



IntelliMark AI International Limited

中微智碼(國際)集團有限公司

(formerly known as Luxey International (Holdings) Limited

薈萃國際(控股)有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8041)

Website: <http://www.intellimarkai.com.hk>

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2025

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors collectively and individually accept full responsibility, includes particulars given in compliance with GEM Listing Rules for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

HIGHLIGHTS

- The Group has recorded a total revenue of approximately HK\$49,791,000 for the year ended 30 June 2025, representing approximately 14.95% decrease comparing to the year ended 30 June 2024.
- The Group's gross profit amounted to approximately HK\$7,685,000 for the year ended 30 June 2025.
- The Group has recorded a loss attributable to owners of the Company for the year ended 30 June 2025 of approximately HK\$8,907,000, representing a basic loss per share of HK1.11 cents.
- The Directors do not recommend the payment of any dividend for the year ended 30 June 2025.
- The Group has bank balances and cash of approximately HK\$11,883,000; no short-term and long-term borrowings as at 30 June 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2025

		2025	2024
	Notes	HK\$'000	HK\$'000
Revenue	5	49,791	58,541
Cost of sales and service rendered		<u>(42,106)</u>	<u>(43,619)</u>
Gross profit		7,685	14,922
Other income	6	1,688	2,167
Impairment loss reversed/(recognised) under expected credit losses model, net		193	(1,079)
Impairment loss on property, plant and equipment		(308)	–
Impairment loss on right-of-use assets		(880)	–
Written off of trade and other receivables		(460)	–
Selling expenses		(52)	(70)
Administrative expenses		<u>(16,727)</u>	<u>(16,953)</u>
Loss from operations		(8,861)	(1,013)
Finance costs	7	<u>(42)</u>	<u>(233)</u>
Loss before tax		(8,903)	(1,246)
Income tax expense	8	<u>(3)</u>	<u>(17)</u>
Loss for the year	9	<u>(8,906)</u>	<u>(1,263)</u>
Loss for the year attributable to:			
Owners of the Company		(8,907)	(1,196)
Non-controlling interests		<u>1</u>	<u>(67)</u>
		<u>(8,906)</u>	<u>(1,263)</u>
Loss per share			
Basic and diluted (<i>cents</i>)	11	<u>(1.11)</u>	<u>(0.15)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss for the year	<u>(8,906)</u>	<u>(1,263)</u>
Other comprehensive expense for the year:		
<i>Item that will be reclassified subsequently to profit and loss:</i>		
Exchange differences on translation of foreign operations	<u>(585)</u>	<u>(293)</u>
Total comprehensive expense for the year	<u><u>(9,491)</u></u>	<u><u>(1,556)</u></u>
Total comprehensive expense for the year attributable to:		
Owners of the Company	(9,492)	(1,489)
Non-controlling interests	<u>1</u>	<u>(67)</u>
	<u><u>(9,491)</u></u>	<u><u>(1,556)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		857	976
Right-of-use assets		1,231	633
Interest in an associate		—	—
Total non-current assets		2,088	1,609
CURRENT ASSETS			
Inventories		2,071	2,128
Trade and other receivables	12	30,017	29,052
Loan receivables	13	11,500	11,000
Bank balances and cash		11,883	17,038
Total current assets		55,471	59,218
CURRENT LIABILITIES			
Trade and other payables	14	29,822	25,206
Lease liabilities		1,207	762
Employee benefit obligations		3,396	3,154
Current tax liabilities		482	478
Total current liabilities		34,907	29,600
Net current assets		20,564	29,618
Total assets less current liabilities		22,652	31,227
NON-CURRENT LIABILITY			
Lease liabilities		916	—
NET ASSETS		21,736	31,227
CAPITAL AND RESERVES			
Share capital	15	267,702	269,325
Reserves		(225,987)	(218,118)
Equity attributable to owners of the Company		41,715	51,207
Non-controlling interests		(19,979)	(19,980)
TOTAL EQUITY		21,736	31,227

NOTES

For the year ended 30 June 2025

1. GENERAL INFORMATION

Luxey International (Holdings) Limited (the “Company”) was incorporated in Cayman Islands with limited liability. The address of registered office and principal place of business are set out in “Corporate Information” section. The Company’s shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The head office and principal place of business of the Company is Unit B, 5th Floor, Hang Cheong Factory Building, 1 Wing Ming Street, Cheung Sha Wan, Kowloon, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollar (“HK\$”), which is also the functional currency of the Company and all values are rounded to nearest thousands of units of HK\$ (“HK\$’000”), unless otherwise stated.

The Company is investment holding company. The principal activities of its subsidiaries are manufacturing and trading of swimwear and garment products, E-Commerce and provision of online shopping services and money lending business.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standard issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). These consolidated financial statements also comply with the applicable disclosure requirement by the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) and the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost basis.

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, regardless of whether that price is directly observable or estimated using another valuation technique.

3. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARD

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

In the current year, the Group has applied the following amendments to HKFRS Accounting Standard issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 July 2024 for the preparation of the consolidated financial statements:

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

Impacts on application of Amendments to HKFRS 16 Lease Liability in a Sale and Leaseback

The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements of HKFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require a seller-lessee to determine “lease payments” or “revised lease payments” such that the seller-lessee would not recognise a gain or loss that relates to the right of use retained by the seller-lessee. The amendments also clarify that applying the requirements does not prevent the seller-lessee from recognising in profit or loss any gain or loss relating to subsequent partial or full termination of a lease.

According to the transitional provisions, the Group has applied the new accounting policy retrospectively to the sale and leaseback transactions entered into by the Group as the seller-lessee after the initial application of HKFRS 16. The application of the amendments has no material impact on the Company’s financial position and performance.

Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Noncurrent and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or noncurrent, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity’s own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 Financial Instruments: Presentation.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity’s right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

Impacts on application of Amendments to HKAS 7 and HKFRS 7 Supplier Finance Arrangements

The Group has applied the amendments for the first time in the current year.

The amendments add a disclosure objective to HKAS 7 Statement of Cash Flows stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows.

In addition, HKFRS 7 Financial Instruments: Disclosures was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

In accordance with the transition provision, the entity is not required to disclose comparative information for any reporting periods presented before the beginning of the annual reporting period in the first year of application as well as the information required by HKAS 7:44(b)(ii) and (b)(iii) above as at the beginning of the annual reporting period in which the entity first applies those amendments.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

New and amendments to HKFRS Accounting Standard in issue but not yet effective

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

		Effective for annual periods beginning on or after
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	A date to be determined
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025

The directors anticipate that the application of all new and amendments to HKFRS Accounting Standard in issue but not yet effective will have no material impact on the consolidated financial statements in the foreseeable future.

4. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the executive directors, being the chief operating decision maker (the “CODM”), for the purpose of monitoring segment performance and allocating resources between segments that are used to make strategic decisions.

The Group has three operating segments as follows:

Swimwear and garment	–	Manufacturing and trading of swimwear and garment products
E-Commerce and on-line shopping related	–	E-Commerce and provision of on-line shopping services
Money lending	–	Money lending business

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

The accounting policies of the operating segments are the same as the Group’s accounting policies. Segment profits or losses do not include certain other income and corporate administrative. Segment assets do not include other assets for general administrative use. Segment liabilities do not include other liabilities for general administrative use. This is the measure reported to the Group’s management for the purposes of resource allocation and performance assessment.

	Swimwear and garment <i>HK\$’000</i>	E-Commerce and on-line shopping related <i>HK\$’000</i>	Money lending <i>HK\$’000</i>	Total <i>HK\$’000</i>
Year ended 30 June 2025				
Revenue from external customers	19,989	28,858	944	49,791
Segment (loss)/profit	(3,634)	(2,161)	1,201	(4,594)
Amounts included in the measure of segment (loss)/profit or segment assets				
Bank interest income	8	–	327	335
Finance cost	30	12	–	42
Depreciation of property, plant and equipment	526	15	–	541
Depreciation of right-of-use assets	650	307	–	957
Impairment loss reversed under expected credit losses model, net	15	178	–	193
Impairment loss on property, plant and equipment	192	116	–	308
Impairment loss on right-of-use assets	275	605	–	880
Written off of trade and other receivables	460	–	–	460
As at 30 June 2025				
Segment assets	6,425	28,988	17,838	53,251
Segment liabilities	28,425	4,905	–	33,330

	Swimwear and garment <i>HK\$'000</i>	E-Commerce and on-line shopping related <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 30 June 2024				
Revenue from external customers	32,312	25,092	1,137	58,541
Segment profit/(loss)	4,178	(1,703)	245	2,720
<i>Amounts included in the measure of segment profit/(loss) or segment assets</i>				
Bank interest income	8	–	306	314
Finance cost	200	33	–	233
Depreciation of property, plant and equipment	699	–	–	699
Depreciation of right-of-use assets	677	306	–	983
Impairment loss reversed/(recognised) under expected credit losses model, net	157	(112)	(1,124)	(1,079)
As at 30 June 2024				
Segment assets	7,253	28,856	23,015	59,124
Segment liabilities	<u>26,681</u>	<u>1,094</u>	<u>3</u>	<u>27,778</u>

Reconciliations of segment profit or loss:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Total profit or loss of reportable segments	(4,594)	2,720
Unallocated items:		
Other income	2	3
Administrative expenses	<u>(4,311)</u>	<u>(3,969)</u>
Consolidated loss before tax	<u>(8,903)</u>	<u>(1,246)</u>

Reconciliations of segment assets and liabilities:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Assets		
Total assets of reportable segments	53,251	59,124
Interest in an associate	–	–
Unallocated corporate assets	4,308	1,703
	<u> </u>	<u> </u>
Consolidated total assets	<u>57,559</u>	<u>60,827</u>
Liabilities		
Total liabilities of reportable segments	33,330	27,778
Unallocated corporate liabilities	2,493	1,822
	<u> </u>	<u> </u>
Consolidated total liabilities	<u>35,823</u>	<u>29,600</u>

Geographical information:

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

	Revenue		Non-current assets	
	2025	2024	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong (place of domicile)	3,175	6,944	2,111	533
The PRC (exclude Hong Kong and Macau)	26,992	19,730	1,166	1,076
United States of America	3,007	–	–	–
The United Kingdom of Great Britain and Northern Ireland	14,870	26,019	–	–
The Netherlands	1,052	4,042	–	–
Italy	–	1,533	–	–
France	43	–	–	–
Israel	652	273	–	–
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>49,791</u>	<u>58,541</u>	<u>3,277</u>	<u>1,609</u>

Revenue from major customers:

	2025 HK\$'000	2024 <i>HK\$'000</i>
Swimwear and garment segment		
Customer A	14,870	26,019
E-Commerce and on-line shopping related segment		
Customer B	<u>26,647</u>	<u>19,730</u>

Except for disclosed above, no other customers contributed 10% or more to the Group's revenue for both years.

5. REVENUE

	2025 HK\$'000	2024 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15:		
Sales of swimwear and garment products	19,989	32,312
Sales of commodities	<u>28,858</u>	<u>25,092</u>
Revenue from contracts with customers recognised at a point in time	48,847	57,404
Revenue from other sources:		
Interest income from money lending business	<u>944</u>	<u>1,137</u>
	<u>49,791</u>	<u>58,541</u>

Transaction allocated to the remaining performance obligation for contracts with customers

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its sales contract for goods that the Group does not disclose information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the sales contract for goods that had an original expected duration of one year or less.

6. OTHER INCOME

	2025 HK\$'000	2024 HK\$'000
Bank interest income	337	317
Government grants (<i>note</i>)	903	1,302
Sundry income	43	1
Sale of scrap material	26	33
Net foreign exchange gains	379	514
	<u>1,688</u>	<u>2,167</u>

Note:

Government grants were received as refund of value-added tax and export duty. There were no unfulfilled conditions or contingencies relating to these government grants.

7. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on lease liabilities	<u>42</u>	<u>233</u>

8. INCOME TAX EXPENSE

	2025 HK\$'000	2024 HK\$'000
Current tax:		
– PRC Enterprise Income Tax	2	17
– Hong Kong Profit Tax	<u>1</u>	<u>–</u>
	<u>3</u>	<u>17</u>

Under the two-tiered profits tax rates regime of the Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million are taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5%.

The directors considered the amount involved upon implementation of the two-tiered profits tax rates regime of the Hong Kong Profits Tax as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

According to the EIT Law and the Implementation Regulation of the EIT Law of the PRC, an entity eligible as a Small Low-profit Enterprise is subject to preferential tax treatments. From 1 January 2021 to 31 December 2021, the annual taxable income not more than RMB1,000,000 of a Small Low-profit Enterprise is subject to Enterprise Income Tax (“EIT”) calculated at 12.5% of its taxable income at a tax rate of 20%. From 1 January 2022 to 31 December 2022, the annual taxable income not more than RMB1,000,000 of a Small Low-profit Enterprise is subject to EIT calculated at 12.5% of its taxable income at a tax rate of 20% and the annual taxable income between RMB1,000,000 and RMB3,000,000 is calculated at 25% of its taxable income at a tax rate of 20%. From 1 January 2023 to 31 December 2024, the annual taxable income not more than RMB3,000,000 of a Small Low-profit Enterprise is subject to EIT calculated at 25% of its taxable income at a tax rate of 20%.

9. LOSS FOR THE YEAR

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

	2025 HK\$’000	2024 HK\$’000
Auditor’s remuneration for audit services		
– audit services	466	538
– other services	52	–
Cost of inventories sold (including in cost of sales and service rendered)	33,313	32,432
Depreciation of property, plant and equipment	557	699
Depreciation of right-of-use assets	957	983
Expenses related to short-term leases	442	49
Impairment losses (reversed)/recognised under expected credit losses model:		
– trade receivables	(193)	(45)
– loan receivables	–	1,124
Impairment loss on property, plant and equipment	308	–
Impairment loss on right-of-use assets	880	–
Written off of trade and other receivables	460	–
Net foreign exchange gains	(379)	(514)

10. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 30 June 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

11. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK\$8,907,000 (2024: HK\$1,196,000) and the weighted average number of ordinary shares of 801,683,560 (2024: 799,206,025) in issue for the year ended 30 June 2025.

Diluted loss per share

The exercise of the Group’s outstanding convertible non-voting preference shares would be anti-dilutive for both years. Diluted loss per share was the same as the basic loss per share for both years.

12. TRADE AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables from contracts with customers	36,751	40,394
Less: allowance for credit losses	(7,872)	(12,578)
Trade receivables, net of allowance for credit losses	28,879	27,816
Prepayment and deposits	1,059	1,091
Other receivables	79	145
	<u>30,017</u>	<u>29,052</u>

The Group primarily sells to its customers on credit, with standard terms of up to 180 days. Each customer is assigned a credit limit, which is strictly monitored. While new customers are generally required to pay in advance, the directors regularly review overdue receivables to maintain strict control over outstanding balances.

The aging analysis of trade receivables, based on earlier of the invoice date or revenue recognition date, and net of allowance for credit losses, is as follows:

	2025 HK\$'000	2024 HK\$'000
0 – 30 days	2,508	4,507
31 – 90 days	2,697	4,626
91 – 180 days	5,718	5,097
Over 180 days	17,956	13,586
	<u>28,879</u>	<u>27,816</u>

Trade receivables with carrying amounts of approximately HK\$17,956,000 (2024: HK\$13,586,000) (net of allowance for credit losses) were past due at the end of the reporting period. As at 30 June 2025, trade receivables with the gross carrying amounts of approximately HK\$13,485,000 (2024: HK\$16,778,000) were past due more than 90 days and among those amounts, approximately HK\$8,421,000 (2024: approximately HK\$12,497,000) were impaired. The Group does not hold any collateral over these balances.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
HK\$	29,170	25,874
United States dollar ("USD")	657	129
Euro	–	2,506
Renminbi ("RMB")	190	543
Total	<u>30,017</u>	<u>29,052</u>

13. LOAN RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Fixed rate secured loan receivables within 1 year	12,624	12,124
Less: allowance for credit losses	(1,124)	(1,124)
	<u>11,500</u>	<u>11,000</u>

The interest rate was ranging from 6.0% to 12.0% as at 30 June 2025 (2024: ranging from 6.0% to 10.0%).

The Group seeks to maintain strict control over its outstanding loans receivable to minimise credit risk. Overdue balances are reviewed regularly by the management.

As at 30 June 2025 and 2024, all of loan receivables were pledged by properties owned by the borrowers as collaterals (the “pledged properties”).

During the year ended 30 June 2024, the Group took possession of one of the pledged properties in order to recover the outstanding receivables balance of approximately HK\$3,500,000. The Group has put up such properties for sale with a net consideration of approximately HK\$2,376,000. Legal actions have been initiated for the remaining outstanding loan balance of approximately HK\$1,124,000 after the disposal of pledged properties and the remaining balance was classified as lifetime ECL (credit-impaired) and full provision was made.

All loan receivables are denominated in HK\$.

14. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	4,875	1,677
Amount due to a substantial shareholder (<i>note</i>)	100	100
Contract liabilities	705	591
Accruals and other payables	24,142	22,838
	<u>29,822</u>	<u>25,206</u>

Note: The amount is unsecured, interest-free and repayable on demand.

Accruals and other payables mainly comprised of accrued staff costs and accrued rental expenses approximately HK\$15,260,000 (2024: HK\$14,802,000) and HK\$6,179,000 (2024: HK\$6,179,000), respectively.

Contract liabilities represented advance payments received from customers for sales of goods pursuant to the respective sales contracts before the control of the products are passed to the customers.

The Group classifies these contract liabilities as current because the Group expects these balances to be settled in its normal operating cycle which is within 12 months after the end of the reporting period. Revenue of approximately HK\$591,000 (2024: HK\$657,000) of the Group were recognised for the year ended 30 June 2025 that were included in the contract liabilities at the beginning of the reporting period.

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

	2025 HK\$'000	2024 HK\$'000
0 – 30 days	870	949
31 – 90 days	3,294	17
91 – 180 days	–	–
Over 180 days	711	711
	<u>4,875</u>	<u>1,677</u>

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
HK\$	7,933	3,707
RMB	15,726	15,336
USD	6,163	6,163
Total	<u>29,822</u>	<u>25,206</u>

15. SHARE CAPITAL

	2025 HK\$'000	2024 HK\$'000
Authorised:		
7,000,000,000 ordinary shares of HK\$0.1 each	700,000	700,000
2,000,000,000 convertible non-voting preference shares of HK\$0.15 each	300,000	300,000
312,500,000 series B convertible non-voting preference Shares of HK\$0.16 each	50,000	50,000
	<u>1,050,000</u>	<u>1,050,000</u>
Issued and fully paid:		
810,535,615 (2024: 801,535,615) ordinary shares of HK\$0.1 each	81,054	80,154
1,083,333,333 (2024: 1,083,333,333) convertible non-voting preference shares of HK\$0.15 each	162,500	162,500
150,926,643 (2024: 166,693,518) series B convertible non-voting preference shares of HK\$0.16 each	24,148	26,671
	<u>267,702</u>	<u>269,325</u>

A summary of the movements in the authorised and issued share capital of the Company during the years ended 30 June 2025 and 2024 is as follow:

		Number of convertible non-voting preference shares '000	Number of series B convertible non-voting preference shares '000	Amount HK\$'000
	Note	Number of ordinary shares '000		
Authorised:				
As at 1 July 2023, as at 30 June 2024, as at 1 July 2024 and as at 30 June 2025		<u>7,000,000</u>	<u>2,000,000</u>	<u>312,500</u> <u>1,050,000</u>
Issued and fully paid:				
As at 1 July 2023		792,745	1,083,333	182,093 270,910
Conversion of series B convertible non-voting preference shares	(a)	<u>8,790</u>	<u>–</u>	<u>(15,399)</u> <u>(1,585)</u>
As at 30 June 2024 and 1 July 2024		801,535	1,083,333	166,694 269,325
Conversion of series B convertible non-voting preference shares	(b)	<u>9,000</u>	<u>–</u>	<u>(15,767)</u> <u>(1,623)</u>
As at 30 June 2025		<u>810,535</u>	<u>1,083,333</u>	<u>150,927</u> <u>267,702</u>

Note:

- (a) On 5 October 2023, a total of 8,790,000 ordinary shares of HK\$0.1 each were issued as a result of the conversion of 15,398,982 series B convertible non-voting preference shares of HK\$0.16 each.
- (b) On 25 June 2025, a total of 9,000,000 ordinary shares of HK\$0.1 each were issued as a result of the conversion of 15,766,875 series B convertible non-voting preference shares of HK\$0.16 each.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

For the year ended 30 June 2025 (the “Year”), loss attributable to owners of the Company was approximately HK\$8,907,000. Comparing to loss attributable to owners of the Company for year ended 30 June 2024 of approximately HK\$1,196,000, the increase in loss attributable to the owners of the Company was mainly attributable to (i) decrease in gross profit to approximately HK\$7,685,000 (2024: HK\$14,922,000); (ii) decrease in other income to approximately HK\$1,688,000 (2024: HK\$2,167,000); and (iii) increase in written off of trade and other receivables to HK\$460,000 (2024: Nil); partially set off by impairment losses reversed under expected credit losses model approximately HK\$193,000 (2024: impairment losses HK\$1,079,000).

Revenue and Gross Profit

For the Year, the Group’s total revenue and gross profit were approximately HK\$49,791,000 and HK\$7,685,000 respectively, as comparing to approximately HK\$58,541,000 and HK\$14,922,000 respectively for the year ended 30 June 2024.

Details of the decrease in total revenue and decrease in gross profit are discussed below:

Manufacturing and trading of high-end swimwear and garment products (“Swimwear and garment segment”)

The revenue generated from Swimwear and garment segment for the Year was approximately HK\$19,989,000 (2024: HK\$32,312,000). Gross profit for the Year was approximately HK\$5,949,000 (2024: HK\$12,992,000). Gross profit ratio for the Year was 29.76% (2024: 40.20%). Decrease in gross profit for the Year was mainly due to decrease in higher profit margin order for swimwear and garment segment, as compared with the corresponding period in 2024. The decrease in revenue was mainly due to the substantial reduction of orders from our largest customer who had been undergoing inventory management during the year. The Company believes that such reduction would be temporary and has been making arrangements with this customer to normalize the level of orders in the coming year.

E-commerce and on-line shopping related services (“E-Commerce and on-line shopping related segment”)

The E-commerce and on-line shopping related segment mainly represents (i) buying, refurbishing and selling second hand mobile phones through online platforms, trading of cameras and electronic parts and (ii) acting as agents (“Agency Services”) for suppliers in arranging and providing value added services on facilitating the sale of second hand mobile phones to buyers through online shopping platforms. The revenue generated from E-Commerce and on-line shopping related segment for the Year was approximately HK\$28,858,000 (2024: HK\$25,092,000). Gross profit for the Year was approximately HK\$792,000 (2024: HK\$793,000). Gross profit ratio for the Year was 2.74% (2024: 3.16%). The decrease in gross profit was mainly due to higher purchase costs as a result of the competitive market.

Money lending business (“Money lending segment”)

The revenue generated from Money lending segment for the Year was approximately HK\$944,000 (2024: HK\$1,137,000). Gross profit for the Year was approximately HK\$944,000 (2024: HK\$1,137,000). Gross profit ratio for the Year was 100% (2024: 100%).

OPERATIONS

During the Year, the Group maintained an effective cost measures in controlling the cost structure of its operations. Besides, the Group will be extremely prudent in the expansion of its operations in an organic manner. We also believe that it is of the Group’s best interest to explore different sources of income while still maintains an effective and efficient overhead structure for our supporting departments in each of the business segments under operation.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2025, the Group had total assets of approximately HK\$57,559,000 (2024: HK\$60,827,000). As at 30 June 2025, the Group had bank balances and cash of approximately HK\$11,883,000 (2024: HK\$17,038,000). The Group has a current ratio of approximately 1.59 comparing to that of 2.00 as at 30 June 2024. As at 30 June 2025, the Group’s gearing ratio of 110% (2024: 40%) was calculated as net debts divided by total equity. Net debts is calculated as total liabilities (including current and non-current liabilities as shown in the consolidated statement of financial position) less cash and cash equivalents. Total equity represents the equity as shown in the consolidated statement of financial position.

KEY RISKS AND UNCERTAINTIES

Our Group's financial condition, results of operations and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to our Group's businesses. The following are the key risks and uncertainties identified by our Group. There may be other risks and uncertainties in addition to those shown below which are not known to our Group or which may not be material now but could be material in the future:

1. Reliance on a small number of key suppliers

The Group's five largest suppliers, which accounted for 77% (2024: 88%) of the Group's total purchases, There is no assurance that these major suppliers shall continue to provide the goods to us at price acceptable to our Group. In the event that our Group were unable to retain these suppliers, or procure replacement suppliers, our business, results of operations, profitability and liquidity might be adversely affected. However, the Group has established strong business relationship with these major suppliers.

2. Reliance on a small number of key customers

The Group's five largest customers, which accounted for 94% (2024: 77%) of the Group's total revenue. There is no assurance that major customers will continue to conduct business with us. In the event that major customers materially reduce their purchase orders with the Group or cease to conduct business with the Group and the Group fails to obtain a comparable level of purchase orders from new customers, the Group's business, result of operations and financial condition may be adversely affected. Customer satisfaction with our products has a profound effects on our profitability. To provide good quality services to our customers, our Group is in constant communication with our customers and potential customers to uncover and create customer needs and help customers make informed decision.

3. Foreign exchange rate risk

The Group business transactions, assets and liabilities are mainly denominated in Hong Kong dollars, Renminbi and United States dollars, of which the Group's exposure to foreign exchange risk is considered as limited. During the Year, the Group did not carry out any hedging activity against foreign currency risk. Any substantial exchange rate fluctuation of foreign currencies against Renminbi may have a financial impact on the Group. The Group will continue to monitor its foreign exchange position and, if necessary, utilise hedging tools, if available, to manage its foreign currency exposure.

4. Investment risk

Investment risk can be defined as the likelihood of occurrence of losses relative to the expected return on any particular investment. Key concern of investment framework will be balancing risk and return across different investments, and thus risk assessment is a core aspect of the investment decision process. Proper authorisation system has been set up and detailed analysis will be made before approving investments. Regular updates on the progress of the investments of our Group would be submitted to the Board of Directors.

As at 30 June 2025, issued and fully paid share capital of the Company included (a) 810,535,615 (2024: 801,535,615) ordinary shares of HK\$0.10 each; (b) 1,083,333,333 convertible non-voting preference shares (“CPS”) (2024: 1,083,333,333) of HK\$0.15 each; and (c) 150,926,643 (2024: 166,693,518) series B convertible non-voting preference shares (“Series B CPS”) of HK\$0.16 each. Pursuant to the terms of the CPS and Series B CPS, the conversion prices of the outstanding CPS and Series B CPS were adjusted from HK\$1.2 and HK\$0.3 per share to HK\$1.121 and HK\$0.2803 per share respectively as a result of the rights issue. The said adjustment took effect on 19 August 2020, being the day next following the Record Date.

HEDGING POLICY

The Group does not have any material exposure to fluctuations in exchange or interest rates. Therefore, no hedging measures have been taken at present.

CREDIT POLICY

The credit terms given to customers are generally based on the financial strengths of individual customers. The maximum credit term granted to customers are up to 180 days.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group had 88 full time employees compared with that of 95 in the previous financial year. The employee benefits expenses were approximately HK\$14,530,000 (2024: HK\$13,367,000). The Group offers a comprehensive remuneration package and benefits to its full time employees in compliance with the regulations in Hong Kong and the PRC respectively, including medical scheme, provident fund or retirement fund. In addition, the Group adopts a share option scheme for eligible employees (including Directors) and consultants to provide incentives to participants for their contributions and continuing efforts to promote the interests of the Group.

CONTINGENT LIABILITIES

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

CHARGE ON ASSETS

As at 30 June 2025, the Group did not have any material charge on assets (2024: Nil).

PROSPECT

We expect that the Group's manufacturing and trading of swimwear and garment products segment will remain robust and the Group would regain its fair share of orders from its largest customer in the coming year. The Group will continue to adopt costs cutting measures and is well position to capture the business opportunities from the market recovery. The Company is committed to maintaining this segment as the Group's principal business. The Company will continue to deepen its relationships with existing customers and will seek new business opportunities with new customers including domestic customers in China.

For the E-commerce and on-line shopping related segment, the purchase costs remained at a higher level due to the increasingly competitive market. There was also lower demand for high quality mobile phones. The Group will closely monitor the market challenges and to maintain this segment in healthy operation.

For the money leading business, the Group will continue to maintain and develop the business and to allocate sufficient resources to meet business demands.

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

There are no purchase, sale or redemption of the Company's listed securities by the Group during the Year.

COMPETING INTERESTS

The Directors are not aware of, as at 30 June 2025, any business or interest of each Director, substantial shareholder and management shareholders (as defined in the GEM Listing Rules) and their respective associates that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

AUDIT COMMITTEE

The audit committee has reviewed the Group's audited results for the year.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintain high standards of corporate governance for the Company. During the year, the Company is in compliance with the Corporate Governance Code (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules.

AUDITOR

The consolidated financial statements for the Year have been audited by Elite Partners CPA Limited. A resolution will be submitted to the Annual General Meeting to re-appoint Elite Partners CPA Limited as auditor of the Company.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors of the Company have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company throughout the Year.

PRELIMINARY ANNOUNCEMENT OF THE RESULTS AGREED BY AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group's auditor, Elite Partners CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by Elite Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Elite Partners CPA Limited on the preliminary announcement.

PUBLICATION ON ANNUAL RESULTS AND ANNUAL REPORT

This results announcement of the Group for the Year is available for viewing on the website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.intelliMarkAI.com.hk. The annual report will be despatched to the shareholders of the Company and will also be available for viewing at the aforesaid websites in due course.

By Order of the Board of
IntelliMark AI International Limited
Zhang Weihong
Chairman

Hong Kong, 29 September 2025

As at the date of this announcement, the Board comprises three (3) Executive Directors, namely, Mr. Zhang Weihong, Mr. Lau Chun Fat, George and Ms. Chan Hiu Kwan, and three (3) independent non-executive Directors, namely Dr. Lee Chung Mong, John, Mr. Tam Wing Kin and Mr. Fang Xiaolong.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for 7 days from the date of its posting and on the website of the Company.