989
Tax fee		**164,936**	137,806
Telephone		**1,086,110**	1,461,794
Travelling		**1,713,936**	1,437,245
Entertainment		**548,020**	691,023
Repairs and maintenance		**1,565,978**	1,639,482
Others		**3,279,883**	8,063,259
		101,046,146	110,321,069

Others related mainly to printing, transport, entertainment and other miscellaneous expenses.

Notes to the Financial Statements

for the financial year ended 30 June 2025

27(e) Finance costs

The Group	Year ended 30 June 2025 RMB	Year ended 30 June 2024 RMB
Interest expenses:		
Bond	**1,698,059**	1,632,071
Lease liabilities	**11,192,956**	12,910,872
Loans	**5,598,850**	5,026,497
	18,489,865	19,569,440
Unwinding on discount on bond	**486,660**	467,740
	18,976,525	20,037,180

27(f) Profit before taxation

Profit before taxation is stated after (charging)/crediting:

The Group	Note	Year ended 30 June 2025 RMB	Year ended 30 June 2024 RMB
Other income:			
Net gain on de-recognition of right-of-use assets and lease liabilities		**19,687,595**	2,190,662
Net gain on lease modification		**–**	5,759,949
Government grants		**205,614**	1,266,970
Selling and distribution expenses:			
Employee benefit expense			
- Defined contribution plans		**(12,012,601)**	(12,000,467)
- Salaries, wages, bonuses and other costs		**(61,012,827)**	(67,250,007)
Advertisement and promotion fees		**(8,242,612)**	(9,460,038)
Business and surcharges		**(5,471,697)**	(7,026,558)
Depreciation of right-of-use assets	6(a)	**(56,369,220)**	(55,124,650)

27(f) Profit before taxation (Cont'd)

The Group (Cont'd)	Note	Year ended 30 June 2025 RMB	Year ended 30 June 2024 RMB
Administrative expenses:			
Audit fee:			
- Auditors of the Company		**(2,133,036)**	(2,331,402)
Non-audit fees, audit-related services ("ARS")			
- Auditors of the Company		**(49,750)**	(46,750)
- Other auditors – network firms		**(105,719)**	(87,657)
Non-audit fees, non audit-related services ("Non ARS")			
- Auditors of the Company		**(25,014)**	(16,690)
- Other auditors – network firms		**(139,922)**	(121,116)
Employee benefit expenses			
- Defined contribution plans		**(8,359,879)**	(7,913,227)
- Salaries, wages, bonuses and other costs		**(60,503,427)**	(65,450,134)
Additions/(amortisation) of step rental income		**324,108**	(45,496)
Directors' fees		**(788,672)**	(755,939)
Depreciation of property, plant and equipment	5	**(13,325,874)**	(14,595,091)
Net loss on disposal of property, plant and equipment		**(4,630,509)**	(257,264)
Property, plant and equipment written off	5	**(2,117,908)**	(3,175,117)

28 Income tax expense

(a) ***Major components of income tax expense***

The major components of taxation for the financial years ended 30 June 2025 and 30 June 2024 are:

The Group	Year ended 30 June 2025 RMB	Year ended 30 June 2024 RMB
Consolidated income statement:		
Current income tax		
- Current income taxation	**5,954,081**	1,155,788
- Overprovision in respect of prior years	**(714,253)**	82,726
	5,239,828	1,238,514
Deferred tax expense (Note 11)		
- Origination and reversal of temporary differences	**2,576,634**	(1,120,801)
Income tax expense recognised in profit or loss	**7,816,462**	117,713

28 Income tax expense (Cont'd)

(b) ***Relationship between tax expense and accounting profit/(loss)***

A reconciliation between tax and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the financial years ended 30 June 2025 and 30 June 2024 are as follows:

The Group	Year ended 30 June 2025 RMB	Year ended 30 June 2024 RMB
Profit before taxation	**50,572,102**	23,922,504
Share of results of associates and joint ventures, net of tax	**(33,703,814)**	(24,376,547)
	16,868,288	(454,043)
Tax at the domestic rates applicable to profits in the countries where the Group operates	**2,949,416**	684,682
Adjustments:		
Non-taxable income[1]	**(4,009,984)**	(5,522,468)
Non-deductible expenses[2]	**5,442,147**	1,118,578
Deferred tax assets not recognised	**4,149,136**	3,754,195
(Over)/under provision of current taxation in respect of prior years	**(714,253)**	82,726
Tax expense recognised in profit or loss	**7,816,462**	117,713

The corporate income tax rates applicable to Singapore and China companies of the Group are 17% and 25%, respectively.

(1) This relates mainly to non-taxable income occurred in the ordinary course of business which includes income earned from the gain on disposal of property, plant and equipment, gain on de-recognition of right-of-use assets and lease liabilities, and gain on discounts on bond.

(2) This relates mainly to disallowed expenditures incurred in the ordinary course of business which includes foreign exchange losses and depreciation of non-qualifying assets and expenditure incurred on the closure of stores.

29 Earnings per share

Basic and diluted earnings per share are calculated by dividing the profit for the year, net of tax, attributable to owners of the Company for the period by the weighted average number of ordinary shares outstanding of 191,643,597 (2024 - 191,671,662).

30 Commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

The Group	Year ended 30 June 2025 RMB	Year ended 30 June 2024 RMB
Contracted but not provided for:		
Capital contribution - investment in subsidiaries, associates and joint ventures	**85,027,080**	35,800,000

31 Related party transactions

(a) *Sale and purchase of goods and services*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

The Group	**Year ended 30 June 2025 RMB**	Year ended 30 June 2024 RMB
Concessionaire income from companies in which Directors have an interest	**815,112**	1,312,325
Revenue from usage of sold prepaid cards from companies in which Directors have an interest	**33,160,620**	12,619,767
Advertisement income received from companies in which Directors have an interest	**6,000**	20,250
Management fees from a company in which Directors have an interest	**4,924,528**	4,924,528
Sales commission charged by a company in which Directors have an interest	**382,048**	491,971
Rental income from a company in which Directors have an interest	**36,125**	72,251
Sales of property, plant and equipment to company in which Directors have an interest	**3,121**	–
Purchase made from usage of sold prepaid cards from companies in which Directors have an interest	**35,824,375**	43,134,081
Other income from a company in which Directors have an interest	**103,197**	93,468
Depreciation of right to use lease properties owned by a company in which Directors have an interest	**3,976,004**	4,617,529
Interest on payment of lease liabilities for use of lease properties owned by a company in which Directors have an interest	**463,373**	327,245

31 Related party transactions (Cont'd)

(b) ***Compensation of key management personnel***

	The Group		The Company	
	Year ended 30 June 2025 RMB	Year ended 30 June 2024 RMB	**Year ended 30 June 2025 RMB**	Year ended 30 June 2024 RMB
Short-term employee benefits	**7,050,371**	6,866,502	**4,494,425**	4,307,888
Defined contribution plans	**270,129**	266,961	**203,282**	206,940
	7,320,500	7,133,463	**4,697,707**	4,514,828

Comprise amounts paid to:

	The Group		The Company	
	Year ended 30 June 2025 RMB	Year ended 30 June 2024 RMB	**Year ended 30 June 2025 RMB**	Year ended 30 June 2024 RMB
Directors of the Company	**3,843,690**	3,736,219	**2,808,994**	2,702,788
Other key management personnel	**3,476,810**	3,397,244	**1,888,713**	1,812,040
	7,320,500	7,133,463	**4,697,707**	4,514,828

32 Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The board of directors reviews and agrees on policies and procedures for the management of these risks, which are executed by the Management. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been, throughout the current financial year and previous financial period, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

32 Financial risk management objectives and policies (Cont'd)

(a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy to monitor receivable balances on an ongoing basis with the result that the Group's exposure to bad debts is not unduly significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset occurs when the counterparty fails to make contractual payments, within 90 days when they fall due, based on the Group's and the Company's historical information.

The Group considers all reasonable and supportive forwarding-looking information which includes the following indicators:

- Credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.
- Significant increases in credit risk on other financial instruments of the same borrower.
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

32 Financial risk management objectives and policies (Cont'd)

(a) *Credit risk (Cont'd)*

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. The Group measured the impairment loss allowance using provision matrix and determined that the ECL is insignificant.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

The Group's credit risk framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

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32 Financial risk management objectives and policies (Cont'd)

(a) Credit risk (Cont'd)

Exposure to credit risk (Cont'd)

The tables below detail the credit quality of the Group's and the Company's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

The Group	Internal credit rating	12-month or Lifetime ECL	Gross carrying amount RMB	Loss allowance RMB	Net carrying amount RMB
2025					
Trade receivables and accrued rental income	(b)	Lifetime	**4,728,927**	**–**	**4,728,927**
Other receivables	Performing	12-month	**37,272,396**	**(4,523,900)**	**32,748,496**
Amount due from associates	(c)	12-month	**52,500,000**	**–**	**52,500,000**
Amount due from a joint venture	(c)	12-month	**214,522,724**	**–**	**214,522,724**
Amount due from related parties	(c)	12-month	**5,374,285**	**–**	**5,374,285**
2024					
Trade receivables	(b)	Lifetime	4,521,398	–	4,521,398
Other receivables	Performing	12-month	40,762,878	(4,523,900)	36,238,978
Amount due from associates	(c)	12-month	51,900,000	–	51,900,000
Amount due from a joint venture	(c)	12-month	216,522,724	–	216,522,724
Amount due from related parties	(c)	12-month	3,183,508	–	3,183,508

Cash and cash equivalents, fixed deposits and other receivables are subject to immaterial credit loss.

32 Financial risk management objectives and policies (Cont'd)

(a) Credit risk (Cont'd)

Exposure to credit risk (Cont'd)

The Company	Internal credit rating	12-month or Lifetime ECL	Gross carrying amount RMB	Loss allowance RMB	Net carrying amount RMB
2025					
Other receivables	Performing	12-month	**20,484**	–	**20,484**
Amount due from a subsidiary	(a)	12-month	**30,148,574**	–	**30,148,574**
2024					
Other receivables	Performing	12-month	279,288	–	279,288
Amount due from a subsidiary	(a)	12-month	28,147,548	–	28,147,548

(a) Amount due from a subsidiary

As disclosed in Note 15 to the financial statements, the Company's credit exposure arises from amount due from a subsidiary amounting to RMB 30,418,574 (2024 - RMB 28,147,548). The Company's management operates' a centralised cash and treasury function and monitors the cashflow position of each entity within the Group and deploys its available cash amongst these entities. Management has made an assessment of the recoverability of the intercompany positions and concluded that any impairment on the amounts due from related parties would be immaterial after considering the overall cash position and surplus in net current assets of the Group as at the reporting date.

(b) Trade receivables

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables. In measuring the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

The management has also been performing more frequent reviews of sales limits for retail tenants. The recovery from these receivables is assessed individually after consideration of any collateral.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group considers a financial asset as in default if the counterparty fails to make contractual payments within 90 days when they fall due and writes off the financial asset when a debtor fails to make contractual payments greater than 120 days past due.

32 Financial risk management objectives and policies (Cont'd)

(a) Credit risk (Cont'd)

(c) Amount due from associates, joint venture and related parties

Non-trade amounts due from associates, a joint venture and related parties relate to advances and payments made on behalf by the Group. These balances are considered to have low credit risk as the Group has control or significant influence over the operating, investing and financing activities of the associates and joint ventures.

There has been no significant increase in the credit risk of the amount due from associates, a joint venture and related parties since initial recognition. In determining the ECL, management has taken into account the finances and business performance of the associates, a joint venture and related parties, and a forward-looking analysis of the financial performance of the associates, joint venture and related parties.

Management has assessed that the Group is not exposed to significant credit loss in respect of the non-trade amounts due from associates, joint venture and related parties.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposures to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's cash and operating cash flows, availability of banking facilities and debt maturity profile are actively managed to ensure adequate working capital requirements and that repayment and funding needs are met.

The Group is currently dependent on its cash flow generated from operations, dividends received from associates and bank borrowings to support its working capital.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Notes to the Financial Statements

for the financial year ended 30 June 2025

32 Financial risk management objectives and policies (Cont'd)

(b) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

The Group	Less than 1 year RMB	More than 1 year RMB	Total RMB
At 30 June 2025			
Financial assets:			
Trade and other receivables [1]	**24,661,148**	**–**	**24,661,148**
Deposits	**2,626,294**	**12,899,478**	**15,525,772**
Amount due from associates	**52,500,000**	**–**	**52,500,000**
Amount due from a joint venture	**214,522,724**	**–**	**214,522,724**
Amount due from related parties	**5,374,285**	**–**	**5,374,285**
Restricted cash and bank deposits	**100,000,000**	**–**	**100,000,000**
Cash on hand, bank balances and fixed deposits	**90,660,651**		**90,660,651**
Total undiscounted financial assets	**490,345,102**	**12,899,478**	**503,244,580**
Financial liabilities:			
Trade and other payables	**197,907,928**	**–**	**197,907,928**
Accrued operating expenses	**36,152,973**	**–**	**36,152,973**
Amount due to related parties	**3,388,802**	**–**	**3,388,802**
Lease liabilities	**66,297,022**	**247,341,021**	**313,638,043**
Bank loan	**171,516,978**	**–**	**171,516,978**
Non-convertible bonds	**47,432,028**	**–**	**47,432,028**
Total undiscounted financial liabilities	**522,695,731**	**247,341,021**	**770,036,752**
Total net undiscounted financial liabilities	**(32,350,629)**	**(234,441,543)**	**(266,792,172)**
At 30 June 2024			
Financial assets:			
Trade and other receivables [1]	28,706,094	–	28,706,094
Deposits	3,431,684	12,899,478	16,331,162
Amount due from associates	51,900,000	–	51,900,000
Amount due from a joint venture	216,522,724	–	216,522,724
Amount due from related parties	3,183,508	–	3,183,508
Restricted cash and bank deposits	100,100,000	–	100,100,000
Cash on hand, bank balances and fixed deposits	91,878,173	–	91,878,173
Total undiscounted financial assets	495,722,183	12,899,478	508,621,661
Financial liabilities:			
Trade and other payables	245,897,843	–	245,897,843
Accrued operating expenses	32,305,306	–	32,305,306
Amount due to related parties	4,554,065	–	4,554,065
Lease liabilities	66,958,133	397,165,350	464,123,483
Bank loan	177,055,706	592,758	177,648,464
Non-convertible bonds	–	46,931,665	46,931,665
Total undiscounted financial liabilities	526,771,053	444,689,773	971,460,826
Total net undiscounted financial liabilities	(31,048,870)	(431,790,295)	(462,839,165)

[1] Excludes other deposits.

32 Financial risk management objectives and policies (Cont'd)

(b) *Liquidity risk (Cont'd)*

Analysis of financial instruments by remaining contractual maturities (Cont'd)

The Company	Less than 1 year RMB	More than 1 year RMB	Total RMB
At 30 June 2025			
Financial assets:			
Other receivables	**19,190**	**–**	**19,190**
Deposits	**1,294**	**–**	**1,294**
Amount due from a subsidiary	**30,418,574**	**–**	**30,418,574**
Cash at banks and fixed deposits	**7,292,202**	**–**	**7,292,202**
Total undiscounted financial assets	**37,731,260**	**–**	**37,731,260**
Financial liabilities:			
Trade and other payables	**3,857,124**	**–**	**3,857,124**
Accrued operating expenses	**3,384,030**	**–**	**3,384,030**
Bank loan	**590,536**	**–**	**590,536**
Non-convertible bonds	**47,432,028**	**–**	**47,432,028**
Total undiscounted financial liabilities	**55,263,718**	**–**	**55,263,718**
Total net undiscounted financial liabilities	**(17,532,458)**	**–**	**(17,532,458)**
At 30 June 2024			
Financial assets:			
Other receivables	26,743	–	26,743
Deposits	252,545	–	252,545
Amount due from a subsidiary	28,147,548	–	28,147,548
Cash at banks and fixed deposits	13,410,498	–	13,410,498
Total undiscounted financial assets	41,837,334	–	41,837,334
Financial liabilities:			
Trade and other payables	2,307,830	–	2,307,830
Accrued operating expenses	2,856,228	–	2,856,228
Lease liabilities	135,654	–	135,654
Bank loan	7,043,069	592,758	7,635,827
Non-convertible bonds	–	46,931,665	46,931,665
Total undiscounted financial liabilities	12,342,781	47,524,423	59,867,204
Total net undiscounted financial liabilities	29,494,553	(47,524,423)	(18,029,870)

32 Financial risk management objectives and policies (Cont'd)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from bank borrowings and cash placed with financial institutions.

The interest rates of cash and fixed deposits placed with financial institutions, lease liabilities, and loans and borrowings are disclosed in Notes 6(b), 19, 20 and 24 to the financial statements, respectively.

The Group and Company are not exposed to variable interest rates, as the interest rates are determined and fixed at the inception of the placement of fixed deposits, drawdown of loans and borrowings.

(d) Commodity price risk

Commodities traded by the Group are subject to fluctuations due to a number of factors that result in price risk.

The Group purchases and sells various gold inventories and is exposed to adverse price movements in these commodities. The Group has established policies and exposure limits that restrict the amount of gold inventories in place.

The Group's market risk appetite is determined by the Chief Executive Officer, with detailed exposure limits recommended by the Board of Directors.

At reporting date, if the commodities price index increased/decreased by 2% with all other variables held constant, the Group's profit before tax would have increased/decreased by RMB 1,813,570 (2024 - RMB 1,743,742), arising from the inventory held at reporting date.

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33 Dividends

The Group and The Company	**Year ended 30 June 2025 RMB**	Year ended 30 June 2024 RMB
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend for 30 June 2024 – SGD 1.0 cent (30 June 2023 - SGD 1.0 cent) per share	**10,318,655**	10,263,591
Proposed but not recognised as a liability as at 30 June:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM		
- Final exempt (one-tier) dividend for 2025 - SGD 1.0 cent (2024 - SGD 1.0 cent) per share	**10,783,292**	10,275,608

The difference between the dividend declared at the end of the financial year 2024 and the actual dividend paid in the financial year 2025 was due to translation differences.

34 Fair values of assets and liabilities

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

34 Fair values of assets and liabilities (Cont'd)

Fair value hierarchy (Cont'd)

The Group and the Company have no financial assets and liabilities measured at fair value at 30 June 2025 and 30 June 2024.

Financial instruments that are not carried at fair value and whose carrying amount are reasonable approximation of fair value

The carrying amounts of cash on hand, bank balances and fixed deposits, current trade and other receivables, amount due from a subsidiary, associates, a joint venture and related parties, current trade and other payables, amount due to related parties and current bank loans and borrowings and current lease liabilities based on their notional amounts, reasonably approximate their fair values due to their short-term nature.

The carrying amounts of non-current bank loans and current lease liabilities approximate fair values as their interest rates approximate the market lending rate and they are repriced frequently. For non-current payables and receivables, their fair values are not significantly different from their carrying amount.

35 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2025 and 30 June 2024.

As disclosed in Note 23(c), subsidiaries in PRC are required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiaries for the financial years ended 30 June 2025 and 30 June 2024.

Apart from the above, the Group is not subjected to any externally imposed capital requirements.

36 Events occurring after the reporting period

Below is the list of events occurring after the reporting period as follows:

(i) A Singapore subsidiary, Parkway Utalk Pte. Ltd., wholly owned by Zhongmin Baihui Retail Group Ltd was incorporated on 4 June 2025 with registered capital of SGD 1 million for 10,000,000 number of shares. The capital fund of SGD 1 million was fully paid up in the month of July 2025.

(ii) A China subsidiary, Fujian Baihui Utalk Co., Ltd, wholly owned by Parkway Utalk Pte Ltd, was incorporated on 30 June 2025 with registered capital of RMB 30 million. In the month of July 2025, SGD 1 million (RMB 5.59 million) was injected as paid-up capital.

(iii) In July 2025, the Company purchased a total of 2,700 number of shares at total consideration of RMB 7,900 (SGD 1,404).

(iv) On 1 September 2025, a China subsidiary, Zhongmin Baihui (Fujian) Shopping Centre Co., Ltd, wholly owned by Zhongmin Baihui Retail Group Ltd. filed a reduction in registered share capital from USD 1.7million to USD 0.5million.

Statistics of Shareholdings

As at 17 September 2025

Issue and fully paid-up capital	:	SGD 13,620,000
Number of shares (excluding treasury shares)	:	191,629,400
Number of treasury shares held	:	4,690,600
Class of shares	:	Ordinary
Voting rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	–	–	–	–
100 - 1,000	34	13.60	27,700	0.02
1,001 - 10,000	84	33.60	466,600	0.24
10,001 - 1,000,000	112	44.80	14,982,900	7.82
1,000,001 AND ABOVE	20	8.00	176,152,200	91.92
TOTAL	**250**	**100.00**	**191,629,400**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	LEE SWEE KENG	43,790,700	22.85
2	CHEN KAITONG	41,400,680	21.60
3	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	24,905,100	13.00
4	SU CAIYE	20,690,700	10.80
5	LIM KOK TONG	6,536,088	3.41
6	SU JIANLI	5,309,932	2.77
7	LIM CHIN HIAN	5,000,000	2.61
8	RAFFLES NOMINEES (PTE.) LIMITED	4,654,800	2.43
9	DBS NOMINEES (PRIVATE) LIMITED	3,901,500	2.04
10	LIM CHIN KEONG JASON	3,300,000	1.72
11	LINGCO HOLDINGS PTE LTD	2,500,000	1.30
12	SONG XIBIN	2,191,800	1.14
13	WEE CHOO CHUAN	2,020,000	1.05
14	SEAH CONSTRUCTION PTE LTD	2,000,000	1.04
15	CITIBANK NOMINEES SINGAPORE PTE LTD	1,966,800	1.03
16	LINGCO MARINE PTE LTD	1,500,000	0.78
17	LIM ENG HOCK	1,273,000	0.66
18	CHUA KIAN LIN	1,160,000	0.61
19	SIA LING SING	1,031,100	0.54
20	POH HENG	1,020,000	0.53
	TOTAL	**176,152,200**	**91.91**

Statistics of Shareholdings

As at 17 September 2025

SUBSTANTIAL SHAREHOLDERS
(As recorded in the Register of Substantial Shareholders as at 17 September 2025)

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Lee Swee Keng	43,790,700	22.85	–	–
Chen Kaitong	41,400,680	21.60	–	–
Su Caiye	20,690,700	10.80	–	–
Qingshui Energy Pte Ltd	17,500,000	9.13	–	–

FREE FLOAT

Based on the information available to the Company as at 17 September 2025, approximately 35.55% of the issued ordinary shares of the Company was held by the public. Accordingly, Rule 723 of the Rules of Mainboard has been complied with.

Notice of Annual General Meeting

年度股东大会通告

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Zhongmin Baihui Retail Group Ltd. (the "**Company**") will be convened and held at Grand Mercure Singapore Roxy located at 50 East Coast Road, Roxy Square Singapore 428769 on Thursday, 30 October 2025, at 10:00 a.m., for the purpose of transacting the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the audited financial statements for the financial year ended 30 June 2025 together with the Directors' Statement and Auditor's Report thereon. **(Resolution 1)**

2. To declare a final one-tier tax exempt dividend of 1.0 Singapore cent per ordinary share for the financial year ended 30 June 2025. **(Resolution 2)**

3. To pre-approve the payment of up to S$153,000 (30 June 2025: S$141,000) as Directors' fees for the financial year ended 30 June 2026 to be paid in arrears. **(Resolution 3)**

4. To re-elect the following Directors retiring pursuant to Regulation 104 of the Company's Constitution[1]:

   (a) Mr. Lee Swee Keng; and **(Resolution 4)**

   (b) Mr. Zou Qige. **(Resolution 5)**
   [See Explanatory Notes 1 and 2]

5. To re-appoint Messrs Foo Kon Tan LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. General authority to issue and allot shares

   "That pursuant to Section 161 of the Companies Act 1967 (the "**Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

   (A) (i) allot and issue shares in the capital of the Company (the "**Shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require new Shares to be issued and allotted, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

[1] Pursuant to the amendments of the Companies Act 1967, the Memorandum and Articles of Association of the Company are deemed by law to be merged to form the Constitution of the Company.

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company shall in their absolute discretion deem fit; and

(B) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) allot and issue Shares in pursuance of any Instrument made or granted by the Directors while this authority was in force, provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) and convertible securities to be allotted and issued pursuant to this Resolution shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and convertible securities to be issued other than on a pro-rata basis to the existing shareholders of the Company shall not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as at the time of passing of this Resolution);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares and convertible securities that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company shall be based on the total number of issued Shares (excluding treasury shares) at the time this authority is given, after adjusting for: -

(i) new Shares arising from the conversion or exercise of convertible securities;

(ii) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of passing of the Resolution approving the mandate, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(iii) any subsequent bonus issue, consolidation or sub-division of Shares.

Any adjustments made in accordance with sub-paragraphs (2)(i) and (2)(ii) above shall only be made in respect of new Shares arising from convertible securities and Instruments which were issued and outstanding and/or subsisting at the time of the passing of this Resolution.

(3) in exercising the authority conferred by this Resolution, the Directors shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

(Resolution 7)
[See Explanatory Note 3]

Notice of Annual General Meeting

年度股东大会通告

8. Proposed Share Buyback Mandate

"That:

(A) For the purposes of the Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the issued ordinary shares fully paid in the capital of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) on-market purchases, transacted on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") through the SGX-ST's Central Limit Order Book (CLOB) trading system or through one or more duly licensed stockbrokers appointed by the Company for the purpose ("**Market Purchase**"); and/or

(ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the rules of the SGX-ST Listing Manual ("**Off-Market Purchases**"),

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the SGX-ST Listing Manual as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally ("**Share Buyback Mandate**");

(B) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution and expiring on:

(i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;

(ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Shareholders in a general meeting,

whichever is the earlier;

(C) in this Resolution:

"**Prescribed Limit**" means 10% of the total number of Shares in the Company as at the date of passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which even the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time);

"**Relevant Period**" means the period commencing from the date on which the resolution authorising the Share Buyback Mandate is passed and expiring on the date the next Annual General Meeting is held or required by law to be held, whichever is the earlier, after the date of this Resolution;

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding applicable brokerage, stamp duties, goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase: 105% of the Average Closing Price;

(ii) in the case of an Off-Market Purchase: 120% of the Highest Last Dealt Price,

where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five market days on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase and deemed to be adjusted for any corporate action that occurs after the relevant five market days;

"**Highest Last Dealt Price**" means the higher price transacted for a Share as recorded on the market day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(D) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient, incidental, necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

(Resolution 8)

By Order of the Board

Chia Foon Yeow
Company Secretary
15 October 2025

Notice of Annual General Meeting

年度股东大会通告

Explanatory Notes:

1. Mr. Lee Swee Keng will, upon re-election as a director, remain as Executive Director and Chairman of the Company.

2. Mr. Zou Qige will, upon re-election as a director, remain as Chairman of the Remuneration Committee and a member of the Nominating and Audit Committee. The Board considers Mr. Zou Qige to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

3. Under the Listing Manual of the SGX-ST, a share issue mandate approved by shareholders as an ordinary resolution will enable directors of an issuer to issue an aggregate number of new shares and convertible securities of the issuer of up to fifty per cent (50%) of the issued share capital of the issuer (excluding treasury shares) as at the time of passing of the resolution approving the share issue mandate, of which the aggregate number of new shares and convertibles securities issued other than on a pro-rata basis to existing shareholders must be not more than twenty per cent (20%) of the issued share capital of the issuer (excluding treasury shares).

   The Directors are of the opinion that the proposed share issue mandate will enable the Company to respond faster to business opportunities and to have greater flexibility and scope in negotiating with third parties in potential fundraising exercises or other arrangements or transactions involving the capital of the Company.

   Ordinary Resolution 7, if passed, will empower the Directors from the date of the above Annual General Meeting until the date of the next annual general meeting, to issue and allot Shares and/or Instruments. The aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted) which the Directors may issue and allot under this Resolution, shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares). For issues of Shares and convertible securities other than on a pro-rata basis to all shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury shares). This authority will, unless previously revoked or varied at a general meeting, expire at the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier. However, notwithstanding the cessation of this authority, the Directors are empowered to issue Shares pursuant to any convertible securities issued under this authority.

Notes:

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, a member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote instead of him/her.

2. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

3. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.

4. A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

5. If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.

6. The instrument appointing a proxy must be (i) sent by email to AGM@zhongminbaihui.com.sg in Portable Document Format (PDF) or (ii) deposited at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue Keppel Bay Tower #14-07 Singapore 098632, not less than 48 hours before the time appointed for holding the Meeting.

Submission of Questions prior to the Annual General Meeting

1. A member of the Company may submit questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations no later than 5.30 p.m. on 22 October 2025 by email to AGM@zhongminbaihui.com.sg or by post to the Company's office at 81 Ubi Avenue 4, #03-31, UB.One, Singapore 408830.

2. The Company will upload the responses to the substantial and relevant questions from shareholders on the SGXNET and Company's website by 28 October 2025, 10:00 am.

3. The Company endeavours to address (i) subsequent clarifications sought (ii) follow-up questions or (iii) subsequent substantial and relevant questions which are received after its responses referred to at (b) above, at the Meeting itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Additional Information on Director Proposed to be Appointed as a Director for the First Time and Existing Directors Seeking Re-Election to the Board

Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), we set out below the additional information on Mr. Lee Swee Keng and Mr. Zou Qige, who are seeking re-election as Directors at the forthcoming Annual General Meeting. The information shall be read in conjunction with their respective biographies on page 32 of the Annual Report.

	Mr. Lee Swee Keng	**Mr. Zou Qige**
Date of Appointment	17 September 2004	24 November 2023
Date of last re-appointment	24 November 2023	N.A.
Age	66	48
Country of Principal Residence	Singapore	China
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr. Lee as an Executive Director and Chairman of the Company was recommended by the Nominating Committee (the "NC") and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company. Mr. Lee has abstained from the deliberation of the Board pertaining to his re-election.	The re-election of Mr. Zou as an Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as an Independent Director of the Company. Mr. Zou has abstained from the deliberation of the Board pertaining to his re-election.
Whether appointment is executive, and if so, the area of responsibility	Executive	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Chairman	Independent Non-executive Director, Chairman of the Remuneration Committees, and a Member of the Nominating and Audit Committee
Professional qualifications	Nil	1. Bachelor of Arts (Legal English) from East Chin University of Political Science and Law ("ECUPL") 2. Master of Law from ECUPL
Working experience and occupation(s) during the past 10 years	Please refer to Mr. Lee's biography set out under the section "Board of Directors" of the Annual Report.	Please refer to Mr. Zou's biography set out under the section "Board of Directors" of the Annual Report.

	Mr. Lee Swee Keng	Mr. Zou Qige
Shareholding interest in the Company and its subsidiaries	Please refer to the information disclosed in the Directors' Statement of the Annual Report.	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of its principal subsidiaries	The brother of Mr. Lee's grandmother is the father of the Chief Executive Officer ("CEO"), Mr. Chen Kaitong.	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company	Yes	Yes
OTHER PRINCIPAL COMMITMENTS INCLUDING DIRECTORSHIPS		
Past (for the last 5 years)	Nil	Nil
Present	1. Singapore Hokkien Huay Kuan 2. Ee Hoe Hean Club 3. Lee Bin Hong Pigs Supplier Pte Ltd	1. AllBright Law Offices
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

	Mr. Lee Swee Keng	Mr. Zou Qige
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

	Mr. Lee Swee Keng	Mr. Zou Qige
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

	Mr. Lee Swee Keng	Mr. Zou Qige
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

	Mr. Lee Swee Keng	Mr. Zou Qige
Any prior experience as a director of a company listed on the Exchange?	N.A.	N.A
If yes, please provide details of prior experience.		
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.		
Please provide details of relevant experience and the Nominating Committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).		

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ZHONGMIN BAIHUI RETAIL GROUP LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200411929C)

PROXY FORM
ANNUAL GENERAL MEETING

Important:

1. For investors who have used their SRS monies to buy the Shares, this report is forwarded to them at the request of their SRS Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ______________________________ (Name)

______________________________ (NRIC/Passport No.)

of ______________________________ (Address)

being a member/members of ZHONGMIN BAIHUI RETAIL GROUP LTD. (the "Company") hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

or failing him/her/them, the Chairman of the Annual General Meeting ("AGM"), as my/our proxy/proxies to vote for me/us on my/our behalf, at the AGM of the Company, to be held at Grand Mercure Singapore Roxy located at 50 East Coast Road, Roxy Square, Singapore 428769 on Thursday, 30 October 2025, at 10:00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM.

No.	Resolutions relating to:	For*	Against*	Abstain*
1.	Adoption of Audited Financial Statements, Directors' Statement and Auditor's Report			
2.	To declare a final one-tier tax exempt dividend of 1.0 Singapore cent per ordinary share for the financial year ended 30 June 2025			
3.	Pre-approval of payment of up to S$153,000 (30 June 2025: S$141,000) as Directors' fees for the financial year ended 30 June 2026 to be paid in arrears.			
4.	(a) Re-election of Mr. Lee Swee Keng as a Director (Regulation 104)			
5.	(b) Re-election of Mr. Zou Qige as a Director (Regulation 104)			
6.	Re-appointment of Messrs Foo Kon Tan LLP as Auditors of the Company and to authorise the Directors to fix their remuneration			
7.	Authority to issue and allot shares pursuant to Section 161 of the Companies Act 1967			
8.	Approval of the proposed Share Buyback Mandate			

* Please indicate your vote "For", "Against" or "Abstain" with a tick (✓) within the box provided.

Dated this day of , 2025.

TOTAL NUMBER OF SHARES IN :	
(a) CDP Register	
(b) Register of Members	

____

Signature(s) of Member(s) or
Common Seal of Corporate Member(s) or
Duly Authorised Attorney/Officer of Member(s)

(Please see notes overleaf before completing this form)

Notes

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act 1967 of Singapore (the "**Act**"), a member entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote in his stead.

2. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

3. Where a member appoints more than one proxy, the proportion of the shareholding to be represented by each proxy shall be specified in this proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this proxy form as invalid.

4. A proxy need not be a member of the Company.

5. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this proxy form will be deemed to relate to all the shares held by you.

6. This proxy form must be (i) sent by email to AGM@zhongminbaihui.com.sg in Portable Document Format (PDF) or (ii) deposited at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue Keppel Bay Tower #14-07 Singapore 098632 in either case not less than 48 hours before the time set for the Meeting (i.e. no later than 10:00 am on 28 October 2025).

7. This proxy form must be under the hand of the appointor or of his attorney duly authorised in writing. Where this proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

8. Where this proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this proxy form, failing which this proxy form shall be treated as invalid.

9. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

企业咨讯
Corporate Information

Board of Directors

Lee Swee Keng
Executive Director and Chairman

Chen Kaitong
Executive Director and Chief Executive Officer

Yee Chia Hsing
Lead Independent Director

Zou Qige
Independent Director

Kho Kewee
Independent Director

Company Secretary

Chia Foon Yeow

Registered Office

81 Ubi Avenue 4,
#03-31, UB.One,
Singapore 408830

Share Registrar

Boardroom Corporate & Advisory Services Pte Ltd
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632

Auditors

Foo Kon Tan LLP
1 Raffles Place #04-61/62
One Raffles Place, Tower 2
Singapore 048616

Partner In-charge:

Ong Soo Ann
(Appointed since financial year ended 30 June 2023)

Bankers

Bank of China
Bank of Communications
China Construction Bank Corporation
Fujian Haixia Bank Co Ltd
Agricultural Bank of China
Industrial and Commercial Bank of China
Industrial Bank Co., Ltd.
United Overseas Bank Limited
Xiamen Bank Co., Ltd.

百 汇 购 物　温 馨 倍 至

中闽百汇零售集团有限公司

ZHONGMIN BAIHUI RETAIL GROUP LTD.

81 Ubi Avenue 4, #03-31, UB.One,
Singapore 408830
Tel: (65) 6440 5297 / Fax: (65) 6440 5274
(Company Registration No.: 200411929C)